



## STATE OF ILLINOIS

### HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

	<b>BOARD MEETING:</b> November 18, 2025	<b>PROJECT NO:</b> 25-013	<b>PROJECT COST:</b>  Original: \$0
<b>FACILITY NAME:</b> OSF Saint Elizabeth Medical Center-Ottawa		<b>CITY:</b> Ottawa	
<b>TYPE OF PROJECT:</b> Substantive			<b>HSA: II</b>

**PROJECT DESCRIPTION:** The Applicants (Ottawa Regional Hospital and Healthcare Center d/b/a OSF Saint Elizabeth Medical Center and OSF Healthcare System) propose discontinuing obstetric and intensive care service categories. There is no cost to this discontinuation, and the expected completion date is August 31, 2025.

Information regarding this application can be found at this link:

<https://hfsrb.illinois.gov/project.25-013-osf-saint-elizabeth-medical-center.html>

## EXECUTIVE SUMMARY

### PROJECT DESCRIPTION:

- The Applicants (Ottawa Regional Hospital and Healthcare Center d/b/a OSF Saint Elizabeth Medical Center and OSF Healthcare System) propose discontinuing a 14-bed obstetric (“OB”) and 5-bed intensive care (“ICU”) service category. Other clinical services, including medical and surgical inpatient care, behavioral health, the emergency department, surgery, diagnostic imaging, and outpatient care, will continue to be offered at OSF Saint Elizabeth Medical Center-Ottawa. This discontinuation has no cost, and the expected completion date is August 31, 2025.
- The discontinuation of ICU and OB services at OSF Saint Elizabeth Medical Center (“SEMC-Ottawa”) is part of OSF’s regional healthcare plan, which includes the expansion of existing ICU and OB services at OSF Saint Elizabeth Medical Center – Peru (“SEMC-Peru”). Under that plan, ICU will expand from a 4-bed ICU unit to an 8-bed ICU unit at SEMC-Peru. Obstetrics will occupy the 11-bed OB unit at OSF Saint Elizabeth Medical Center-Peru. SEMC-Ottawa and SEMC-Peru are under one license. Peru is approximately 17 miles from Ottawa.

<b>TABLE ONE</b>				
<b>Executive Summary</b>				
<b>Authorized Beds and Proposed Beds SEMC-Ottawa and SEMC-Peru</b>				
	SEMC - Ottawa	SEMC-Peru	SEMC- Ottawa	SEMC-Peru
Service	Current Authorized Beds	Current Authorized Beds	Proposed	Proposed
Medical Surgical	54	45	12	45
Intensive Care	5	8	0	8
Obstetric	14	11	0	11
AMI	26	0	26	0
Total	99	64	38	64

### BACKGROUND

- **OSF HealthCare** is implementing a hub-and-spoke model in the Illinois Valley to reorganize and enhance healthcare services along the I-80 corridor. The hub and spoke model in healthcare organizes resources around a central point (“hub”) supported by secondary locations (“spokes”). OSF has stated that Peru (hub) is a central point in the Illinois Valley, allowing OSF to serve a broader population more efficiently with centralized resources and specialized care options available at the new hub. OSF believes this model will create a more efficient and sustainable healthcare system for the area. According to OSF, shifting these services to a larger, more centrally located facility in Peru enables OSF to concentrate its resources and staffing more effectively. OSF states that its central location and proximity to the Interstate 80 and 39 corridors, along with the presence of the OSF Life Flight team at the Peru Airport, enable improved emergency medical response times for the region.
- OSF Healthcare acquired Ottawa Regional Hospital and Healthcare Center in **April 2012**, renaming it OSF Saint Elizabeth Medical Center.
- OSF purchased St. Margaret's Health - Peru in **November 2023**. This acquisition included the hospital building in Peru, as well as other properties previously owned by St. Margaret's

Health. The hospital then reopened as OSF Saint Elizabeth Medical Center-Peru. The Peru location became a second campus of OSF Saint Elizabeth Medical Center-Ottawa after OSF purchased the former St. Margaret's Health-Peru hospital.

- In March 2024, OSF filed three Applications for a Permit: #24-011 to establish a 38-bed replacement hospital, including 12 medical-surgical (M/S) beds and 26 acute mental illness (AMI) beds, in Ottawa, Illinois, and #24-013 to discontinue the existing 99-bed hospital in Ottawa, including ICU and OB service in Ottawa. In March 2025, both projects were granted a 12-month deferral until March 2026, allowing OSF to continue discussions with local officials. The Ottawa community has expressed significant concerns about reducing services, particularly the loss of the ICU and OB units, as well as the substantial decrease in medical and surgical beds. OSF has engaged with Ottawa officials and the community to discuss their plans and address concerns.
- In August 2024, the State Board approved the third Application for Permit (#24-014) for OSF to add seven M/S beds and four ICU beds to OSF Saint Elizabeth Medical Center – Peru.
- **State Board Staff Notes:** The State Board has continued to focus on ensuring that healthcare facilities are developed that address community needs, avoid unnecessary duplication of services, and support healthcare planning. The State Board has approved OSF Healthcare's plans to expand and modernize the Peru hospital campus. This involved approving the addition of medical/surgical and intensive care beds, as well as increasing the overall bed complement. The State Board Staff has also reviewed OSF's plans to build a new, smaller replacement hospital in Ottawa and move some services (Obstetrics and Intensive Care) to the Peru campus. The State Board has deferred votes on the Ottawa projects at OSF's request to allow for further discussions between OSF and Ottawa officials to address concerns and refine the service offerings at the new Ottawa facility. The State Board has ensured the continuation of inpatient and outpatient services at the existing OSF Saint Elizabeth Medical Center in Ottawa while the plans for the latest hospital and service regionalization are under review. The State Board has continued to monitor the transfer of services, such as ICU and OB, from the Ottawa campus to the Peru campus, as well as the proposed discontinuation of these services at the Ottawa campus. Throughout this process, the State Board Staff has provided technical assistance to OSF Healthcare and the community. The State Board has taken actions that demonstrate its responsibility in regulating hospital projects, considering not only operational and financial aspects but also their impact on the community and the availability of essential healthcare services. The State Board has conducted two public hearings in the Ottawa community and has requested monthly reports/updates from OSF regarding community communications. OSF has provided six monthly reports to date. The State Board has also received letters from the Mayor of Ottawa on the status of the communication with OSF. All are posted on the State Board's website.

#### **WHY THE PROJECT IS BEFORE THE STATE BOARD:**

- This project is before the State Board because it proposes to discontinue two categories of service at SEMC-Ottawa.

#### **PUBLIC HEARING/COMMENT:**

- The State Board Staff conducted a public hearing on June 10, 2025. The transcript from that public hearing has been included in the State Board's information packet. Three hundred sixty-one individuals registered their attendance. Six individuals registered their support for the project, and 348 registered their opposition. The State Board has received 28 letters of support and 60 letters/emails of opposition.
- **OSF's reasons** for discontinuing ICU and obstetric services at St. Elizabeth Medical Center in Ottawa center on a shift to a regional model of care. OSF argues that this move is necessary to improve the quality and sustainability of specialized services across the Illinois Valley, including

consolidating certain services into a different facility. Under its regional model, OSF plans to transfer intensive care and obstetric services to its location in Peru, approximately 17 miles away. The goal is to concentrate specialized resources and staff at a central hospital with the capacity to expand and enhance its offerings. Consolidating specialized care is intended to create a more robust staffing model. For smaller hospitals, it can be challenging to recruit and retain the necessary number of physicians and nurses for 24/7 specialized care, particularly in the ICU and OB departments. By consolidating services, OSF aims to have larger, more dedicated ICU and OB teams that can offer a higher level of specialized care. With more specialized care and staff concentrated at the Peru location, OSF argues that it can achieve better outcomes for complex cases. This regional approach could mean less travel for patients to tertiary care centers in larger cities, such as Chicago or Peoria. **Opponents** of the closures have disputed some of OSF's claims, pointing to its financial performance and raising concerns about patient access and safety. Residents are concerned about increased travel time for critical care and childbirth, which could pose health risks. The planned move of obstetric and intensive care services to Peru raises fears about delayed care for expectant mothers and critically ill patients. Opponents also raised concerns about emergency medical service providers, who would have to travel longer distances, potentially reducing the availability of ambulances for other local emergencies. The service cuts mean fewer medical-surgical beds and the elimination of the Intensive Care Unit and labor and delivery services in Ottawa. This would require patients in eastern La Salle County to travel farther for critical care. Community members expressed fear for pregnant mothers who would have to travel to Peru, especially given the history of multiple nearby hospitals. The added commute could cause significant stress and complications. Speakers at the public hearing and other venues expressed concerns that OSF is not prioritizing the community's needs. A local watchdog group, Citizens for Healthcare in Ottawa, filed a complaint with the Illinois Attorney General, alleging that OSF was creating a healthcare monopoly in the region. The group and other residents expressed that OSF had not adequately addressed community needs. Some residents feel betrayed by OSF, arguing that the system is dismantling a hospital that had served the community well for over a century. The Ottawa mayor also expressed regret for his past actions and reassured the community that he is working with the citizens' group. Some residents believe OSF is motivated by profit rather than community health. They pointed out that Ottawa's hospital was financially profitable and that OSF acquired it after making promises to the community.

#### **SUMMARY:**

- When considering the closure of specific services like Intensive Care Units (ICUs) and obstetric (OB) services, the State Board assesses the potential adverse impact on access based on the following criteria:
  - The availability of service: If the service will no longer exist within the established geographic radius of the closing facility.
  - Bed or service shortage: If the closure will create or worsen a shortage of beds or services within the planning area.
  - The State Board's determination of access involves an assessment that considers the physical availability of facilities and services, as well as unnecessary service duplication and cost containment that can affect an individual's ability to receive the healthcare they need.
- There is currently a calculated excess of 12 obstetric beds and two intensive care beds in the C-02 Hospital Planning Area. Should the State Board approve this project, there will be a calculated need for 3 ICU beds and 2 OB Beds in this planning area.
- At the conclusion of this report are comments from both OSF and CHO.
- The Applicants addressed seven criteria and have not met the following.





Criterion	Non-Compliant
77 Ill. Adm. Code 1110.290 (c) – Impact on Access	<p>As of the date of this report, the C-02 Hospital Planning Area has a calculated excess of 12 OB beds and two ICU beds. Should the State Board approve this project, there will be a computed need for 3 ICU beds and 2 OB Beds in the C-02 Hospital Planning Area.</p> <p><b>Note:</b> The average utilization for the period 2018-2024 would justify 30 M/S beds, 6 ICU beds, 5 OB beds, and 18 AMI beds, totaling 59 beds at OSF Saint Elizabeth Hospital-Ottawa at the State Board’s target occupancy. <b>(See Table Two)</b></p>



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## STATE BOARD STAFF REPORT OSF Saint Elizabeth Medical Center- Ottawa Project #25-013

APPLICATION CHRONOLOGY	
Applicant	Ottawa Regional Hospital and Healthcare Center d/b/a OSF Saint Elizabeth Medical Center and OSF Healthcare System
Facility Name	Ottawa Regional Hospital and Healthcare Center d/b/a OSF Saint Elizabeth Medical Center
Location	1100 Norris Drive, Ottawa, Illinois
Permit Holder	Ottawa Regional Hospital and Healthcare Center d/b/a OSF Saint Elizabeth Medical Center and OSF Healthcare System
Operating Entity/Licensee	Ottawa Regional Hospital and Healthcare Center d/b/a OSF Saint Elizabeth Medical Center and OSF Healthcare System
Owner of Site	OSF Healthcare System
Application Received	March 24, 2025
Application Deemed Complete	March 27, 2025
Anticipated Completion Date	August 31, 2025
Review Period Ends	July 25, 2025
Can the Applicant request a deferral?	Yes

### I. Project Description

The Applicants (Ottawa Regional Hospital and Healthcare Center d/b/a OSF Saint Elizabeth Medical Center and OSF Healthcare System) propose discontinuing the 14-bed obstetric and 5-bed intensive care service categories. There is no cost to this discontinuation, and the expected completion date is August 31, 2025

### II. Summary of Findings

- A. The State Board Staff finds the project is **not** in conformance with all relevant provisions of Part 1110.
- B. The State Board Staff finds the provisions of Part 1120 do not apply to this project.

### III. General Information

OSF HealthCare System is an Illinois not-for-profit corporation incorporated in 1880 as The Sisters of the Third Order of St. Francis. OSF HealthCare System's current name was adopted as part of a corporate restructuring in 1989. At that time, a new Illinois not-for-profit corporation, 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 the OSF HealthCare Foundation. OSF HealthCare System owns and operates 16 acute care hospitals, as well as other healthcare-related entities. OSF HealthCare System operates 14 of its healthcare facilities as a single corporation, each functioning as an operating division.

- 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
- 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 Saint Katherine Medical Center, Dixon, Illinois

OSF has two hospitals, which are wholly owned subsidiaries: Ottawa Regional Hospital and Healthcare Center and its Subsidiaries (d/b/a OSF Saint Elizabeth Medical Center in Ottawa, Illinois, and OSF Saint Elizabeth Medical Center-Peru), and Mendota Community Hospital (d/b/a OSF Saint Paul Medical Center) in Mendota, Illinois. (Source: Audited Financial Statements)

This substantive project is subject to the Part 1110 review. Part 1120 review does not apply to this project because there is no cost. Financial commitment is dependent on permit approval. The State Board's occupancy target for obstetric beds for a bed complement of 11-25 obstetric beds is 75%. For intensive care beds, the target occupancy is 60%.

