

has made, used, or caused to be made or used, in order to get false or fraudulent claims paid or approved by the Governments.

3. This complaint is based on Hartgrove submitting claims to the Governments for Medicaid adolescent patients who were admitted to Hartgrove in excess of Hartgrove's bed capacity. This caused Hartgrove to submit false claims, that were either factually false, or legally false in that Hartgrove certified, either explicitly or implicitly, it was in compliance with laws, rules, or regulations which were material to the governments' payment decision.

II. PARTIES

4. Relator, GEORGE BELLEVUE ("Bellevue" or "Relator") is a resident of Illinois. Mr. Bellevue is currently employed as a nursing counselor at Hartgrove and has been employed there since October, 2009. Mr. Bellevue works primarily on the male adolescent wing known as 3 North. Mr. Bellevue is certified as a Therapeutic Crisis Intervention Trainer, and has worked in youth or adult counseling programs since 2001.

5. Defendant Universal Health Services of Hartgrove, Inc., ("Hartgrove") is located at 5730 W Roosevelt Road, Chicago, Illinois, and is owned by Universal Health Services, Inc., 367 South Gulph Road, King of Prussia, Pennsylvania. Hartgrove is enrolled with the Illinois Department of Healthcare and Family Services ("HFS"), formerly Illinois Department of Public Aid, as a psychiatric hospital to provided inpatient psychiatric care.

III. JURISDICTION AND VENUE

6. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and 31 U.S.C. §3732, which specifically confers jurisdiction on this Court for actions brought pursuant to 31 U.S.C. §§3729 – 3730.

7. This Court has supplemental jurisdiction over the *qui tam* Relator's state law claims pursuant to 28 U.S.C. §1367, as those claims are so related to the federal claims that they form part of the same case and controversy under Article III of the United States Constitution. This Court also has jurisdiction over the state's claims pursuant to 31 U.S.C. §3732(b), as the state's claims arise from the same transactions and occurrences as the federal action.

8. This Court has personal jurisdiction over Defendant pursuant to 31 U.S.C. §3732(a), which authorizes nationwide service of process. Defendant transacts business in the United States. Defendant can be found in, reside in, and/or transacts or has transacted business related to the allegations in this complaint within the Northern District of Illinois.

9. Venue is proper in this district pursuant to 31 U.S.C. §3732(a), and 28 U.S.C. §1391(b) and (c), as Defendant can be found in, reside in, and/or transacts business in the Northern District of Illinois.

10. This suit is not based upon prior public disclosures of allegations or transactions in a criminal, civil, or administrative hearing, lawsuit or investigation, or in a Government Accounting Office or Auditor General's report, hearing, audit, or investigation, or from the news media.

11. To the extent that there has been a public disclosure unknown to Relator, Relator is an original source under 31 U.S.C. §3730(e)(4), and 740 ILCS 175/4(e)(4). Relator has direct and independent knowledge of the information on which the allegations are based and has voluntarily provided the information to the Governments before filing this action under the FCAs.

12. Relator served on the Attorney General of the United States, the United States Attorney for the Northern District of Illinois, and the Illinois Attorney General, substantially all

material evidence and information he possess in accordance with the provisions of 31 U.S.C. §3730(b)(2), and 740 ILCS 175/4(b)(2).

IV. THE FEDERAL FALSE CLAIMS ACT

13. The False Claims Act provides, in pertinent part that any person who:

- (A) knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval;
- (B) knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim;

* * *

is liable to the United States Government for a civil penalty of not less than \$5,000 and not more than \$10,000, as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461), plus 3 times the amount of damages which the Government sustains because of the act of that person.

31 U.S.C. §3729(a)(1).

V. THE ILLINOIS FALSE CLAIMS ACT

14. The Illinois False Claims Act provides, in pertinent part:

- (a) Liability for certain acts. Any person who:
 - (1) (A) knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval;
 - (B) knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim;

* * *

(G) . . . is liable to the State for a civil penalty of not less than \$5,500 and not more than \$11,000, plus 3 times the amount of damages which the State sustains because of the act of that person.

§ 740 ILCS 175/3.

VI. THE MEDICAID PROGRAM

15. Medicaid Title XIX of the Social Security Act, 42 U.S.C. §§1396 *et seq.*, is a program that provides medical assistance for individuals and families with low incomes. The

Medicaid program became law in 1965 and is jointly funded by the states and the federal government.

16. Medicaid is administered by the Illinois Department of Healthcare and Family Services ("HFS").

VII. THE DEFENDANT'S SCHEME TO DEFRAUD

17. Hartgrove's most recent license application was submitted to the Illinois Department of Public Health ("IDPH") in August 2007 based on a change of location from 520 N. Ridgeway, Chicago to its current location at 5730 W. Roosevelt Road, Chicago. The license application was submitted and approved for 136 acute mental illness ("AMI") beds. The IDPH requires hospitals to control their admissions and discharges so that "occupancy does not at any time exceed capacity...." Title 77 Ill. Adm. Code § 250.230(b). The application for hospital licensure further states the number of beds per floor as follows: 2 North, 38 beds; 2 South, 30 beds; 3 North, 38 beds; 3 South, 30 beds. (See, Application for Hospital Licensure Exhibit B, page 13).

18. In 2009 Hartgrove requested that their AMI beds be increased from 136 to 150. This increase in beds was approved and became effective on September 30, 2009. (See, Hartgrove letter dated Sept 30, 2009 to IDPH. Exhibit C).

19. The current number of beds on each wing is as follows: 2 North, 42; 2 South 34; 3 North 42; and 3 South 34, for a total of 152 beds, which is more than the permitted increase allowed by the IDPH. Each wing of each floor is also designated to house and treat only a certain category of individuals. 2 North treats and houses female adolescents, 2 South treats and houses adults of both genders, 3 North treats and houses male adolescents, and 3 South treats and

houses adults of both genders. Each wing in addition to the patient rooms also has two dayrooms.

A. Participation in the Illinois Medical Assistance Program

20. Hartgrove, a provider, agreed to participate and receive reimbursement from the Illinois Medical Assistance Program. In doing so, Hartgrove signed a Provider Enrollment Application on April 8, 2004 (Exhibit D), and an Agreement for Participation in the Illinois Medical Assistance Program on April 8, 2004 (Exhibit A). The 2004 Enrollment Application and Agreement for Participation appear to be signed by Joseph Shelby, CFO, of Hartgrove. Both of these documents were submitted to the Illinois Department of Health Care and Family Services ("HFS").

21. In the Enrollment Application, Exhibit D, Hartgrove, certified that it is "in compliance with all applicable federal and state laws and regulations." Despite this certification, Hartgrove was not in compliance and did not intend on being in compliance with state laws and regulations relating to hospital occupancy capacity.

22. In the Agreement for Participation in the Illinois Medical Assistance Program, Exhibit A, Hartgrove agreed to the following provisions as a condition for enrolling and receiving payments from the Illinois Department of Public Aid and its successor HFS:

1. The Provider agrees, on a continuing basis, to comply with all current and future program policy provisions as set forth in the applicable Department of Public Aid Medical Assistance Program handbooks.

2. The Provider agrees, on a continuing basis, to comply with applicable licensing standards as contained in State laws or regulations.

* * *

7. The Provider agrees to be fully liable for the truth, accuracy and completeness of all claims submitted electronically or on hard copy to the Department for payment.

23. On March 9, 2007, Hartgrove signed a Provider Enrollment Application, Exhibit E, and an Agreement for Participation in the Illinois Medical Assistance Program, Exhibit F. The 2007 Enrollment Application and Agreement for Participation appear to be signed by Steven Airhart, CEO of Hartgrove. Both of these documents were submitted to HFS.

24. In the Enrollment Application, Exhibit E, Hartgrove, certified that it is "in compliance with all applicable regulations." Despite this certification, Hartgrove was not in compliance and did not intend on being in compliance with state laws and regulations relating to hospital occupancy capacity.

25. In the Agreement for Participation in the Illinois Medical Assistance Program, Exhibit F, Hartgrove agreed to the following provisions as a condition for enrolling and receiving payments from the Illinois Department of Public Aid and its successor HFS:

1. The Provider agrees, on a continuing basis, to comply with all current and future program policy and billing provisions as set forth in the applicable Department of Public Aid Medical Assistance Program rules and handbooks.

2. The Provider agrees, on a continuing basis, to comply with applicable licensing standards as contained in State laws and regulations.

* * *

6. The Provider agrees to be fully liable for the truth, accuracy and completeness of all claims submitted electronically or on hard copy to the Department for payment. Provider acknowledges that it understands the laws and handbook provisions regarding services and certifies that the services will be provided in compliance with such laws and handbook provisions. Provider further acknowledges that compliance with such laws and handbook provisions is a condition of payment for all claims submitted.

26. As a condition to receive payment from the HFS, a hospital must enroll for participation and hold a valid and appropriate license issued by the IDPH. Handbook for Providers of Medical Services, Chapter 100, General Policy and Procedures, at Ch. 101.

