



STATE OF ILLINOIS

HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST, SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET NO: C-01	BOARD MEETING: September 19, 2024	PROJECT NO: E-015-24	PROJECT COST:
FACILITY NAME: Katherine Shaw Bethea		CITY: Dixon	Original: \$0
TYPE OF PROJECT: Exemption – Change of Ownership			HSA: VII

PROJECT DESCRIPTION: The Applicants (Katherine Shaw Bethea Hospital and OSF Healthcare System) are asking the State Board to approve a change of ownership of Katherine Shaw Bethea Hospital, located at 403 E. First Street, Dixon, Illinois. As stated by the applicants, the hospital's **fair market value is between \$44M and \$55M**. The expected completion date is **December 31, 2024**.

Heath Facilities Planning Act (20 ILCS 3960/6)

(b) The State Board shall establish by regulation the procedures and requirements regarding issuance of exemptions. An exemption shall be approved when information required by the Board by rule is submitted. Projects eligible for an exemption, rather than a permit, include but are not limited to, a change of ownership of a health care facility and discontinuation of a service category.

Information on this exemption application can be found at

<https://hfsrb.illinois.gov/announcements/e-015-24-katherine-shaw-bethea.html>

No public hearing was requested, and the State Board staff received letters of support and one letter of opposition. These letters are attached at the end of this report.



STATE BOARD STAFF REPORT

Project #E-015-24

Katherine Shaw Bethea Hospital

I. TRANSACTION

According to the Applicants, the transaction structure will be a statutory merger.¹, with OSF as the surviving legal entity. Post-transaction, the hospital will be operated by OSF Healthcare System under an assumed name to be determined. The parties anticipate that the transaction will close on December 31, 2024, upon approval by the State Board, receipt of all other regulatory approvals necessary, and issuance of an updated hospital license. The transaction is a change of 50% or more of the voting members of a not-for-profit corporation's **board** of directors that controls a healthcare facility's operations, license, certification, or physical plant and assets. The fair market value of the transaction is between \$44M and \$55M, as stated by the Applicants.

II. APPLICANTS

OSF HealthCare System (OSF) is an Illinois not-for-profit corporation incorporated in 1880 as The Sisters of the Third Order of St. Francis. OSF's current name was adopted as part of a corporate restructuring 1989. At that time, a new Illinois not-for-profit corporation known as The Sisters of the Third Order of St. Francis (the Parent) was incorporated by a Roman Catholic Church religious congregation with the same name. The Parent is the sole member of OSF and OSF HealthCare Foundation (the Foundation). OSF currently owns and operates 15 acute care hospitals and other healthcare-related entities:

OSF St. Francis Hospital, Escanaba, Michigan
OSF Saint Anthony Medical Center, Rockford, Illinois
OSF Saint James-John W. Albrecht Medical Center, Pontiac, Illinois
OSF St. Joseph Medical Center, Bloomington, Illinois
OSF Saint Francis Medical Center, Peoria, Illinois
OSF St. Mary Medical Center, Galesburg, Illinois
OSF Holy Family Medical Center, Monmouth, Illinois
OSF Saint Luke Medical Center, Kewanee, Illinois
OSF Saint Anthony Health Center, Alton, Illinois

¹ (Source: 805 ILCS 105/111.05 - Business Combination) Any two or more corporations may merge into one such corporation or consolidate into a new corporation by adopting a plan of merger or consolidation setting forth:

(a) The names of the corporations proposing to merge or consolidate, and in the case of a merger, the name of the corporation into which they propose to merge, which is hereinafter designated as the surviving corporation, or in the case of a consolidation, the name of the new corporation into which they propose to consolidate, which is hereinafter designated as the new corporation.
(b) The terms and conditions of the proposed merger or consolidation.
(c) In the case of a merger, a statement of any changes in the articles of incorporation of the surviving corporation to be affected by such merger, or in the case of a consolidation and with respect to the new corporation, all of the statements required to be set forth in articles of incorporation for corporations organized under this Act; and
(d) Such other provisions with respect to the proposed merger or consolidation as are deemed necessary or desirable, including provisions, if any, under which the proposed merger or consolidation may be abandoned prior to the filing of articles of merger or articles of consolidation by the Secretary of State.

OSF Heart of Mary Medical Center, Urbana, Illinois
 OSF Sacred Heart Medical Center, Danville, Illinois
 OSF Little Company of Mary Medical Center, Evergreen Park, Illinois
 OSF Saint Clare Medical Center, Princeton, Illinois

OSF has two hospitals, which are wholly owned subsidiaries – Ottawa Regional Hospital and Healthcare Center and Subsidiaries (d/b/a OSF Saint Elizabeth Medical Center in Ottawa, Illinois, and Mendota Community Hospital (d/b/a OSF Saint Paul Medical Center in Mendota, Illinois. (Source: 2023 OSF Healthcare System Financial Audit)

State Board Staff Note: OSF Healthcare System has been approved to own and operate OSF Saint Elizabeth Medical Center—Peru under an OSF Saint Elizabeth Medical Center license.

III. Applicants' Responses

Charity Care -1130.520 (b) (3)

OSF Healthcare System will not adopt a more restrictive charity care policy that was in effect one year before the Closing Date of the proposed transaction. The OSF Charity Assistance Policy for Illinois Hospitals will remain in effect for at least two (2) years following the Closing Date. The OSF Charity Assistance Policy for Illinois Hospitals is generally the same or more generous than the current Katherine Shaw Bethea Hospital Charity Care Program. The OSF Financial Assistance Policy has been provided in the State Board Packet of information.

TABLE ONE				
Charity Care				
CHARITY CARE - OSF Healthcare System	2020	2021	2022	
Net Patient Revenue	\$2,383,901,200	\$2,978,991,756	\$3,211,070,549	
Amount of Charity Care (charges)	\$201,864,109	\$195,002,654	\$217,695,250	
Cost of Charity Care	\$41,284,835	\$40,569,889	\$54,215,573	
% of Charity Care to Net Revenue	1.73%	1.36%	1.69%	
CHARITY CARE - Katherine Shaw Bethea Hospital	2020	2021	2022	
Net Patient Revenue	\$118,587,053	\$138,964,356	\$136,073,789	
Amount of Charity Care (charges)	\$3,175,327	\$1,462,592	\$1,603,545	
Cost of Charity Care	\$922,407	\$376,377	\$452,937	
% of Charity Care to Net Revenue	0.78%	0.27%	0.33%	

Anticipated Benefits and Cost Savings -1130.520(b)(4) and (b)(5)

OSF Healthcare System states the community will benefit from the continued operation of the hospital by OSF Healthcare System, which operates many hospitals in the State of Illinois and by the available capital and shared ministry resources of OSF Healthcare

System. Anticipated cost savings are expected due to economies of scale gained by integration into a large healthcare system.