#### **IV. Health Service Area/Health Planning Area**

The Hospital is in Health Service Area II and Planning Area C-02. HSA II includes the Illinois Counties of Bureau, Fulton, Henderson, Knox, LaSalle, Marshall, McDonough, Peoria, Putnam, Stark, Tazewell, Warren, and Woodford. Planning Area C-2 encompasses LaSalle, Bureau, Putnam, and Stark Counties, as well as the Townships of Elmira and Osceola. There is currently an excess of 11 medical-surgical beds, 12 obstetric beds, and two intensive care beds in the C-02 Hospital Planning Area. The geographical service area of a facility located in LaSalle County is 21 miles, as specified in 77 IAC 1100.510 (d). The State Board projects a decrease of approximately 1.9% in the population in the C-02 Hospital Planning Area by 2030, along with a roughly 20% increase in the population aged 65 and above.

There are four hospitals in the C-02 Hospital Planning Area, all of which are owned by OSF Healthcare. While Ottawa and Peru have one license, for State Board purposes, the Ottawa and Peru facilities are considered separate hospitals. (See Table One)

<b>TABLE ONE <sup>(1)</sup></b> <b>Hospitals in the C-02 Hospital Planning Area</b>							
Hospitals	City	Miles	M/S	ICU	OB	AMI	Total Beds
OSF Saint Elizabeth Medical Center <sup>(2)</sup>	Ottawa	0	54	5	14	26	99
OSF Saint Elizabeth Medical Center	Peru	17.1	45	8	11	0	64
OSF Saint Paul Medical Center (CAH)	Mendota	30.5	21	4	0	0	25
OSF Saint Clare Medical Center (CAH)	Princeton	38.4	22	3	0	0	25

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1. CAH – Critical Access Hospital  
 2. Safety Net Hospital  
 3. OSF also owns a Free-Standing Emergency Center in Streator, which is also in the C-02 Hospital Planning Area.

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## V. **Discontinuation**

These criteria pertain to discontinuing categories of services and healthcare facilities.

Criterion 1110.290 (a) – Information Requirements

Criterion 1110.290 (b) – Reasons for Discontinuation

Criterion 1110.290 (c) - Impact on Access

### A) **Information Requirements**

The applicant shall provide at least the following information:

- 1) Identify the service categories and the number of beds, if any, that are to be discontinued.
- 2) Identification of all other clinical services that are to be discontinued.
- 3) The anticipated date of discontinuation for each identified service or the entire facility.
- 4) The anticipated use of the physical plant and equipment after discontinuation occurs.
- 5) The anticipated disposition and location of all medical records about the services being discontinued and the length of time the documents will be retained.
- 6) For applications involving discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or the Illinois Department of Public Health (IDPH) (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation and that the required information will be submitted no later than 60 days following the date of discontinuation.

The Applicants (Ottawa Regional Hospital and Healthcare Center d/b/a OSF Saint Elizabeth Medical Center and OSF Healthcare System) propose discontinuing the 14-bed OB and 5-bed ICU service categories. The Applicants state that the discontinuation of these two services in Ottawa will occur upon the opening of the 8-bed ICU and 11-bed OB services at OSF St. Elizabeth Medical Center – Peru in August 2025. The Applicants have stated that the vacated space with the closure of the obstetric and intensive care units in Ottawa will be maintained in good condition and will not, at this time, be used for other purposes. The equipment and furnishings will be evaluated to determine suitability, and if not needed, will be traded in, sold, donated for Mission Work, or discarded. All medical and patient records are stored and maintained within the electronic medical records system (EPIC) in Peoria, Illinois, and electronic access will continue uninterrupted.

## B) Reasons for Discontinuation

The applicant shall document that the discontinuation is justified by providing data that verifies that one or more of the following factors (and other factors, as applicable) exist with respect to each service being discontinued:

- 1) Insufficient volume or demand for the service.
- 2) Lack of sufficient staff to adequately provide the service.
- 3) The facility or service is not economically feasible, and continuation would impair the facility's financial viability.
- 4) The facility or the service is not in compliance with licensing or certification standards.

The discontinuation of ICU and OB services at SEMC-Ottawa is part of OSF's regional healthcare plan.<sup>1</sup>, which includes expanding existing ICU and OB services at OSF SEMC-Peru. Under that plan, ICU will expand from a 4-bed ICU unit to an 8-bed unit at SEMC-Peru. Obstetrics will occupy the 11-bed OB unit at SEMC-Peru.

OSF believes SEMC-Ottawa, a 99-bed hospital, is nearing the end of its useful life and needs significant infrastructure repairs. The Ottawa Hospital was constructed in 1972 and has numerous structural and infrastructure issues. OSF stated that maintaining the Ottawa facility, making necessary repairs and upgrades, and addressing code issues has been expensive, exceeding annual facilities budgets. Many non-essential but prudent maintenance projects have been put on hold. OSF had a comprehensive condition assessment of the main hospital building in 2021 to bring it up to current standards. That study concluded that addressing only the critical upgrades and imminent needs would cost \$110 million. The cost to address all other issues would be an additional \$125 million.

Table Three below shows the occupancy percentage, average length of stay (ALOS), and average daily census (ADC) of OSF Saint Elizabeth Hospital – Ottawa for the years 2018 through 2024. Average Daily Census for those years would justify 30 M/S beds, 6 ICU beds, 5 OB beds, and 18 AMI beds at the OSF Saint Elizabeth Hospital-Ottawa at the State Board's target occupancy (See Table Two).

TABLE TWO			
Beds Warranted at Target Occupancy			
Service	Ave ADC	Target Occ	Number of Beds Warranted
M/S	23.35	80%	30
ICU	3.33	60%	6
OB	3.17	75%	5
AMI	14.8	85%	18

<sup>1</sup> OSF HealthCare's regional healthcare plan for the I-80 corridor in Illinois OSF HealthCare's plan for the I-80 corridor in Illinois includes building a new inpatient hospital in Ottawa and replacing the current facility. The plan designates OSF Saint Elizabeth-Peru as the hub hospital. The initiative also involves strategically realigning services to enhance efficiency and maintain or expand services in surrounding communities, such as Mendota, Princeton, and Streator. This represents an investment exceeding \$180 million and aims to ensure continued local access to care. The new Ottawa hospital is intended to be part of a larger health system serving multiple Illinois markets.



<b>TABLE TWO</b>			
<b>Beds Warranted at Target Occupancy</b>			
Service	Ave ADC	Target Occ	Number of Beds Warranted
Total			59

<b>TABLE THREE</b>									
<b>OSF Saint Elizabeth Hospital - Ottawa Utilization</b>									
<b>2018 through 2024</b>									
	<b>Beds</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Ave.</b>
Medical Surgical	54								
Occupancy		43.67%	40.83%	40.09%	42.67%	44.2%	53.59%	63.70%	46.96%
ALOS		4.12	4.10	4.20	4.40	4.9	5.12	5.41	4.61
ADC		23.58	22.05	21.65	23.04	23.8	28.94	34.40	23.35
Intensive Care	5								
Occupancy		65.40%	55.00%	66.20%	69.10%	67.90%	72.38%	77.59%	67.65%
ALOS		2.60	2.20	2.60	2.80	2.70	3.44	3.39	2.82
ADC		3.30	2.70	3.30	3.50	3.40	3.62	3.88	3.33
Obstetric									
Occupancy	14	23.90%	25.20%	23.80%	25.70%	22.20%	29.90%	28.26%	24.16%
ALOS		2.80	2.60	2.30	2.20	2.40	2.20	2.15	2.38
ADC		2.90	3.00	2.90	3.10	2.70	3.60	3.96	3.17
Acute Mental Illness	26								
Occupancy		58.3%	59.7%	54.7%	43.2%	56.6%	62.4%	63.6%	56.96%
ALOS		4.8	5.08	5.15	6.00	6.63	5.42	5.87	5.56
ADC		15.15	15.52	14.27	11.22	14.72	16.22	16.52	14.80

### **C) Impact on Access**

The applicant shall document whether discontinuation of each service or the entire facility will hurt residents' access to care in the facility's market area. The facility's market area, for purposes of this Section, is the established radii outlined in 77 Ill. Adm. Code 1100.510(d). Factors that indicate an adverse impact upon access to service for the population of the facility's market area include, but are not limited to, the following:

- 1) The service will no longer exist within the established radii outlined in Section 77 of the Illinois Code. Adm. Code 1100.510(d) of the applicant facility.
- 2) Discontinuation of the service will result in creating or increasing a shortage of beds or services, as calculated in the Inventory of Health Care Facilities, which is described in 77 Ill. Adm. Code 1100.70 and found on HFSRB's website.
- 3) Facilities or a shortage of other categories of service are determined by the provisions of 77 Ill. Adm. Code 1100 or other Sections of this Part.
- d) The applicant shall provide copies of notification letters sent to other resources or health care facilities that offer the same services as those proposed for discontinuation and that are located within the established radii outlined in 77 Ill. Adm. Code 1100.510(d). The notification letter must include at least the anticipated date of discontinuation of the service and the total number of patients that received care, or the number of treatments provided (as applicable) during the

The State Board defines service access primarily by travel distance and time to ensure that healthcare services are reasonably available to a community. When considering the closure of Intensive Care Units (ICUs) and obstetric (OB) services, the State Board assesses the potential adverse impact on access based on the following criteria: the availability of service, whether the service will no longer exist within the established geographic radius of the closing and bed or service shortage if the closure will create or worsen a shortage of beds or services within the planning area.

OSF Healthcare System and OSF Saint Elizabeth Medical Center submitted additional information regarding ICU and OB services at OSF Saint Elizabeth Medical Center and the utilization of these services by residents of Planning Area C-02 (LaSalle, Bureau, and Putnam Counties and the Elmira and Osceola townships of Stark County). OSF aims to demonstrate that Peru is the optimal location for a centralized hub of ICU and OB services in Planning Area C-02 by highlighting the existing patient travel patterns. OSF argues that many of these patients travel to facilities *beyond Peru, demonstrating that the new location would not impose an* additional travel burden on a significant portion of patients.

### **Obstetrics**

A total of 1,451 residents of C-02 were admitted to OB units in 2024. Of these admissions, 642 were at SEMC-Ottawa (44%). The remaining 809 cases (56%) were admitted to hospitals outside C-02. As a result, the majority who out-migrated to hospitals in other planning areas is 56%. (Information taken from Comdata)<sup>2</sup> Table Four documents the top five Hospitals outside the C-02 Hospital Planning Area that Provide Obstetric Services.

<b>TABLE FOUR</b>		
<b>Hospitals providing OB Service outside the C-02 Planning Area</b>		
Facility	City	Patients
Morris Hospital and Healthcare	Morris	243
OSF Saint Francis Medical Center	Peoria	174
Carle Methodist	Peoria	56
Silver Cross Hospital	New Lenox	40
Rush Copley	Aurora	40

### **Intensive Care**

A total of 1,170 residents of C-02 were admitted directly to an ICU unit after having an ED visit in 2024. Of these, 472 received ICU care at the three hospitals operating ICU units in C-02 in 2024: 423 at SEMC-Ottawa, 29 at Saint Paul Medical Center in Mendota, and 20 at Saint Clare Medical Center in Princeton. Together, these 472 patients accounted for 40% of the total of 1,170. As a result, the majority who out-migrated to hospitals in other

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<sup>2</sup> **COMPdata Informatics (by the Illinois Hospital Association)**

This service provides healthcare data analytics to hospitals and other healthcare organizations. It is a comprehensive database of administrative billing data from Illinois hospitals. It helps hospitals and health systems analyze patient information and operations.

planning areas is 60%. Table Five documents the top five Hospitals outside the C-02 Hospital Planning Area that Provide Intensive Care Services. (Information taken from COMPdata)

<b>TABLE FIVE</b> <b>Hospitals providing ICU Service outside the C-02 Planning Area</b>		
OSF Saint Francis Medical Center	Peoria	218
Morris Hospital and Healthcare	Morris	123
OSF Saint Anthony Medical Center	Rockford	76
Rush Copley	Aurora	36
Endeavor Edward	Naperville	30

OSF believes the additional information supports the following:

1. The majority of residents of C-02 who are hospitalized for ICU and Obstetrics receive that care at facilities outside the C-02 planning area.
2. The majority of those who travel outside the area for that care travel to hospitals that are more distant from their homes than Peru is.
3. Peru is the appropriate location for the hub of ICU and OB services in Planning Area C-02.
4. SEMC-Peru's 8-bed ICU unit and 11-bed OB unit have the capacity to accommodate the area's needs, based on utilization of the ICU and OB services at SEMC-Ottawa in 2024 and YTD 2025.

**Citizens for Healthcare in Ottawa (CHO)** has filed specific objections to OSF's consolidation plan with the State Board, the Department of Justice (DOJ), and the Illinois Attorney General's Office. The key objections center on reduced access to critical services, OSF's alleged monopolistic behavior, and the hospital's historical financial stability. CHO's primary argument is that OSF's proposed elimination and reduction of critical services at the Ottawa hospital would be detrimental to the community's health and safety. OSF's plan would close all five intensive care unit beds at the Ottawa hospital and move them 17 miles away to its facility in Peru. This would risk patients needing critical care, including those transferred from the emergency department. The CHO and the city rejected an OSF offer to maintain some ICU services in Ottawa, calling it "not clinically appropriate or operationally feasible." The plan would also eliminate all 14 obstetric delivery beds in Ottawa. CHO argues this is a betrayal of the community and disregards the needs of expectant mothers in the area. OSF proposes reducing the number of medical/surgical beds from 54 to just 12. CHO points out that the current average daily census is 23–24 patients, making the proposed 12 beds insufficient from the start.

The consolidation plan would affect not only Ottawa but the entire C-02 planning area, which includes LaSalle, Bureau, and Putnam counties. CHO alleges that OSF is abusing its market dominance and tax-exempt status. CHO filed a complaint with the DOJ's Antitrust Division and the Federal Trade Commission, accusing OSF of using its "monopoly power" in the region. CHO maintains that the Ottawa hospital was financially profitable for many years and earned industry awards for quality of care. They argue that

OSF, a "financially robust organization" with tax-exempt charitable status, is dismantling a successful facility to facilitate continued consolidation. CHO asserts that when OSF took over the hospital, it made agreements with the community that it is now breaking, an "utter betrayal" of that trust.