Hartgrove is licensed for a specific number of patient beds, as identified herein, by IDPH as a psychiatric hospital and in its application with IDPH, Hartgrove agreed to “comply with the regulations promulgated [sic] under the Hospital Licensing Act [210 ILCS 85/1 *et seq.*].”

Hartgrove’s Application for Hospital Licensure, submitted to IDPH, appears to be signed by Steven Airhart, CEO, and Joseph M. Richmond, CFO. (Exhibit B, page 14).

27. Hartgrove agreed that “For consideration for payment by the Department [of HFS]. . . . [s]ervices provided must be in full compliance with applicable federal and state laws, Department Administrative Rules (89 Ill. Adm. Code § Chapter 101), the general provisions contained in Chapter 100, General Policy and Procedures, and the policy and procedures contained in Chapter 200 series Handbook that applies to the specific type of service or type of provider.” Handbook for Providers, Chapter 100, General Policy and Procedures.

28. In order to receive reimbursement from HFS, Hartgrove must submit claims for services to HFS. These claims will include billing codes, patient identification numbers, diagnostic and procedure codes, as well as other information. As a result of the submission of these claims, HFS directs the Illinois Comptroller to make payments to Hartgrove for services provided. Hartgrove is reimbursed for services provided as a psychiatric hospital. Psychiatric hospitals are excluded from the DRG prospective payment amounts (89 Ill. Adm. Code § 149.25(a)(4) and 149.50(c); 89 Ill Adm. Code § 148.270) and instead are paid on a per diem basis.

29. Providers are permitted to seek reimbursement by filing a claim only for covered services that comply with Illinois’ Medicaid Rules. Upon receipt of these payments, the provider is required to sign and retain a billing certification which certifies that the services provided in the billing information were provided.

30. Original billing certifications are in the possession of Hartgrove.

31. The Illinois Medical Assistance Handbook for Providers Chapter 100 makes reimbursement expressly conditioned on the provider's, "full compliance with applicable federal and state laws, Department Administrative Rules (89 Ill. Adm. Code Chapter 101), the general provisions contained in Chapter 100, General Policies and Procedures, and the policy and procedures contained in the Chapter 200 series Handbook that applies to the specific type of service or type of provider." Exhibit G, Handbook for Providers of Medical Services, Chapter 100, General Policy and Procedures, Sec. 100, first paragraph.

32. Claims for Medicaid payments "may be withheld . . . upon receipt by the Department [of HFS] of evidence" of "fraud or willful misrepresentation under the Illinois Medical Assistance Program." 89 Ill. Adm. Code § 140.44 (a).

33. Providers such as Hartgrove are also prohibited from false reporting and other fraudulent activities. 89 Ill. Adm. Code § 140.35

34. HFS is authorized to pay hospitals for services not otherwise excluded or limited including psychiatric services, "which are provided in compliance with hospital licensing standards." 89 Ill. Adm. Code § 148.50(a).

35. Hartgrove's "license shall apply only to the number of beds and the clinical services operation at the time the licenses is issued," 77 Ill. Adm. Code § 250.120(g)(2), or changes approved by the IDPH.

36. Hartgrove is required to "enforce its occupancy control measures in an effort to avoid over utilization of its facilities and services." 77 Ill. Adm. Code § 250.230 (a)(2). Furthermore, Hartgrove "shall control its admission and discharge of patients so that occupancy

does not **at any time exceed capacity**, except in the event of unusual emergency and then only as a temporary measure.” 77 Ill. Adm. Code § 250.230(b) (Emphasis added).

37. In completing its application for Hospital Licensure, Hartgrove was advised that bed capacity is “[b]ased only on space designated as patient rooms, whether or not beds are installed.” (See, Application for Hospital Licensure, Definitions, IDPH (emphasis in original), Exhibit H, page 2, paragraph 3). In Hartgrove’s Application for Hospital Licensure (2007), Hartgrove indicates that their total number of patient beds is 136 and all are designated as acute mental illness (“AMI”) beds. (Exhibit B). Hartgrove’s total number of AMI beds was increased from 136 to 150 on September 30, 2009. (Exhibit C).

38. Hartgrove received a specialized license as a psychiatric hospital that applied only to the number of beds at the time the license was issued or expanded as approved by the IDPH. 77 Ill. Adm. Code § 250.120 (g)(1) and (2). The hospital is required to “assure that patient census does not exceed bed capacity.” 77 Ill. Adm. Code § 250.230 (c)(1).

39. Each patient room shall have a bathroom that includes a toilet, a sink, and a closet for storing personal items. 77 Ill. Adm. Code § 250.2630(d)(1). Hartgrove’s dayrooms do not qualify as a patient room.

40. “Payment for hospital inpatient, outpatient and clinic services shall be made only when provided by a hospital, as described in Section 148.25(b), . . . for covered services, as described in Section 148.50.” 89 Ill. Adm. Code § 148.20(a). Section 128.50 defines a “hospital” as an institution that “meets all comparable conditions and requirements of the Hospital Licensing Act in effect for the state in which it is located.” 89 Ill. Adm. Code § 148.25(b). See also, 42 CFR 482.11 (Hospitals must be in compliance with all federal laws related to health and safety and must be licensed).

41. For inpatient psychiatric services, which are defined as services provided to “patients who are in need of short-term acute inpatient hospitalization for acute treatment of an emotional or mental disorder” payment shall be made only to a hospital that holds a valid license. 89 Ill. Adm. Code § 148.40(a)(2) and (a)(1)(B).

B. Defendant’s Submission of False Claims

42. Shortly after Relator began his employment as a nursing counselor at Hartgrove in October of 2009, he noticed some newly admitted adolescent patients suffering from acute mental illness were not being placed into patient rooms, but instead were being placed into dayrooms. This placement of patients into the dayrooms was caused by the admission of patients beyond Hartgrove’s patient or bed capacity.

43. There is an admission process for adolescent patients for whom payment under Medicaid, or other public payment may be sought. First, they must be referred to CARES (Crisis and Referral Entry Service). 59 Ill. Adm. Code § 131.40. If it is determined that an admission to an inpatient psychiatric facility is appropriate, such as Hartgrove, CARES refers the child to a Screening, Assessment and Support Services (“SASS”) agent. The SASS agent then screens the child and assesses the child’s mental health needs. 59 Ill. Adm. Code §131.40.

44. Adolescent patients are brought to Hartgrove through a variety of processes. These patients are referred from CARES and then screened by a SASS agent. Neither CARES nor the SASS agent is told by Hartgrove that a patient will not be admitted into Hartgrove even if there is not a patient room available to care for the referred patient.

45. Once a patient is brought to Hartgrove, the patient is placed into an assessment room and if the patient has not previously been through a SASS agent evaluation, a SASS evaluation is performed. After the SASS evaluation is completed, an admitted patient is taken to

his or her designated floor, and hospital staff records the patient's weight and vital signs, and obtains a urine sample. The staff also performs a body check.

46. As previously stated, Hartgrove is divided into 4 wings: 3 North, for adolescent males, 3 South for male and female adults, 2 North, for adolescent females, and 2 South for male and female adults, and as stated, Hartgrove is licensed for 150 beds.

47. Often there is no patient room available for a new admission, in which case a staff member removes a rollout bed from storage and places it into a dayroom. The new patient is placed into a dayroom for the remainder of the night. The patient is generally awakened before breakfast, which is served in the dayroom, and participates in standard activities throughout the day. Many of these patients are then placed back into a dayroom until a patient room becomes available.

48. When Hartgrove is forewarned of an inspection by a government agency, these beds are quickly removed from the dayrooms to conceal from the inspecting agency that Hartgrove is admitting patients beyond its bed capacity and in violation of the law.

49. Although these patients are not assigned a room, Hartgrove nevertheless submits a claim to Medicaid for inpatient care of the beneficiary, which essentially includes a patient room. On information and belief, Hartgrove will submit a charge for each patient admitted whether or not the patient is assigned a room. These Medicaid charges are based on the hospital census at midnight so whenever a patient was admitted but not assigned a room at midnight, Hartgrove knowingly submitted a false claim for that patient.

50. Whenever a patient was admitted in excess of Hartgrove's capacity, Hartgrove was in violation of State law, rules, and regulations, and Hartgrove knowingly submitted a false or fraudulent claim for that patient whether or not the patient was given a room prior to the

midnight census. These claims are false in that Hartgrove certified either explicitly or implicitly that it was in compliance with all licensing standards contained in state law, rules, or regulations. Compliance with these laws, rules, and regulations are material and a condition of payment from HFS.

51. Representative samples of false claims submitted by Hartgrove are identified in paragraphs 52 to 64.

52. On March 28, 2011, Patient 1, a fourteen year old boy, and an Illinois Medicaid beneficiary, was admitted to Hartgrove 3 North for intermittent explosive disorder. Because Hartgrove was admitting patients in excess of its capacity and in violation of State law, rules, and regulations, Patient 1, suffering from acute mental illness was placed in a dayroom and not in a patient room.