Quality Improvement Program to be Utilized - 1130.520(b)(6)

OSF Healthcare System states that it has extensive and focused quality improvement and monitoring programs, policies, and procedures. OSF will extend the quality programs in place and review them post-change of ownership to align them with OSF's overall system-wide quality improvement and monitoring policies upon closing.

Governing Body Composition/Selection Process -1130.520(b)(7)

The governing body will be the Board of Directors of OSF Healthcare System, as appointed by the Sisters of the Third Order of Saint Francis.

Scope of Services – 1130.520(b)(9)

OSF Healthcare System does not anticipate any reductions to the scope of services or level of care provided within 24 months after acquisition. Between closing and 2029, OSF Healthcare System will provide a routine capital allocation of \$40,000,000 for projects to be determined over five years.

IV. FACILITY

Katherine Shaw Bethea Hospital is an 80-bed not-for-profit acute care facility in Dixon, Illinois. The Hospital is located in Health Service Area I which includes the Illinois Counties of Boone, Carroll, DeKalb, Jo Daviess, Lee, Ogle, Stephenson, Whiteside, and Winnebago and in the B-03 Hospital Planning Area includes Whiteside County; Lee County Townships of Palmyra, Nelson, Harmon, Hamilton, Dixon, South Dixon, Marion, East Grove, Nachusa, China, Amboy, May, Ashton, Bradford, Lee Center, and Sublette; Carroll County Townships of York, Fairhaven, Wysox, and Elkhorn Grove; Ogle County Townships of Eagle Point, Buffalo, Pine Creek, Woosung, Grand Detour, Oregon, Nashua, Taylor, Pine Rock and Lafayette.

The Hospital provides comprehensive ancillary services, including emergency medicine, obstetrics, inpatient psychiatry, a cardiovascular laboratory, outpatient surgery, inpatient surgery, and intensive care.

Table Two below outlines Katherine Shaw Bethea Hospital's Net Income for the period 2018 to 2022. Over this five-year period, the Hospital lost approximately \$33 million. Table Three documents the Hospital's utilization for the period 2018-2023, and Table Four documents the number of patients by payor source for this same period.

TABLE TWO
Katherine Shaw Bethea Hospital
Net Income
2018-2022

	2018	2019	2020	2021	2022	Total
Total Patient Revenue	\$451,055,030	\$482,520,318	\$460,154,116	\$503,962,918	\$468,799,856	\$2,366,492,238
Contractual Allowances	\$319,983,772	\$344,151,586	\$341,439,219	\$364,975,670	\$331,942,981	\$1,702,493,228
Net Patient Revenue	\$131,071,258	\$138,368,732	\$118,714,897	\$138,987,248	\$136,856,875	\$663,999,010
Total Operating Expenses	\$135,057,499	\$146,009,787	\$152,291,413	\$153,031,741	\$154,440,738	\$740,831,178
Net Income	-\$3,986,241	-\$7,641,055	-\$33,576,516	-\$14,044,493	-\$17,583,863	-\$76,832,168
Other Income	\$7,187,217	\$6,002,657	\$18,826,338	\$11,007,452	\$2,361,326	\$45,384,990
Other Expense	\$0	\$0	\$181,623	\$664,470	\$824,745	\$1,670,838
Net Income	\$3,200,976	-\$1,638,398	-\$14,750,178	-\$3,701,511	-\$16,047,282	-\$32,936,393

1. Source Medicare Cost Report

TABLE THREE
Katherine Shaw Bethea Hospital
Utilization of Bed Services

	Beds	2018	2019	2020	2021	2022	2023	Average
Medical Surgical	43	46.80%	53.80%	63.90%	59.90%	58.90%	60.14%	57.24%
Pediatric	10	0.90%	2.40%	2.70%	3.40%	8.70%	4.33%	3.74%
Intensive Care	6	72.80%	65.70%	63.60%	68.40%	62.00%	56.71%	64.87%
OB/GYN	7	33.80%	32.80%	36.00%	32.70%	30.90%	32.84%	33.17%
AMI	14	39.40%	39.20%	52.20%	54.80%	50.70%	55.21%	48.58%
Total	80	40.60%	43.90%	51.70%	50.20%	49.00%	49.65%	47.51%

TABLE FOUR
Katherine Shaw Bethea Hospital
Number of Patients by Payor Source

	2018	2019	2020	2021	2022	2023	%
Medicare	75,058	76,191	97,519	105,859	99,813	100,556	35.60%
Medicaid	83,398	50,601	49,405	55,488	52,135	50,398	21.90%
Other Public	0	3,678	1,542	2,033	1,861	2,093	0.72%
Private Insurance	0	115,254	97,138	101,001	89,976	87,457	31.48%
Private Pay	116,205	8,310	7,223	10,059	6,853	4,972	9.85%
Charity Care	4,328	2,105	174	52	104	163	0.44%
	278,989	256,139	253,001	274,492	250,742	245,639	100.00%

V. Applicable Rules

A) Section 1130.500 - General Requirements for Exemptions

Only those projects specified in Section 1130.410 are eligible for exemption from permit requirements. Persons that have initiated or completed such projects without obtaining an exemption are in violation of the provisions of the Act and are subject to the penalties and sanctions of the Act and Section 1130.790.

- a) **Application for Exemption**
Any persons proposing a project for an exemption to permit requirements shall submit to HFSRB an application for exemption containing the information required by this Subpart, apply fee (if a fee is required), and receive approval from HFSRB.
- b) **General Information Requirements**
The application for exemption shall include the following information and any additional information specified in this Subpart:
 - 1) the name and address of the applicant or applicants (see Section 1130.220).
 - 2) the name and address of the health care facility.
 - 3) a description of the project, e.g., change of ownership, discontinuation, increase in dialysis stations.
 - 4) documentation from the Illinois Secretary of State that the applicant is registered to conduct business in Illinois and is in good standing or, if the applicant is not required to be registered to conduct business in Illinois, evidence of authorization to conduct business in other states.
 - 5) a description of the applicant's organization structure, including a listing of controlling or subsidiary persons.
 - 6) the estimated project cost, including the fair market value of any component and the sources and uses of funds.
 - 7) the anticipated project completion date.
 - 8) verification that the applicant has fulfilled all compliance requirements with all existing permits that have been approved by HFSRB; and
 - 9) the application-processing fee.

HFSRB NOTE: If a person or project cannot meet the requirements of exemption, then an application for permit may be filed.