CHO has challenged the data OSF provided to the HFSRB, particularly regarding the need for medical/surgical beds. CHO has raised concerns that OSF has not been transparent and has made "false promises," citing instances such as the poorly executed outsourcing of the hospital's physical therapy department. CHO has requested a civil investigation into OSF's operations and practices from the Illinois Attorney General's office.

**Citizens for Healthcare in Ottawa** stated in part:

*"At a high level, and as you know, there were over 650 deliveries at the Ottawa Hospital in 2024, and it is on track for the same robust number of deliveries in 2025. Relocating these services to Peru would take them away from the highest concentration of OB patients, which makes no sense for clinical quality, patient safety, or OB program development. Furthermore, plans to relocate OB from Ottawa to Peru appear to overlook the fact that Ottawa's hospital has been the market leader for the C0-2 region, even before the hospital closures in Peru and Spring Valley.*

*There were approximately 1,400 ICU patient days at the Ottawa Hospital in 2024, and the hospital is on track to have a similar volume in 2025. Eliminating ICU services would harm patient safety, strain Ottawa's municipal resources, and deprive a high-utilization service area of these critical services. Furthermore, the number of OSF facilities located outside of the C0-2 region, yet treating ICU patients from within the area, seems to indicate a lack of available ICU beds within the region."*

**The City of Ottawa** has objected to OSF HealthCare's proposal to reduce and relocate services at OSF Saint Elizabeth Medical Center in Ottawa. Ottawa objected to OSF's initial plan to relocate intensive care unit (ICU) services to OSF Saint Elizabeth Medical Center in Peru, 17 miles away. Even after OSF offered to maintain ICU services in Ottawa, the city rejected the proposal, stating it failed to address the community's overall needs. The city has argued that the revised plans would still leave Ottawa underserved, particularly in terms of ICU care and the appropriate number of hospital beds. Officials noted that the need for transport to Peru would be especially concerning during the hazardous winter months. The city has voiced opposition over OSF's growing monopoly on healthcare in the region. They argue that OSF's decisions are based on financial performance rather than the community's needs. Ottawa officials have expressed frustration with OSF's communication, stating that the health system has provided insufficient information and failed to adequately address the city's key concerns during meetings. Community officials in Ottawa allege that OSF HealthCare is using its monopoly power to prioritize profit over patient well-being in the region. These concerns stem from OSF's proposal to significantly reduce services at the Ottawa hospital while concentrating them in the more affluent community of Peru, Illinois. OSF's proposal would eliminate the Intensive Care Unit (ICU) and obstetric (OB) services in Ottawa. Police, fire, and EMS leadership have raised

concerns about the increased transport time, particularly in hazardous winter weather conditions. The number of medical/surgical beds in Ottawa would be drastically reduced, from 54 to just 12. This would make the Ottawa unit one of the smallest in the state, limiting care capacity. Critics allege that OSF, a tax-exempt organization, is making these cuts based on financial performance rather than the community's healthcare needs. Filings show OSF has had years of sustained profit growth, leading to accusations that it is making a "business decision" at the expense of patient care. Opponents point to OSF's robust asset growth and accumulating reserves, suggesting the organization is not adequately investing in the community's health needs. The consolidation of services in Peru is viewed as prioritizing a more affluent part of the region, further depriving eastern LaSalle County residents of access to essential care. OSF acquired the Ottawa Hospital in 2012 for no cost, as the hospital and its land were initially built with community donations. The community is concerned that OSF plans to demolish the donated facility and has not provided a clear plan for the site's use, raising questions about whether the land will continue to serve the public interest.

### **Analysis**

This additional information suggests that there may be a potential inadequacy or insufficient capacity within C-02 to provide these services. Does the current infrastructure in C-02 adequately meet the community's needs for these services, or is local access in need of strengthening? While patients may travel for various reasons, including seeking specialized care, this could indicate a deficit in accessible, local options for patients needing ICU and Obstetrics care. While OSF suggests Peru as a central location, patients are currently traveling even further than Peru to receive the necessary care. This suggests that focusing on Peru might not fully resolve access issues for all residents, especially those in areas farther from Peru within C-02. Ensuring equitable access to essential services, such as obstetrics and ICU care, especially for those in rural or more distant parts of C-02, is crucial to healthcare equity.

The Board will evaluate OSF's data on population health, service utilization, and financial sustainability against the community's demand for local ICU and obstetrics services. The potential increase in travel time for intensive care and OB services for Ottawa residents and the surrounding areas will be a significant consideration. Does the proposed consolidation truly enhance quality through service centralization, as OSF claims, or does it compromise patient care by eliminating critical local services? Despite OSF's monthly community meetings, the community's opposition and the changes OSF has made in response must be taken into consideration by the State Board.

The established radius for a facility located in LaSalle County is 21 miles. OSF Saint Elizabeth Medical Center – Peru has been approved for 8 ICU beds and 11 OB beds and is located within the identified radius. There is currently an excess of 12 obstetric beds and two intensive care beds in this Planning Area. Should the State Board approve this project, there will be a computed need for 3 ICU beds and 2 OB beds. (See Table Six and Table Seven)

<b>TABLE SIX</b> <b>C-02 Hospital Planning Area</b> <b>ICU Calculated Need</b>				
	Existing Beds	Calculated Need	Need	Excess
Current	16	14	0	2
#25-013	-5			
Ending	11	14	3	0

<b>TABLE SEVEN</b> <b>C-02 Hospital Planning Area</b> <b>OB Calculated Need</b>				
	Existing Beds	Calculated Need	Need	Excess
Current	25	13	0	12
#25-013	-14			
Ending	11	13	2	0

## VI. Background of the Applicant, Purpose of Project, Safety Net Impact Statement, and Alternatives – Information Requirements

- 77 Ill. Adm. 1110.110 (a) – Background of the Applicant
- 77 Ill. Adm. 1110.110 (b) – Purpose of the Project
- 77 Ill. Adm. 1110.110 (c) – Safety Net Impact Statement
- 77 Ill. Adm. 1110.110 (d) – Alternatives to the Project

### A) Background of Applicant

An applicant must demonstrate that they are fit, willing, and able, and have the qualifications, background, and character to provide a proper standard of health care service to *the community*. [20 ILCS 3960/6] In evaluating the qualifications, background, and character of the applicant, HFSRB shall consider whether adverse action has been taken against the applicant, including corporate officers or directors, LLC members, partners, and owners of at least 5% of the proposed health care facility, or against any health care facility owned or operated by the applicant, directly or indirectly, within 3 years preceding the filing of the application. A healthcare facility is considered "owned or operated" by any person or entity that directly or indirectly owns an ownership interest.

OSF St. Elizabeth Medical Center – Ottawa is accredited by The Joint Commission and has a three-star rating from Medicare<sup>3</sup>. The Hospital is a Safety Net Hospital.<sup>4</sup>

<sup>3</sup> The hospital's overall star rating summarizes quality information on essential topics, like readmissions and deaths after heart attacks or pneumonia. The overall rating, ranging from 1 to 5 stars, summarizes various measures across seven areas of quality into a single-star rating for each hospital. The seven measure groups include:

• Mortality • Safety of care • Readmission • Patient experience • Effectiveness of care • Timeliness of care • Efficient use of medical imaging. The overall rating indicates how well each hospital performed in relation to a specific quality set. Measures compared to other hospitals in the U.S. The more stars a hospital has, the better it performs on the available quality measures.

<sup>4</sup> A safety-net hospital is an Illinois hospital that:

(a) Is licensed by the Department of Public Health as a general acute care or pediatric hospital, **and**:



The Applicants attest that no adverse action was taken against the Applicants' facilities during the three years before the filing of this application. The Applicants authorize HFSRB and IDPH to access any documents necessary to verify the information submitted, including, but not limited to, official records of IDPH or other State agencies, the licensing or certification records of other states when applicable, and the records of nationally recognized accreditation organizations.

The Applicants have demonstrated that they are fit, willing, and able and possess the necessary qualifications, background, and character to provide proper healthcare services to the community.

**B) Purpose of the Project**

The applicant shall document that the project will provide health services that improve the healthcare or well-being of the population to be served in the market area. The applicant shall define the planning area, market area, or other relevant area as they see fit.

The project aims to discontinue the 5-bed ICU category of service and the 14-bed OB service at the 99-bed hospital at 1100 E. Norris Drive, Ottawa.

**C) Safety Net Impact Statement**

*All health care facilities, with the exception of skilled and intermediate long term care facilities licensed under the Nursing Home Care Act, shall provide a safety net impact statement, which shall be filed with an application for a substantive project (see Section 1110.40). Safety net services are offered by healthcare providers or organizations that deliver care to individuals with barriers to mainstream healthcare, including those who lack insurance, are unable to afford care, have special needs, belong to an ethnic or cultural minority, or reside in a geographic area with limited access to healthcare. [20 ILCS 3960/5.4]*

The Safety Net Impact Statement is provided at the end of this report.

**D) Alternatives to the Proposed Project**

The applicant shall document that the proposed project is the most effective or least costly alternative for meeting the health care needs of the population to be served.

- 1) Alternative options shall be addressed. Examples of alternative options include:
  - A) Proposing a project of greater or lesser scope and cost.
  - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
  - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
  - D) Other considerations.

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(b) Is a Disproportionate Share hospital, as described in Section 1923 of the federal Social Security Act, as determined by the Department, **and:** Meets one of the following criteria:

(c) Has a Medicaid inpatient utilization rate (MIUR) of at least 40% and a charity percent of at least 4%, **or:**

(d) Has a MIUR of at least 50% Source: (305 ILCS 5/5-5e.1(c) and (c-5))

- 2) Documentation shall include a comparison of the project to alternative options. The comparison shall address issues of cost, patient access, quality, and financial benefits in both the short term (within one to 3 years after project completion) and long term. This may vary depending on the project or situation.
- 3) The applicant shall provide empirical evidence, including quantified outcome data, that verifies improved quality of care, as available.

The Applicants considered two alternatives to the proposed project.

1. Discontinue OSF Saint Elizabeth Medical Center - Ottawa
2. Maintain ICU and OB Services in Ottawa

OSF rejected both alternatives. OSF has chosen a hub-and-spoke model for the I-80 Corridor in Illinois. OSF HealthCare's plan for the I-80 corridor in Illinois includes building a new inpatient hospital in Ottawa (with 12 medical-surgical beds and 26 acute mental illness beds) and demolishing the current 99-bed facility. The plan designates OSF Saint Elizabeth Medical Center-Peru as the hub hospital. The plan also involves realigning services to improve efficiency and maintain or expand services in surrounding communities, such as Mendota, Princeton, and Streator. The discontinuation of ICU and OB services at SEMC-Ottawa is part of OSF's regional healthcare plan, which includes expanding existing ICU and OB services at SEMC-Peru. Under that plan, ICU will expand from a 4-bed ICU unit to an 8-bed ICU unit at SEMC-Peru. Obstetrics will occupy the 11-bed OB unit at OSF Saint Elizabeth Medical Center-Peru. SEMC-Ottawa and SEMC-Peru are under one license. Peru is approximately 17 miles from Ottawa.

Table Eight below shows the authorized and proposed bed numbers for the Ottawa and Peru hospitals.

<b>TABLE EIGHT</b>				
<b>Authorized Beds and Proposed Beds, Ottawa and Peru Campuses</b>				
	Ottawa Current Authorized Beds	Peru Current Authorized Beds	Ottawa Proposed	Peru Proposed
Medical Surgical	54	45	12	45
Intensive Care	5	8	0	8
Obstetric	14	11	0	11
AMI	26	0	26	0
Total	99	64	38	64

## VIII. Financial

Tables Nine and Ten outline the financial information for OSF Healthcare and OSF St. Elizabeth Medical Center.

<b>TABLE NINE</b> <b>OSF Healthcare System and Subsidiaries</b> <b>Years ended September 30, 2023, and 2022</b> <b>(In thousands)</b> <b>Audited</b>			
	2024	2023	2022
Cash	\$350,375	\$284,355	\$261,428
Current Assets	\$1,155,939	\$1,065,211	\$958,453
Total Assets	\$6,413,925	\$5,827,400	\$5,615,062
Current Liabilities	\$870,307	\$701,988	\$754,981
Total Liabilities	\$3,209,933	\$3,140,192	\$3,265,677
Net Patient Service Revenue	\$4,360,778	\$3,885,552	\$3,586,931
Total Revenues	\$4,557,349	\$4,093,620	\$3,824,172
Expenses	\$4,542,487	\$4,092,429	\$3,939,161
Income (loss) from Operations	\$14,862	\$1,191	(\$114,989)
Non-Operating Gains (loss)	\$384,418	\$202,794	(\$505,432)
Net Income (loss)	\$399,280	\$203,985	(\$620,421)

<b>TABLE TEN</b> <b>OSF St. Elizabeth Medical Center (Ottawa)</b> <b>Medicare Cost Report</b>					
	2024	2023	2022	2021	2020
Total Patient Revenue	\$839,401,592	\$616,760,205	\$482,700,169	\$464,256,951	\$431,222,862
Contractual Allowance	\$585,081,336	\$430,865,735	\$335,616,495	\$330,809,182	\$324,288,319
Net Patient Revenue	\$254,320,256	\$185,894,470	\$147,083,674	\$133,447,769	\$106,934,543
Operating Expenses	\$182,039,434	\$139,182,630	\$120,307,459	\$110,915,924	\$107,830,898
Net Income from service to patients	\$72,280,822	\$46,711,840	\$26,776,215	\$22,531,845	-\$896,355
Other Income	\$11,627,071	\$9,923,343	\$5,240,392	\$11,642,135	\$12,160,764
Other Expenses	\$0	\$0	\$0	\$0	\$0
Net Income	\$83,907,893	\$56,635,183	\$32,016,607	\$34,173,980	\$11,264,409
Operating Margin <sup>(1)</sup>	28.42%	25.13%	18.20%	16.88%	-0.84%
1. Operating Margin = Net Income from Patient Service ÷ Net Patient Revenue					

## **Safety Net Impact Statement provided by OSF Healthcare System**

**1.** The project's material impact, if any, on essential safety net services in the community, including the impact on racial and health care disparities in the community, to the extent that it is feasible for an applicant to have such knowledge. Health safety net services have been defined as services provided to patients who are low-income and otherwise vulnerable, including those who are uninsured and those covered by Medicaid. (Agency for Healthcare Research and Quality, Public Health Services, U.S. Department of Health and Human Services, "The Safety Net Monitoring Initiative," AHRQ Pub. No 03-PO11, August 2003.)