53. On March 24, 2011, Patient 2, a twelve year old boy, and an Illinois Medicaid beneficiary, was admitted to Hartgrove 3 North for episodic mood disorder. Because Hartgrove was admitting patients in excess of its capacity and in violation of State law, rules, and regulations, Patient 2, suffering from acute mental illness was placed in a dayroom and not in a patient room.

54. On March 11, 2011, Patient 3, a fifteen year old boy, and an Illinois Medicaid beneficiary, was admitted to Hartgrove 3 North for episodic mood disorder. Because Hartgrove was admitting patients in excess of its capacity and in violation of State law, rules, and regulations, Patient 3, suffering from acute mental illness was placed in a dayroom and not in a patient room.

55. On April 13, 2011, Patient 4, a fifteen year old boy, and an Illinois Medicaid beneficiary, was admitted to Hartgrove 3 North for intermittent explosive disorder. Because

Hartgrove was admitting patients in excess of its capacity and in violation of State law, rules, and regulations, Patient 4, suffering from acute mental illness was placed in a dayroom and not in a patient room.

56. On April 18, 2011, Patient 5, a fifteen year old boy, and an Illinois Medicaid beneficiary, was admitted to Hartgrove 3 North for intermittent explosive disorder. Because Hartgrove was admitting patients in excess of its capacity and in violation of State law, rules, and regulations, Patient 5, suffering from acute mental illness was placed in a dayroom and not in a patient room.

57. On April 13, 2011, Patient 6, a sixteen year old boy, and an Illinois Medicaid beneficiary, was admitted to Hartgrove 3 North for episodic mood disorder. Because Hartgrove was admitting patients in excess of its capacity and in violation of State law, rules, and regulations, Patient 6, suffering from acute mental illness was placed in a dayroom and not in a patient room.

58. On March 22, 2011, Patient 7, a sixteen year old boy, and an Illinois Medicaid beneficiary, was admitted to Hartgrove 3 North for intermittent explosive disorder. Because Hartgrove was admitting patients in excess of its capacity and in violation of State law, rules, and regulations, Patient 7, suffering from acute mental illness was placed in a dayroom and not in a patient room.

59. On April 14, 2011, Patient 8, a thirteen year old boy, and an Illinois Medicaid beneficiary, was admitted to Hartgrove 3 North for episodic mood disorder. Because Hartgrove was admitting patients in excess of its capacity and in violation of State law, rules, and regulations, Patient 8, suffering from acute mental illness was placed in a dayroom and not in a patient room.

60. On June 3, 2011, Patient 9, a fourteen year old boy, and an Illinois Medicaid beneficiary, was admitted to Hartgrove 3 North for episodic mood disorder. Patient 9 after being admitted was placed into a dayroom and was not assigned a patient room for several days. Because Hartgrove was admitting patients in excess of its capacity and in violation of State law, rules, and regulations, Patient 9, suffering from acute mental illness was placed in a dayroom and not in a patient room.

61. On February 18, 2011, Patient 10, and adolescent male, and an Illinois Medicaid beneficiary, after being admitted to Hartgrove 3 North was placed into a dayroom and not assigned a patient room. Because Hartgrove was admitting patients in excess of its capacity and in violation of State law, rules, and regulations, Patient 10, suffering from acute mental illness was placed in a dayroom and not in a patient room.

62. On February 18, 2011, Patient 11, an adolescent male, and an Illinois Medicaid beneficiary, after being admitted to Hartgrove 3 North was placed into a dayroom and not assigned a patient room. Because Hartgrove was admitting patients in excess of its capacity and in violation of State law, rules, and regulations, Patient 11, suffering from acute mental illness was placed in a dayroom and not in a patient room.

63. On February 18, 2011, Patient 12, an adolescent male, and an Illinois Medicaid beneficiary, after being admitted to Hartgrove 3 North was placed into a dayroom and not assigned a patient room. Because Hartgrove was admitting patients in excess of its capacity and in violation of State law, rules, and regulations, Patient 12, suffering from acute mental illness was placed in a dayroom and not in a patient room.

64. On January 1, 2011, Patient 13, an adolescent male, and an Illinois Medicaid beneficiary, after being admitted to Hartgrove 3 North was placed into a dayroom and not

assigned a patient room. Because Hartgrove was admitting patients in excess of its capacity and in violation of State law, rules, and regulations, Patient 13, suffering from acute mental illness was placed in a dayroom and not in a patient room.

65. On information and belief, Relator alleges that Defendant submitted false and/or fraudulent claim from August 2001 to present.

66. For the patients identified in this Complaint, and for all patients admitted as inpatients to Hartgrove in excess of its capacity, false claims were submitted by Defendant to HFS, and the governments, by Hartgrove, upon discharge or on an interim basis but not later than 30 days after admission.

COUNT I
(Federal False Claims Act – Presentation of False Claims)
(31 U.S.C. § 3729 (a)(1)(A))

67. Relator repeats and realleges each and every allegation contained above as if fully set forth herein.

68. Defendant knowingly presented, or caused to be presented, false or fraudulent claims for payment or approval to the United States.

69. By virtue of the false and fraudulent claims made by Defendant, the United States suffered damages and therefore is entitled to 3 times that amount of damages, to be determined at trial, plus a civil penalty of \$5,500 to \$11,000 for each violation.

COUNT II
(Federal False Claims Act – False Record or Statement)
(31 U.S.C. § 3729 (a)(1)(B))

70. Relator repeats and realleges each and every allegation contained above as if fully set forth herein.

71. Defendant knowingly made, used, or caused to be made or used, a false record or statement material to a false or fraudulent claim.

72. By virtue of the false and fraudulent claims made by Defendant, the United States suffered damages and therefore is entitled to 3 times that amount of damages, to be determined at trial, plus a civil penalty of \$5,500 to \$11,000 for each violation.

COUNT III
(Illinois False Claims Act – Presentation of False Claims)
(740 ILCS 175/3(a)(1)(A))

73. Relator repeats and realleges each and every allegation contained above as if fully set forth herein.

74. Defendant knowingly presented or caused to be presented false or fraudulent claims for payment or approval to the State of Illinois.

75. By virtue of the false and fraudulent claims made by Defendant, the State of Illinois suffered damages and therefore is entitled to 3 times that amount of damages, to be determined at trial, plus a civil penalty of \$5,500 to \$11,000 for each violation.

COUNT IV
(Illinois False Claims Act – False Record or Statement)
(740 ILCS 175/3(a)(1)(B))

76. Relator repeats and realleges each and every allegation contained above as if fully set forth herein.

77. Defendant knowingly made, used, or caused to be made or used, a false record or statement material to a false or fraudulent claim.

78. By virtue of the false and fraudulent claims made by Defendant, the State of Illinois suffered damages and therefore is entitled to 3 times that amount of damages, to be determined at trial, plus a civil penalty of \$5,500 to \$11,000 for each violation.

WHEREFORE, Relator prays that the Court enter judgment against Defendant and in favor of the Governments and Relator as follows:

- A. Order Defendant to cease and desist from violating the False Claims Acts as stated herein;
- B. Award the Governments the maximum amount of damages in an amount equal to three times the amount of damages they sustained as a result of Defendant's actions, as well as the maximum amount of civil penalties, as permitted, for each violation of the False Claims Act, and Illinois False Claims Act;
- C. Award Relator Bellevue the maximum reward allowed pursuant to the *qui tam* provisions of the Governments' False Claims Acts;
- D. Award Relator Bellevue all costs and expenses of this action, including Attorney's fees; and
- E. Award the Governments and Relator Bellevue all such relief as the Court deems just and proper.

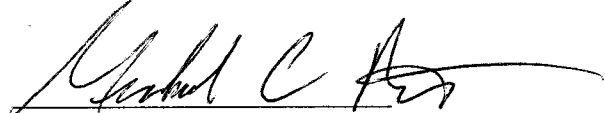
JURY DEMAND

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, the Relators hereby demands trial by jury.

Respectfully Submitted,

THE UNITED STATES OF AMERICA
ex rel. GEORGE BELLEVUE, and THE STATE
OF ILLINOIS *ex rel.* GEORGE BELLEVUE, and
GEORGE BELLEVUE, individually,

By:



Michael C. Rosenblat
Attorney for Relator/Plaintiff

Dated: 8-5-11

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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

UNITED STATES OF AMERICA
ex rel. GEORGE BELLEVUE,
STATE OF ILLINOIS *ex rel.* GEORGE
BELLEVUE, and GEORGE BELLEVUE,
Individually

Plaintiffs,

v.

UNIVERSAL HEALTH SERVICES OF
HARTGROVE, INC. d/b/a HARTGROVE
HOSPITAL,

Defendant.

Case No.