B) Section 1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

- a) Submission of Application for Exemption
Prior to acquiring or entering a contract to acquire an existing health care facility, a person shall apply for exemption to HFSRB, submit the required application-processing fee (see Section 1130.230) and receive approval from HFSRB.
- b) Application for Exemption
The application for exemption is subject to approval under Section 1130.560 and shall include the information required by Section 1130.500 and the following information:
 - 1) *Key terms of the transaction*, including the:
 - A) *names of the parties.*
 - B) *background of the parties*, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application;
 - C) *structure of the transaction.*
 - D) *name of the person who will be the licensed or certified entity after the transaction.*
 - E) *list of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction*, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.
 - F) *fair market value of assets to be transferred; and*
 - G) *the purchase price or other forms of consideration to be provided for those assets.* [20 ILCS 3960/8.5(a)]

HFSRB NOTE: If the transaction is not completed according to the key terms submitted in the exemption application, a new application is required.

- 2) affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section.
 - 3) if the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction.
 - 4) a statement as to the anticipated benefits of the proposed changes in ownership to the community.
 - 5) the anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership.
 - 6) a description of the facility's quality improvement program mechanism that will be utilized to assure quality control.
 - 7) a description of the selection process that the acquiring entity will use to select the facility's governing body.
 - 8) a statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility; and
 - 9) a description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.
- c) **Application for Exemption Among Related Persons**
When a change of ownership is among related persons, and there are no other changes being proposed at the health care facility that would otherwise require a permit or exemption under the Act, the applicant shall apply consisting of a standard notice in a form set forth by the Board briefly explaining the reasons for the proposed change of ownership. [20 ILCS 3960/8.5(a)]
- d) **Opportunity for Public Hearing**
Upon a finding by HFSRB staff that an application for a change of ownership is complete, the State Board staff shall publish a legal notice on one day in a newspaper of general circulation in the area or community to be affected and afford the public an opportunity to request a hearing. If the application is for a facility located in a Metropolitan Statistical Area, an additional legal notice shall be published in a newspaper of limited circulation, if one exists, in the area in which the facility is located. If the newspaper of limited circulation is published daily, the

additional legal notice shall be published on one day. The applicant shall pay the cost incurred by the Board in publishing the change of ownership notice in the newspaper as required under this subsection. The legal notice shall also be posted on Health Facilities and Services Review Board web site and sent to the State Representative and State Senator of the district in which the health care facility is located. [20 ILCS 3960/8.5(a)] This legal notice shall provide the following:

- 1) Name of applicants and addresses.
 - 2) Name of facility and address.
 - 3) Description of the proposed project and estimated total cost.
 - 4) Notice of request for public hearing.
 - 5) Notice of tentative HFSRB meeting and location; and
 - 6) Notice of tentative release of the State Board Staff Report and the time to comment on the State Board Staff Report. See HFSRB website (www.hfsrb.illinois.gov).
- e) Completion of Projects with Outstanding Permits
- 1) A permit or exemption cannot be transferred.
 - 2) *In connection with a change of ownership, the State Board may approve the transfer of an existing permit without regard to whether the permit to be transferred has yet been obligated, except for permits establishing a new facility or a new category of service. (See 20 ILCS 3960/6(b).)*
 - 3) If the requirements of this subsection (e) are not met, any outstanding permit will be considered a transfer of the permit and results in the permit being null and void.

C) Section 1130.220 - Necessary Parties to the Application for Permit or Exemption

A permit or exemption shall be obtained prior to the acquisition of major medical equipment or to the construction or modification of a health care facility [20 ILCS 3960/5]. The following persons shall be the applicants for permit or exemption, as applicable:

- a) For construction or modification projects (including projects to establish or change the ownership of health care facilities and including projects to acquire major medical equipment by or on behalf of health care facilities) of one or more existing or proposed health care facilities:

- 1) the person who will hold and who currently (as applicable) holds the license (or Medicare and/or Medicaid certification if licensing is not applicable) for each facility.
- 2) the person who has final control of the person who will hold or who currently holds (as applicable) the license (or Medicare and/or Medicaid certification if applicable) for each facility.
- 3) any related person who is or will be financially responsible for guaranteeing or making payments on any debt related to the project; and
- 4) any other person who actively will be involved in the operation or provision of care and who controls the use of equipment or other capital assets that are components of the project, such as, but not limited to, fixed equipment, mobile equipment, buildings or portions of buildings, structures such as parking garages, etc.

D) Section 1130.560 HFSRB Action

a) Action by Chairman

The Chairman, acting on behalf of HFSRB, shall review all applications for exemption and approve, deny, or refer the application or material change to HFSRB for review and action.

- 1) The chairman shall act *on an exemption application for a change of ownership among related persons within 45 days after* HFSRB staff deems the application *complete, provided the application* includes the requisite information. *If the Board Chair has a conflict of interest or for other good cause, the Chair may request* that the Board consider the application. [20 ILCS 3960/8.5(a)]
- 2) The Chair shall act upon an exemption application for the discontinuation of a health care facility, discontinuation of a category of service, or change of ownership that is not among related persons after Board staff finds that the application is complete and includes the requested information. The Chair may refer the application to the Board.

b) Action by HFSRB

- 1) HFSRB shall evaluate each application for exemption referred by the Chairman and either issue an exemption or advise the applicant or exemption holder in writing that the application is denied and is not in conformance with exemption requirements. The number of affirmative votes for approval of an application for exemption is specified in the Act. HFSRB shall approve an application for exemption that it determines to be in compliance with the requirements. Exemptions will not be issued

for projects that have failed to meet the applicable requirements of this Subpart.

- 2) HFSRB will defer consideration of an application for exemption when the application is the subject of litigation, until all litigation related to the application has been completed.

(Source: Amended at 40 Ill. Reg. 14647, effective October 14, 2016)

Support Letter



City of Dixon

121 West Second Street • Dixon, Illinois 61021 • Telephone (815) 288-1485
www.discoverdixon.org • inquire@discoverdixon.org

CITY DEPARTMENTS

Administration 288-1485
Airport 288-4095
Building 288-1103
Cemetery 284-2904
Fire 288-3323
Police 288-4411
Sewage Treatment 288-3383
Street 284-7743
Water 288-3381

City Manager, Danny Langloss

August 26, 2024

Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, Illinois 62761

Dear Members of the Review Board,

On behalf of the City of Dixon, I would like to offer the City's full support and excitement for the KSB Hospital and OSF HealthCare merger. As the City Manager of Dixon, I have worked closely with KSB administration and staff over the past 28+ years. Throughout this current process, I, and the entire Dixon City Council, have been in close contact with CEO David Schreiner and his team.

KSB Hospital is the anchor of thriving downtown Dixon and one of the largest employers in our region. KSB is more than just an exceptional healthcare provider, they are a true community partner. KSB invests in their people, and their people invest back in our community.

KSB has made significant investments in facility renovations and technology. While their services expand beyond the city limits of Dixon, KSB has three major locations in our downtown. Over the years, my family has been blessed to have the services of KSB, including the birth of two of my children and the impending birth of my daughter later this month. KSB's staff provides the highest levels of service and care to our community. At KSB, you are not treated like a patient. You are treated like family.

