

ORIGINAL SIGNATURES

ILLINOIS HEALTH FACILITIES PLANNING BOARD APPLICATION FOR EXEMPTION

E-023-13

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION (IDEN)

This section must be completed for all proposed projects or transactions (except proposed changes of ownership) requesting an exemption from review and from the requirements of obtaining a certificate of need permit.

RECEIVED

OCT 18 2013

HEALTH FACILITIES & SERVICES REVIEW BOARD

A. Proposed Type of Project or Transaction

Check the applicable box that describes the proposed project or transaction.

- Acquisition of Major Medical Equipment
Establishment or Expansion of Neonatal Intensive Care Service and Beds
Combined Facility Licensure
Temporary Use of Beds for Demonstration Programs
Addition of Dialysis Stations to an Existing Facility

B. Applicant Identification (Refer to Part 1130.220 regarding necessary parties to an application for exemption. If there are co-applicants, provide the following information for each co-applicant and insert after this page)

Exact Legal Name Mercy Hospital & Medical Center
Address 2525 S Michigan Ave Chicago, IL 60616

Name of Registered Agent

Type of Ownership: X Non-profit Corporation For-profit Corporation Limited Liability Company
Partnership Governmental Sole Proprietorship Other(specify)

Corporations and limited liability companies must provide an Illinois certificate of good standing; partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

Co Applicant Identification (Refer to Part 1130.220 regarding necessary parties to an application for exemption. If there are co-applicants, provide the following information for each co-applicant and insert after this page)

Exact Legal Name Trinity Health Corporation
Address 20555 Victor Parkway, Livonia, MI 48152-7018

Name of Registered Agent

Type of Ownership: X Non-profit Corporation For-profit Corporation Limited Liability Company
Partnership Governmental Sole Proprietorship Other(specify)

Corporations and limited liability companies must provide an Illinois certificate of good standing; partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT IDEN-1 AFTER THE LAST PAGE OF THIS SECTION.

C. Facility Identification

Does the proposed transaction involve one or more existing licensed or certified health care facility(ies) subject to the Health Facilities Planning Act? X Yes No.

If no is checked, skip to item D. If yes is checked, provide the following information, then skip to item E. If more than one facility is involved in the transaction or project, provide this information for each facility and insert after this page, then skip to item E.

Facility Name Mercy Hospital and Medical Center  
 Street Address 2525 S Michigan Ave. City Chicago  
 County Cook Zip 60616 Illinois State Representative District: 5

Type of Ownership:  Non-profit Corporation  For-profit Corporation  Limited Liability Company  
 Partnership  Governmental  Sole Proprietorship  Other(specify)

**D. Project Identification**

For proposed transactions (such as the acquisition of major medical equipment by a clinic) that do NOT involve a licensed or certified health care facility that is subject to the Planning Act, complete the following:

Project Name \_\_\_\_\_  
 Street Address \_\_\_\_\_ City \_\_\_\_\_  
 County \_\_\_\_\_ Zip \_\_\_\_\_ Illinois State Representative District \_\_\_\_\_

**E. Primary Contact Person** (person who is to receive correspondence or inquiries)

Name Rick Cerceo Title Chief Operating Officer  
 Address 2525 S Michigan Ave, Chicago, IL 60616  
 Telephone No. (312) 567 2000

**F. Additional Contact Person** (person such as consultant, attorney, financial representative, registered agent, etc. who also is authorized to discuss application and act on behalf of the applicant)

Name Jeffrey Mark Title Consultant  
 Address 1182 S Plymouth Ct., 1SW, Chicago, IL 60605  
 Telephone No. (312) 804-9401

**G. Flood Plain Requirements**

Does the proposed project or transaction involve construction of a new building or an addition to an existing building?  Yes  No. If yes is checked, provide documentation from the Department of Transportation with respect to compliance with the Flood Plain requirements of Executive Order #4, 1979 (refer to instructions).

**APPEND DOCUMENTATION AS ATTACHMENT IDEN-2 AFTER THE LAST PAGE OF THIS SECTION.**

**H. Historic Resources Preservation Act Requirements**

Does the proposed project or transaction involve demolition of existing buildings, construction of new buildings, or modernization of existing buildings?  Yes  No. If yes is checked, provide a letter from the Illinois Historic Preservation Agency or documentation regarding compliance with the requirements of the Historic Resources Preservation Act (refer to instructions).

**APPEND DOCUMENTATION AS ATTACHMENT IDEN-3 AFTER THE LAST PAGE OF THIS SECTION.**

**I. Project Status and Completion Schedules**

1. Anticipated transaction or project obligation date (refer to Part 1130.140)  
 Project obligation will occur upon approval of this application.

NOTE: The transaction or project is not to be obligated or occur prior to approval of the application for exemption. Projects or transactions that have been obligated without approval are in violation of the Planning Act and may be subject to the imposition of sanctions by the Health Facilities Planning Board.

2. Anticipated transaction or project completion date (refer to Part 1130.140)  
Our first patient will be treated, that is the project will be completed no later than December 31, 2014.
3. Indicate the following with respect to any expenditures or to obligation (refer to Part 1130.140):
  - Purchase orders, leases, or contracts pertaining to the transaction or project have been executed;
  - Obligation or completion is contingent upon approval of the exemption application;
  - Obligation or completion will occur after approval of the exemption application.

**J. Project Cost and Sources of Funds**

Complete the following table listing all costs associated with the project or transaction. Projects for major medical equipment must include the value of all necessary activities to acquire the equipment and to make the equipment operational including the cost or fair market value of the space in which the equipment is to be located.

<b>USE AND SOURCE OF FUNDS</b>	
<b>Use of Funds:</b> There are no capitalized costs associated with this project	
Preplanning Costs	
Site Survey and Soil Investigation	
Site Preparation	
Off Site Work	
New Construction Contracts	
Modernization Contracts	
Contingencies	
Architectural/Engineering Fees	
Consulting and Other Fees	
Movable or Other Equipment (not in construction contracts)	
Bond Issuance Expense (project related)	
Net Interest Expense During Construction (project related)	
Other Costs To Be Capitalized	
Acquisition of Building or Other Property (excluding land)	
<b>ESTIMATED TOTAL USE OF FUNDS</b>	<b>\$0.00</b>
<b>Source of Funds:</b> There are no capitalized costs associated with this project	
Cash and Securities	
Pledges	
Gifts and Bequests	
Bond Issues (project related)	
Mortgages	
Leases	
Government Appropriations	
Grants	
Other Funds and Sources	
<b>ESTIMATED TOTAL SOURCE OF FUNDS</b>	<b>\$0.00</b>

Note: When a project or any component of a project is to be accomplished by lease, donation, gift, or similar means, the fair market or dollar value of the component must be included in the estimated project costs. Indicate **FMV** in front of the line item amount whenever the costs represent fair market value. Refer to 77 IAC 1190.40(b) to determine fair market value.

**K. 1 Certification: Mercy Hospital & Medical Center**

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are in the case of a corporation, any two of its officers or members of its board of directors; in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist); in the case of a partnership, two of its general partners (or the sole general partner when two or more general partners do not exist); in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and in the case of a sole proprietor, the individual that is the proprietor. The signature(s) must be notarized. If the application has co-applicants, a separate certification page must be completed for each co-applicant and inserted following this page. One copy of the application must have the ORIGINAL signatures for all persons that sign for the applicant or for the co-applicants.

This Application for Exemption is filed on behalf of Mercy Hospital & Medical Center\* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for exemption on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the exemption application fee required for this application is sent herewith or will be paid upon request.

[Signature]  
Signature

Printed Name Carol Schneider

Printed Title President/CEO

[Signature]  
Signature

Printed Name Richard CERCEO

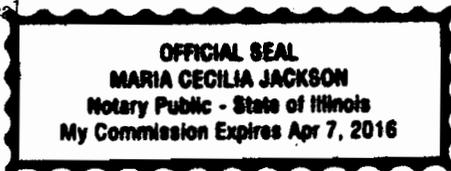
Printed Title COO

Notarization:

Subscribed and sworn to before me this 18<sup>th</sup> day of September

[Signature]  
Signature of Notary

Seal

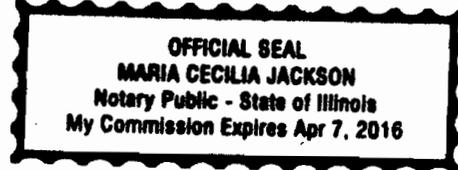


Notarization:

Subscribed and sworn to before me this 18<sup>th</sup> day of September

[Signature]  
Signature of Notary

Seal



\*Insert EXACT legal name of the applicant

**K.2 Certification: Trinity Health Corporation**

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are in the case of a corporation, any two of its officers or members of its board of directors; in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist); in the case of a partnership, two of its general partners (or the sole general partner when two or more general partners do not exist); in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and in the case of a sole proprietor, the individual that is the proprietor. The signature(s) must be notarized. If the application has co-applicants, a separate certification page must be completed for each co-applicant and inserted following this page. One copy of the application must have the ORIGINAL signatures for all persons that sign for the applicant or for the co-applicants.

**This Application for Exemption is filed on behalf of Mercy Hospital & Medical Center \* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for exemption on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the exemption application fee required for this application is sent herewith or will be paid upon request.**

Judith Persichilli  
Signature

Printed Name JUDITH PERSICILLI

Printed Title C.E.O.

Paul G. Neumann  
Signature

Printed Name PAUL G. NEUMANN

Printed Title SECRETARY

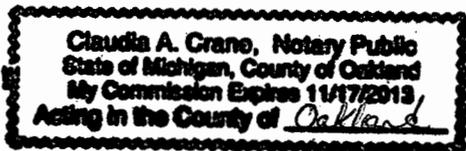
Notarization:

Subscribed and sworn to before me  
this 9<sup>th</sup> day of September

Claudia A. Crane  
Signature of Notary

Seal

\*Insert EXACT legal name of the applicant



Notarization:

Subscribed and sworn to before me  
this 4 day of September

M. W. Keating  
Signature of Notary

Seal



File Number 0114-154-6



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

MERCY HOSPITAL AND MEDICAL CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JUNE 21, 1852, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1317701650  
Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 26TH day of JUNE A.D. 2013 .

Jesse White

SECRETARY OF STATE

File Number 6775-210-4



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

TRINITY HEALTH CORPORATION, INCORPORATED IN INDIANA AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON MARCH 02, 2011, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO CONDUCT AFFAIRS IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 26TH day of JUNE A.D. 2013 .

Jesse White

Authentication #: 1317701544  
Authenticate at: <http://www.cyberdriveillinois.com>

SECRETARY OF STATE

**J. Flood Plain Requirements**

NOT APPLICABLE

**K. Historic Resources Preservation Act Requirements**

NOT APPLICABLE

**SECTION III. PROJECTS FOR THE ESTABLISHMENT OR EXPANSION OF  
NEONATAL INTENSIVE CARE SERVICE AND BEDS (NICU)**

**A. PROJECT DESCRIPTION**

Provide a narrative description of the proposed transaction.

**APPEND DOCUMENTATION AS ATTACHMENT NICU-1 AFTER THE LAST PAGE OF THIS SECTION.**

**B. BEDS AND SERVICES**

Provide a list that identifies the location of the neonatal intensive care unit and the number of neonatal intensive care beds proposed. In this list, also include the number of beds and services for each category of service offered at the facility. The services and number of beds **MUST** be consistent with the data contained in the Inventory of Health Care Facilities, Services and Need Determinations.

**APPEND DOCUMENTATION AS ATTACHMENT NICU -2 AFTER THE LAST PAGE OF THIS SECTION.**

**C. REGIONALIZED PERINATAL ADVISORY COMMITTEE REQUIREMENT**

Provide a copy of the letter from the Regionalized Perinatal Advisory Committee which documents that the committee supports the proposed project.

**APPEND DOCUMENTATION AS ATTACHMENT NICU – 3 AFTER THE LAST PAGE OF THIS SECTION.**

**D. CERTIFICATIONS**

Provide a notarized statement signed by an authorized representative of the applicant entity that attests to the following:

1. That a final cost report will be submitted to the Agency no later than 60 days following the anticipated project completion date; and
2. That failure to comply with the material change and completion requirements of this Section will invalidate the exemption.

**APPEND DOCUMENTATION AS ATTACHMENT NICU – 4 AFTER THE LAST PAGE OF THIS SECTION.**

- E. APPLICATION PROCESSING FEE.** The exemption processing fee is the greater of \$1,000 or .1% of the total estimated project cost with a maximum application processing fee of \$20,000 for projects with \$20,000,000 or more estimated project cost. A check or money order in this amount payable to the **Illinois Department of Public Health** must accompany the application.

**PROJECT DESCRIPTION**

**ESTABLISHMENT OF NICU CATEGORY OF SERVICE**

This application is for the establishment of a Neonatal Intensive Care (NICU) category of service at Mercy Hospital & Medical Center in Chicago. Mercy was established in 1852 as the first chartered hospital in the City of Chicago. It was established by the Sisters of Mercy to provide care to the poor and those patients most in need. This mission has continued for 161 years.

Mercy Hospital is located in the south side of Chicago. We are a Disproportionate Share Hospital that serves a patient base of over 75% Medicaid and Medicare. In 2012 Mercy Hospital & Medical Center merged with Trinity Health Corporation. This merger has helped to preserve and strengthen Mercy's mission of serving patients in need. The establishment of NICU services will assist Mercy in the expansion and continuance of its mission.

For more than fifteen years Mercy has operated as a designated Level II nursery with Extended Capabilities (Level II+). We are part of the University of Chicago Regional Perinatal Network. This project will provide our population with more direct and timely care for these very sick babies and high risk pregnancies. We are in the process of fulfilling the complex requirements of IDPH for the establishment of a Level III nursery and are working with our regional perinatal network and IDPH to meet these requirements.

The patients to be served by the NICU are to be those that are currently transferred from Mercy to Comer Children's Hospital at the University of Chicago or patients that may be enroute to Mercy that are deflected to Comer.

Note that the establishment of our NICU service has support of the University of Chicago Perinatal Network and that our program will remain part of that network.

**PROJECT COSTS**

There are no costs associated with this project.

Mercy Hospital & Medical Center did a major modernization to its Obstetrics and Nurseries as part of its project under CON permit #08-043. At that time, the hospital anticipated the possibility of establishing a Neonatal Intensive Care unit. The modernization of the nurseries was designed and constructed to Neonatal standards. Therefore, there are no capital costs associated with this application for exemption.

Mercy Hospital and Medical Center's authorized beds and services consist of:

Service	Authorized Beds
Medical/Surgical	289
Pediatrics	37
Intensive Care	30
Ob/Gyne	30
Acute Mental Illness	39
Rehabilitation	24
Current Total Beds	449
NICU -- Proposed	15
Total Beds Proposed	464

The beds for the new NICU service are to be located within existing space in the perinatal services center on the 3<sup>rd</sup> floor of the hospital.

**LETTER OF SUPPORT**

The Board's rule Section 1130.53,2), requires:

“copy of a signed letter of support for the proposed project from the Regionalized Perinatal Advisory Committee (77 Ill. Adm. Code 640);”

As the Board has been aware for some time, the Perinatal Advisory Committee will not provide the required letter of support, citing that it is not in its purview.

In lieu of that letter we have provided the following:

**THE  
UNIVERSITY  
OF CHICAGO  
HOSPITALS**

**PERINATAL CENTER**

June 27, 2013

MC 2001  
5841 South  
Maryland Avenue  
Chicago, Illinois  
60637-1470

Mr. Dale Galassie, Chairman  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2nd Floor  
Springfield, Illinois 62761

773 702-3733

Dear Chairman Galassie:

**BERNARD  
MITCHELL  
HOSPITAL**

This letter is written in support of Mercy Hospital and Medical Center in moving forward with the formation of Level III Services for High Risk Obstetrical and Neonatal Care in the state of Illinois.

**CHICAGO  
LYING-IN  
HOSPITAL**

Mercy Hospital and Medical Center currently maintains a Level III (Extended Neonatal Capabilities) Nursery and is part of the University of Chicago Regional Perinatal Network. The University of Chicago, as a Perinatal Center will continue to work with and support Mercy Hospital and Medical Center in their efforts to become a Level III Neonatal Intensive Care Unit (NICU) in compliance with Level III Standards of Perinatal Care requirements of the Illinois Department of Public Health (IDPH). We look forward to working with them in the future.

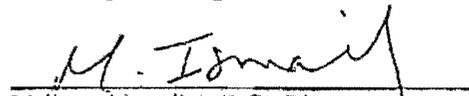
**UNIVERSITY  
OF CHICAGO  
CHILDREN'S  
HOSPITAL**

Sincerely,

**DUCHOSSOIS  
CENTER FOR  
ADVANCED  
MEDICINE**

  
Bernadette Taylor, RNC, MSN, APN  
Perinatal Network Administrator  
University of Chicago Medicine



  
Mahmoud Ismail, MD/Co-Director  
Department of Obstetrics/Gynecology  
University of Chicago Medicine

  
Kwang-sun Lee, MD/Co-Director  
Department of Pediatrics/Neonatology  
University of Chicago Medicine



MERCY HOSPITAL & MEDICAL CENTER  
2525 SOUTH MICHIGAN AVENUE  
CHICAGO, ILLINOIS 60616-2427  
phone 312.567.2000

July 8, 2013

Health Facilities and Services Review Board  
525 W. Jefferson Street  
Springfield, IL 62761

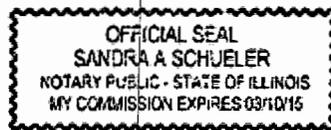
This letter is to attest to the following:

1. That a final cost report will be submitted to the Agency no later than 60 days following the anticipated project completion date, and
2. That failure to comply with the material change and completion requirements of this Section will invalidate the exemption.

Sincerely,

Richard F. Cercedo  
Executive Vice President and  
Chief Operating Officer

RFC/ss



*Sandra A. Schueler 7/8/13*