FILED UNDER SEAL
JURY TRIAL DEMANDED

RELATOR/PLAINTIFFS' EXHIBIT LIST

| | |
|-----------|-----------------------------------------------------------------------------------------------------|
| Exhibit A | Agreement for Participation in the Illinois Medical Assistance Program (2004) |
| Exhibit B | Application for Hospital Licensure to IDPH (August 2007) |
| Exhibit C | Hartgrove letter to IDPH dated September 30, 2009 |
| Exhibit D | Provider Enrollment Application (2004) |
| Exhibit E | Provider Enrollment Application (2007) |
| Exhibit F | Agreement for Participation in the Illinois Medical Assistance Program (2007) |
| Exhibit G | Handbook for Providers of Medical Services, Chapter 100, General Policy and Procedures, Section 100 |
| Exhibit H | Application for Hospital Licensure, Definitions |

Exhibit A



Illinois Department of Public Aid

AGREEMENT FOR PARTICIPATION IN THE ILLINOIS MEDICAL ASSISTANCE PROGRAM

WHEREAS, HARTGROVE HOSPITAL

Full Legal as well as any Assumed (d.b.a.) name,

hereinafter referred to as "the Provider", is enrolled with the Illinois Department of Public Aid hereinafter referred to as "the Department", as an eligible provider in the Medical Assistance Program; and

WHEREAS, the Provider wishes to submit claims for services rendered to eligible Public Aid clients;

NOW THEREFORE, the Parties agree as follows:

1. The Provider agrees, on a continuing basis, to comply with all current and future program policy provisions as set forth in the applicable Department of Public Aid Medical Assistance Program handbooks. The Department shall notify the Provider of changes in policy 30 days before the effective date of the change unless there is an emergency, as defined in the Administrative Procedure Act, or the change is to comply with State or Federal law or regulation.
2. The Provider agrees, on a continuing basis, to comply with applicable licensing standards as contained in State laws or regulations. Hospitals are further required to be certified for participation in the Medicare Program (Title XVIII); if not eligible for or subject to Medicare certification, must be accredited by the Joint Commission on the Accreditation of Healthcare Organizations.
3. The Provider agrees to comply with Title VI of the Civil Rights Act of 1964 and the Rehabilitation Act of 1973 and regulations promulgated thereunder which prohibit discrimination on the grounds of sex, race, color, national origin or handicap.
4. The Provider agrees, on a continuing basis, to comply with Federal standards specified in Title XIX of the Social Security Act, and also with all applicable Federal and State laws and regulations.
5. The Provider agrees that any rights, benefits and duties existing as a result of participation in the Medical Assistance Program shall not be assignable without the written consent of the Department.
6. The Provider shall receive payment based on the Department's reimbursement rate which shall constitute payment in full. Any payments received by the Provider from other sources shall be shown as a credit and deducted from charges sent to the Department.
7. The Provider agrees to be fully liable for the truth, accuracy and completeness of all claims submitted electronically or on hard copy to the Department for payment. Furthermore, the provider agrees to review, affix an original signature, and retain in their files the Billing Certification which is the last page of the Remittance Advice. Any submittals of false or fraudulent claim or claims or any concealment of a material fact may be prosecuted under applicable Federal and State laws.
8. The Provider agrees to the provisions below and shall furnish to the Department or its designee upon demand: all records, and signed Billing Certification(s) associated with submitted claims necessary to disclose fully the nature and extent of services provided to individuals under Articles V, VI, and VII of the Public Aid Code; maintain said records for not less than three (3) years from the date of service and maintain the Billing Certification for three (3) years from the voucher date to which it relates or for the time period required by applicable Federal and State laws, whichever is longer. If a Department audit is initiated the Provider shall retain all original records until the audit is completed and every audit issue has been resolved, even if the retention period extends beyond the required period.

9. The Provider, if a medical transportation provider, agrees that vehicle operator(s) shall have an appropriate Drivers License and vehicle(s) shall be properly registered.
10. The Provider, if not a practitioner, agrees to comply with the Federal regulations requiring ownership and control disclosure found at 42 CFR Part 455, Subpart B.
11. The Provider agrees to exhaust all other sources of reimbursement as required by Medical Assistance Program policy prior to seeking reimbursement from the Department.
12. The Provider agrees to bill the Department as stipulated in the applicable Medical Assistance Program handbook(s) and not to bill the Department for services rendered by another provider with the exception of physicians who may bill for a period not to exceed 14 continuous days in the case of an informal reciprocal agreement or 90 continuous days in the case of arrangement involving per diem or other fee-for-time compensation and if the alternate physician is identified.
13. Provider agrees to be fully liable to the Department for any overpayments which may result from the Provider's submittal of billings to the Department. The Provider shall be responsible for promptly notifying the Department of any overpayments of which the Provider becomes aware. The Department shall recover any overpayments by setoff, crediting against future billings or by requiring direct repayment to the Department.
14. The Provider (if a hospital, nursing facility, hospice or provider of home health care or personal care services) agrees to comply with Federal requirements, found at 42 CFR Part 489, Subpart I, related to maintaining written policies and providing written information to patient's regarding advance directives.
15. The Provider certifies that there has not been a prohibited transfer of ownership interest to or in the provider by a relative who is terminated or barred from participation in the Medical Assistance Program pursuant to 305 ILCS 5/12 - 4.25.
16. The Provider certifies the following owners/stock holders own 5% or more of the stock/shares. If additional space is needed for names, please use separate page. If there is no information to disclose, write **NONE** on PRINT NAME line. This section **MUST** be completed for enrollment purposes and an entry is required.

| | | |
|-------------|------------------------|----------------|
| <u>NONE</u> | | |
| PRINT NAME | SOCIAL SECURITY NUMBER | % OF OWNERSHIP |
| | | |
| PRINT NAME | SOCIAL SECURITY NUMBER | % OF OWNERSHIP |

17. The Provider agrees and understands that knowingly falsifying or willfully withholding information on the Provider Enrollment Application and/or the Agreement For Participation may be cause for termination of participation in the Illinois Medical Assistance Program.

- This agreement becomes effective 4/8/04, which is the earliest date that services were provided to an Illinois Medical Assistance Program client. The Provider certifies that all services rendered on or after such date were rendered in compliance with and subject to the terms and conditions of this agreement.

by:

Joseph Shelby
(Provider Signature)

Joseph Shelby
(Print Name of Signature above)

Date:

4/8/04

DEPARTMENT OF PUBLIC AID:

by:

Carole Lutz
Division of Medical Programs

Date:

4/8/04

APR 16 2004

Exhibit B

State of Illinois
Illinois Department of Public Health



Application for Hospital Licensure

| | | |
|---------------------|------|------|
| Hospital ID Number | | |
| Date Filed | | |
| Mo. | /Day | /Yr |
| Date Issued | | |
| Mo. | /Day | /Yr. |
| DEPARTMENT USE ONLY | | |

In accordance with requirements of the Hospital Licensing Act (Ill.Rev.Stat. 1961, Chap 111 1/2, Secs. 142-157) and the regulations issued pursuant thereto, application is hereby made for a license to establish, conduct and/or maintain a hospital.

I. NAME AND LOCATION OF HOSPITAL

Exact legal name UHS of Hartgrove, Inc.

Street and number 5730 West Roosevelt Road

City Chicago Zip Code 60644

Township _____ County Cook

Is the hospital located outside the corporate limits of the city? ☒ Yes ☐ No

II. OWNERSHIP AND ADMINISTRATION

Type of control (check one only)

GOVERNMENTAL

☐ Federal ☐ State ☐ County ☐ Township

☐ City ☐ Hospital district ☐ Sanitarium district

NOT FOR PROFIT CORPORATION

☐ Church operated or affiliated ☐ Other non-profit

PROPRIETARY

☐ Individual ☐ Partnership ☒ Corporation

OTHER (explain) _____

Date incorporated under the laws of the State of Illinois March 13, 1961

Established by * Milroy R. Blowitz Year Opened 1961

Now owned by * Universal Health Services Date ownership effective 03-10-99

Operated by * Universal Health Services

(*NAME OF AGENCY, ORGANIZATION, ASSOCIATION, CORPORATION, OR INDIVIDUAL)

State of Illinois
Illinois Department of Public Health



Application for Hospital Licensure

II. OWNERSHIP AND ADMINISTRATION (continued)

Official name of governing body Governing Board
(e.g. BOARD OF TRUSTEES, BOARD OF DIRECTORS, ETC.)

Officers of the governing body (Governmental and non-profit hospitals list officers of governing body. Proprietary hospitals list names and address of individual owner, partners or officers of corporation.)

| | | | |
|----------------|-----------------------------|---------|-------------------------------|
| President | <u>Marta Banegas, MD</u> | Address | <u>5730 West Roosevelt</u> |
| Vice President | <u>Martin Schapapell</u> | Address | <u>c/o Hartgrove Hospital</u> |
| Secretary | <u>Steven Airhart</u> | Address | <u>5730 West Roosevelt</u> |
| Treasurer | <u>Subhash C. Goyal, MD</u> | Address | <u>5730 West Roosevelt</u> |

Person in charge of hospital

Name Steven Airhart Title Chief Executive Officer

Date appointed to this position 11/01/04 ☒ Full time ☐ Part time

If part time, what other position or employment _____

Applicants (who are not individuals or sole proprietorships) provide the name and address of registered agent or person designated to receive service of process in Illinois.

Name Steven Airhart, CEO

Address 5730 West Roosevelt Road

City Chicago State IL Zip Code 60644

State of Illinois
Illinois Department of Public Health



Application for Hospital Licensure

II. OWNERSHIP AND ADMINISTRATION (continued)

Number of beds for patients (exclude beds in emergency departments, labor and recover rooms, etc.)