While every rural hospital wishes to remain independent, the financial impacts of COVID-19 have made that increasingly difficult. I would like to thank the leadership of KSB Hospital for holding true to their commitment to the Dixon community to provide the highest levels of care through the best physicians, support staff and technology. Recognizing the increasing difficulty to maintain facilities and continuously improve technology, KSB leadership was proactive in assessing what gives their staff the greatest opportunity to serve Dixon to the highest level. After detailed research and discussions, KSB leadership and City leadership feel affiliation with OSF HealthCare will give KSB's team the greatest opportunity to achieve this goal.

This affiliation will not only ensure Dixon residents will continue to receive a very high level of service, it will allow the staff at KSB to take their serves to the next level. As a member of this community, ensuring that my aging parents and our young children have access to great healthcare is essential. As the City

Support Letter

Manager, in addition to the essential healthcare services provided, this affiliation will ensure the economic vitality of not only our historic downtown, but the entire region.

In closing, it is without reservation that the City of Dixon offers its full support and enthusiasm for this merger. If you have any further questions, please feel free to contact me via cell phone at 815/973-5736 or by email at danny.langloss@discoverdixon.org.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Langloss, Jr.", with a stylized, cursive script.

Danny D. Langloss, Jr.
City Manager – City of Dixon

Support Letter



August 26, 2024

Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

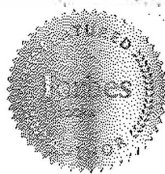
Attn: Ms. Debra Savage, Chair

Re: Letters of Support

Dear Ms. Savage:

I am pleased to present letters of support for project E-015-24 Katherine Shaw Bethea. This project will be on the agenda for the Health Facilities & Services Review Board September 19, 2024 meeting.


PRESIDENT | CEO KSB HOSPITAL



[Click for Contact Info](#)

DIXON PUBLIC SCHOOLS #170

"A Place to Grow"

www.dps170.org

1335 Franklin Grove Road
Dixon, Illinois 61021

Phone: (815) 373-4966
Fax: (815) 284-8576

Margo D. Empen – Superintendent
Doug Stansford – Asst. Superintendent
Marc Campbell – Chief School Business

Official

August 26, 2024

Re: KSB Hospital/OSF Healthcare Affiliation

My name is Margo Empen, and I am the Superintendent of Dixon Unit School District #170. I have been a consumer of KSB Services, been an instructor in their Babysitting Academy, and have served as a member of their Governance and Advisory Council. I am wholeheartedly in favor of this affiliation for a variety of reasons. It is imperative that our community have an established health care system. Keeping an established health care system supports a healthy community, provides local jobs to enhance our workforce, and enables our citizens to receive quality healthcare without having to travel outside of Dixon. I have utilized both KSB and OSF for a variety of personal healthcare needs, and I support the affiliation of these two entities.

KSB's mission is to restore, maintain, and enhance health by providing superior care now and in the future. We need this affiliation to occur to uphold the mission to not only maintain healthcare in the Sauk Valley, but to enhance and grow care opportunities for the immediate future. To lose such a vital part of our community would be catastrophic to the overall health and wellness of our community. People need local healthcare that is easy and convenient to access. If asked to travel outside of Dixon, there are people who can't or won't access healthcare. That will impact our community in a negative way. KSB's vision is to be the community's first choice for health services. Dixonites are proud of their community and the services and supports offered to our citizens. People would much rather access quality healthcare within their community versus traveling outside of town. Traveling for specialists is one thing, but good quality healthcare within a community cannot be underestimated. I believe OSF will be able to expand primary care services which is vital for those young and old.

Recently, I had a serious health scare. The support I received from KSB along with specialized services from OSF were second to none. I felt in very capable hands since we have experienced, top notch health care, from both entities over the last 30+ years. At crucial times like I experienced, knowing the depth of knowledge and the level of commitment from both entities made for two areas I didn't need to worry about. My focus was on treatment and recovery.

Please consider this affiliation between KSB and OSF. Our community needs to know there is some place to turn when healthcare advice and help is needed. These two entities will ensure that for our communities provide outstanding health care now and in the years to come.

Dixon Public Schools, in cooperation with the community, will provide students with a comprehensive educational program that produces well-educated, self-sufficient, and involved citizens.

Support Letter

I am available for further discussions if needed. I thank you for your time, care and attention to the needs of our community in your decision making.

Sincerely,

Margo D. Empen

Margo D Empen
Superintendent-Dixon USD #170

Dixon Public Schools, in cooperation with the community, will provide students with a comprehensive educational program that produces well-educated, self-sufficient, and involved citizens.



8/19/2024

To whom it may concern,

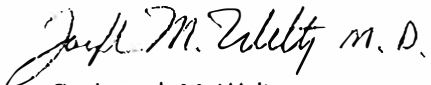
My name is Dr. Joseph M. Welty, and I am writing this letter in enthusiastic support of the affiliation of KSB Hospital with OSF Healthcare. My journey in the practice of family medicine began in July of 1985 as a member of the medical staff at KSB Hospital, and I now find myself beginning a fortieth year of being privileged to be a part of that same organization. One might say that my connection to KSB dates back even farther as my mother took on a position in the mid 1970's as a night shift nurse in the ICU at KSB in addition to her day work as an office nurse. She did this to assist me in paying for my premedical education. It has been an honor to serve an organization that helped give me the opportunity to become a physician. There have been many changes over these years, but one thing that has remained a constant is the devotion of our employees to bring the best quality in health care to our friends, neighbors, and families.

It is my belief that to continue to provide this same or better quality and to expand the availability of medical services to the people of the Sauk Valley area we must partner with a larger health care organization. In OSF we have found an organization that shares our patient centered values and agrees with our philosophy of opening our doors and providing access to all those in need. We at KSB also feel that we have found a partner that is extremely innovative and has many programs at the cutting edge of health care including but not limited to several centers of excellence, their cancer institute, the Children's Hospital of Illinois, and telehealth and virtual platforms. Even more impressive is OSF's ability to maintain focus on the every day preventative and primary care that we at KSB value while developing the aforementioned initiatives.

As a husband, father, father-in-law, grandfather, brother, nephew, cousin, friend, and neighbor to people that live in and utilize our area health care services I am committed to seeing that the best quality health care with ease of accessibility remains here in Dixon and our surrounding communities. Ensuring success of this goal involves a path of KSB affiliating with the mission partners of OSF who have welcomed us with open arms.

My life calling has been to serve those in need through providing the best healthcare I was capable of. It is both refreshing and exciting to be joining with an organization that shares and lives that calling each and every day.