The project involves discontinuing Intensive Care (ICU) and Obstetrics (OB) services at OSF Saint Elizabeth Medical Center ("SEMC-Ottawa"). A separate and related permit application, #24-014, addresses the plan for relocating these two clinical services to OSF Saint Elizabeth Medical Center-Peru ("SEMC-Peru"), the former St. Margaret's Health-Peru hospital, which OSF acquired following its closure in 2023. OSF Saint Elizabeth Medical Center will operate as a single licensed hospital across two sites: SEMC-Ottawa and SEMC-Peru. The reopening of the ICU and OB at SEMC-Peru assures the continued availability of these services to the communities in Planning Area C-02.

Enabled by the discontinuation, the re-opening of these services at the former St. Margaret's Health-Peru hospital enables OSF's commitment to subsidize and strengthen safety net services. OSF Healthcare System provides several critical safety-net services in Planning Area C-02. These include emergency medical care, inpatient and outpatient behavioral health, outpatient clinic services, pharmaceuticals, and other medical services. Specifically, the continuation of the Acute Mental Illness service at SEMC-Ottawa qualifies SEMC for safety net reimbursement, allowing it to continue meeting this special need in the I-80 corridor. SEMC's AMI program is the only inpatient AMI service in State Planning Area C-02, a three-county area with a population of 146,020. LaSalle County ranks at 0.43, indicating a low-to-moderate condition score on the CDC's Social Vulnerability Index. The scores range from 0 (least vulnerability) to 1 (highest vulnerability). The Index is a tool developed and used by the Centers for Disease Control and Prevention that incorporates factors such as high poverty, unemployment, minority status, crowded households, low vehicle ownership rates, and disability to measure social vulnerability. By comparison, Bureau County to the west has a score of 0.29; Putnam County's score is 0.03. A significant number of persons cared for at OSF Saint Elizabeth Medical Center are in special need due to these conditional factors.

According to the 2022 Community Health Needs Assessment, the population of LaSalle County decreased over the last 5 years by 1.8%, similar to most counties in Illinois. The elderly population increased by 10.2%. An unemployment rate of 9.4% slightly exceeds the Illinois average of 8% (year 2020). The CHNA concludes that the most significant health needs are healthy behaviors, obesity, and mental health. The majority of people exercise less than twice a week and consume two or fewer servings of fruit and vegetables per day. Almost half of the respondents experienced depression or stress in the last 30 days. The risk factors for heart disease are on the rise. OSF Saint Elizabeth Medical Center will continue to play a significant role in addressing access to quality

healthcare and racial healthcare disparities, especially in rural areas of the county. Eliminating health disparities is fundamental to the well-being, productivity, and viability of the entire nation.

However, this is impossible to achieve unless every entity does its part. OSF does its part in many ways. Through its participation in the Community Gardens program, it enables access to healthy, fresh fruit and vegetables for families and individuals in need, as well as for local food banks and community agencies. This program not only covers Ottawa but also extends to Streator and Mendota. SEMC-Ottawa is actively involved in several programs aimed at addressing active living, obesity, and mental health issues among the local population. It has promoted the University of Illinois walking guide for Ottawa, Streator, and Mendota, and has advocated the program on digital screens in patient waiting rooms. Hospital staff have been active in nutrition education as part of the healthy living programming. The hospital also uses Social Determinants of Health (SOOH) to screen patients and connect them with community-based organizations. Approximately 24% of inpatients and outpatients at OSF Saint Elizabeth Medical Center are Medicaid recipients. Charity care as a percentage of net revenue in 2023 was 1.3%, comparable to the Statewide average for hospitals. OSF upholds the principle that all people have a right to necessary healthcare, and its hospitals are open to persons of every faith and ethnic background, regardless of their ability to pay. There is a range of financial assistance programs based on patients' needs.

Some of SEMC's work is highlighted in the OSF Fiscal Year 2023 Community Benefits Report. Highlights of the Community Benefits report are:

- OSF Saint Elizabeth Medical Center provided \$18,416,822 in uncompensated community benefits.
- Charity care (at cost) of \$1,764,181.
- OSF Saint Elizabeth Medical Center government-sponsored indigent health care of \$11,394,923.
- \$4,085,910 given as subsidized health care in 2023.
- OSF Saint Elizabeth Medical Center donated \$59,801 to local agencies in 2023.

The entire OSF system, comprising 16 hospitals (as of 2023), the multi-specialty group practice, and the home care service, provided more than \$600 million in community benefit services in 2023. The commitment to addressing diversity, equity, and inclusion is broad within the OSF system organizations, encompassing hiring practices and human resources programs (for training, advancement, and development of leadership skills), governance, and community involvement. These practices and programs are particularly relevant to treating a diverse range of patients and being especially attentive to addressing populations with healthcare and social disparities. The inpatient payor mix of SEMC is projected to continue as follows:

Medicare: 47.4%  
Medicaid: 28.2%  
Commercial: 21.8%  
Self-Pay/Other: 2.6%  
TOTAL 100.0%

2. The project's impact on the ability of another provider or healthcare system to cross-subsidize safety net services. If reasonably known to the applicant.

The plan to discontinue ICU and OB services at SEMC-Ottawa and reopen OB, as well as expand ICU services at SEMC-Peru, is part of OSF's regional plan for healthcare delivery, both within and beyond State Planning Area C-02. In part, the plan responds to the recent closures of two St Margaret's Health hospitals, in Peru and Spring Valley. The hospital closures created a capacity deficit in the Illinois Valley, posing a threat to access to safety net services for residents of the I-80 corridor. The plan for two SEMC hospitals, enabled by OSF Healthcare System's acquisition of St. Margaret's Health-Peru in November 2023, is now referred to as SEMC-Peru. In addition to reopening OB and expanding the ICU at Peru, OSF will add medical/surgical bed capacity at SEMC-Peru. The current plan is *to* replace SEMC-Ottawa with a scaled-down state-of-the-art hospital and expand inpatient services in Peru. The permit application for the expansions of ICU and med/surg and the re-opening *of OB* in Peru were approved by HFSRB in August 2024 (Project 24-014); review of the permit application for the replacement of the current hospital in Ottawa (Project 24-011) has been deferred for future consideration.

The regional plan is patterned as a hub-and-spoke model, with SEMC's two campuses as the hub, and OSF Saint Paul Medical Center in Mendota, OSF Saint Clare Medical Center in Princeton, and OSF Center for Health in Streator (outpatient) as the spokes. Saint Paul and Saint Clare are Critical Access hospitals that play special roles in delivering the healthcare services needed in the region. The bed capacities of the Ottawa and Peru hospitals are smaller than those of the previous three hospitals at Ottawa, Peru, and Spring Valley. As a result, each OSF hospital and the OSF Center for Health - Streator will have a sufficient patient base to serve in their respective capacities. The project will have no adverse impact on another hospital's ability to provide safety net services in this area.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

The new 8-bed ICU unit at SEMC-Peru will replace the 5 ICU beds being discontinued in Ottawa; the 11 OB beds at SEMC-Peru will replace the 14 OB beds being discontinued in Ottawa. Consequently, the combined SEMC Ottawa and Peru campus will have a bed capacity that will not draw patients served at other hospitals in the area, nor will it overwhelm those hospitals by not having sufficient capacity to accommodate its proportion of patients in the I-80 corridor.



**TABLE ELEVEN**  
**OSF Healthcare System**

	2021	2022	2023
Net Patient Revenue	\$2,978,991,756	\$3,211,070,549	\$3,524,731,069
Charity (patients)			
Inpatient	945	857	870
Outpatient	28,323	25,162	25,202
Total	29,268	26,019	26,072
Charity (dollars)			
Inpatient	\$18,306,320	\$16,446,244	\$16,809,919
Outpatient	\$22,263,569	\$34,769,329	\$30,582,705
Total	\$40,569,889	\$51,215,573	\$47,392,624
% of Charity Care to Net Patient Revenue	1.36%	1.59%	1.34%
Medicaid (Patient)			
Inpatient	15608	15168	15364
Outpatient	427556	506719	597580
Total	443164	521887	612944
Medicaid (dollars)			
Inpatient	\$274,688,101	\$337,605,609	\$427,222,282
Outpatient	\$201,739,577	\$242,779,460	\$275,501,872
Total	\$476,427,678	\$580,385,069	\$702,724,154
% of Medicaid to Net Patient Revenue	15.99%	18.07%	19.94%

**TABLE TWELVE**  
**SEMC-Ottawa**

	2021	2022	2023
Net Patient Revenue	\$133,447,766	\$145,655,093	\$184,225,329
Charity (patients)			
Inpatient	64	49	55
Outpatient	1,846	1,353	2,825
Total	1,910	1,402	2,880
Charity (dollars)			
Inpatient	\$560,122	\$445,277	\$397,800
Outpatient	\$1,214,599	\$1,492,881	\$1,366,381
Total	\$1,774,721	\$1,938,158	\$1,764,181
% of Charity Care to Net Patient Revenue	1.33%	1.33%	0.96%
Medicaid (Patient)			
Inpatient	926	892	1,159

TABLE TWELVE				
SEMC-Ottawa				
	Outpatient	38,114	37,432	57,805
	Total	39,040	38,324	58,964
Medicaid (dollars)				
	Inpatient	\$9,569,034	\$13,393,731	\$17,677,816
	Outpatient	\$20,793,143	\$25,818,435	\$35,519,270
	Total	\$30,362,177	\$39,212,166	\$53,197,086
	% of Medicaid to Net Patient Revenue	22.75%	26.92%	28.88%

**Several factors influence a resident's decision to seek care elsewhere.**

- Proximity to borders: Residents living near the edge of the planning area may find a hospital in a neighboring area to be geographically closer or more convenient for travel.
- Work location: For residents who work in healthcare outside of the area, it is common and convenient for them to receive care at their place of employment.
- Family connections: An individual's family members may live closer to or prefer a hospital outside the area, leading the resident to seek care there.

**Clinical needs**

- Specialized services: Residents may need to leave the area to access specialized medical services, such as a higher-level trauma center, a comprehensive cancer institute, or a specialized cardiac unit, that are not available within C-02.
- Reputation and quality: A hospital outside the C-02 area may have a stronger reputation for a specific type of care, leading patients to travel for what they perceive as higher-quality treatment.

**Financial and insurance considerations**

- Insurance network: An individual's specific health insurance plan may have a limited network of hospitals, which could require them to travel outside C-02 for coverage.
- Lower costs: Depending on the health plan, a hospital outside the C-02 area may offer more affordable options for specific procedures or treatments.

**Patient and provider relationships**

- Existing physician relationship: A resident may have a long-standing relationship with a physician who practices outside the C-02 planning area. The patient may follow their preferred doctor to a different hospital for treatment.
- Referral patterns: Outreach offices and referral systems from hospitals in other planning areas can be effective at drawing patients away from their local area.

**Other logistical reasons**

- Emergency services: In emergencies, a patient may be transported to the nearest and most appropriate facility, which may be in an adjacent planning area.
- Unquantifiable factors: Some reasons for seeking care outside the area are difficult to quantify, such as personal preference, past experiences, or word-of-mouth recommendations. (Source: National Library of Medicine)

## 25-013 OSF Saint Elizabeth Hospital - Ottawa



City Commissioners

Wayne A. Eichelkraut, Jr.  
Accounts & Finance

Thomas G. Ganiere  
Public Health & Safety

# CITY OF OTTAWA

**ROBERT HASTY**  
**MAYOR**

City Commissioners

Marla K. Pearson  
Streets & Public Improvements

Brent F. Barron  
Public Property



To the Members of the Health Facilities and Services Review Board,

I am writing to express my firm opposition to OSF HealthCare's proposal to discontinue Intensive Care (ICU) and Labor & Delivery (OB) services at OSF St. Elizabeth Medical Center in Ottawa.

Back in March 2024, OSF submitted three related Certificate of Need (CON) applications to be heard together at the August 2024 HFSRB meeting:

- #24-011: Ottawa's Replacement Hospital – eliminating ICU and OB while drastically reducing Med/Surg
- #24-013: Discontinuation of Ottawa's current hospital – with plans for demolition
- #24-014: Expansion of Peru's hospital – increasing ICU, OB, and Med/Surg capacity

Initially, OSF themselves requested that all three projects be reviewed at the same time, acknowledging how intertwined they were. When concerns and opposition arose about Ottawa's proposed reductions, OSF chose instead to move forward with only the Peru expansion, deferring Ottawa's projects to a future meeting. The Board granted that request, and the Ottawa projects are now deferred until March 2026.

By separating these applications, OSF effectively told the Board that the Peru expansion could move forward *independently* of what may happen in Ottawa. Yet now, through a fourth CON application (#25-013), OSF is seeking early approval to close Ottawa's ICU and OB units. This approach undermines the integrity of the review process and the trust of the communities affected by these decisions.

The data that OSF has presented simply does not justify the closure of Ottawa's ICU or OB units. In fact, it supports the continued need for both:

ICU Services:

- In 2024, 1,170 patients from the CO-2 region were admitted from the ED into the ICU — an 11% increase from 2023.
- Ottawa’s zip code (224 patients) had the single highest ICU volume in the region, followed by Streator (158) and Marseilles (105). By comparison, LaSalle and Peru combined had 158 — 66 fewer than Ottawa alone.
- Across the system, OSF handled 70% of ICU patients through 10 facilities, suggesting an ongoing shortage of ICU beds in the region.
- The so-called ICU units in Princeton (3 beds) and Mendota (4 beds) are not staffed as functioning ICUs, leaving just eight staffed ICU beds in the CO-2 region — a deficit of six beds below the state’s determined need.

#### OB Services:

- In 2024, there were 1,451 OB admissions from the CO-2 region — a 10% increase from 2022.
- Ottawa has long been the regional leader in OB services. Even when Peru and Spring Valley were still open in 2022, Ottawa accounted for 30% of all OB cases in the region, compared to 19% for Peru and 3% for Spring Valley.
- Historically, Ottawa’s OB unit has maintained a higher daily census than both Peru and Spring Valley, and data shows patients outside Ottawa tend to travel *east and south*, not west toward Peru.

These numbers speak clearly: there is no data-driven justification for eliminating Ottawa’s ICU or OB services. Doing so would compromise access to essential care for residents of Eastern LaSalle County and beyond.

Ottawa is not asking for special treatment. We are asking for fair, data-informed decision-making that keeps patient access, safety, and equity at the center. For those reasons, I sincerely urge the Board to deny OSF’s permit application to discontinue ICU and OB services in Ottawa.

Respectfully,

Robert Hasty  
Mayor, City of Ottawa

October 17, 2025

Ms. Debra Savage, Chairwoman  
Mr. John P. Kniery, Administrator  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, IL 62761

Re: Project 25-013 OSF Saint Elizabeth Medical Center – Ottawa, Discontinuation of ICU and OB

Dear Chairwoman Savage and Mr. Kniery:

OSF HealthCare has made significant efforts over the past several months to work collaboratively with the City of Ottawa and the Citizens for Healthcare in Ottawa (CHO) group regarding our regional health care model within the C-02 planning area. In good faith, we explored an alternative option to maintain inpatient ICU services at the current Ottawa facility—an offer intended to demonstrate our commitment to the community and address concerns raised by local leaders.

We met with the group on September 15, during which several community participants acknowledged the need to move obstetric services to Peru and emphasized the importance of retaining ICU services in Ottawa. In response to the comments made at that meeting, OSF HealthCare met following that meeting and, in a continued effort to find common ground, wrote a formal offer to keep the ICU open in Ottawa. This proposal was to keep ICU open in Ottawa for as long as the current facility was licensed and operational as an acute care facility if there was support by the City/CHO to relocate inpatient OB services in Ottawa and consolidate those service in Peru.

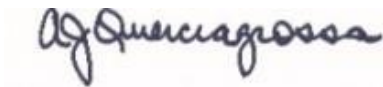
We met again with the City/CHO on October 1 to offer that proposal as a balanced solution that serves the best interests of all parties. The City/CHO continued to ask questions about our previously deferred CON building a new facility in Ottawa. We continued to redirect focus on the current CON regarding OB and ICU, and a copy of that proposal is attached, along with the responses received from the City and CHO group. It is unfortunate that proposal was not accepted as OSF HealthCare has always approached this work with compassion and transparency. Included in this correspondence are our comments related to inaccuracies of CHO's Analysis of OB and ICU data we provided to the HFSRB back in July 2025.

Given these circumstances, OSF HealthCare will proceed with our original Certificate of Need application for the discontinuation of the ICU and OB as submitted, without modification, for consideration at the Board's



November 18 meeting. We remain steadfast in our commitment to provide high-quality, sustainable, and coordinated care for the residents of the C-02 planning area, consistent with our Mission and the long-term viability of health care delivery in this region. This approach reflects the benefits of OSF's regional model, ensuring access to the right level of care, close to home, and aligns with the Health Facilities and Services Review Board's previously expressed support for a coordinated regional strategy during its approval of the Peru expansion.

Sincerely,



AJ Querciagrossa, Chief Executive Officer, Western Region, OSF HealthCare

CC: Dawn Trompeter, President, OSF HealthCare Saint Elizabeth Medical Center – Ottawa  
Mark Hohulin, Senior Vice President, Health Care Analytics, OSF HealthCare  
Ralph Weber, CON Consultant  
Mike Constantino, Chief, Project Review



# OSF<sup>®</sup> HEALTHCARE

## Proposal to Endorse State Approval of Clinical Services Delivery Model at OSF Saint Elizabeth Medical Center (Ottawa and Peru)

September 22, 2025

In the interest of moving forward with the provision of clinical services at Saint Elizabeth Medical Center – Ottawa and Peru campuses, OSF offers the following to representatives of the City of Ottawa and CHO.

### Background

OSF and representatives of Ottawa and CHO have been meeting over the past year and a half, and regularly following the HFSRB March 2025 meeting. At that meeting, HFSRB approved deferral until March, 2026 the review of permit applications to replace the SEMC-Ottawa hospital, and to discontinue the existing hospital upon the opening of the new facility. Consistent with a related permit application approved in August 2024, OSF has opened a centralized ICU unit at SEMC-Peru in August, 2025. OSF is awaiting review of permit application 25-013 at the November 18 HFSRB meeting. Upon that review, OSF will operationalize OB at SEMC-Peru.

The meetings with the community since March, 2025 have provided the opportunity for all parties to share data and points of view. Unfortunately, a common understanding has not been achieved. The community focus has been primarily on Ottawa and towns in eastern LaSalle County. Starting with its initial communications about its clinical plans, OSF has explained its planned investments as a regional plan, serving LaSalle, Bureau, Putnam Counties and the Elmira and Osceola townships of Stark County. In part, the plan responds to the recent closures of two St. Margaret's Health hospitals in Peru and nearby Spring Valley and the resulting lack of inpatient care in that part of the region. The OSF plan includes centralizing ICU and OB services at SEMC-Peru and discontinuing those services at SEMC-Ottawa. In spite of open discussion and good intentions, the parties have not reached agreement on common ground.

### Proposal

As a result, the parties agree to disagree. In order to move forward, OSF offers this proposal to **keep the existing ICU unit at SEMC-Ottawa open for the foreseeable future, rather than close the unit. The new 8-bed ICU service is and will remain open at SEMC-Peru. OSF still intends to discontinue the OB service in Ottawa, following review of the permit application for discontinuation by the HFSRB and operationalization of the 11 bed OB unit at SEMC-Peru.**

### Commitments

In order to implement this offer, all of the following conditions are necessary to be agreed in advance by all parties:

- OSF will continue to operate ICU beds at SEMC-Ottawa.
- Based on clinical appropriateness, at times it will be necessary to transfer some ICU

patients from Ottawa to Peru or another facility for higher acuity ICU needs.

- OSF will prepare a modification to permit application 25-013, removing ICU as a service to be discontinued at SEMC-Ottawa; the permit application will continue to list OB as a service being discontinued, upon the opening of the new OB service at SEMC-Peru.
- **City of Ottawa and CHO will submit written letters of support for the revised plan to maintain ICU and discontinue OB at SEMC-Ottawa, and will testify at future public hearing(s) in support of the plan.** Support will be a complete endorsement and will not contain any conditions or statements of dissatisfaction.
- OSF will submit its modification of permit application 25-013 to HFSRB upon receipt of the City's and CHO's submission of support. The modification will remove ICU as a service being discontinued at SEMC-Ottawa. **Letters of support must be provided to OSF to be included with OSF's submission of the modification.** Time is of the essence given the schedule for the HFSRB staff to review.
- A critical condition is to maintain the schedule to review the permit application at the November 18 HFSRB meeting. Consequently, City of Ottawa and CHO must reach agreement, provide letters of support within approximately the next week, enabling OSF to submit its permit modification and arrange for a public hearing in a timeframe that allows the project to remain on schedule for November 18 review.
- **If there is not agreement or if a delay in completing the agreement prevents the Modification from being submitted for review at the November 18 HFSRB meeting, OSF will pursue review of the existing permit application, unmodified, on November 18.**

#### Conclusion

OSF makes this offer and submits this Agreement in good faith and in order to reach common ground with the City of Ottawa and CHO.

City Commissioners

Wayne A. Eichelkraut, Jr.  
Accounts & Finance

Thomas G. Ganiere  
Public Health & Safety

# CITY OF OTTAWA

ROBERT HASTY  
MAYOR



City Commissioners

Marla K. Pearson  
Streets & Public Improvements

Brent F. Barron  
Public Property

10/9/2025

Robert Sehring  
Chief Executive Officer  
OSF HealthCare  
124 SW Adams Street  
Peoria, Illinois 61602-1320

Dear Mr. Sehring,

On behalf of the Ottawa City Council, I would like to begin by acknowledging that, though our organizations have thus far agreed to disagree on key issues, we are encouraged by OSF's willingness to continue working toward a mutual path forward. Your recent proposal reflects genuine effort to find common ground, and we deeply appreciate that commitment.

With that said, the City does not feel it can agree to the additional terms requested by OSF at this time, given where the overall project currently stands. Specifically, the request for the City's "complete endorsement" without any conditions or statements of dissatisfaction is difficult when the future of SEMC-Ottawa remains unclear.

When Commissioner Ganiere proposed a one-year pause on changes in Ottawa while OSF focused on the transition in Peru, the intent was for a *complete* pause—not one that was piecemealed. As the current proposal is structured, we do not see a meaningful difference from what has previously been offered, particularly since OSF's enhanced plan still envisions 20 medical-surgical beds with 4 designated for intermediate care should the Health Facilities & Services Review Board approve OSF's requests.

For that reason, we do not view this proposal as a true compromise. While we appreciate the inclusion of continued ICU services "for the foreseeable future," we also recognize that, functionally, this proposal is neither better nor worse than what was previously on the table.

That said, if OSF were to put additional parameters around its future intent for SEMC-Ottawa, the City would be more willing to consider agreeing to the terms as presented. We believe the data already indicates that the ongoing need for SEMC-Ottawa is closer to the City's original proposal submitted last December than to what is currently being proposed by OSF. Additional clarity and commitment on this point would go a long way toward bridging the gap between our positions.

We want to emphasize how much we value the efforts OSF is making to explore a resolution. The City of Ottawa remains committed to negotiating in good faith to meet the needs of OSF and, most importantly, the communities both of our institutions serve.

Thank you again for your continued engagement. We look forward to working together toward a solution that ensures sustainable, high-quality health care for Ottawa residents.

Sincerely,



**Robert M. Hasty**  
Mayor, City of Ottawa

cc: Ottawa City Council



October 9, 2025

Mr. Robert Sehring  
Chief Executive Officer  
OSF HealthCare  
124 SW Adams Street  
Peoria, Illinois 61602-1320

**RE: Response to OSF Proposal to Endorse State Approval of Clinical Services Reduction at OSF HealthCare Saint Elizabeth Medical Center ("Ottawa Hospital")**

Dear Mr. Sehring,

We want to thank you for the October 1 meeting among representatives of Citizens for Healthcare in Ottawa ("CHO"), the City of Ottawa, and OSF HealthCare. As you know, this meeting was convened at your request to discuss the attached written proposal made by OSF HealthCare ("Proposal"). In context, the meeting was the latest in a series of discussions held at the request of the Illinois Health Facilities and Services Review Board ("HFSRB"), to facilitate OSF HealthCare hearing and adjusting to concerns from the community about planned services reductions at the Ottawa Hospital. We believe these discussions have been productive, and hope they continue in the good faith manner that has prevailed to date.

**The Proposal.** In the Proposal, OSF HealthCare offers to modify pending CON Permit Application 25-013, currently tentatively scheduled to be considered by the HFSRB at its November 18 meeting, to remove from the application ICU as a service to be discontinued at the Ottawa Hospital, subject to numerous conditions laid out in the Proposal. Permit Application 25-103 would continue to seek discontinuation of OB services at the Ottawa Hospital. In addition, CON Permit Application 24-011, which proposes a replacement hospital for the Ottawa Hospital, would continue to exclude ICU and OB services from the replacement hospital. More broadly, OSF HealthCare is proposing to relocate OB and ICU services to its hospital campus in Peru, 17 miles to the west.

We understand OSF's offer to be that it will keep some form of ICU services at the current Ottawa Hospital facility for the "foreseeable future" by removing proposed discontinuation of ICU services at the current facility in Project 25-013. However, there is no commitment that the replacement facility would have ICU services, nor is there any commitment as to the number of ICU beds that will remain in place at the current facility or that staffing and ancillary resources will support robust ICU care. And, of course, the Proposal continues to contemplate discontinuation of all OB services at the Ottawa Hospital.





Limited though the offer in the Proposal might be, OSF HealthCare conditions it on CHO and the City of Ottawa immediately and proactively submitting to OSF HealthCare unconditional letters of support for the revised plan to maintain ICU and discontinue OB services at the Ottawa Hospital, and agreeing to testify in support of this plan at future public hearings. "Support will be a complete endorsement and will not contain any conditions or statements of dissatisfaction." OSF HealthCare will submit a modification to Project 25-013 only after receiving the unconditional letters of support. The Proposal indicates that if CHO and the City of Ottawa do not immediately and fully meet all these unconditional support requirements, OSF HealthCare will proceed with the current version of the application for Project 25-013 on November 18.

**CHO Response to the Proposal.** We want to reiterate our appreciation for the Proposal, and for the constructive dialogue through community meetings that preceded it. We have very carefully considered the Proposal, and have consulted with a variety of advisors and stakeholders about it. For the reasons summarized below, however, we must decline to accept the Proposal or comply with OSF HealthCare's conditions. We hope this does not preclude OSF HealthCare, CHO and the City of Ottawa continuing our fruitful discussions about the future of health care in Ottawa.

Most fundamentally, we are profoundly concerned that in meeting the conditions in your Proposal, we would be failing our mission to voice the compelling reasons why the Ottawa community needs and deserves a hospital with OB and ICU services while also failing to respect the role of the HFSRB in making health care planning decisions in Illinois based on the best information available. We are not the first community group in Illinois to organize in opposition to a proposed dramatic reduction in health care services, and many before us have made their concerns known to the HFSRB (and have had their concerns taken seriously by the HFSRB). That is healthy, and represents the health planning process in action as overseen by the HFSRB. Our understanding is that many applicants over time have modified CON applications based on community concerns and the HFSRB's interest in them. However, we are aware of no prior instance in which an applicant has pre-conditioned such a CON modification on unqualified written and public hearing support by the community groups raising those concerns.

The Illinois General Assembly has charged the HFSRB with health planning decisions, to be made in the best interests of Illinois citizens and in accordance with the Illinois Health Facilities Planning Act. That process, to be effective, assumes a voice for all impacted constituents. While we certainly would be pleased if OSF HealthCare modified its application for Project 25-013 to remove ICU from the services to be discontinued because it is the right thing to do, we do not believe it is appropriate for CHO or the City of Ottawa to agree to be muzzled wholesale as a condition to such modification. Indeed, we think you should consider withdrawing the application entirely because the data shows that both ICU and OB services are needed and appropriately utilized at the Ottawa Hospital. And we certainly believe that HFSRB should be afforded the opportunity to





**Citizens for  
Healthcare in  
Ottawa**

Web: [Saveottawahealthcare.com](http://Saveottawahealthcare.com)

Facebook: [Facebook.com/saveottawahealthcare](https://Facebook.com/saveottawahealthcare)

Email: [citizensforhealthcare.61350@gmail.com](mailto:citizensforhealthcare.61350@gmail.com)

have the full range of information and perspectives at its disposal, including those from the Ottawa community, before deciding on any application to dramatically reduce health care services in Ottawa.

We will not take time in this correspondence to detail the substance of our concerns regarding the proposed discontinuation of OB and ICU services at the Ottawa Hospital. However, enclosed you will find a copy of CHO's data analysis provided to OSF in August (using the "[Supplemental Information](#)" that OSF had provided to HFSRB on July 22, 2025), which illustrates data-driven concerns about the plans for discontinuation and relocation of Ottawa's OB and ICU.

- At a high level, and as you know, there were over 650 deliveries at the Ottawa Hospital in 2024, and it is on track for the same robust number of deliveries in 2025. Relocating these services to Peru would take them away from the highest concentration of OB patients, which makes no sense for clinical quality, patient safety, or OB program development. Furthermore, plans to move OB from Ottawa to Peru seem to ignore the fact that Ottawa's hospital has been the market leader for the CO-2 region, even prior to the hospital closures in Peru and Spring Valley.
- There were approximately 1,400 ICU patient days at the Ottawa Hospital in 2024, and it is on track for about the same volume in 2025. Eliminating ICU services would have an adverse impact on patient safety, strain Ottawa municipal resources, and take these critical services away from a service area with high utilization levels. Furthermore, the number of OSF facilities located outside of the CO-2 region, yet treating ICU patients from within the area, seems to indicate a lack of available ICU beds within the region.

We hope you can appreciate our position. Again, we remain interested in further good faith negotiation efforts in order to meet the needs of both OSF Healthcare and the communities that it serves within the region, however we feel that the timeline proposed by OSF in this instance does not allow for enough time to ensure thoughtful communication and decision making between all stakeholders.

Best regards,

Colleen Burns, MHSA

Co-Founder, Citizens for Healthcare in Ottawa

**Attachments:** 1) *OSF HealthCare Proposal ("Proposal")*  
2) *CHO Data Analysis*



**Analysis of OB Data provided by OSF in July 2025**  
**(same supplemental data submitted to IHFSRB on July 22, 2025)**

Patient Origin data was supplied for the OB service line in Region C-02, which looks at the number of patients treated from the region, by zip code, and to which facility they sought care.

OSF has stated in their IHFSRB applications that they are projecting OB volumes to increase from 642 cases at SEMC in 2024 to 1,043 by 2028; this translates to an increase in market share of 28% (up from 44% in 2024 to 72% in 2028). Based on these projections it makes sense to analyze growth ability from a service area standpoint, since OSF will need to re-capture patients leaving the region to achieve their projection goals (OSF SEMC Ottawa is the only OB unit within the CO-2 region, so all other facilities would be considered patient "outmigration").

Using the patient origin data, I applied a standard industry rule of 75% cumulative patient origin to define a Primary Service Area ("PSA"); 85% to define a Secondary Service Area ("SSA"). Since these volumes are based strictly on OB patients, it may be slightly different than standard area definitions used by the OSF system to define their service area in C-02. Using the above criteria, the areas were defined as follows:

**Table 1. Service Area Definition**

Source: OSF GRID-Compdata			Saint Elizabeth Medical Center Ottawa			cumulative % of total Sorted by high to low in 2024			75% = Primary Service Area (based on 2024 cumulative %) 85% = Secondary Service Area (based on 2024 cumulative %)		
ZIP_CODE	Patient City	Patient County	2022	2023	2024	2022	2023	2024			
61350	OTTAWA, IL	LA SALLE	110	94	103	28%	17%	16%	61350	PSA	
61364	STREATOR, IL	LA SALLE	129	108	103	61%	36%	32%	61364	PSA	PSA = 8 zips
61301	LA SALLE, IL	LA SALLE	17	64	74	66%	48%	44%	61301	PSA	SSA = 4 zips
61342	MENDOTA, IL	LA SALLE	26	45	72	72%	56%	55%	61342	PSA	
61354	PERU, IL	LA SALLE	16	39	48	76%	63%	62%	61354	PSA	
61356	PRINCETON, IL	BUREAU	7	26	40	78%	67%	69%	61356	PSA	
61362	SPRING VALLEY, IL	BUREAU	8	26	33	80%	72%	74%	61362	PSA	
61348	OGLESBY, IL	LA SALLE	4	26	20	81%	77%	77%	61348	PSA	
61341	MARSEILLES, IL	LA SALLE	16	15	18	85%	79%	80%	61341	SSA	
61322	DEPU, IL	BUREAU	1	13	16	86%	82%	82%	61322	SSA	
61326	GRANVILLE, IL	PUTNAM	5	9	14	87%	83%	84%	61326	SSA	
61373	UTICA, IL	LA SALLE	7	6	13	89%	84%	86%	61373	SSA	

As depicted in the table below, in 2024, 1,056 patients were hospitalized for OB services from SEMC's primary and secondary service areas

- 908 patients were from SEMC's primary service area ("PSA")
- 148 patients were from SEMC's secondary service area ("SSA")
- The split of patients in "eastern" and "western" zip codes within the total service area is essentially equal (517 East vs. 514 West)

If OB is relocated to Peru, there will be an estimated 25 hours of added travel time spread across patients in the service area. Note: This does not account for added travel time for MFM appointments or other testing requirements that will be located in Peru, instead of Ottawa.

- If patient origin trends hold, more patients in both the Primary and Secondary Service Area zip codes will be forced to travel for services if OB moves from Peru to Ottawa
- Ottawa and Streator have the largest volumes in the region, and have some of the lowest market share rates at SEMC. OSF needs to recapture these patients to meet projection goals; creating an additional burden of increased driving distance seems illogical to support growth goals.

**Table 2. Travel Times by Service Area**

Patient Origin - Obstetric Inpatients by Zip Code of Residence Planning Area C02, La Salle, Bureau, Putnam & Stark Townships CY2022-2024 Source: OSF GRID-Compdata										Saint Elizabeth Medical Center Ottawa			SEMC % by Zip Code				Miles to				Variance		Time Impact For All Patients (in minutes) 2024 Patient Origin Zip to Ottawa Zip to Peru Variance			
ZIP_CODE	PSA/SSA	Patient City	Patient County	2022	2023	2024	2022	2023	2024	Ottawa	Peru	Ottawa	Peru	Ottawa	Peru	Ottawa	Peru	PSA	SSA	PSA	SSA					
61350	PSA	OTTAWA, IL	LA SALLE	242	242	241	110	94	103	45.50%	38.80%	42.70%	0	19	19	-19	19	PSA	0	4579	-4579					
61364	PSA	STREATOR, IL	LA SALLE	202	206	199	129	108	103	63.90%	52.40%	51.80%	18	30	12	-12	12	PSA	3582	5970	-2388					
61301	PSA	LA SALLE, IL	LA SALLE	72	113	112	17	64	74	23.60%	56.60%	66.10%	15	8	-7	7	7	PSA	1680	896	784					
61342	PSA	MENDOTA, IL	LA SALLE	62	88	111	26	45	72	41.90%	51.10%	64.90%	26	17	-9	9	9	PSA	2886	1887	999					
61356	PSA	PRINCETON, IL	BUREAU	60	72	86	7	26	40	11.70%	36.10%	46.50%	37	20	-17	17	17	PSA	3182	1720	1462					
61354	PSA	PERU, IL	LA SALLE	90	72	81	16	39	48	17.80%	54.20%	59.30%	19	0	-19	19	19	PSA	1539	0	1539					
61362	PSA	SPRING VALLEY, IL	BUREAU	37	49	46	8	26	33	21.60%	53.10%	71.70%	22	5	-17	17	17	PSA	1012	230	782					
61348	PSA	OGLESBY, IL	LA SALLE	25	44	32	4	26	20	16.00%	59.10%	62.50%	18	5	-13	13	13	PSA	576	160	416					
61341	SSA	MARSEILLES, IL	LA SALLE	67	70	77	16	15	18	23.90%	21.40%	23.40%	11	30	19	-19	19	SSA	847	2310	-1463					
61322	SSA	DEPU, IL	BUREAU	12	19	24	1	13	16	8.30%	68.40%	66.70%	31	12	-19	19	19	SSA	744	288	456					
61326	SSA	GRANVILLE, IL	PUTNAM	19	19	22	5	9	14	26.30%	47.40%	63.60%	28	9	-19	19	19	SSA	616	198	418					
61373	SSA	UTICA, IL	LA SALLE	21	15	25	7	6	13	33.30%	40.00%	52.00%	14	12	-2	2	2	SSA	350	300	50					
																			Mins	Mins	Variance					
																			PSA	14457	15442	985				
																			SSA	2557	3096	539				
																			Total	17014	18538	1524				
																			Hours	Hours	Variance					
																			PSA	241	257	16				
																			SSA	43	52	9				
																			Total	284	309	25				

**Table 3a. Outmigration by Direction (3-Zip Focus Area: Ottawa/Marseilles/Streator)**

When Peru's OB unit was still open in 2022, it had only 15 patients coming from the 3-zip focus area

Distribution of Obstetric Patients by Hospital Residents of Ottawa, Marseilles and Streator CY2022-2024													
Discharge Year Number	2022	2023	2024	% Change	% Change	% Change							Miles from
Facility	Cases	Cases	Cases	23-22	24-23	24-22	Location	Direction from Ottawa	Ottawa	Peru			
OSF SEMC	255	217	224	-14.9%	3.2%	-12.2%	Ottawa	n/a	0	19			
MORRIS HOSPITAL AND HEALTHCARE C	125	164	154	31.2%	-6.1%	23.2%	Morris	East	25	40			
OSF SFMC	24	50	47	108.3%	-6.0%	95.8%	Peoria	South	74	62			
SILVER CROSS HOSPITAL	14	17	22	21.4%	29.4%	57.1%	New Lennox	East	53	68			
OSF SJMC	9	7	16	-22.2%	128.6%	77.8%	Bloomington	South	74	65			
OSF SIJWAMC	18	13		-27.8%	-100.0%	-100.0%	Pontiac	South	44	53			
RUSH COPLEY	14	10	7	-28.6%	-30.0%	-50.0%	Aurora	North	42	67			
CARLE BROMENN	1	7	9	600.0%	28.6%	800.0%	Normal	South	70	62			
PRIME ST JOSEPH JOLIET	11	3	3	-72.7%	0.0%	-72.7%	Joliet	East	52	60			
LOYOLA UNIVERSITY MEDICAL CENTER	3	3	10	0.0%	233.3%	233.3%	Maywood	North	77	91			
ST MARGARETS PERU	15			-100.0%	0.0%	-100.0%	Peru	West	19	0			
ENDEAVOR EDWARD	1	3	7	200.0%	133.3%	600.0%	Naperville	North	50	65			
ALL OTHER PROVIDERS	21	24	18	14.3%	0.0%	-14.3%							
Total	511	518	517	1.4%	-0.2%	1.2%							
Source: OSF GRID-Compdata													
Patients Historically Traveling	Patients from 3-zip area			% of 3-zip area Share									
	2022	2023	2024	2022	2023	2024							
	18	16	24	3.5%	3.1%	4.6%							
	150	184	179	29.4%	35.5%	34.6%							
	52	77	72	10.2%	14.9%	13.9%							
West	15	0	0	2.9%	0.0%	0.0%							
Note: Ottawa SEMC not included in any directional total (in order to illustrate outmigration)													

As shown in Table 3b below, despite industry wide trends of slower birth rates, OB cases have increased more than 10% in the C0-2 region (up from 1,313 in 2022 to 1,451 in 2024)

**Ottawa's hospital has been the market leader for the C0-2 region, even before Peru & Spring Valley closures:**

In 2022 when Peru and Spring Valley were still open, the following OB market share was observed:

- 390 patients at Ottawa (30% share)
- 255 patients at Peru (19% share)
- 45 patients at Spring Valley (3% share)

In 2024, the OSF system has a regional market share of 61% across 7 facilities – half of which can be attributed to SEMC in Ottawa; 12% share attributed to OSF SFMC in Peoria (174 patients)

**Table 3b. Outmigration by Direction (C-02 Planning Region)**

Distribution of Obstetric Patients by Hospital Residents of Planning Area C02, La Salle, Bureau, Putnam & Stark Townships CY2022-2024									
Facility	2022	2023	2024	% Chang.	23-22	24-23	24-22	Location	Direction
OSF SEMC	390	559	642	43.3%	14.8%	64.6%		Ottawa	n/a
MORRIS HOSPITAL AND HEALTHCARE	179	260	243	45.3%	-6.5%	35.8%		Morris	East
OSF SEMC	136	207	174	52.2%	-15.9%	27.9%		Peoria	South
CARLE METHODIST*	35	49	55	40.0%	12.2%	57.1%		Peoria	South
RUSH COPLEY	42	39	40	-7.1%	2.6%	-4.8%		Aurora	North
SILVER CROSS HOSPITAL	27	31	40	14.8%	29.0%	48.1%		New Lennox	East
CGH MEDICAL CENTER*	20	28	36	40.0%	28.6%	80.0%		Sterling	West
OSF SKMC*	10	63	35	530.0%	-44.4%	250.0%		Dixon	West
OSF SJMC	16	16	26	0.0%	62.5%	62.5%		Bloomington	South
ENDEAVOR EDWARD	14	18	21	28.6%	16.7%	50.0%		Naperville	North
PRIME MERCY*	12	27	18	125.0%	-33.3%	50.0%		Aurora	North
CARLE BROMENN	6	22	18	266.7%	-18.2%	200.0%		Normal	South
MERCYHEALTH JAVON BEA RIV	4	2	16	-50.0%	700.0%	300.0%		Rockford	North
NORTHWESTERN KISHWAUKE	9	13	14	44.4%	7.7%	55.6%		DeKalb	North
LOYOLA UNIVERSITY MEDICAL	5	7	13	40.0%	85.7%	160.0%		Maywood	North
OSF SMMC*	13	14	7	7.7%	-50.0%	-46.2%		Galesburg	West
PRIME ST JOSEPH JOLIET	13	5	7	-61.5%	40.0%	-46.2%		Joliet	East
UNITYPOINT TRINITY MOLINE*	5	6	5	20.0%	-16.7%	0.0%		Moline	West
MERCYONE GENESIS MEDICAL	4	4	5	0.0%	25.0%	25.0%		Silvis	West
NORTHWESTERN DELNOR*	6	5	2	-16.7%	-60.0%	-66.7%		Geneva	North
ST MARGARETS PERU	255	0	0	-100.0%		-100.0%		Peru	West
ST MARGARETS SPRING VALLEY	45	0	0	-100.0%		-100.0%		Spring Valley	West
OSF SJJWAMC	20	15	0	-25.0%	-100.0%	-100.0%		Pontiac	South
NORTHWESTERN VALLEY WEST	19	1	0	-94.7%	-100.0%	-100.0%		Sandwich	North
ALL OTHER PROVIDERS	28	40	34	42.9%	-15.0%	21.4%			
<b>Total</b>	<b>1,313</b>	<b>1,431</b>	<b>1,451</b>	<b>9.0%</b>	<b>1.4%</b>	<b>10.5%</b>			
OSF Total	840	874	884						
OSF Share	64%	61%	61%						
Source: OSF GRID-Compdata									
*Not listed in "Ottawa, Marseilles, Streator" data set (to left)									
Patients Historically Traveling	Patients from C-02			% of C-02 Share					
	2022	2023	2024	2022	2023	2024			
North	111	112	124	8.5%	7.8%	8.5%			
East	219	296	290	16.7%	20.7%	20.0%			
South	213	309	273	16.2%	21.6%	18.8%			
West	352	115	88	26.8%	8.0%	6.1%			
Note: Ottawa SEMC not included in any directional total (in order to illustrate outmigration)									

In both Tables 3a and 3b above, the data illustrates that patients who are not seeking care in Ottawa are historically traveling East and South for OB care, not West. Reversing patient migration trends to the West will likely take increased effort and spending, as opposed to building up Ottawa's existing OB unit (already recognized for quality maternal care).

- Morris Hospital is SEMC's greatest competitor, and is located 25 miles east of Ottawa and 40 miles east of Peru. Of the 243 patients out-migrating to Morris Hospital, the vast majority (63%) come from the three-zip focus area of Ottawa/Streator/Marseilles in Eastern LaSalle Co.
- In 2022 all SEVEN sites West of Ottawa accounted for 352 cases; this is 38 fewer cases than at Ottawa's hospital alone (390 total cases in 2022)
- Additional data would be required to analyze analysis patient condition to determine if travel was due to needing a higher level of care

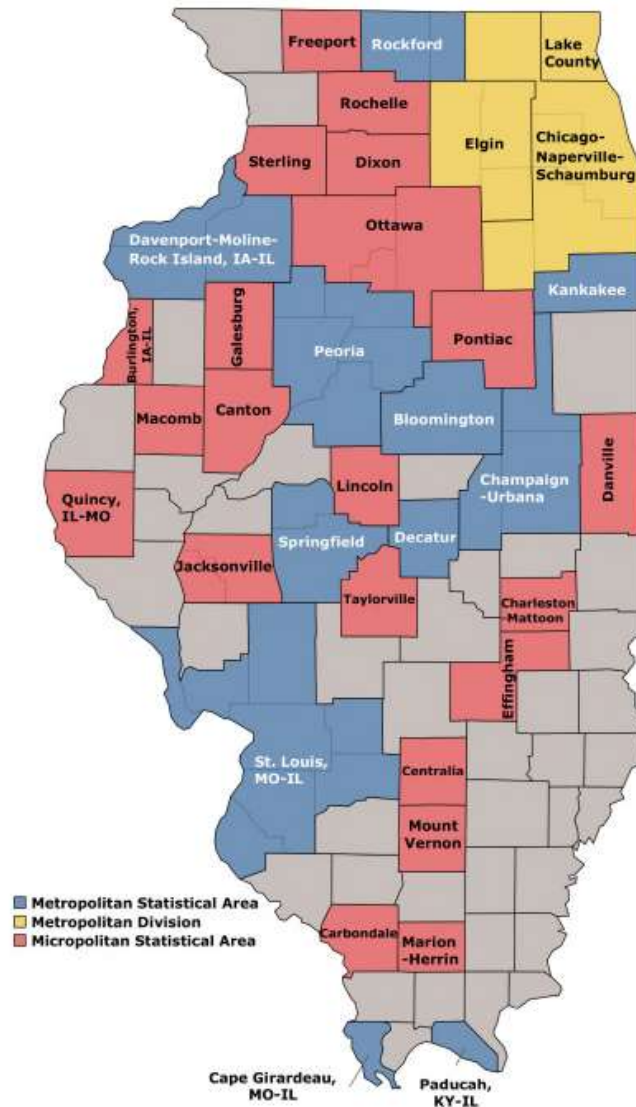
## Analyzing Metropolitan and Micropolitan Statistical Data (OSF data tab “OB-5”)

- Not one example provided shows a distance as great as the 17 miles between Ottawa and Peru
- Sterling & Dixon are only 12.9 miles apart and support 2 OB centers
- Ottawa has always had a higher ADC than Peru and Spring Valley; years of comparable data below:

<b>OB Unit Location</b>	<b>Lic. OB Beds</b>	<b>Average Daily Census</b>
Ottawa	14	<b>3.8</b> YTD '25; <b>3.9</b> in '24; <b>3.6</b> in '23; <b>2.7</b> in '22; <b>3.1</b> in '21; <b>2.9</b> in '20
Peru	11	<b>1.9</b> in 2021 (last recorded data available); <b>2.2</b> in 2020
Spring Valley	10	<b>1.5</b> in 2020 (last recorded data available); unit closed in 2021
Sterling	10	<b>2.7</b> in 2023 (last year of publicly available data)
Dixon	7	<b>2.3</b> in 2023 (last year of publicly available data)

Source: IHFSRB Hospital Profiles

**Map of 2020-based Illinois Metropolitan and Micropolitan Area Delineations**





Based on the list of hospital locations provided by OSF in Tab "OB-5", and according to the Illinois Department of Employment Security, Ottawa is the largest MICROpolitan Statistical Area from the locations OSF presented.

As illustrated in Table 4 below:

- Ottawa's MSA is nearly 3x the size of the next closest Micro area in Sterling
- The Ottawa MSA at one point had been named "Ottawa-Peru" (in 2010), but has since been changed to only "Ottawa" (another nod to Ottawa's natural choice as a hub-hospital location). According to IDES, "The naming convention for Micropolitan Areas is the same as for Metropolitan Areas, with the largest community presented first. As of July 2023, there are of total of 538 Micropolitan Statistical Areas in the U.S. In Illinois, there are 21 Micropolitan Statistical Areas"
- The Ottawa MICROpolitan statistical area is relatively comparable in size to the Bloomington METROpolitan statistical area (McClean County); 149K residents in Ottawa; 171K in Bloomington
  - The Bloomington METRO S.A. offers 2 hospitals with OB departments and 42 licensed OB beds (Carle BroMenn with 30 beds; OSF St. Joseph with 12 beds)
- In comparison to the hospital locations provided by OSF in Tab "OB-5", the Ottawa MICRO S.A. will be the most underserved region in terms of OB beds per population (see "Beds per Pop" column of data)

**Table 4. Additional Data on Metropolitan and Micropolitan Statistical Areas Highlighted by OSF in tab OB-5**

IL Hospital Location from OB-5 Tab	Metro or Micro SA	MSA Definition (County(ies))	MSA Population Size (2020)	# of OB Units	# of Lic. OB Beds	Beds per Pop
Galesburg	Micro	Knox	49967	1	9	0.0001801
Dixon	Micro	Lee	34145	1	7	0.0002050
Sterling	Micro	Whiteside	55691	1	10	0.0001796
Ottawa	Micro	LaSalle; Bureau; Putnam	148539	1	11	0.0000741
Rockford	Metro	Boone; Winnebago	338798	3	67	0.0001978
Peru	n/a	part of Ottawa MSA	-			
Spring Valley	n/a	part of Ottawa MSA	-			
Silvis	n/a	part of Davenport-Moline-Rock Island MSA	-			
Moline	Metro	Henry; Mercer; Rock Island	209655	2	39	0.0001860
Springfield	Metro	Menard; Sangamon	208640	2	59	0.0002828
Peoria	Metro	Marshall; Peoria; Stark; Tazewell; Woodford	368782	2	74	0.0002007
Bloomington	Metro	McLean	170954	2	42	0.0002457
Normal	n/a	part of Bloomington MSA	-			
Urbana	Metro	Champaign; Ford; Piatt	236072	2	35	0.0001483

### **Bottom Line:**

Given the analysis above, it's hard to understand why OSF would choose to invest so heavily in relocating an existing OB department to another facility; the data does not seem to support the decision making and raises questions as to the real reason behind closing a unit that has been recognized for quality care, in a hospital that has been owned and operated for over a decade, in favor of relocating to previously bankrupt facility recently purchased by the system. Patient experience does not seem to be a leading decision point.

**Analysis of ICU Data provided by OSF in July 2025**  
**(same supplemental data submitted to IHFSRB on July 22, 2025)**

*Note: Data was not provided in Excel (only PDF); additional analysis can be completed if Excel version provided*

According to data provided by OSF in “Attachment ICU-1”, in 2024 there were 1,170 patients from the CO-2 region who were admitted from the ED into the ICU (“ED Flag & ICU Flag” filter in COMPdata). This was an 11% increase in the number of ICU patients from the prior year (1,053 in 2023).

- As shown in Table 1 below, of the 1,170 ICU patients from region C-02 in 2024, the zip codes with the highest volume of patients are from Ottawa (224); Streator (158); and Marseilles (105)
  - LaSalle and Peru combined had 158 ICU patients (66 fewer patients than Ottawa alone)

**Table 1. Attachment ICU-1 Analysis of ICU Patient Volumes in Region C-02**

Patient Origin - ICU Inpatients by Zip Code of Residence Planning Area C02, La Salle, Bureau, Putnam & Stark Townships Based on ED Flag & ICU flag CY 2022-2024 Source: OSF @RND-Compdata											
						Saint Elizabeth Medical Center Ottawa			SEMC % by Zip Code		
ZIP_CODE	Patient City	Patient County	2022	2023	2024	2022	2023	2024	2022	2023	2024
61350	OTTAWA, IL	LA SALLE	252	208	224	157	141	137	62.3%	67.8%	61.2%
61364	STREATOR, IL	LA SALLE	173	180	158	102	92	70	59.0%	51.1%	44.3%
61341	MARSEILLES, IL	LA SALLE	98	87	105	43	33	42	43.9%	37.5%	40.0%
61354	PERU, IL	LA SALLE	65	66	86	3	19	35	4.6%	28.6%	40.7%
61301	LA SALLE, IL	LA SALLE	70	85	72	6	34	35	8.6%	40.0%	48.6%
61342	MENDOTA, IL	LA SALLE	39	43	45	3	1	0	7.7%	2.3%	0.0%
61356	PRINCETON, IL	BUREAU	50	36	45	0	2	2	0.0%	5.6%	4.4%
61360	SENECA, IL	LA SALLE	27	42	46	1	4	1	3.7%	9.5%	2.2%
60551	SHERIDAN, IL	LA SALLE	31	30	38	6	6	2	19.4%	20.0%	5.3%
61362	SPRING VALLEY, IL	BUREAU	55	25	36	1	7	15	1.8%	28.0%	41.7%
60518	EARLVILLE, IL	LA SALLE	21	21	26	7	2	12	33.3%	9.5%	46.2%
61373	UTICA, IL	LA SALLE	8	8	25	5	5	12	62.5%	62.5%	48.0%

According to data provided by OSF in “Attachment ICU-2”, which looks at facilities treating patients:

- SEMC Ottawa treated the highest number of patients residing in CO-2 (423 total; 36% share), followed by OSF St. Francis in Peoria (218 total; 19% share), Morris Hospital (123 total; 11% share), and OSF St. Anthony in Rockford (76 total; 6% share)
- As shown in Table 2 below, OSF as a system treated 70% of the market across 10 facilities.
- OSF’s argument about patient outmigration for ICU services should be looked at more closely, with the assumption that patients treated from region CO-2 at other OSF hospitals outside of the region were likely transferred due to lack of ICU beds in the region.

**Table 2. Attachment ICU-2 Analysis of OSF Hospital ICU Patient Volumes**

OSF Hospital	# ICU Patients from CO-2 in 2024	Market Share
SEMC-Ottawa	423	36%
SFMC	218	19%
SAMC	76	6%
SPMC	29	2%
SJWAMC	21	2%
SCMC	20	2%
SJMC	19	2%
SKMC	4	0.3%
SEMC-Peru	4	0.3%
SMMC	1	0.1%
Total OSF	815	70%
Total in C-02	1170	

- OSF will maintain an ICU in Princeton, which had only 45 patients needing ICU care in 2024 (5x less than the number of patients in Ottawa alone)
- OSF will maintain an ICU in Mendota, which also had only 45 patients needing ICU care in 2024 (5x less than the number of patients in Ottawa alone)





October 17, 2025

Ms. Debra Savage, Chairwoman  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2nd Floor  
Springfield, IL 62761

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

Re: OSF Comments on CHO's Analysis of OB and ICU data provided by OSF in July, 2025

Dear Chairwoman Savage and Mr. Kniery:

On July 22, 2025, OSF submitted Supplemental Information to HFSRB regarding historic volumes of ICU and OB services used by residents of the C-02 region (LaSalle County, Bureau County, Putnam County, and the Elmira and Osceola Townships of Stark County), and patient origin data associated with these volumes. Citizens for Healthcare in Ottawa ("CHO") reviewed the Supplemental Information, and submitted comments as an attachment to their October 9 letter to OSF Healthcare Chief Executive Officer, Robert Sehring. The letter and attachments were posted on the State's web-site for the project (#25-013) on October 9.

This white paper provides OSF's comments to the State, in rebuttal to some of the analysis and conclusions by CHO. In addition, OSF discussed these concerns directly with the CHO and the Ottawa City Council representatives at one of our regularly scheduled meetings.

The major finding is that CHO's perspective is oriented toward patients residing in eastern LaSalle County (mostly Ottawa, Marseilles and Streator), whereas OSF's perspective is that of the broader needs of the C-02 region. This white paper explains how these two perspectives result in different conclusions, although based on the same data. OSF's regional plan, confirmed by the data, is that the planning area C-02 is better served by the relocation of ICU and OB to Peru and the expansion of medical/surgical services there.

The section headings (underlined) in this paper are the same topic headings that CHO uses in their comments that were attached to their October 9 letter. In the interest of brevity, their analysis and tables are not repeated here, but can be found in their paper, now posted on the project web-site.

## Comment on Service Area Definition

The CHO Analysis suggests redefining the planning area for the project. It references a "standard industry rule of 75% cumulative patient origin to define a Primary Service Area ("PSA"); 85% to define a Secondary Service Area ("SSA"). CHO identifies an 8-zip code PSA and a 4-zip code SSA. There is no "rule" that this definition should be applied to CON projects. In fact, section 1110.110 of the CON permit application form states that the Purpose of the Project section should "2. Define the planning area or market area, or other relevant area, *per the applicant's definition.*" (Emphasis added.)

Consistent with its approach to *planning for the region*, OSF chose to define the planning area as the State's Hospital Planning Area C-02, composed of not just LaSalle County, but also all of Bureau County, Putnam County and the Elmira and Osceola Townships of Stark County. This larger region has over 60 zip codes, compared to the 8 zip codes in the PSA and 4 zip code SSA suggested by CHO. Using the State's Planning Area facilitates the use of State data and calculations on the C-02 area accurately identifies geographic access to needed services.

While acknowledging that three of the 12 zip codes are from eastern Bureau County and one from Putnam County (closer to Peru than to Ottawa), the suggestion of a PSA and SSA of smaller size focuses more on the local needs of eastern LaSalle County, and the bias (focus) of CHO on that area. OSF has stressed from the beginning of its project planning for Ottawa and Peru that the emphasis is on the *region*. PSAs and SSAs are typically used for strategic planning and marketing purposes. It is not standard nor applicable in assessing access to services for a regional population.

CHO's Table 1 reveals flaws of CHO's PSA/SSA approach in analyzing access. Six of the cities included in their self-selected PSA include the sister cities of LaSalle and Peru, along with four others that are geographically closer to SEMC-Peru than to SEMC-Ottawa. Of the patients living in the 12 zip codes included in the PSA/SSA analysis, 224 OB admissions at the Ottawa Campus were from Ottawa/Streator/Marseilles, while 330 were from Peru and other cities closer to the Peru Campus than the Ottawa Campus. The analysis left out another 88 admissions where the vast majority are patients from cities geographically closer to Peru than Ottawa. (224 + 330 + 88 = 642 OB patients admitted at SEMC-Ottawa in 2024.)

#### Table 2. Travel times by Service Area

Table 2 shows 1,056 OB admissions of PSA/SSA residents to *any* facility. Of the 1,056 patients residing in the 12 zip codes, 517 were from LaSalle/Streator/Marseilles, while 539 were from Peru and other cities geographically closer to the Peru Campus than the Ottawa Campus. In addition, 395 OB admissions were left out of the analysis, with the clear majority from cities being geographically closer to the Peru Campus than the Ottawa Campus.

CHO's definition of Eastern and Western zip codes is also flawed as it leaves out almost 30% of OB admissions from residents of the C-02 Region.

In reviewing the drive-time analysis, only three cities in the PSA/SSA (Ottawa, Streator and Marseilles) have longer drive times to the Peru Campus vs the Ottawa Campus. The balance of cities included in the analysis have a shorter drive time to the Peru Campus. The latter group had over 100 additional OB admissions in 2024 than did patients from Ottawa/Streator/Marseilles.

Again, this analysis left out an additional 88 admissions from cities geographically closer to the Peru Campus than to the Ottawa Campus. It is highly likely that including these OB admissions in the drive time analysis would eliminate the quoted annual 25-hour patient travel time difference with the relocation of services to the Peru Campus.

There is no mention in the CHO analysis that 154 patients from Ottawa, Streator and Marseilles received inpatient OB care at Morris Hospital in 2024. This group would still have reduced travel times to Peru versus Morris. It should have been mentioned that the patients from Ottawa who received care at Morris (26 miles from Ottawa) will be closer to Peru (17 miles from Ottawa). Similarly, patients from Streator who received care at Morris (38 miles from Streator) will be closer to Peru (28 miles from Streator). Patients from Marseilles who choose to go to Peru instead of to Morris will have an 8-mile increase (20 miles Marseilles to Morris, compared to 28 miles from Marseilles to Peru). (Source: Google Maps Distances between Places)

Once again, the focus of CHO has been on Ottawa/Streator/Marseilles. The re-opening of OB at Peru continues to serve those communities, but also resolves significant access for residents of Bureau and Putnam Counties, which had minimal access to OB care following the closures of the two St. Margaret's Hospitals.

CHO's analysis of travel time changes shows the difference of travel times to Ottawa and travel times to Peru for the 12 zip codes in its defined PSA and SSA. The numbers show an increase of 1,524 minutes from 17,014 to 18,538. This is a slight increase of 9%. These 1,524 minutes are a total of 25.4 hours, over the time period of one year. That is an average of just 4 minutes per day.

OSF has not done an analysis of what the difference would be if it were calculated for the entire region, counting zip codes in the west/central and western areas. But the beneficial travel time improvement for those patients would likely over-compensate for the additional 1,524 minutes in this analysis.

Once again, the shift of services from Ottawa to Peru is a plan for improved access to the vast majority of those in the region.

#### Table 3a. Outmigration by Direction (3-Zip Focus Area: Ottawa/Marseilles/Streator)

The OSF OB market share in Ottawa/Streator/Marseilles referenced in the analysis is largely driven by the proximity of Morris Hospital just east of LaSalle County (not in C-02) and their OB office in Ottawa. The split in the OB market share between OSF and Morris is long standing and demonstrates that Ottawa/Streator/Marseilles are well served today and will continue to be even after the relocation of inpatient OB services to the Peru Campus. On the other side, the rest of C-02 will have significantly improved access from this move.

The CHO Analysis correctly points out the split of OB patients in eastern (517) and western (514) zip codes. The fact that volumes from the two areas are virtually the same helps reinforce the case for location of the OB service at SEMC-Peru, centrally located in the C-02 planning area. (See attached map, Attachment #1)

The attached map also shows the population of the eastern region (37,661) compared to the population of the central/western area (49,573), further supporting the case for a regional approach to planning and Peru as the hub for services. The Peru Campus is geographically located at the center of the C-02 Region and provides improved access to the majority of residents living in the region.

CHO references that there were just 15 OB patients from Ottawa/Streator/Marseilles at St. Margaret's Health - Peru in 2022.

This point by CHO again attempts to overstate the unlikely access issues of the three communities in eastern LaSalle County. 2022 was the final year for providing OB service at St. Margaret's Health - Peru, not a typical year from which to draw conclusions. It had 271 total OB admissions that year, down from 362 in 2020, with most of those 362 patients coming from the central and western zip codes. 15 patients from Ottawa/Streator/Marseilles were only 5.5% of its declining volume. It is wrong to infer that the new OB service will have the same small percentage of its OB volume from the three eastern LaSalle municipalities. The data also supports that the regional plan addresses the need for OB services from the west/central and western areas of C-02.

Table 3b. Outmigration by Direction (C-02 Planning Region)

CHO notes that OSF's table on patient outmigration shows that most patients who leave the area for OB inpatient care travel east and south, not west.

That is true. The closing of St. Margaret's Health's two hospitals' OB units created a health care desert in the area. Western OB units outside of C-02 (located Sterling, Dixon, Galesburg, Moline and Silvis) are not close. Several of those units have less capacity and greater drive times than the larger units to the east and south. One might say there are no units to the west that are comparable to the large units east and south.

This very point adds rationale to the regional model of moving OB from Ottawa slightly to the west, to give women in the western areas of C-02 and beyond an option for care in the central rather than eastern area of C-02.

Analyzing Metropolitan and Micropolitan Statistical Data (OSF data tab OB-5)

CHO comments that OSF's analysis did not provide any examples of a distance as great as the 17 miles between Ottawa and Peru, and that Sterling and Dixon are only 12.9 miles apart and support two OB centers.

OSF's intent was to show that there are few situations in Illinois outside of Metropolitan Statistical Areas (MSAs) where hospital OB services can exist within 17 miles of one another (less than or equal to the distance between Peru and Ottawa), not more than that distance. OSF's table showed that there were recently three (in Galesburg, in Peru-Spring Valley, and in Sterling-Dixon). In 2025, there is only one, Sterling-Dixon. OSF pointed out that the aggregate ADC is only 5.0 patients at the combined 17 OB beds at CGH Medical Center in Sterling (10) and at Saint Katherine in Dixon (7), hardly enough volume to sustain two centers. OSF's point is made: It is not feasible to maintain two hospital OB units in short proximity to one another.

OSF included situations of small distances between OB units in larger Metropolitan Statistical Areas to make the point that larger population centers can sustain more closely located units. Less populated locations cannot.

Table 4. Additional Data on Metropolitan and Micropolitan Statistical Areas Highlighted by OSF in tab OB-5.

CHO states that the Ottawa MicroSA is nearly 3 times larger than the next closer MicroSA (containing Sterling), and that the Ottawa MicroSA is nearly the size of the Bloomington Metropolitan Statistical Area.

CHO tries to stretch Ottawa's status as a Micropolitan Statistical Area to something larger than it is. Illinois' MSAs are designated by the State of Illinois (IDES). Ottawa MicroSA is designated appropriately. It includes the three counties that are entirely contained in State Hospital Planning Area C-02: LaSalle, Bureau and Putnam. It is not just LaSalle County. LaSalle and Peru are part of the MicroSA. If CHO wants to promote multi-county regional planning, like OSF has done with this project, it should do so consistently, and investigate the larger 3 county/ 60 zip code area, as OSF has done.

As to CHO's claim that the OB beds to population ration is the lowest among selected MicroSAs in Illinois, that is, in part, the result of being bordered by the Chicago-Naperville-Schaumburg Division MSA and the Elgin Division MSA. In part, the concentration of hospitals in those areas explains the significant migration for care and the lower OB bed ratio in the Ottawa MicroSA.

#### Table 1. Attachment ICU-1 Analysis of ICU Patient Volumes in Region C-02

CHO states that the highest volumes of ICU patients residing in C-02 are from Ottawa (224), Streator (158) and Marseilles (105), and that LaSalle and Peru had 158. (Year 2024)

The ICU volumes from other towns in central and western LaSalle County, Bureau and Putnam Counties are substantial and add significantly to the volumes projected at SEMC-Peru. To compare Ottawa/Streator/Marseilles volumes to only LaSalle/Peru is an incorrect partial picture.

CHO's reference to lack of ICU beds in the region is a condition that is addressed by the expansion of the ICU unit from 4 to 8 beds at SEMC-Peru. According to the State's most recent *Inventory of Health Facilities and Services and Need Determinations*, December 18, 2023, there is a need for 14 ICU beds in planning area C-02. There will be a total of 15 ICU beds: 8 at SEMC-Peru, 4 at Saint Paul Medical center in Mendota, and 3 at Saint Clare Medical Center in Princeton. There is available space to add capacity to the 8-bed unit at SEMC-Peru, if needed in the future. It is important to note that there will continue to be transfers of patients to hospital ICU units outside of C-02 when more advanced treatment is required than locally available.

#### Table 2. Attachment ICU-2 Analysis of OSF Hospital ICU Patient Volumes

CHO states that OSF will maintain an ICU in Princeton and also in Mendota. This statement is correct.

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