NUMBER OF BEDS

| | |
|----------------------------------------------------------------------|------------|
| Total bed complements | <u>136</u> |
| Bed capacity..... | <u>136</u> |
| Emergency capacity..... | <u>136</u> |
| Total adult certified beds..... | <u>N/A</u> |
| Extended Care Facilities certified beds (hospital licensed)..... | <u>N/A</u> |
| Extended Care Facilities certified beds (nursing home licensed)..... | <u>N/A</u> |

Bed complement (breakdown of total bed complement) by clinical service

BEDS

| | | |
|-----------------------------------|--------------|------------|
| Internal Medicine | <u>N/A</u> | |
| General surgical | <u>N/A</u> | |
| Gynecological and obstetrics | <u>0</u> | |
| Intensive care | <u>0</u> | |
| Acute Mental Illness | <u>136</u> | |
| Neonatal Intensive Care Level II | <u>0</u> | |
| Neonatal Intensive Care Level III | <u>0</u> | |
| Pediatrics | <u>0</u> | |
| Long Term Care | <u>0</u> | |
| Restorative/Rehabilitation | <u>0</u> | |
| Other | <u>0</u> | |
| | Total | <u>136</u> |

Number of bassinets in maternity department nurseries 0

Are any patient beds located in rooms below ground level? ☐ Yes ☒ No How many beds? _____

Number of patient care days (exclusive of newborn) rendered in last calendar or fiscal year 40,866

Number of patients discharged and those who died (exclusive of newborn) in same period 2,975

State of Illinois
Illinois Department of Public Health



Application for Hospital Licensure

III. MEDICAL STAFF

Is the medical staff organized with written by-laws, officers, regular meetings, and written minutes? ☒ Yes ☐ No

Is the medical staff "closed" (i.e. restricted to active staff only) or open? Open (i.e. both active and courtesy groups?)

To what staff group do dentists belong? N/A

Chief of Staff Marta Banegas, MD Illinois license no. 036-056450

IV. DEPARTMENTS AND SERVICES

A. Nursing Department

Name of person in charge Jody Bhambra Title Director of Nursing

Current Illinois registration number 412-0945

B. Dietary Department

Name of person in charge Thomas Giliberto ☒ Full Time ☐ Part Time

Has the hospital arranged for the service of a consultant dietician if no full -time or part-time dietician is employed? ☒ Yes ☐ No

C. Radiological Department

Is radiological service provided in the hospital? ☐ Yes ☒ No

If not, name hospital, clinic or other facility providing this service Chicago Portable X-Ray Service

Types of service provided

Diagnostic

Radiographic ☐ Yes ☐ No

Regular No. of radiographis units _____ MA rating of each radiographic unit _____

Portable No. of radiographis units _____ MA rating of each radiographic unit _____

Dental No. of radiographis units _____ MA rating of each radiographic unit _____

Other No. of radiographis units _____ MA rating of each radiographic unit _____

Fluoroscopic ☐ Yes ☐ No

Radioactive isotopes ☐ Yes ☐ No

Interventional ☐ Yes ☐ No

Is it hospital policy to make x-ray film of the chest as a routine admission procedure? ☐ Yes ☒ No

State of Illinois
Illinois Department of Public Health



Application for Hospital Licensure

IV. DEPARTMENTS AND SERVICES (continued)

C. Radiological Department (continued)

Therapeutic

| | | | |
|------------------------|----------------------------------------------------------|--------------------|-------|
| Deep therapy | <input type="checkbox"/> Yes <input type="checkbox"/> No | KVP rating of unit | _____ |
| Intermediate | <input type="checkbox"/> Yes <input type="checkbox"/> No | KVP rating of unit | _____ |
| Superficial | <input type="checkbox"/> Yes <input type="checkbox"/> No | KVP rating of unit | _____ |
| Radium (radon) therapy | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| Radioactive isotopes | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

Name of physician in charge of service _____

Is he/she Board certified? ☐ Yes ☐ No Current Illinois registration number _____

Is he/she (check one)? ☐ Full time ☐ Part time days per week _____ days per month _____ ☐ On call

If hospital is not served by a full-time radiologist, or regularly visited by a part-time radiologist, is the radiological service supervised by a member of the medical staff?

☐ Yes ☐ No

Name _____ Illinois license number _____

D. Clinical Laboratory Department

Is laboratory service provided in the hospital? ☐ Yes ☒ No CLIA # 14D0924545

If not, name hospital, clinic or other facility providing this service Laboratory Corporation of America

Check types of services provided

| | | | |
|------------------------------------------------|------------------------------------------------|--------------------------------------------------|------------------------------------------------|
| <input type="checkbox"/> Tissue Pathology | <input type="checkbox"/> Histocompatibility | <input type="checkbox"/> Photography | <input type="checkbox"/> Basal metabolism |
| <input type="checkbox"/> Clinical Pathology | <input type="checkbox"/> Blood bank | <input type="checkbox"/> Autopsy | <input checked="" type="checkbox"/> Hematology |
| <input type="checkbox"/> Radiobioassay | <input type="checkbox"/> Diagnostic Immunology | <input checked="" type="checkbox"/> Microbiology | <input checked="" type="checkbox"/> Chemistry |
| <input type="checkbox"/> Immunohematology | <input type="checkbox"/> Clinical Cytogenetics | | |
| <input type="checkbox"/> Other (specify) _____ | | | |

Name of physician in charge of service _____

Is he/she Board certified? ☐ Yes ☐ No Illinois license number _____

Is he/she (check one)? ☐ Full time ☐ Part time days per week _____ days per month _____ ☐ On call

If hospital is not served by a full-time pathologist, or regularly visited by a pathologist, is the clinical laboratory service supervised by a member of the medical staff?

☒ Yes ☐ No

Name Dheeraj Mahajan, MD

State of Illinois
Illinois Department of Public Health



Application for Hospital Licensure

IV. DEPARTMENTS AND SERVICES (continued)

E. Anesthesiology Department

Name of physician in charge of service N/A

Is he/she Board certified? ☐ Yes ☐ No Illinois license number _____

Is he/she (check one)? ☐ Full time ☐ Part time days per week _____ days per month _____ ☐ On call

If the hospital is not organized under Anesthesia Service, is the anesthesia department supervised by a member of the medical staff: ☐ Yes ☐ No

Name _____ Illinois License number _____

Who usually gives the anesthetic? ☐ M.D. ☐ Nurse Anesthetist ☐ Other, specify _____

Is the person who usually gives the anesthetic a hospital employee? ☐ Yes ☐ No

F. Outpatient Department

If the hospital has an organized out-patient department, please list the organized clinics conducted (e.g. STD, cancer, pre-natal, orthopedic etc).

Austin Family Counseling Ctr.

If the hospital has no organized out-patient department, check types of services provided for out-patients:

- | | |
|--------------------------------------------------|-------------------------------------------------------------|
| <input type="checkbox"/> Laboratory examinations | <input type="checkbox"/> Emergency services |
| <input type="checkbox"/> x-ray examinations | <input type="checkbox"/> Outpatient surgical services |
| <input type="checkbox"/> x-ray or radium therapy | <input checked="" type="checkbox"/> Other <u>Psychiatry</u> |

G. Medical Department

Is there an organized medical department? ☒ Yes ☐ No

Name of physician in charge of service Marta Banegas, MD

Is he/she Board certified? ☒ Yes ☐ No Illinois license number 036-056450

Is he/she (check one)? ☐ Full time ☒ Part time days per week 3 days per month _____ ☐ On call

H. Surgical Department

Is there an organized surgical department? ☐ Yes ☒ No

Name of chief surgeon _____

Is he/she Board certified? ☐ Yes ☐ No Illinois license number _____

Does this person devote full time to surgery? ☐ Yes ☐ No

If no, indicate ☐ Part time days per week _____ days per month _____ ☐ On call

State of Illinois
Illinois Department of Public Health



Application for Hospital Licensure

IV. DEPARTMENTS AND SERVICES (continued)

I. Restorative and Rehabilitation Department

Is there a restoration and rehabilitation department?

☐ Yes

☒ No

Check types of services provided

☐ Physical therapy

☐ Vocational counseling

☐ Dietary

☐ Occupational therapy

☐ Therapeutic recreation

☐ Psychology

☐ Speech pathology

☐ Social services

☐ Other (specify) _____

Name of person in charge of services _____

Professional specialty _____

Illinois License number _____

Is he/she (check one)? ☐ Full time ☐ Part time days per week _____ days per month _____ ☐ On call

J. Pathology Department

Is there an organized pathology department?

☐ Yes

☒ No

Is there a tissue committee of the medical staff?

☐ Yes

☒ No

Are anatomical pathological services provided in the hospital?

☐ Yes

☒ No

If not, name hospital, clinic or other facility providing this service _____

Name of pathologist in charge of services _____

Is he/she Board certified? ☐ Yes ☐ No

Illinois License number _____

Indicate basis of employment:

☐ Full time

☐ Regular part time

☐ Regular consultative (consultative visits at least semi monthly)

☐ Other _____

K. Intensive Care Department

Is there an organized intensive care department?