Sincerely,


Dr. Joseph M. Welty

Support Letter



From: Fadi Mustapa, MD, FACP

To: Whom it may concern

Date: August 20th, 2024

My name is Fadi Mustapha. I am a physician, a board-certified gastroenterologist. I joined KSB hospital after completing my residency and fellowship in both Internal Medicine and Gastroenterology in 2006 from The Graduate Hospital and Drexel University in Philadelphia, PA. I have since built a busy gastroenterology practice as an employed physician at KSB Hospital and have served at the hospital at multiple leadership positions including as the President of the Medical Staff, the Chairperson of Credentialing Committee, the Chairperson of the Physician Practice Review Committee or PPRC, the Physician Communication Officer, and other smaller roles. My wife, Wafa, works in the Revenue Cycle Department at KSB hospital, our two kids were both born at KSB Hospital and attend Dixon Public schools. We are active members of the Dixon community and participate in multiple community events.

The purpose of this letter is to give my full support for the affiliation of KSB Hospital with OSF Healthcare. OSF and KSB share similar values, mission and goals. This affiliation would ensure that KSB will continue to provide vital medical services for the Sauk Valley communities locally. I am personally excited, as this affiliation would expand the scope of medical care provided by the hospital by enhancing access to additional services and treatments. Through this affiliation, our community will have access to specialized services through OSF's Centers of Excellence, while maintaining most of the medical care locally.

We, the physicians, clinical staff, and administrative team at KSB Hospital take pride in our commitment and the care we provide to our community. I have trusted KSB for almost 2 decades and I am confident, this trust, will continue to thrive after the affiliation.

In addition to supporting this affiliation, I also encourage and support an open discussion between KSB and OSF Healthcare. I am confident this transition will be accomplished without significant hurdles, given the effort and time spent from both teams, on achieving each step before full affiliation is reached.

Sincerely,

A handwritten signature in black ink, appearing to read 'Fadi Mustapha', written in a cursive style.

Fadi Mustapha, MD, FACP

Gastroenterologist at KSB hospital

Clinical assistant professor, University of Illinois at Rockford.

Support Letter

Glen S. Hughes
1318 Eustace Dr.
Dixon, IL 61021

21 August 2024

Illinois Health Facilities and Services Review Board
525 W Jefferson St., 2nd Flr.
Springfield, IL 62761

Dear Review Board:

I am Glen Hughes, Mayor of the City of Dixon. This letter is in regards to my support for the affiliation of Katherine Shaw Bethea Hospital ("KSB") with OSF HealthCare System ("OSF"), both as its mayor and as a long-term resident.

KSB has been the primary component of health care in the City of Dixon since 1896. KSB has not only been integral to the health of Dixon & the Sauk Valley area, but also a key player in the economy and employment of the area. Additionally, the contributions to, and support for, the community in dollars, manpower, and partnership have been invaluable. I have seen and experienced this first hand as a resident (husband & parent), business leader, and now as mayor over the past thirty-one years.

I have been a witness to KSB's continued investment its facility, technology, and quality staff. However, in talking to David Schreiner, CEO of KSB, and some of its Board members, it is apparent to me that the impact of COVID and its aftermath has been devastating to the financial well-being of KSB. This has significantly degraded the hospital's ability to serve and maintain the level of financial investment needed to continue quality service to its service area.

I also understand that it was with a great deal of discussion, concern, and reluctance, that after almost 128 years of service as an independent health care provider to Dixon and the Sauk Valley Area, the Board decided to investigate the probability of affiliation. In their fiduciary capacity the KSB Board of Directors undertook study and analysis, including the retention of outside consultants, to determine the viability of continuing to operate while maintaining the level of medical care that KSB has provided.

I have been informed that it was the unanimous decision of the KSB Board that to continue to operate independently would impair KSB's to provide medical care to the residents of Dixon and the surrounding communities.

In its due diligence to find an affiliate or merger partner the KSB Board entered into discussions with several health care providers/systems. I have been told that in so doing, the KSB Board determined that strongest commitment to and investment in the health care services and facilities would be provided by OSF. As a resident of Dixon, knowing some of the Board members

Support Letter



August 20, 2024

Subject: KSB Affiliation

I am writing this letter to share my support and to emphasize the significant impact KSB has provided and how the affiliation with OSF will enhance those resources in Dixon and surrounding communities. My name is Jim Weed and I am currently working as an HR Consultant for PNC Inc. I have managed HR functions at PNC for 40 years. PNC has been in business since 1979 and is a manufacturer located in Polo, IL with 180 employees.

PNC's relationship with KSB strengthened in 1994 as we were in search of a partner to address work-related injuries and the source of those injuries. As we worked with KSB's Executive and Medical team, we recognized their mission was aligned with ours.... centered around our people and our needs. With that in mind, together, a program was implemented that resulted in a significant reduction in work-related injuries within 24 months. As of today, that program is still in place and monitored two days per week by KSB Nursing Staff to maintain our gains.

From a personal standpoint, my family has experienced two serious medical issues that popped up unexpectedly. As we all know, those can be very emotional and trying times for families. When seeking help, KSB's staff reacted with the timeliness and concern that all families would hope for. As those both had positive results, we are forever thankful for the medical expertise and care that KSB provided at our local level. We are excited that OSF can bring additional resources and investment that will further enhance our healthcare experience in the future.

As an anchor in the community, KSB's presence has added to the attractive characteristics to welcome new residents, maintain relationships with current residents and offer resources to build upon Dixon's and surrounding communities' economic draw. OSF's investment in facilities, services and technology will build on that reputation of offering high quality healthcare in our thriving community.

In closing, we express our gratitude for KSB's partnership over the decades and look forward to our new relationship with OSF to offer the best healthcare experience whether it be at home or the workplace.

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Weed".

James R. Weed
HR Consultant

August 26th, 2024



Illinois Health Facilities and Service Review Board
525 West Jefferson Street (2nd Floor)
Springfield, IL 62761

Dear Members of the Health Facilities and Review Board,

My name is Rick Curia, I am the dealer principal of Ken Nelson Auto Group. Our business has been in the Sauk Valley Area for over 55 years. We employ around 100 employees that all live in the Sauk Valley. I have also been a proud member of the KSB Board of Directors for over 15 years.

I am writing today to express how grateful, excited and appreciative I am of the affiliation of KSB with OSF HealthCare. After many years of fighting to stay independent it is hard to come up with the right words to explain how great of an opportunity this affiliation is for the Dixon community.

The Sauk Valley Area deserves the best healthcare available and it will receive that with OSF's technology, staff and services. I believe that OSF HealthCare will continue to make investments in the Dixon community carrying on the impact KSB has made.

The need for local healthcare in our area is essential with the Dixon Correctional Center and CMS Division for the State of Illinois being located in Dixon. Keeping our healthcare local for our employees and their families is very important to the growth of our economy.

