



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

DOCKET ITEM H-01	BOARD MEETING: March 18, 2025	PROJECT NUMBER: 24-011
APPLICANT(S): OSF Healthcare System Ottawa Regional Hospital and Healthcare Center d/b/a OSF Saint Elizabeth Medical Center		
FACILITY NAME and LOCATION: OSF Saint Elizabeth Medical Center, Ottawa		

STATE BOARD STAFF REPORT **PROJECT DEFERRAL REQUEST**

I. Background

On March 28, 2024, the Applicants applied to establish a replacement hospital in Ottawa. The application was deemed complete on April 4, 2024. The permit application sought State Board approval to establish a 38-bed acute care hospital as a replacement for the existing 99-bed facility, located at 1100 East Norris Drive, Ottawa. The project cost is \$137,937,825, and the completion date is December 31, 2027. The following chronology applies to this project:

August 8, 2024: Project originally scheduled for review by the State Board but was rescheduled to the next meeting, via a deferral request submitted by the Applicant party on July 17, 2024 (see project file).

September 19, 2024: Project scheduled to be reviewed by the State Board but was granted a 6-month deferral by the State Board, to the March 18, 2025, meeting. This Applicant deferral request was submitted via correspondence dated August 26, 2024 (see project file).

March 18, 2025: Applicants request a 12-month deferral to March 2026. The State Board must decide whether to grant or deny this 12-month deferral, which is not concurrent with Board rules (see section III, applicable rules).

State Board Staff notes the Applicants are requesting an additional 12 months (March 2026) before having the project considered by the State Board. The proposed deferral allows the Applicants to meet with representatives from the city of Ottawa and develop an enhanced plan for services offered at the replacement hospital. To date, Ottawa officials have not supported the Applicants' regional plan for healthcare delivery, and the role of St Elizabeth's Medical Center in relation to the plan.

II. Findings

State Board Staff notes the request for deferral is not compliant with applicable rules and asks the State Board for special consideration to allow a 12-month deferral.

III. Applicable Rules for Extension of the Review Period

Section 1130.640 Extension of the Review Period

- a) **Extension by HFSRB of the Review of Information**
As required to complete its review, HFSRB staff may extend the review period for up to 120 days to analyze additional information. HFSRB will consider the application at the next regularly scheduled meeting that is at least 10 days following the completion of HFSRB staff review of the additional information.
- b) **Extension Due to Deferral by Applicant**
The applicant may defer consideration of a project by HFSRB. A deferral extends from the HFSRB meeting at which the project has been scheduled to the next scheduled HFSRB meeting, subject to a review period of up to 60 days for analyzing additional information. A request for deferral, specifying the reasons for the request, shall be submitted to HFSRB, as follows:
 - 1) **Written Request** – to be received by HFSRB staff no later than five business days prior to the scheduled HFSRB meeting; or
 - 2) **Verbal Request** – by issuing a formal request to HFSRB during the consideration of the project at the HFSRB meeting.
- c) **An applicant may not defer:**
 - 1) **initial consideration of the application by HFSRB to a meeting that is scheduled more than six months from the date the application was deemed complete; or**
 - 2) **HFSRB consideration of an application that has received an Intent to Deny beyond a meeting date that is more than 12 months from the date of HFSRB's decision of Intent to Deny.**

VI. Other Information

Appended to this report is the Applicant's request for a State Board Deferral.



OSF® HEALTHCARE

February 19, 2025

Ms. Debra Savage, Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2ND floor
Springfield, IL 62761

Mr. John Kniery, Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd floor
Springfield, IL 62761

Re: Request for Deferrals

OSF Saint Elizabeth Medical Center-Ottawa – Replacement Hospital, Project 24-011
OSF Saint Elizabeth Medical Center-Ottawa – Discontinuation of Hospital, Project 24-013

Dear Ms. Savage and Mr. Kniery:

OSF Healthcare System hereby requests to be included on the agenda of the March 18, 2025 meeting of the Illinois Health Facilities and Services Review Board (HFSRB). OSF will be requesting a 12-month deferral of the Certificate of Need reviews of the above two projects.

OSF was granted a 6-month deferral at the September 19, 2024 meeting of the HFSRB. Before and after that time, OSF officials have been meeting with representatives from Ottawa, and developed an enhanced plan for services at the replacement hospital. As of this date, Ottawa officials have not supported OSF's regional plan for health care delivery, and the role of OSF Saint Elizabeth Medical Center in that regional plan.

We are requesting this extension to give us time to continue discussions with local officials, implement components of the regional model of health care and assess our plans going forward.

The attachment provides information on the status of activity at OSF Saint Elizabeth Medical Center-Ottawa and OSF Saint Elizabeth Medical Center-Peru.

During the extended deferral, OSF will continue to be in communication with HFSRB staff to keep them apprised of the ongoing transfer of services from SEMC-Ottawa to SEMC-Peru, consistent with approved permit application 24-014 regarding the expansion of clinical services at Peru.

Thank you for the opportunity to appear at the March 18, 2025 HFSRB meeting. If you have any questions, please contact me at 309-308-9656 or mark.e.hohulin@osfhealthcare.org.

Sincerely,

Mark Hohulin, Senior Vice President, Healthcare Analytics

c: August J. Querciagrossa, Chief Executive Officer, Western Region, OSF Healthcare System
Dawn Trompeter, President, OSF Saint Elizabeth Medical Center - Ottawa
Ralph Weber, CON Consultant
Mike Constantino, Chief, Project Review



Status Report

OSF Saint Elizabeth Medical Center-Ottawa ("SEMC-Ottawa")

OSF Saint Elizabeth Medical Center-Peru ("SEMC-Peru")

February 19, 2025

Background

OSF completed the acquisition of St. Margaret's Medical Center in Peru in November, 2023.

Permit application 24-011, the Establishment (Replacement) of SEMC-Ottawa, was declared complete on April 4, 2024.

Permit application 24-013, the Discontinuation of SEMC-Ottawa, was declared complete on April 30, 2024.

Permit application 24-014, the Expansion of SEMC-Peru, was declared complete on April 30, 2024.

Project 24-014 was approved on August 8, 2024. Based on this permit application, ICU at Peru will expand from 4 to 8 beds; medical/surgical from 38 to 45 beds; the OB service will occupy the existing 11 beds.

Permit applications 24-011 and 24-013 were deferred on August 8, 2024 and September 19, 2024. OSF will request further deferrals at the March 18, 2025 HFSRB meeting.

Key events being implemented as part of the OSF regional plan

SEMC-Peru

- 2 medical/surgical beds were opened in April, 2024
- On June 17, 2024, 10 additional medical/surgical beds were opened at Peru (total of 12)
- The Emergency Department opened in April, 2024
- Outpatient services opened in June, 2024
- Outpatient Surgery is scheduled to open on May 1, 2025
- Consistent with permit application 24-014, ICU and OB will relocate from SEMC-Ottawa to SEMC-Peru in late summer, 2025, timed with the completion of the ICU modernization project. It is anticipated that both ICU and OB will open on August 18, 2025.
- The medical/surgical service at Peru will expand from 12 beds to the full 45 authorized beds on August 18, 2025.

SEMC-Ottawa

- All clinical inpatient and outpatient services have continued in place over the past year.
- In August 2025, ICU and OB will be moved to SEMC-Peru and closed at SEMC-Ottawa. Permit application 24-013 for the discontinuation of the entire hospital included the discontinuation of ICU and OB at SEMC-Ottawa. Because that permit application has been deferred, a separate ICU and OB discontinuation application is being prepared for HFSRB review this summer.
- All other clinical services (inpatient medical/surgical, inpatient behavioral health, Emergency Department, surgery, diagnostic imaging, and outpatient care) will continue at SEMC-Ottawa, pending decisions, at a later date, regarding the deferred permit applications 24-011 and 24-013.