☒ Yes

☐ No

Name of person in charge Dr. Edward Landreth

Illinois license number _____

Is he/she (check one)? ☒ Full time ☐ Part time days per week _____ days per month _____ ☐ On call

State of Illinois
Illinois Department of Public Health



Application for Hospital Licensure

L. Dental Department

Is there an organized dental department?

☐ Yes

☒ No

Name of dentist in charge of services _____

Illinois License number _____

Is he/she (check one)? ☐ Full time ☐ Part time days per week _____ days per month _____ ☐ On call

M. Social Services Department

Is there an organized social services department?

☒ Yes

☐ No

Name of person in charge Jill Gaertner, Director

Is he/she (check one)? ☒ Full time ☐ Part time days per week _____ days per month _____ ☐ On call

N. Medical Records

Is there an organized medical records department?

☒ Yes

☐ No

Name of person in charge Pat Tellez

Is he/she (check one)? ☒ Full time ☐ Part time days per week _____ days per month _____ ☐ On call

Is there a medical records committee?

☒ Yes

☐ No

State of Illinois
Illinois Department of Public Health



Application for Hospital Licensure

PERSONNEL BY DEPARTMENTS

Please indicate the anticipated total number of full time employees (FTE) to be employed at the hospital per Department. Place an X in the appropriate category (employed or contractual) for the Department. If this application is for an existing licensed hospital then identify the total FTE on the last day of the most recent pay period. Include only paid employees. If one employee serves in more than one position, include them in both departments.

| DEPARTMENT | | Employed Staff | Contractual | Total FTE |
|-----------------------------------|-------------------|----------------|-------------|-----------|
| A. Administration | | 2 | 0 | 2 |
| B. Business Office and Records | | 3.5 | 0 | 3.5 |
| C. Medical Records and Library | | 6.5 | 1 | 6 |
| D. Anesthesiology | Anesthesiologist | n/a | 0 | 0 |
| | Nurse Anesthetist | | | |
| E. Nursing | R.N. | | | |
| | L.P.N. | | | |
| | Others | 96 | 0 | 96 |
| F. Nursing Education | Administrative | | | |
| | Instructors | 1 | 0 | 1 |
| G. X-ray and Radiology | Radiologists | | | |
| | Technicians | | | |
| | Others | 0 | 0 | 0 |
| H. Clinical Laboratory | Pathologists | | | |
| | Technicians | | | |
| | Others | 0 | 0 | 0 |
| I. Dietary | Supervisory | | | |
| | Cooks and Bakers | | | |
| | Others | 9.5 | 3 | 12.5 |
| J. Pharmacy | Pharmacist | | | |
| | Technicians | | | |
| | Others | 0 | 2 | 2 |
| K. Medical Social Service | | 12 | 0 | 12 |
| L. Restorative and Rehabilitation | PT | | | |
| | OT | | | |
| | PTA | | | |
| | OTA | | | |
| | SP | | | |
| | Other | 2 | 0 | 2 |

State of Illinois
Illinois Department of Public Health



Application for Hospital Licensure

PERSONNEL BY DEPARTMENTS (continued)

| DEPARTMENT | | Employed Staff | Contractual | Total FTE |
|--------------------------------------------|-----------------------|----------------|-------------|-----------|
| M. Housekeeping | | 0 | 7 | 7 |
| N. Plant Operations Maintenance and Repair | | 2.5 | 0 | 2.5 |
| O. Laundry | | 0 | 0 | 0 |
| P. Professional Services | Physicians - Surgeons | | | |
| | Residents | | | |
| | Interns | 3 | 0 | 3 |
| Q. Dental | | | | |
| R. Other Departments* | | | | |
| | | | | |
| | | 54 | 0 | 54 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total | | 190.5 | 13 | 203.5 |

* If the hospital has other organized departments or other employees, please list and designate the department or the employee's job title.

State of Illinois
Illinois Department of Public Health



Application for Hospital Licensure

PHYSICAL PLANT

| Physical Plant | Original Building | Additions | | | |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| | | 1 | 2 | 3 | 4 |
| A. Year Built | | | | | |
| B. Number of stories (exclude Basement) | | | | | |
| C. Sprinkler System | <input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Non | <input type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> None | <input type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> None | <input type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> None | <input type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> None |
| D. Number of beds on each floor | | | | | |
| Floor Name <u>2N</u> # of beds <u>38</u> | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ |
| Floor Name <u>2S</u> # of beds <u>30</u> | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ |
| Floor Name <u>3N</u> # of beds <u>38</u> | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ |
| Floor Name <u>3S</u> # of beds <u>30</u> | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ |
| Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ |
| Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ | Floor Name _____ # of beds _____ |

E. Name of person in charge of physical plant: Martin Milot

F. New additions and remodeling

1. Is the hospital building a new addition or making remodeling changes at the present time? ☐ Yes ☒ No

If so, please describe

2. How will this affect bed complement? _____

State of Illinois
Illinois Department of Public Health



Application for Hospital Licensure

ACCREDITATION

- A. Is the hospital fully approved by the Joint Commission of Accreditation of Hospitals (JCAHO)/American Osteopathic Association (AOA)? ☒ Yes ☐ No
- B. If no, has the hospital requested appraisal by the JCAHO/AOA? ☐ Yes ☐ No

Information supplied by

Name and title Joseph Richmond, CFO

Date 7/31/07

CONFIDENTIAL INFORMATION - This information will be considered confidential and will not be disclosed publicly by the Department in such a manner as to identify individuals or hospitals.

VERIFICATION (initial application Only)

STATE OF

Illinois

County of

Cook

} S. S.

And

being by me duly sworn on _____ oath, deposes and says that _____

have/has read the foregoing application and know(s) the contents thereof; that the statements concerning the above named hospital, therein contained, are correct and true of _____ own knowledge, and further gives reasonable assurance of the ability and intention of said hospital to comply with the regulations promulgated under the Hospital Licensing Act.

(An application on behalf of a corporation, association or a governmental unit of agency shall be made and verified by any two officers thereof.)

Signed

[Signature]

Title

CEO

Signed

[Signature]

Title

C.F.O.

Signed and sworn (or attested) to before me this _____ day of _____ 20 _____

[Signature]

NOTARY PUBLIC

My commission expires

Aug. 6th 20 10



State of Illinois
Illinois Department of Public Health



Application for Hospital Licensure

APPLICATION ADDENDUM

This addendum must be completed as part of the following program/facility applications:

- Ambulatory Surgical Treatment Center
- Home Health Agency
- Hospice Program
- Hospital

Section 10-65 (c) of the Illinois Administrative Procedure Act, 5ILCS 100/10-65(c), was amended by P.A/ 87-823 and required individual licensees to certify whether they are delinquent in payment of child support.

APPLICANT IS AN INDIVIDUAL (SOLE PROPRIETOR) ☐ Yes ☒ No

The following question must be answered only if the applicant is an individual (sole proprietor):

I hereby certify, under penalty of perjury, that ☐ I am ☐ I am not (check one)
more than 30 days delinquent in complying with a child support order.

Signed

Date

**FAILURE TO SO CERTIFY MAY RESULT IN A DENIAL OF THE LICENSE; AND
MAKING A FALSE STATEMENT MAY SUBJECT THE LICENSEE TO CONTEMPT
OF COURT (5ILCS 100/10-65 (c)).**

Exhibit C



RECEIVED ONCE HCF&P

OCT -2 P 2:24

September 30, 2009

Mike Consentino, Office of Policy, Planning & Statistics
Illinois Department of Public Health
Division of Health Systems Development
Program Review Section
525-535 West Jefferson Street
Springfield, IL 62761-0001

Dear Mr. Consentino:

This letter is in response to the letter from Karen Senger, RN, B.S.N. dated September 25, 2009 indicating that IDPH Division of Health Care Facilities and Programs, Central Office Section has approved Hartgrove Hospital to increase the number of AMI beds by 14 beds licensing Hartgrove Hospital from 136 beds to 150 beds.

This letter will serve as notification that the approved 14 beds are operational at Hartgrove effective immediately.

We appreciate your assistance in helping Hartgrove reach many lives in need of care.

Thank you.

A handwritten signature in black ink, appearing to read "S. Airhart".

Steven Airhart, CEO

cc: Karen Senger, RN, B.S.N.
Supervisor, Central Office Operations Section
Division of Health Care Facilities and Programs

Exhibit D



ILLINOIS DEPARTMENT OF PUBLIC AID

ILLINOIS MEDICAL ASSISTANCE PROGRAM

PROVIDER ENROLLMENT APPLICATION

PROVIDER #: [REDACTED]

(MUST BE TYPED)

DATE: 04/01/2004

All fields must be completed or the application may be returned. If a field is non-applicable, the applicant should type N/A.