Thank you for your time and consideration,

Rick Curia
Dealer Principal
Ken Nelson Auto Group



Support Letter



Jeremy Englund
Lee County Administrator
www.leecountyil.com

August 14, 2024

Mr. David Schreiner,

I am writing to express my full support and excitement for KSB Hospital's proposed affiliation with OSF HealthCare. As the Lee County Administrator, I have seen firsthand the vital role KSB plays in providing quality healthcare to our community. This affiliation marks a pivotal moment in ensuring that KSB continues to serve our residents with the highest level of care for generations to come.

KSB Hospital has a long and proud history of service, deeply rooted in its mission to deliver exceptional healthcare to the Sauk Valley region. By joining forces with OSF HealthCare, KSB will not only preserve this legacy but will also enhance it through expanded access to resources, innovative technology, and a broader network of specialized services. This partnership promises to bring significant investments in facility renovations, improved technology, and continued growth of our exceptional staff, all of which will directly benefit our community.

The affiliation with OSF HealthCare is crucial to ensuring that KSB can continue to provide top-tier medical services locally. This is particularly important in maintaining the trust that our community has placed in KSB over the years, allowing KSB to expand primary care offerings and provide seamless access to specialized services through OSF's Centers of Excellence, while ensuring that our residents receive the best possible care without having to leave the area.

I fully believe that this partnership will ensure that KSB continues to be a cornerstone of our community's health and well-being for decades to come. I am confident that this affiliation with OSF HealthCare will only strengthen the level of care we have come to expect.

Please know that you have my continued support as you move forward with this affiliation, and I am more than willing to discuss this further if needed. The future of healthcare in our community looks bright, and I am excited to see the positive impact this affiliation will have on all of us.

Sincerely,

Jeremy Englund
Lee County Administrator

Support Letter

August 13, 2024

Illinois Health Facilities and Services Review Board
525 West Jefferson Street (2nd Floor)
Springfield, IL 62761



Dear Members of the Health Facilities and Services Review Board,

I am writing in support of the affiliation of KSB Hospital with OSF HealthCare as a positive and exciting step in promoting healthcare accessibility in our community.

As a member of the Illinois House of Representatives from 2013 to 2023, I represented a district that included KSB Hospital. I was the House Republican Caucus leader on budget and healthcare policy. In those roles, I regularly saw the challenges faced by small and rural hospitals across our state. I also worked to increase funding for hospitals through the Hospital Assessment Program redesign, and to support transformation efforts that would stabilize and protect access to healthcare through funds like the Hospital Transformation Program. I see this affiliation of KSB Hospital and OSF HealthCare as a necessary and positive step to meet the challenges of the modern healthcare landscape, contain costs, and protect access to care in Dixon and the surrounding area.

Now with the Lee County Industrial Development Association, I continue to see the importance of KSB Hospital as a major employer and driver of the local economy. I also see how important access to healthcare can be in attracting and retaining a high quality workforce and new employers. This affiliation will protect and provide growth opportunities for our local healthcare workforce, and will ensure that we can continue to provide high quality healthcare to local workers and residents.

On a personal level, I was born at KSB Hospital and my two children were also born at KSB Hospital. Both my wife and I have worked at KSB Hospital. A local hospital is important to bring new lives into the world and to save lives in the moments of greatest need—but it's also an important part of everyday life and wellbeing here in Dixon. I'm pleased to write this letter in support of the affiliation of KSB Hospital and OSF HealthCare, and I'm excited to see the next chapter of healthcare here in my hometown.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Demmer', is written over a horizontal line.

Tom Demmer
President, Lee County Industrial Development Association

Support Letter



August 23, 2024

Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, IL 62761

Dear Members of the Review Board,

This letter expresses my full support for KSB Hospital's affiliation with OSF HealthCare. As the President of Midland States Bank, which has a significant presence in the Sauk Valley area through our local branches and dedicated staff, I recognize the critical role that KSB Hospital plays in the health and well-being of the community we serve.

KSB Hospital has a long-standing reputation for delivering exceptional care, and this affiliation with OSF HealthCare is a strategic move that will only strengthen that legacy. The partnership between KSB and OSF HealthCare reflects a shared commitment to enhancing the quality of care available to local residents, which, in turn, supports the overall vitality of our community. I see firsthand how important accessible and high-quality healthcare is to the residents and employees of our community.

I understand the significance of having a strong, reliable healthcare system close to home. This affiliation will ensure that KSB Hospital continues to provide the top-notch medical services that our community has come to rely on, while also expanding access to specialized care through OSF's Centers of Excellence. Keeping healthcare local not only benefits individuals and families but also contributes to the stability and growth of our community as a whole, which is something I am deeply invested in as a business leader.

My confidence in this partnership stems from the alignment of KSB and OSF HealthCare's missions, both of which prioritize patient-centered care and a commitment to innovation. I am certain that this affiliation will bring about positive changes that will benefit not only the hospital and its patients but also the broader community that depends on the services provided by KSB.

In closing, I fully support the affiliation of KSB Hospital with OSF HealthCare and believe that this partnership will significantly enhance the quality of care available to the Sauk Valley area.

Thank you for considering my letter of support as part of KSB Hospital's Certificate of Need application.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Mefford", written over a horizontal line.

Jeff Mefford
President
Midland States Bank

Support Letter



Dr. David Hellmich, President
173 IL Route 2 • Dixon, IL 61021 ☎ 815.288.5511 🌐 svcc.edu

August 14, 2024

Dear Members of the Health Facilities and Services Review Board:

I am writing to provide my support for the affiliation of KSB Hospital with OSF HealthCare. As a member of the KSB Board of Directors, I have the opportunity to work with hospital leadership and personnel to assure the hospital is fulfilling its mission to restore, maintain, and enhance health by providing superior care now and in the future.

As the chair of the KSB Board of Directors, I led discussions that resulted in our decision to affiliate with OSF HealthCare. This decision became easier and easier as we learned more about OSF. Of particular importance is the commitment of OSF to treat all patients and never deny health care to anyone who needs it, meaning people in the Sauk Valley will have access to OSF HealthCare no matter their ability to pay.

As a Dixon resident who, along with family members, has used KSB's services many times, I know firsthand the excellent quality of care provided by KSB personnel and know the high regard KSB is held in the Sauk Valley.

I am proud to have played a small role in KSB's history and am very excited about the future of healthcare in the Sauk Valley as a result of the affiliation of KSB Hospital with OSF HealthCare.

Please let me know if I may provide additional information about my support for this affiliation.

Sincerely,

A handwritten signature in dark ink, appearing to read "David M. Hellmich".

David M. Hellmich, Ph.D.
President
Sauk Valley Community College

Sauk Valley Community College is dedicated to teaching and scholarship while engaging the community in lifelong learning, public service, and economic development.

BOARD OF TRUSTEES

Robert J. Thompson, Chair, Dixon • Brian Duncan, Vice Chair, Polo • Margaret Tyne, Secretary, Polo
Lisa Wiersema, Chadwick • Danelle Burrs, Dixon • Sam Ramirez, Sterling • Tom Demmer, Dixon



Support Letter

Serving our community for 40 years!

1658 S. IL Route 2, P.O. Box 462 • Oregon, IL 61061 • (815) 732-2499 • Toll Free (888) 421-3100

Lynn Knodle
Chief Executive Officer
Serenity Hospice and Home
1658 S IL Route 2
Oregon, IL 61061
lynnk@serenityhospiceandhome.org
815-732-2499
August 15, 2024

To Whom It May Concern,

My name is Lynn Knodle, and I have been on the Board of Directors for Katherine Shaw Bethea (KSB) since 2015. I am writing to express my strong support for the proposed affiliation between OSF Healthcare System and KSB. As Chief Executive Officer at Serenity Hospice and Home, I have had the opportunity to witness firsthand the critical role that KSB plays in providing high-quality healthcare services to our community.

This affiliation presents an opportunity for KSB to enhance patient care by upgrading technology, expanding access to specialized services, and optimizing resource use. Through collaboration, KSB intends to ensure that patients in our community receive the best possible care, leveraging the strengths and expertise of both institutions.

The partnership will enable KSB to improve patient outcomes by sharing best practices, expanding service offerings, and restoring its place as a strong and supportive community partner with local agencies and businesses. I am particularly excited that our community will gain access to the comprehensive range of quality services provided by OSF Healthcare System, as it aligns with our shared commitment and KSB's mission to restore, maintain and enhance health by providing superior care now and in the future.

I am confident that this affiliation will be mutually beneficial and will significantly contribute to the well-being of our community. I fully support this collaboration and look forward to the positive impact it will have on our patients, staff, and the broader region.

Thank you for considering this important partnership. Please feel free to contact me for further information or assistance.

Sincerely,

Lynn Knodle
Chief Executive Officer
Serenity Hospice and Home



To Whom It May Concern:

My name is Jennifer Heintzelman and I am the publisher of Sauk Valley Media, a regional news company serving the counties of Lee, Ogle, Whiteside and Carroll. As a dedicated professional with deep roots in our community, I have had the honor of working closely with many members of the KSB team throughout my time in Dixon to foster strong partnerships rooted in our shared commitment to the community.

I am pleased to give my full support and commitment to the new affiliation with OSF Healthcare and KSB Hospital. This partnership marks a significant milestone for Dixon and the entire community. By aligning these two esteemed institutions, I am confident that it will enhance the quality of care, broaden access to innovative treatments, and improve overall patient outcomes throughout Dixon and the surrounding communities.

Both KSB and OSF share core values of respect, integrity, compassion, and excellence, which guide their daily operations and long-term strategies. This new partnership between KSB and OSF will ensure that the tradition of exceptional care KSB is known for will not only continue but will also be elevated to new heights, benefitting generations to come.

By joining forces, KSB will be able to leverage OSF's extensive resources, advanced technologies and specialized expertise, all of which are vital to our community members in need of this care. This partnership will ensure patients can receive this care locally where they have grown to trust the familiar faces that have always been a hallmark of KSB.

As someone who lives and works in this community, this affiliation becomes significant for me and my family. Knowing that we can continue to rely on KSB for top quality healthcare, now further enhanced, gives us, our neighbors and community an added sense of security and peace of mind.

In closing, I want to express my continued support for this exciting affiliation between KSB and OSF. I am confident that this partnership will bring tremendous benefits to our community. Please feel free to reach out if you have any further questions or would like to discuss this further.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Heintzelman".

Jennifer Heintzelman
jheintzelman@shawmedia.com
113 S. Peoria Ave., Dixon
815-632-2502

Support Letter



August 23rd, 2024

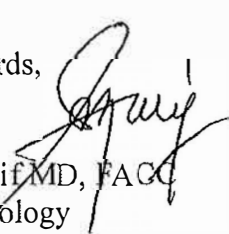
Re: Letter of Support for CON for Acquisition of KSB Hospital by OSF

My name is Dr. Sohail Hanif, M.D. I am a Cardiologist who has worked for KSB Hospital for the past twenty years. During this time, I have enjoyed treating members of my community by providing them with excellent medical care, in an excellent facility, with excellent staff.

As time has progressed, and the news of KSB Hospital's acquisition by OSF became clear, I believe this will be a valuable and good step for our community of Dixon, Illinois. This letter provides my full support for this new affiliation between the two hospitals. Citizens of Dixon, Illinois have been accustomed to receiving outstanding Cardiac Care. We are confident that this acquisition will allow members of our community to continue to receive that care. KSB has a centuries old proud history of providing both primary and specialization care to its community. Investments in the Cardiology Department and new state of the art technology will only allow us to serve our community better. It is critical that as health care providers, we be able to continue to provide local healthcare beyond just primary care to our local communities.

As someone who has invested 20 years of my professional and personal life with KSB Hospital, I strongly believe that OSF will continue to provide outstanding healthcare to our community by retaining the doctors and staff that are familiar faces to our patients. I also believe that OSF will enhance KSB Hospital's mission of providing outstanding rural medical care with its acquisition.

With Regards,



Sohail Hanif MD, FACC
KSB Cardiology
215 East First Street
Dixon, IL, 61021
Ph: 815-285-5853
Fax: 815-285-5573

Support Letter

DISTRICT OFFICE:
101 WEST FIRST STREET
SUITE 501
DIXON, IL 61021
PH: 815-561-3690



CAPITOL OFFICE:
221 - N STRATTON BUILDING
SPRINGFIELD, IL 62706
PH: 217-782-0535

BRADLEY FRITTS
STATE REPRESENTATIVE
74TH DISTRICT

To whom it may concern,

My name is State Representative Bradley J. Fritts, and I am proud to represent the 74th District in Illinois. As the representative for this area, I want to share my full support for the affiliation of KSB Hospital with OSF HealthCare.

KSB Hospital is a pillar in our community that provides compassionate care to patients. With the ever-growing disparity in rural healthcare, this affiliation is critical to ensuring our region does not lose even more access to quality healthcare.

In my time since becoming a State Representative two years ago, I have seen two local hospitals close their doors. Many primary and specialty care providers have also left our region, leaving some residents with a drive upwards of an hour to receive critical care. Without KSB, this situation would deteriorate into a public health emergency for the entire region.

Healthcare is personal to me as well. I want to ensure that my family, who has lived in this area for generations, will be able to have access to quality healthcare. This cannot happen without KSB Hospital.

Because of this, I am excited and enthusiastic in my support of this plan to affiliate.

Please reach out to my office with any questions.

Sincerely,

A handwritten signature in black ink that reads "Bradley J. Fritts".

State Representative Bradley J. Fritts
District 74



August 13, 2024

HealthCare Facilities Planning Board

Dear Members of the Board,

I am writing to express my enthusiastic support for the proposed affiliation between KSB Hospital and OSF HealthCare. As a lifelong resident of Lee County, Illinois, and with 44 years of experience at The First National Bank in Amboy, where I currently serve as President, CEO and Board Chair, I have witnessed firsthand the vital role that healthcare plays in our communities. Over the past sixteen years, I have also had the honor of serving on the board of KSB Hospital, and I am deeply invested in the success of this affiliation.

KSB opened its doors in 1897 when Judge Solomon Bethea gave his entire estate to establish a hospital in honor of his late wife, Katherine. OSF HealthCare was founded in 1877, by The Sisters of the Third Order of St. Francis in Peoria. Both systems have a long history of serving the health and wellness of their communities. I believe that KSB and OSF HealthCare share missions and values that align closely with the needs of our region and this partnership will ensure the continued delivery of high-quality healthcare services. This affiliation will not only uphold, but also enhance KSB Hospital's proud legacy by introducing new investments, advanced technology, and expanded services. These improvements are essential for elevating the level of care available to our communities.

As a Board Member for KSB Hospital, we put our patients at the forefront of every decision, and we never forget they are the heart of everything we do. We knew it was our responsibility to plan for the future and never took that responsibility lightly. Our board had the foresight to realize that simply having a high-quality healthcare system would not be sufficient, that effective population health management demands so much more, and being a standalone hospital today presents many challenges, with escalating costs and changes to health care financing systems. One of the most important aspects of this affiliation is that it will allow us to keep care locally. Patients will not be forced to travel far for services, which is especially important in emergency situations where every minute counts. This partnership will also provide access to OSF's Centers of Excellence, bringing specialized care to our communities.

Member FDIC

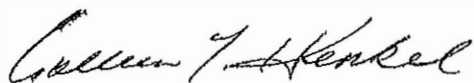
Amboy - Dixon - Franklin Grove - Monroe Center
815.857.3625 - fnbamboy.com

Support Letter

I personally have been a patient of KSB Hospital since birth, and my family and I have relied on their care throughout our lives. From the birth of our three children to various surgeries, and even my mother's end of life care, it is a tremendous blessing to have access to quality healthcare. I want to ensure that this level of care remains available for generations to come.

I am confident in the future success of this partnership, and I am eager to see the benefits it will bring to Lee and Ogle counties and beyond. I have always been so proud to be a part of KSB, but never prouder than this moment, as we transform healthcare for our future. Please consider this letter as a testament to my unwavering support for the affiliation. I am available for any further discussions if needed.

Sincerely,



Colleen T Henkel
President, CEO, Board Chair
The First National Bank in Amboy
cth@fnbamboy.com
815-751-8275



Dixon Chamber of Commerce
& Main Street
87 South Hennepin Avenue
Dixon, Illinois 61021

Support Letter

August 24, 2024

Re: KSB/OSF Affiliation

To Whom It May Concern:

As the Executive Director of Dixon Chamber of Commerce and Main Street, I am writing this letter in strong support of the affiliation of KSB Hospital with OSF HealthCare.

KSB has been a long-term partner of DCCMS, consistently collaborating on community initiatives, working with local organizations, and providing high-quality healthcare to our residents. As the largest employer in our region, the job growth resulting from this affiliation will have a significant impact on our local economy. Moreover, the investment in facilities and technology improvements will enhance talent recruitment efforts and benefit our community as a whole.

From the perspective of a community partner and an advocate for the City of Dixon, this affiliation is critical. Dixon's average income is below both the state average and national average. Our residents rely on local medicine. To couple with the high quality care that KSB has always provided, the OSF Centers of Excellence will only improve upon the accessibility and quality of healthcare available to our region. This will impact our business community as reliable, local healthcare leads to decreased absenteeism and a stronger economy.

As someone who has just moved into Dixon and has in the past had to seek healthcare in a more urban setting because rural medicine did not meet my needs, this affiliation has the potential to change healthcare for myself and my family. The enhancement of services provided with this affiliation has the potential to make healthcare locally accessible as a primary care provider and specialized care for myself as well as many other families.

I strongly support this affiliation. KSB has always had a holistic community approach to healthcare and I look forward to a strengthened presence with the OSF affiliation. Please feel free to reach out to me with any additional questions.

Sincerely,

Amanda Wike
Executive Director
815-284-3361
Amanda.wike@dixonnow.com



August 22, 2024

Debra Savage, Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson, 2nd Floor
Springfield, IL 62761

RE: E-015-24 Acquisition of KSB Hospital by OSF Healthcare – Opposition Letter

Dear Chair Savage:

This letter relates to the planned transaction for OSF Healthcare to acquire Katherine Shaw Bethea Hospital (KSB Hospital). CGH Medical Center is the other community hospital in the area of Illinois known as Dixon/Sterling. For 33 years, CGH Medical Center and KSB Hospital, have co-sponsored a cancer treatment center operating a linear accelerator for radiation therapy for the Dixon/Sterling community cancer patients. The center is called Northern Illinois Cancer Treatment Center (NICTC) and it is the operator of the only linear accelerator in the Dixon/Sterling community. The next closest linear accelerator in Illinois is in Freeport which is over 45 minutes away (approximately 36 miles). Radiation therapy for cancer patients involves up to 5 treatments per week and treatment can last for eight weeks. Many patients rely on a friend or family member for transport to and from the radiation therapy sessions. Approximately 75% of the inpatients CGH Medical Center cares for are either enrolled in a federal health program (Medicare/Medicaid) or receive charity care. KSB Hospital's payor mix is similar.

For many months, there have been discussions and other work for NICTC toward a plan to replace the existing linear accelerator due to its age. CGH representatives on the NICTC Board have not disputed the need to replace the equipment but the equipment replacement plan has not moved forward due to KSB delays which KSB has not explained. We are very wary about the intentions of OSF and KSB relative to this service and concerned that OSF may be inclined to move the services out of town or terminate its involvement in NICTC. As such, CGH Medical Center opposes the approval of the Certificate of Exemption for KSB Hospital to become a part of OSF Healthcare asking that it not be approved, until KSB agrees to fund 50% of the costs associated with the purchase and installation of a new linear accelerator for NICTC or until KSB Hospital and CGH Medical Center can come to other terms for an arrangement to move forward with a plan to retain these essential radiation therapy services in the community. Once that issue is resolved, CGH will not stand in the way of the KSB transaction with OSF Healthcare.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Paul H. Steinke', followed by a stylized flourish.

Dr. Paul Steinke
CGH President & CEO

E-015-24 Katherine Shaw Bethea Hospital CHOW