SECTION A: PROVIDER:

1. New Enrollment ☐ Re-Enrollment ☒ Name Change ☐ Reinstatement Request ☐ 2. Prov. Type ☐ 031
3. Provider Name HARTGROVE HOSPITAL
4. Primary Office Address: Street 520 N. RIDGEWAY
5. City CHICAGO 6. County COOK
7. State IL 8. Zip 60624-1226 9. Telephone # (773) 722-3113 10. Fax
11. SSN 12. FEIN 13. IBT# 14. Lic/Certification# 000005025
15. DEA # 16. C11a# 17. Natl Prov ID#
18. MEDICARE PART A# 144026 19. Organization Type 03 20. Cntl of Fac 03 21. Fiscal Yr 12/31/1999
22. Email Addresses

SECTION B: SERVICE/SPECIALTY:

23. Category of Service(s) 021/027/028/039
24. Provider Specialty: Primary Specialty ☐ Secondary Specialties
25. Physician Upin No 26. OBRA Qualification (Physicians Only)
27. Hospital Admitting Privileges (Physicians Only)
- Hospital Name Address
- Hospital Name Address
28. Pharmacy Location 29. Pharmacist In-Charge 30. License#
32. Electronic Billing? Yes ☐ No ☐ If Yes, Pharmacy Software Vendor Name 34. Pharmacy NCPDP
35. Transportation: Taxi Base/Meter/Flag rate Taxi Mileage Rate 36. Medicare: Hydraulic Manual Lift or Ramp Yes ☐ No ☐
37. Long Term Care Medicare Bed Capacity 38. Long Term Care Medicare Fiscal Intermediary
39. Long Term Care Building ID Code 0005024

04/19/2004 10:50:19

SECTION C: FORMER PARTICIPATION:

40. Change of Ownership YES ☐ NO ☐ Effective Date
 41. Fmr Provider Number Fmr Provider Name

SECTION D: ADDITIONAL PARTICIPATION:

Provider Type Provider Number
 Provider Name

SECTION E: PAYEE INFORMATION:

38. Name: UHS OF HARTGROVE INC 39. Telephone # (773)722-3113
 40. D/B/A: HARTGROVE HOSPITAL
 41. Street Address: 520 NORTH RIDGEWAY
 42. City: CHICAGO State IL Zip 60624-1226
 45. SSN/FEIN 46. TIN Type Code 01
 47. Medicare Part B# 48. PIN
 49. OMERC#

Name: Telephone #
 D/B/A:
 Street Address:
 City State Zip
 SSN/FEIN TIN Type Code
 Medicare Part B# PIN
 OMERC#

SECTION F: CERTIFICATION/SIGNATURE:

I understand that knowingly falsifying or willfully withholding information may be cause for termination of participation in the Medical Assistance Program.

I hereby certify that all of the information provided on this application is true and correct, and that the enrolling provider is in compliance with all applicable federal and state laws and regulations. I further certify that neither I, nor any of the enrolling provider's employees, partners, officers or shareholders owning at least (5%) of said provider are currently barred, suspended, terminated, or voluntarily withdrawn as part of a settlement agreement, or otherwise excluded from participation in the Medicaid or Medicare Programs, nor are any of the above currently under sanction for, or serving a sentence for conviction of any Medicaid or Medicare program violations. I further certify that none of the above are currently sanctioned by any federal agency for any reason. I authorize the Department of Public Aid to verify the information provided on this application with other state and federal agencies.

Check this box if you want ☐
 a provider handbook

Signature: Date 4/8/04
 Printed name of person signing above: Joseph Shady

Exhibit E

ILLINOIS DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

ILLINOIS MEDICAL ASSISTANCE PROGRAM

PROVIDER ENROLLMENT APPLICATION

PROVIDER #: [REDACTED]

(Must be Typed or Printed Legible. Do not use highlighter on any documents.)

DATE: 02/01/2007

All fields must be completed or the application may be returned. If a field is Non-Applicable, the applicant should type NONE.

SECTION A: PROVIDER:

1. New Enrollment ☐ Re-Enrollment ☒ Name Change ☐ Reinstatement Request ☐ 2. Prov. Type ☐ 031
3. Provider Name HARTGROVE HOSPITAL
4. Primary Office Address: Street 520 N RIDGEWAY
5. City CHICAGO 6. County COOK
7. State IL 8. Zip 60624-1226 9. Telephone (773)722-3113 10. Fax
11. Email Address (3)
12. National Provider Identification # - NPI Report Addl NPIs in Section D 13. FEIN
14. SSN 15. License/Certification 000005025 16. DEA
17. Medicare Part A# 144026 18. Organization Type 03 19. Control of Facility 03 20. Fiscal Year 12/31/199
21. CLIA #

SECTION B: SERVICE/SPECIALTY:

22. Category of Service(s) 021/027/028/039
23. Provider Specialty: Primary Specialty HCM Secondary Specialties
24. Physician Upin No 25. OBRA Qualification (Physicians Only)
26. Hospital Admitting Privileges (Physicians Only)
- Hospital Name Address
- Hospital Name Address
27. Pharmacy Location 28. Pharmacist In-Charge 29. License#
30. Electronic Billing? Yes ☐ No ☐ If Yes, Pharmacy Software Vendor Name 32. Pharmacy NCPDP#
33. Transportation: Taxi Base/Meter/Flag Rate 34. Taxi Mileage Rate 35. Medical: Hydraulic Manual Yes ☐ No ☐ Lift or Ramp
36. Long Term Care Medical Bed Capacity 37. Long Term Care Medicare Fiscal Intermediary
38. Long Term Care Building ID Code 0005024

SECTION C: FORMER PARTICIPATION:

39. Change of Ownership YES ☐ NO ☐ Effective Date
 40. Former Provider Number Former Provider Name

SECTION D: ADDITIONAL NPI - National Provider Identification

41. NPI NPI NPI
 NPI NPI NPI

SECTION E: PAYEE INFORMATION:

42. Name UHS OF HARTGROVE INC 43. Telephone (773)722-3113
 44. DBA HARTGROVE HOSPITAL
 45. Street Address 520 NORTH RIDGEWAY
 46. City CHICAGO 47. State IL 48. Zip 60624-1226 49. TIN Type ☐ Code
 50. SSN/FEIN 51. NPI
 52. Medicare Part B# 53. PIN 54. DMERC#

| | | | | | |
|------------------|----------------------|-------|----------------------|-----------|--------------------------|
| Name | <input type="text"/> | | | Telephone | <input type="text"/> |
| DBA | <input type="text"/> | | | | |
| Street Address | <input type="text"/> | | | | |
| City | <input type="text"/> | State | <input type="text"/> | Zip | <input type="text"/> |
| | | | | TIN Type | <input type="checkbox"/> |
| | | | | Code | |
| SSN/FEIN | <input type="text"/> | NPI# | <input type="text"/> | | |
| Medicare Part B# | <input type="text"/> | PIN | <input type="text"/> | DMERC# | <input type="text"/> |

SECTION F: CERTIFICATION/SIGNATURE

I understand that knowingly falsifying or willfully withholding information may be cause for termination of participation in the Medical Assistance Program.

Under penalties of perjury, I hereby certify that all of the information provided in this application process is true, correct and complete and that the enrolling provider is in compliance with all applicable regulations. I further certify that neither I, nor any of the following provider's employees, partners, officers, or shareholders owning at least five percent (5%) of said provider are currently barred, suspended, terminated, voluntarily withdrawn as part of a settlement agreement, or otherwise excluded from participation in the Medicaid or Medicare programs, nor are any of the above currently under sanction for, or serving a sentence for conviction of any Medicaid or Medicare program violations. I further certify that none of the above are currently sanctioned by any federal agency for any reason. I authorize the Department of Healthcare and Family Services to verify the information provided on this application with other state and federal agencies.

Illinois HFS website address: <http://www.hfs.illinois.gov/>
 Handbook updates are available: <http://www.hfs.illinois.gov/handbooks>

Check this box if you want a provider handbook ☐

Signature: 

Date 3-9-07

Printed name of person signing above: Steven Richman

Exhibit F

Illinois Department of Public Aid

**AGREEMENT FOR PARTICIPATION
IN THE ILLINOIS MEDICAL ASSISTANCE PROGRAM**

WHEREAS, UHS of Hartgrove Inc. DBA Hartgrove Hospital
Full Legal as well as any Assumed (d.b.a.) name,

[REDACTED] (IDPA Provider Number, if applicable) hereinafter referred to as ("the Provider") is enrolled with the Illinois Department of Public Aid hereinafter referred to as ("the Department") as an eligible provider in the Medical Assistance Program; and

WHEREAS, the Provider wishes to submit claims for services rendered to eligible Public Aid clients;

NOW THEREFORE, the Parties agree as follows:

1. The Provider agrees, on a continuing basis, to comply with all current and future program policy and billing provisions as set forth in the applicable Department of Public Aid Medical Assistance Program rules and handbooks.
2. The Provider agrees, on a continuing basis, to comply with applicable licensing standards as contained in State laws or regulations. Hospitals are further required to be certified for participation in the Medicare Program (Title XVIII) or, if not eligible for or subject to Medicare certification, must be accredited by the Joint Commission on the Accreditation of Healthcare Organizations.
3. The Provider agrees, on a continuing basis, to comply with Federal standards specified in Title XIX and XXI of the Social Security Act and with all other applicable Federal and State laws and regulations.
4. The Provider agrees that any rights, benefits and duties existing as a result of participation in the Medical Assistance Program shall not be assignable without the written consent of the Department.
5. The Provider shall receive payment based on the Department's reimbursement rate, which shall constitute payment in full. Any payments received by the Provider from other sources shall be shown as a credit and deducted from charges sent to the Department.
6. The Provider agrees to be fully liable for the truth, accuracy and completeness of all claims submitted electronically or on hard copy to the Department for payment. Provider acknowledges that it understands the laws and handbook provisions regarding services and certifies that the services will be provided in compliance with such laws and handbook provisions. Provider further acknowledges that compliance with such laws and handbook provisions is a condition of payment for all claims submitted. Any submittal of false or fraudulent claim or claims or any concealment of a material fact may be prosecuted under applicable Federal and State laws.
7. The Provider agrees to furnish to the Department or its designee upon demand all records associated with submitted claims necessary to disclose fully the nature and extent of services provided to individuals under the Medical Assistance Program and maintain said records for not less than three (3) years from the date of service to which it relates or for the time period required by applicable Federal and State laws, whichever is longer. The latest twelve months of records must be maintained on site. If a Department audit is initiated, the Provider shall retain all original records until the audit is completed and every audit issue has been resolved, even if the retention period extends beyond the required period.
8. The Provider, if a medical transportation provider, agrees that vehicle operators(s) shall have an appropriate Drivers License and vehicle(s) shall be properly registered.


9. The Provider, if not a practitioner, agrees to comply with the Federal regulations requiring ownership and control disclosure found at 42 CFR Part 455, Subpart B.
10. The Provider agrees to exhaust all other sources of reimbursement prior to seeking reimbursement from the Department.
11. The Provider agrees to be fully liable to the Department for any overpayments, which may result from the Provider's submittal of billings to the Department. The Provider shall be responsible for promptly notifying the Department of any overpayments of which the Provider becomes aware. The Department shall recover any overpayments by setoff, crediting against future billings or by requiring direct repayment to the Department.
12. The Provider (if a hospital, nursing facility, hospice or provider of home health care or personal care services) agrees to comply with Federal requirements, found at 42 CFR Part 489, Subpart I, related to maintaining written policies and providing written information to patients regarding advance directives.
13. The Provider certifies that there has not been a prohibited transfer of ownership interest to or in the provider by a person who is terminated or barred from participation in the Medical Assistance Program pursuant to 305 ILCS 5/12-4.25.
14. The Provider certifies the following owners/stock holders own 5% or more of the stock/shares. If additional space is needed for names, please use separate page. If there is no information to disclose, write NONE on PRINT NAME line. This section MUST be completed for enrollment purposes and an entry is required.


| | | |
|-------------|------------------------|----------------|
| <u>None</u> | | |
| PRINT NAME | SOCIAL SECURITY NUMBER | % OF OWNERSHIP |
| | | |
| PRINT NAME | SOCIAL SECURITY NUMBER | % OF OWNERSHIP |

15. The Provider agrees and understands that knowingly falsifying or willfully withholding information on the Provider Enrollment Application and/or the Agreement for Participation may be cause for termination of participation in the Illinois Medical Assistance Program and such conduct may be prosecuted under applicable Federal and State laws.
16. Requested effective date ____/____/____. The Provider certifies that all services rendered on or after such date were rendered in compliance with and subject to the terms and conditions of this agreement.

Under penalties of perjury, the undersigned declares and certifies that the information provided in this Agreement for Participation is true, correct and complete.

DEPARTMENT of PUBLIC AID:

by: 
(Provider Signature)

by: 
Division of Medical Programs

STEVEN AICHART
(Print Name of Signature above)

Date: 3-9-07

Date: MAR 16 2007

Exhibit G



Handbook for Providers of Medical Services

Chapter 100 General Policy and Procedures

Illinois Department of Healthcare and Family Service

CHAPTER 100

GENERAL POLICY AND PROCEDURES

100 HFS MEDICAL PROGRAMS – BASIC PROVISIONS, AUTHORITY AND OBJECTIVE

For consideration for payment by the Department under any of its authorized programs, covered services must be provided to an eligible participant by a medical provider enrolled for participation in the Illinois Medical Assistance Program. Services provided must be in full compliance with applicable federal and state laws, Department Administrative Rules (89 Ill. Adm. Code Chapter 101), the general provisions contained in Chapter 100, General Policy and Procedures, and the policy and procedures contained in the Chapter 200 series Handbook that applies to the specific type of service or type of provider.

The objective of the Department's Medical Programs is to enable eligible participants to obtain necessary medical care. "Necessary medical care" is that which is generally recognized as standard medical care required because of disease, infirmity or impairment. Preventive care is covered in certain circumstances, as specified in Topic 103 and in the Chapter 200 Series Handbooks.

Payment for necessary medical care and certain preventive services, as specified in Chapter 100, Topic 103, is made to participating providers when it is not available without charge or is not covered by health insurance or other liable third parties. As specified by rule, prior approval requirements may be imposed for some services.

Both fiscal considerations and good administrative practice require the imposition of certain limitations and controls on the kind and amount of medical care covered by the Department's Medical Programs. Careful review of the Handbook material will enable providers to identify specific program coverages and limitations.

Programs under which the Department is authorized to make payments include the following.

Exhibit H

State of Illinois
Illinois Department of Public Health



Application for Hospital Licensure

CONFIDENTIAL NATURE OF INFORMATION - As required by law, the information given in this application will be considered confidential and will not be disclosed publicly by the Department in such manner as to identify individuals or hospitals, except in a proceeding involving the question of licensure or revocation or in other circumstances as may be approved by the Hospital Licensing Board.

GENERAL INSTRUCTIONS

- A. All items of information on the Application for Hospital Licensure form must be filled in when a hospital makes its initial application for license.
- B. Prepare the application form in duplicate; send the original to the Illinois Dept. of Public Health, 525 West Jefferson Street, Fourth Floor, Springfield, Illinois 62761-0001; and keep a copy for the hospital files.
- C. Please complete using PDF writer or print and complete with typewriter or print legibly with permanent type ink.
- D. The applicant should feel free to provide additional information on an attached sheet. This should be done whenever the space on the form is inadequate to give a complete answer.
- E. This application must be executed and verified by the individual owner or by two officers in the case of a hospital-owned corporation, association, or governmental unit or agency.
- F. There is no license fee.
- G. This initial application is the only one required of the hospital. Annual re-application is not required. However, if the hospital's location, ownership changes, or a change in clinical services results in a change of license category, a re-application is then required. Refer to Section 250.110a.
- H. Separate applications are required for hospitals operated on separate premises, even though operated under the same ownership and/or management.
- I. Separate applications are required for each individual hospital, even though ownership is the same.

Additional instruction for completing the application for hospital license

Section 250.210 The Governing Board

This section of the hospital licensing requirements states that the hospital governing board be formally organized in accordance with a written constitution and by-laws.

Please include a copy of the hospital's constitution and by-laws as part of this application.

State of Illinois
Illinois Department of Public Health



Application for Hospital Licensure

Definitions

1. **Definition of Hospital.** For the purposes of this application, the term hospital means any institution, place, building or agency, public or private, whether organized for profit or not, devoted primarily to the maintenance and operation of facilities for the diagnosis, treatment and/or care of two or more unrelated persons admitted for overnight stay or longer in order to obtain medical, including obstetric, psychiatric and nursing, care of illness, disease, injury, infirmity or deformity. All places where pregnant females are received, cared for or treated during delivery shall be considered to be a hospital within the meaning of this act irrespective of the number of patients received or the duration of their stay. The term hospital includes general and specialized hospitals, tuberculosis sanitarium, and includes maternity homes, lying-in homes and homes for unwed mothers in which care is given during delivery.
2. **Bed complement.** Give the present number of beds actually set up for in-patient care, including children's cribs. (Exclude bassinets in maternity department nurseries, but count those in pediatric departments and in premature nurseries if not located in the maternity department. Exclude labor and recovery beds.)
3. **Bed capacity.** Based only on space designed as patient rooms, whether or not beds are installed; compute the "normal" bed count on the basis of a minimum of 100 square feet of floor area per bed in private rooms, 80 square feet per bed in semi-private and ward rooms, 50 square feet per pediatric crib or bed, 30 square feet per bassinet in pediatric departments. There shall be a minimum of 30 square feet of floor area for each bassinet and three feet between bassinets in a nursery. In Special Care and Observation Nurseries, the floor area per bassinet shall be determined by the program but not be less than 40 square feet. There should be 80 to 100 square feet of space for each infant cared for in the Level III or Intensive Care area.
4. **Emergency capacity.** Number of beds that can reasonably be added to the bed complement in periods of unusually high occupancy.

STATUTORY PURPOSE AS OUTLINED UNDER I.R.S. Chap. 111 1/2, Secs. 142 to 157. DISCLOSURE OF THIS INFORMATION IS MANDATORY.
THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER