



STATE OF ILLINOIS

HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

	BOARD MEETING: September 25, 2025	PROJECT NO: 25-026	PROJECT COST: Original: \$0
FACILITY NAME: OSF Heart of Mary Medical Center		CITY: Urbana	
TYPE OF PROJECT: Substantive			HSA: IV

PROJECT DESCRIPTION: The Applicants (OSF Healthcare System dba OSF Heart of Mary Medical Center and OSF Healthcare System) propose discontinuing pediatric, intensive care, comprehensive physical rehabilitation, open heart, and cardiac catheterization services at **OSF Heart of Mary Medical Center**, 1400 W. Park Street, Urbana, Illinois. There is no cost to this discontinuation, and the expected completion date is January 31, 2026.

Information regarding this application can be found at this link:

<https://hfsrb.illinois.gov/project.25-026-osf-heart-of-mary-medical-center.html>

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (OSF Healthcare System dba OSF Heart of Mary Medical Center and OSF Healthcare System) propose discontinuing pediatric, intensive care, comprehensive physical rehabilitation, open heart, and cardiac catheterization services at 1400 W. Park Street, Urbana, Illinois. There is no cost to this discontinuation, and the expected completion date is January 31, 2026.
- OSF HealthCare is downsizing its services at the Heart of Mary Medical Center in Urbana due to financial losses and declining patient volumes. According to OSF, they incurred substantial economic losses, exceeding \$361 million, since acquiring the Urbana hospital in 2017. OSF stated that the patient base at the Urbana hospital is insufficient to support a full-service facility. OSF data shows a 20% decline in inpatient care at the Urbana location over the last seven years. The hospital's market share in Champaign and Vermilion Counties dropped from 20% in 2018 to 8.5%. Additionally, OSF has faced challenges in recruiting and retaining physicians specializing in certain areas at the Urbana location. OSF intends to expand its behavioral health services in Urbana to address a growing need in the community. They plan to invest in developing behavioral health services, including mental health beds, at the Urbana site.
- The Applicants have stated that in January 2026, the Applicants will reduce the medical surgical beds from 110 to 25, a reduction of 85 beds. At that time, the Hospital will have 25 medical-surgical beds and 40 AMI beds for a total of 65 beds. Additionally, the Applicants will be changing the name of the Hospital to the OSF Sacred Heart Medical Center – Urbana.
- At the conclusion of this report is a series of questions that the Applicants responded.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- This project is before the State Board because it proposes to discontinue categories of service at the hospital under the jurisdiction of the State Board.

PUBLIC HEARING/COMMENT:

- The State Board Staff conducted a public hearing on Thursday, August 21, 2025. 41 individuals registered their attendance. The transcript from that public hearing has been included in the State Board's information packet. The opposition to the proposed discontinuations expressed concerns about patient access to care, potential negative impacts on health outcomes, and the reduced healthcare options within the Urbana community. Accessing care would be more challenging, and wait times would be longer, which could potentially result in poorer health outcomes. The discontinuation of services would reduce patient choice and potentially lead to increased healthcare costs. OSF argues that by discontinuing underutilized and financially unsustainable services, they can better address community needs, such as behavioral health, while optimizing resource allocation and ensuring the long-term sustainability of healthcare services within their system.

SUMMARY:

- There is currently a calculated excess of 213 medical surgical pediatric beds, 12 obstetric beds, and eight rehabilitation beds in the D-01 planning area. There is a computed need for three intensive care beds in this planning area.
- Average utilization for the period 2019 through 2024 at the State Board's Target Occupancy at OSF Heart of Mary Medical Center would justify 42 M/S beds, eight ICU beds, 14 AMI beds, and 14 Rehab beds for a total of 78 beds at the OSF Heart of Mary Medical Center (Table Five and Table Six).

- Carle Foundation Hospital is approximately one mile from OSF Heart of Mary Medical Center and provides all of the services that are being discontinued (Table Eight).
- The Applicants addressed seven criteria and have not met the following.

Criterion	Non-Compliant
77 Ill. Adm. Code 1110.290 (c) – Impact on Access	Should the State Board approve the discontinuation, there will be a calculated need for seven rehabilitation beds in the D-01 planning area. (Table Seven).



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STATE BOARD STAFF REPORT OSF Heart of Mary Medical Center Project #25-026

APPLICATION CHRONOLOGY	
Applicant	OSF Healthcare System dba OSF Heart of Mary Medical Center and OSF Healthcare System
Facility Name	OSF Heart of Mary Medical Center
Location	1400 W. Park Street, Urbana, Illinois
Permit Holder	OSF Healthcare System dba OSF Heart of Mary Medical Center and OSF Healthcare System
Operating Entity/Licensee	OSF Healthcare System dba OSF Heart of Mary Medical Center and OSF Healthcare System
Owner of Site	OSF Healthcare System
Application Received	June 30, 2025
Application Deemed Complete	July 1, 2025
Anticipated Completion Date	January 31, 2026
Review Period Ends	October 29, 2025
Can the Applicant request a deferral?	Yes

I. Project Description

The Applicants (OSF Healthcare System, dba OSF Heart of Mary Medical Center, and OSF Healthcare System) propose discontinuing pediatric, intensive care, comprehensive physical rehabilitation, open-heart, and cardiac catheterization services at 1400 W. Park Street, Urbana, Illinois. There is no cost to this discontinuation, and the expected completion date is January 31, 2026.

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 of OSF HealthCare System.

- 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 will occur upon permit issuance.

IV. OSF Heart of Mary Medical Center - Urbana

Table One documents the 2024 average length of stay, average daily census, and occupancy for OSF Heart of Mary Medical Center, as well as operating room, open heart, and cardiac catheterization utilization. In 2024, Heart of Mary Medical Center's payor mix was 37% Medicare, 28% Medicaid, 30% private insurance, and 2% charity care.

TABLE ONE
OSF Heart of Mary Medical Center
2024 Utilization

Categories	Authorized Beds	Staff Beds	ADM	Days	OB Days	ALOS	ADC	Occ	Occ
Medical Surgical	110	59	1,656	7,603	1,838	5.70	25.9	23.51%	43.84%
Pediatric	6	4	0	0	0	0.00	0.0	0.00%	0.00%
Intensive Care	15	14	536	1,932	11	3.63	5.3	35.49%	38.02%
AMI	30	25	1,121	4,912	0	4.38	13.5	44.86%	53.83%
Rehab	25	21	303	3,928	0	12.96	10.8	43.05%	51.25%
Total	186	123	3,616	18,375	1,849	5.59	55.4	29.79%	45.05%

Cardiac Cath	4	Operating	Open Heart ⁽¹⁾
Procedures	1,480	Rooms	Procedures
		Cases	67
		Hours	
		Utilization	24.52%

1. The Applicants have suspended open-heart and cardiac catheterization services because of a lack of staff.

V. Health Service Area/Health Planning Area

OSF Heart of Mary Medical Center is in HSA IV and the D-01 Hospital Planning Area. HSA IV includes the Illinois Counties of Champaign, Clark, Coles, Cumberland, DeWitt, Douglas, Edgar, Ford, Iroquois, Livingston, Macon, McLean, Moultrie, Piatt, Shelby, and Vermilion. The D-01 Hospital Planning Area includes Champaign, Douglas, and Piatt Counties; Ford County Townships of Lyman, Sullivant, Peach Orchard, Wall, Drummer, Dix, Patton, and Button; Iroquois County Townships of Loda, Pigeon Grove, and Artesia. The State Board is projecting a slight decline in the population in the D-01 Planning Area and a 15% growth in the +65 population by 2030.

There are four hospitals in the D-01 Hospital Planning Area (Table Two). There is currently a calculated excess of 213 medical surgical pediatric beds, 18 intensive care beds, 12 obstetric beds, and eight rehabilitation beds in this planning area. (Table Three).

TABLE TWO Hospitals in the D-01 Hospital Planning Area									
	M/S	Ped	OB	ICU	Neonatal	LTC	Rehab	AMI	Total
Gibson Community Hospital	17	0	5	3	0	16	0	0	41
Kirby Medical Center	16	0	0	0	0	0	0	0	16
OSF Heart of Mary Medical Center	110	6	0	15	0	0	25	40	196
The Carle Foundation Hospital	351	20	35	58	25	0	20	0	509

TABLE THREE Calculated Need/Excess in the D-01 Hospital Planning Area				
	Calculated			
	Beds	Need	Need	Excess
M/S	520	307		213
ICU	76	59		17
OB	40	28		12
Rehab	60	52		8

VI. 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.

OSF HealthCare is downsizing its services at the Heart of Mary Medical Center in Urbana due to financial losses and declining patient volumes. According to OSF, they incurred substantial economic losses, exceeding \$361 million, since acquiring the Urbana hospital in 2017. OSF stated that the patient base at the Urbana hospital is insufficient to support a full-service facility. OSF data shows a 20% decline in inpatient care at the Urbana location over the last seven years. The hospital's market share in Champaign and Vermilion

Counties dropped from 20% in 2018 to 8.5%. OSF has faced challenges in recruiting and retaining physicians specializing in certain areas at the Urbana location. OSF intends to expand its behavioral health services in Urbana to address a growing need in the community. They plan to invest in developing behavioral health services, including mental health beds, at the Urbana site.

The Applicants propose to discontinue the 6-bed pediatric service, the 15-bed intensive care service, the 25-bed comprehensive physical rehabilitation services, open-heart surgery, and the 4-lab cardiac catheterization service. The 15 operating rooms will also be closed. OSF plans to continue providing medical and surgical services, acute mental health services, an emergency department (basic), diagnostic imaging, outpatient services, a laboratory, and a pharmacy.

TABLE FOUR Services and Beds Discontinued at OSF Heart of Mary Medical Center			
Categories	Existing	Discontinuation	Ending
Medical Surgical	110	0	110
Pediatric	6	-6	0
Intensive Care	15	-15	0
AMI ⁽¹⁾	40	0	40
Rehab	25	-25	0
Total	196	-46	140
1. The Applicants added 10 AMI beds under the lesser of 10% or 20-bed rule in June 2025.			

Upon closing of the services, the vacated space will be maintained in good condition. A specific plan for utilizing the space has not been determined. Equipment and furnishings that will not be needed or used within the OSF system will either be traded in, sold, donated to Mission work, or discarded. OSF has an integrated electronic medical records system (EPIC) for all locations and services. All medical records and patient records are stored and maintained within the electronic medical records system located in Peoria, IL EPIC has replaced printed paper records. Electronic access to medical records will continue, uninterrupted. The current medical record retention policies will remain in effect.

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 Applicants state that for Medical/Surgical beds, an inpatient service that is not being discontinued but reduced, there has been a 26% decline in patient days over the four years.

The ADC of 25 in 2024 is 23% utilization of the 110 authorized medical/surgical beds. For Pediatrics, there have been no inpatient admissions to the 6-bed unit for the past four years. ICU has experienced a consistently low average daily census, ranging from 4.8 to 5.3 patients. The average for the four years was 5.1 patients, with an occupancy rate of 34%, which is significantly below the State standard of 60% for the ICU. Utilization of the Comprehensive Physical Rehabilitation service has been relatively constant, declining slightly from 11.6 to 10.7. Average utilization for the period 2019 through 2024 at the State Board Target Occupancy would justify 42 M/S beds, eight ICU beds, 14 AMI beds, and 14 Rehab beds for a total of 78 beds at the Hospital (Table Six).

TABLE FIVE OSF Heart of Mary Medical Center - Urbana Historical Utilization 2019 through 2024								
	Beds	2019	2020	2021	2022	2023	2024	Ave
Medical Surgical	110							
ALOS		5.6	5	5.6	5.8	5.6	5.52	5.52
ADC		42.3	31.7	33.8	31.8	26.1	25.04	33.14
Occ		38.50%	28.80%	30.80%	29.00%	23.8%	22.8%	30.18%
Pediatric	6							
ALOS		3.4	0	0	0	0	0	0
ADC		0	0	0	0	0	0	0
Occ		1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0%
Intensive Care	15							
ALOS		1.3	1.7	3.7	3.7	5	3.63	3.17
ADC		3.5	2	4.8	4.8	5.5	5.32	4.32
Occ		23.10%	13.50%	31.70%	31.70%	37.40%	35.5%	28.81%
AMI	30							
ALOS		4.7	5.5	5.20	5	4.90	4.38	4.95
ADC		10.6	11	10.30	10.1	13.30	13.46	11.46
Occ		35.40%	36.00%	34.20%	33.70%	44.30%	44.9%	38.08%
Rehab	25							
ALOS		11.5	11.9	12.7	13.5	13.3	12.96	12.64
ADC		13.5	11.5	11.6	11.4	11.3	10.76	11.68
Occ		54.20%	46.00%	46.60%	45.80%	45.10%	43.0%	46.79%
Open Heart		81	70	0	0	57	67	46.00
	Labs							
Cardiac Cath	4	1,086	1,289	1,673	1,794	1,679	1,490	1,504
Operating Rooms	15							
Cases		7,216	3,755	4,397	4,155	3,901	4,344	4,628
Hours		12,254	7,109	7,740	7,145	6,576	6,895	7,953
Utilization		54.46%	31.60%	34.40%	31.76%	29.23%	30.64%	35.35%

TABLE SIX Number of Beds At Target Occupancy			
Category of Service	ADC	Target Occ.	Beds Justified
Medical Surgical	33.14	80%	42
Intensive Care	4.32	60%	8
AMI	11.46	85%	14
Rehab	11.68	85%	14
Total			78

C) Impact on Access

The applicant shall document whether the discontinuation of each service or of the entire facility will have an adverse impact upon access to care for residents of 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 Applicants propose to discontinue the 6-bed pediatric service, the 15-bed intensive care service, the 25-bed comprehensive physical rehabilitation services, open-heart surgery, and the 4-lab cardiac catheterization service. The 15 operating rooms will also be closed.

The established radius for a facility located in Champaign County is 17 miles. Carle Foundation Hospital is approximately one mile from OSF Heart of Mary Medical Center and provides all of the services that are being discontinued (Table Seven).

TABLE SEVEN Carle Foundation Hospital 2024 Utilization							
	Beds	ADM	Days	OB Days	ALOS	ADC	OCC
Medical Surgical	331	21,590	106,133	9,604	5.36	317	95.80%
Pediatric	20	1,112	3,354	728	3.67	11	55.92%
Intensive Care	58	2,077	8,777	12	4.23	24	41.52%
Obstetric	35	3,298	9,020	290	2.82	26	72.88%
Neonatal	25	444	4,363	0	9.83	12	47.81%
Rehab	20	357	4,682	0	13.11	13	64.14%
Total	489	28,878	136,329	10,634	39.03	403	82.34%
Cardiac Cath Procedure	10 Labs 5,877		Operating Rooms Cases Hours Utilization	20 14,500 34,662 92.43%		Procedure Rooms Cases Hours Utilization	11 10,541 7,682 37.25%

Should the State Board approve the discontinuation, there will be a need for seven rehabilitation beds (Table Eight).

TABLE EIGHT Need Excess Beds in the D-01 Hospital Planning Area						
	Total Beds	Discontinue	Total Beds After Disc	Calculated Need	Need After Disc.	Excess
M/S Pediatric	520	6	514	307		217
ICU	76	15	61	59		2
Rehab	60	25	45	52	7	

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

- 1110.110 (a) – Background of the Applicant
- 1110.110 (b) – Purpose of the Project
- 1110.110 (c) – Safety Net Impact Statement
- 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 every person or entity directly or indirectly owning an ownership interest.

OSF Heart of Mary Medical Center is accredited by The Joint Commission and has a three-star rating from Medicare Care Compare¹. The Hospital has been deemed "birthing friendly" by the Centers for Medicare & Medicaid Services (CMS)²

The Applicants attest that no adverse action was taken against the Applicants' facility 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 according to their definition.

The project aims to discontinue several services, including the 6-bed pediatric service, the 15-bed intensive care service, the 25-bed comprehensive physical rehabilitation services, open heart surgery, and cardiac catheterization. The surgery service will also be eliminated.

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 the services provided by healthcare providers or organizations that deliver healthcare to individuals with

¹ The hospital's overall star rating summarizes quality information on important topics, like readmissions and deaths after heart attacks or pneumonia. The overall rating, between 1 and 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.

² To earn the Birthing Friendly Designation, a hospital must meet the following criteria, based on the [CMS Maternal Morbidity Structural Measure: Participation in a Perinatal Quality Improvement Collaborative](#): Hospitals must attest to participating in a statewide or national program dedicated to improving perinatal health outcomes during inpatient labor, delivery, and postpartum care. **Implementation of Evidence-Based Patient Safety Practices**: Hospitals must implement recommended patient safety practices or bundles aimed at improving maternal outcomes and addressing complications such as hemorrhage, severe hypertension/preeclampsia, or sepsis.

barriers to mainstream healthcare, including those who lack insurance, are unable to pay, have special needs, belong to an ethnic or cultural minority, or live 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 by the project.

- 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.
- 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 one alternative to the proposed project.

1. Discontinue OSF Heart of Mary Medical Center

According to the Applicants, this alternative was considered as part of the planning process. The option acknowledges that Carle Foundation Hospital has a growing market share and is now the dominant provider of more than 75% of inpatient care in the Champaign-Urbana area. While Carle Foundation Hospital has been growing, inpatient volumes in most categories of service at HMMC-Urbana have declined over the past decade.

Neither Carle Foundation Hospital nor the current OSF Sacred Heart Medical Center in Danville provides Acute Mental Illness, a service experiencing increasing need in central Illinois. OSF needs to expand this service in Urbana. OSF is developing an agreement with US HealthVest to operate the behavioral health services at HMMC-Urbana. The Applicants state that this alternative for discontinuing the entire hospital is broader in scope than accommodating the specific discontinuations of pediatrics, ICU, comprehensive physical rehabilitation, cardiac cath, and open-heart surgery. According to the Applicants, there is a need for continued emergency care in Urbana-Champaign and the broader region, as well as supporting services such as diagnostic imaging.

VIII. Financial Information

There is no cost to discontinuing these services. OSF stated that the purchase of the Medical Center cost \$111.0 million in September of 2017, that capital improvements from September 2017 through February 28, 2025, were \$34.2M, and operating losses over this same period were \$216.2M.

Table Nine outlines the financial results of OSF's Heart of Mary Medical Center-Urbana and OSF Sacred Heart Medical Center – Danville.

TABLE NINE Financial Information from Medicare Cost Report OSF Heart of Mary Medical Center – Urbana OSF Sacred Heart Medical Center – Danville						
OSF Heart of Mary Medical Center – Urbana						
	2019	2020	2021	2022	2023	Total
Total Patient Rev	\$536,491,272	\$427,223,346	\$470,309,870	\$437,057,765	\$451,380,422	\$2,322,462,675
Cont. all	\$421,153,544	\$330,562,029	\$351,376,372	\$338,219,521	\$353,712,457	\$1,795,023,923
Net Patient Rev	\$115,337,728	\$96,661,317	\$118,933,498	\$98,833,244	\$97,667,965	\$527,433,752
Operating Expense	\$134,285,207	\$126,522,298	\$129,841,921	\$130,514,143	\$124,250,887	\$645,414,456
Operating Income	-\$18,947,479	-\$29,860,981	-\$10,908,423	-\$31,680,899	-\$26,582,922	-\$117,980,704
Other Income	\$2,969,844	\$12,469,485	\$4,721,569	\$2,998,184	\$1,362,088	\$24,521,170
Other Expenses	\$6,712,321	\$9,130,538	\$413,129	\$816,738	\$23,242	\$17,095,968
Net Income	-\$22,689,956	-\$26,789,970	-\$6,599,983	-\$29,499,453	-\$25,197,592	-\$110,776,954
Operating Margin	-16.43%	-30.89%	-9.17%	-32.05%	-27.22%	-22.37%
OSF Sacred Heart Medical Center – Danville						
	2019	2020	2021	2022	2023	Total
Total Patient Rev	\$502,540,032	\$489,512,407	\$538,563,043	\$562,947,054	\$519,305,569	\$2,612,868,105
Cont. all	\$425,064,611	\$408,302,128	\$442,239,729	\$464,468,925	\$430,250,662	\$2,170,326,055
Net Patient Rev	\$77,476,021	\$81,210,279	\$96,323,314	\$98,478,129	\$89,054,907	\$442,542,650
Operating Expense	\$98,401,485	\$98,961,254	\$102,695,283	\$122,980,927	\$104,704,994	\$527,743,943
Operating Income	-\$20,925,464	-\$17,750,975	-\$6,371,969	-\$24,502,798	-\$15,650,087	-\$85,201,293
Other Income	\$26,827,465	\$10,764,937	\$4,812,749	\$6,223,308	\$3,107,236	\$51,735,695
Other Expenses	\$6,500,005	\$8,944,117	\$0	\$0	\$18,824	\$15,462,946
Net Income	-\$24,742,704	-\$15,930,155	-\$1,559,220	-\$18,279,490	-\$12,524,027	-\$73,035,596
Operating Margin	-27.01%	-21.86%	-6.62%	-24.88%	-17.57%	-19.25%
Operating Margin = Operating Income /Net Patient Revenue						

SAFETY NET IMPACT STATEMENT

Safety Net Impact Statement provided by OSF Healthcare System

1. The project's material impact, if any, on the 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 three inpatient services (Pediatrics, Intensive Care Unit (ICU), and Comprehensive Physical Rehabilitation) and two categories of services (open-heart surgery and cardiac catheterization) at OSF Heart of Mary Medical Center-Urbana (HMMC-Urbana). The discontinuation of these services at HMMC-Urbana is part of a regional plan developed by OSF HealthCare System for sustainable healthcare services. The plan includes the renaming of HMMC Urbana as Sacred Heart Medical Center-Urbana ("SHMC-Urbana") and the structuring of two hospitals with one license on two campuses - SHMC-Urbana and OSF Sacred Heart Medical Center in Danville ("SHMC-Danville"). The licensing plan is currently under discussion with IDPH. The discontinuations also involve OSF St. Joseph Medical Center in Bloomington, which will accommodate a shift in open-heart surgery and cardiac catheterization cases for current HMMC-Urbana patients who will no longer receive those services at HMMC or remain local at Carle Foundation Hospital in Urbana.

As covered in Section II - Discontinuation, the changes result from low and declining patient volumes at HMMC, as well as financial losses due to revenues associated with these volumes that are insufficient to cover related expenses. HMMC-Urbana's safety net services, including the operation of the emergency department and the hospital's behavioral health program, are threatened by financial losses associated with the low and declining volumes in the service lines being discontinued. These volumes are insufficient to generate sufficient revenues that allow the hospital to subsidize emergency and behavioral health services at HMMC-Urbana, as well as other safety net services there, including outpatient clinic services, pharmaceuticals, and other medical services. Regarding behavioral health, HMMC-Urbana is entering into a relationship with US HealthVest to operate behavioral health services at HMMC-Urbana, leveraging the company's extensive experience in behavioral health care in Illinois and other states. OSF and US HealthVest are engaged in a joint venture to build the **100-bed Meadowview Behavioral Hospital** in Peoria, which is currently under construction, as part of HFSRB Project 23-008. The plan for behavioral health includes expanding the existing 30-bed AMI service at HMMC to 40 beds, increasing the critical mass of services needed to enhance this safety net service in Urbana. The AMI services will focus on treating medical psych needs, adolescent psychiatry, and geriatric care. Enabled by the discontinuations, HMMC-Urbana (the future SHMC-Urbana) will focus on increased Acute Mental Illness care supported by a right-sized medical inpatient service to subsidize and strengthen safety net services. Champaign County ranks at 0.5, a low to moderate condition score on the CDC's Social Vulnerability Index. 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. It incorporates factors such as high poverty, unemployment, minority status, crowded households, low percentage of vehicle ownership, and disability in measuring social vulnerability.

SAFETY NET IMPACT STATEMENT

By comparison, Vermilion County to the east, including Danville County to the west, has a high score at 0.81. A significant number of persons cared for at OSF HMMC are in special need due to these conditional factors. The common license for the two OSF hospitals at the Urbana and Danville locations will promote increased coordination of clinical services to address the specific needs in both communities. According to the 2022 Community Health Needs Assessment, the population of Champaign County decreased by 0.6% over the last five years, a trend similar to that of most counties in Illinois. The elderly population increased by 19%. The unemployment rate of 6.4% is below the Illinois average of 8% (year 2020). The CHNA concluded that the most significant health needs are mental health and healthy behaviors/obesity. The majority of people exercise less than twice a week and consume two or fewer servings of fruits and vegetables per day. Almost two-thirds of the respondents experienced depression in the last 30 days; three-quarters reported they had anxiety or stress in the previous 30 days. OSF, as a system and at HMMC-Urbana, is committed to addressing racial and ethnic disparities in the community. OSF HMMC-Urbana will continue to play a significant role in addressing access to quality healthcare and racial and 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. OSF does its part in many ways. HMMC staff provided free mental health counseling and navigation services to 485 residents in 2024. HMMC held six events last year, providing outreach on the dangers of substance abuse to youth in the community, and collected over 150 pounds of drugs in schools and youth centers.

The 2022 Champaign County Community Health Needs Assessment ranked healthy behaviors and wellness as the second priority, following behavioral health. 61% of Champaign County residents were diagnosed with obesity or being overweight. Residents participating in the community health needs survey indicated that being overweight was the second most important health issue and was rated as the most prevalent diagnosed health condition. HMMC provides a community fitness program and holds six special outreach and education events on the importance of physical activity. The hospital offers nutrition counseling sessions, distributes Smartmeals to seniors, and promotes education on healthy eating through traditional and social media. The hospital's website offered 40 healthy eating posts last year. Hospital staff have been active in nutrition education as part of the healthy living programming. The hospital also uses Social Determinants of Health (SDOH) in screening patients and connecting them with community-based organizations. Approximately 25% of inpatients and 31% of outpatients at OSF HMMC-Urbana are Medicaid recipients; charity care as a percentage of net revenue in 2023 was 2.1%, exceeding 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 HMMC-Urbana's work is highlighted in the OSF Fiscal Year 2024 Community Benefits Report.

Highlights of the Community Benefits report are:

- OSF HMMC-Urbana provided about \$34,500,000 in uncompensated community benefit.
 - Charity care (at cost) of \$1,583,468.
- OSF HMMC-Urbana government-sponsored indigent health care of \$27,361,308.
 - \$3,669,505 given as subsidized health care in 2023.
- OSF HMMC-Urbana donated \$114,006 to local agencies in 2023.

SAFETY NET IMPACT STATEMENT

The entire OSF system of 17 hospitals, the multi-specialty group practice, and the home care service provided more than \$600 million in community benefit services in 2024. Commitment to addressing diversity, equity, and inclusion is broad within the OSF system organizations – in 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 addressing populations with health care and social disparities.

The inpatient payor mix of HMMC is projected to be as follows, based on the new program mix:

Medicare: 28.1%
Medicaid: 43.7%
Commercial: 23.3%
Self-Pay/ Other: 4.9%
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 discontinuation of the three inpatient services and the two cardiac-related categories of service is expected to have a positive effect on other hospitals in the area. Patients who wish to remain local will have access to inpatient and cardiac care services at Carle Foundation Hospital in Urbana. Increased volume and associated revenue growth at Carle should enhance its ability to subsidize safety net services. Similarly, a large volume of inpatient and outpatient surgical cases now at HMMC-Urbana are planned to relocate to SHMC-Danville, which will increase their revenues and support safety net care there.

OSF plans to relocate the cardiology program and staff now at HMMC-Urbana to OSF St. Joseph Medical Center in Bloomington. OSF St. Joseph has a cath lab and a low-volume open-heart surgery program in place, with the capacity to accommodate fluctuations in volume from Urbana. That additional volume at St. Joseph Medical Center is expected to enhance its ability to support safety net services in Bloomington. Accordingly, 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 each community, if reasonably known by the applicant.

The discontinuations result in a reduction of services at OSF Heart of Mary Medical Center-Urbana, leading to a shift in patient volumes to other area hospitals. The volumes of the services being discontinued are relatively low and will not overwhelm capacity at those hospitals. For the Comprehensive Physical Rehabilitation service, some provisions at the OSF rehabilitation hospital in Peoria may need to be made to accommodate part of the 11 patient ADC now at HMMC-Urbana.

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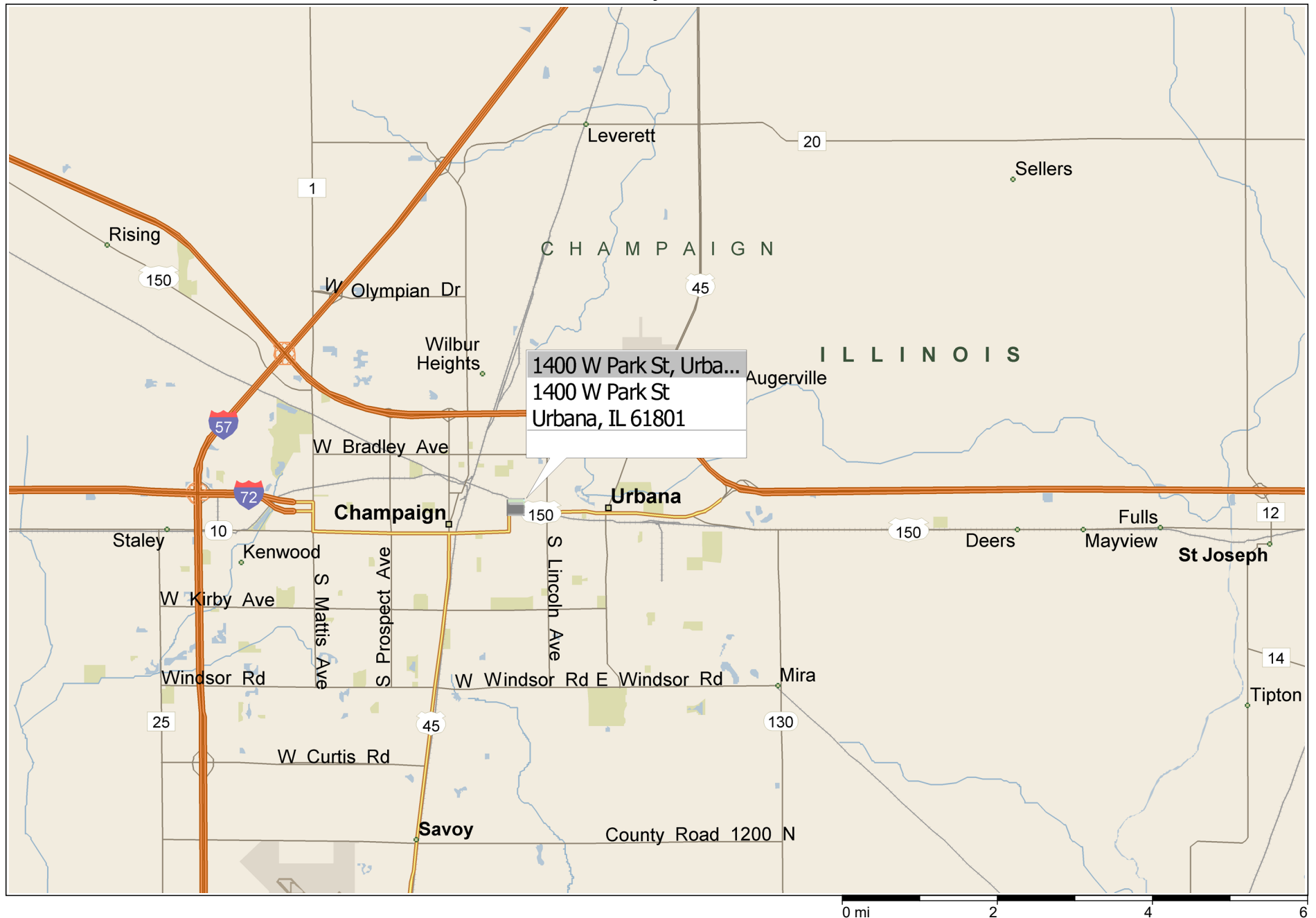
SAFETY NET IMPACT STATEMENT

TABLE TEN 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 ELEVEN
OSF HEART OF MARY MEDICAL CENTER - URBANA

Net Patient Revenue	\$98,833,244	\$97,804,611	\$99,524,206
Charity			
Inpatient	69	84	103
Outpatient	588	453	768
Total	657	537	871
Charity			
Inpatient	\$87,633	\$975,903	\$830,851
Outpatient	\$1,382,542	\$1,108,007	\$880,785
Total	\$1,470,175	\$2,083,910	\$1,711,636
% Of Net Revenue	1.49%	2.13%	1.72%
Medicaid			
Inpatient	814	902	879
Outpatient	12,233	11,407	11,155
Total	13,047	12,309	12,034
Medicaid			
Inpatient	\$9,767,673	\$10,776,698	\$7,389,751
Outpatient	\$5,835,031	\$6,011,930	\$8,395,040
Total	\$15,602,704	\$16,788,628	\$15,784,791
	15.79%	17.17%	15.86%

25-026 OSF Heart of Mary Medical Center - Urbana





Response to HFSRB questions regarding Project #25-026

How will patients who relied on the Heart of Mary Medical Center, particularly those without private transportation or with limited mobility, access the merged services in Danville or other alternative facilities? What provisions will OSF make to address potential increased travel times and associated costs for these individuals?

OSF has established transportation agreements with Advanced Medical Transport East and other ambulance services to facilitate the movement of patients between Danville, Urbana, and Bloomington service areas as their care requirements change. This ensures that patients can seamlessly access the appropriate level of care, regardless of their location. For the most urgent cases, OSF continues to provide helicopter transport from OSF Heart of Mary Medical Center to the appropriate level of tertiary or quaternary care center at OSF Saint Joseph Medical Center or Saint Francis Medical Center. This rapid transport option ensures that patients with critical needs can quickly receive the advanced care necessary for their conditions.

OSF also has a transportation agreement with Georgetown Ambulance to transport patients to home or post-acute care facilities from OSF Sacred Heart Medical Center, as well as provide transportation to post-discharge ambulatory clinic visits within OSF. A similar transportation agreement is in development for discharged tertiary care patients to home or post-acute care facilities from OSF Saint Joseph Medical Center.

In addition, patients will have the choice to access care at Carle Foundation Hospital, which is 1.0 miles from the current OSF Heart of Mary Medical Center, 4 minutes by car, or 19 minutes walking. Patients within the communities of Champaign/Urbana can also access Carle Foundation Hospital by public transportation.

In summary, OSF is committed to ensuring that all patients, especially those who are central to our Mission - uninsured, Medicaid, or have complex medical needs, continue to receive high-quality care through our various facilities and transportation arrangements.

Has comprehensive analysis been conducted to ensure the remaining facilities have adequate capacity to absorb the increased patient volume without compromising quality of care or leading to longer wait times?

Beginning on page 39 of the Application of Permit, the "Impact on Access" section addresses the capacity capabilities of the hospitals in Hospital Planning Area D-01 for the following categories of service:

- **Medical Surgical/Pediatrics:** Page 39 – The table documents the services that are in place in the relevant areas for the affected inpatient categories of service. Much of the surgical case-



Continuation of Response to HFSRB

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load at OSF Heart of Mary Medical Center is being shifted to OSF Sacred Heart Medical Center in Danville. The reduction of 85 medical/surgical beds at OSF Heart of Mary Medical Center is significantly less than the current calculated excess of 193 medical/surgical and pediatric beds in Planning Area D-01. The closing of the 6-bed pediatric unit is not a concern because there have been no pediatric admissions at OSF Heart of Mary Medical Center for the past four years. Furthermore, less than 19% of total medical group empaneled patients are under the age of 18.

- **Intensive care:** Page 40 – Describes the 8.7 patient local capacity at Carle Foundation Hospital. This capacity is sufficient to absorb the average daily census of about 5 ICU patients during the past four years at OSF Heart of Mary Medical Center. In addition, OSF Sacred Heart Medical Center will be capable of caring for additional patient populations with the expansion of specialty services such as Cardiology, Gastroenterology and Pulmonology/Critical Care, therefore eliminating the need for interfacility transfers.
- **Comprehensive Physical Rehabilitation:** Page 42 – Demonstration of available capacity at other Rehabilitation Facilities in central IL. Discussions are underway with other acute rehabilitation providers on their current capacity and plans for expansion.
- **Open Heart Surgery / Cardiac Catheterization:** Page 43 – Provides data indicating there are a total of 8 catheterization services in the planning area (including OSF Heart Of Mary Medical Center). Based on the relevant State standards, there is available capacity in the remaining seven services. Many members of the cardiac team are planning to transfer to OSF St. Joseph Medical Center in Bloomington. OSF has notified the State that the OSF Heart of Mary Medical Center open heart surgery program has been temporarily suspended due to the departures of key nursing and technical staff.

How will this discontinuation of services affect the uninsured, Medicaid patients, or those with complex medical needs, who may face greater challenges accessing healthcare following these changes?

Impacted Population: There are 5,627 impacted patients empaneled in our pediatric and family medicine practices, of which 88.1% are in family medicine practice and 11.9% in pediatric practice. The 5,627 patients comprise 2.4% of the Metropolitan Statistical Area (MSA) of Champaign-Urbana with a payer mix of: 54% Commercial, 28% Medicaid, 11% Medicare, 6% Self-pay, and 1% Worker Compensation. Within the patient panel, 1,968 patients or 35% have 2 co-morbidities, yet the national average for patients with 2 comorbidities that regularly see a primary care provider are 50-



Continuation of Response to HFSRB

Project #25-026

65% and within the overall population are 40% (according to the CDC) indicating a lower burden of complex care patients among the OSF Medical Group empanelment.

OSF remains committed to its mission "To serve persons with the greatest care and love in a community that celebrates the Gift of Life." We have taken several steps to ensure that our vulnerable populations, including the poor, elderly, and mentally ill patients, continue to receive the necessary care.

As of January 1, 2026, OSF Sacred Heart Medical Center will be inclusive of the Danville and Urbana campuses. Under this new structure, OSF is committed to caring for even more vulnerable patients in the central Illinois region with the expansion of acute mental inpatients to 40 beds including a supportive 25 medical bed unit for behavior health patients with medical conditions or detox assistance needs on the Urbana campus. Also, the Urbana campus will develop partial hospitalization and intensive outpatient programs in addition to the existing ambulatory behavioral health clinic services in both communities.

OSF will continue to provide robust community hospital services at its Danville campus, which is a safety net hospital. This facility already offers a range of services on campus and outreach specifically designed to support the Medicaid population, ensuring that those who rely on these services will continue to have access to essential care. A couple of examples of care outreach are the OSF Care-A-Van and OSF OnCall mobile care in conjunction with Medicaid Innovation Collaborative which brings care to the most vulnerable patients including pregnancy and postpartum (682 persons), chronic conditions (659 persons), advanced care (41 persons), and health and wellness (2,859 persons) with demonstrated improved clinical outcomes for the greater than 70% of high risk and rising risk cohorts.

For patients who require a higher level of care, OSF Saint Joseph Medical Center in Bloomington is equipped to provide tertiary level services or OSF Saint Francis Medical Center in Peoria for academic level services such as level III Neonatal Intensive Care Unit and transplant services. These centers have the capacity and expertise to address the needs of patients with complex medical conditions, ensuring that they receive the specialized care they require.

What are the specific details that support the reported \$361 million in losses?

The \$361M investment beginning in September of 2017 through February 28, 2025, from OSF is as follows:

- The acquisition of Heart of Mary from Presence in Sept of 2017 was \$111.0M.



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- Capital improvements to the facility and campus of \$34.2M.
- Cumulative annual operating losses of \$216.2M.

What steps were taken to mitigate these losses before deciding on service reductions?

Beginning with the acquisition - September 11, 2017, OSF has sought to maximize the effectiveness of the system's size in all operational transactions. The following major expense categories were targeted for cost reductions:

- Shared labor force from the surrounding OSF service areas enabled OSF Heart of Mary Medical Center to utilize nursing staff from a centralized nursing registry as opposed to the more expensive outside agency nursing companies.
- Focused improvement in labor productivity to achieve benchmark performance.
- Leveraged the scale of OSF's supply chain via the group purchasing organization.
- Reduced the numbers of locum tenens physician providers despite the difficulty in recruiting new physicians to the service area.
- Endeavored to increase the census of inpatient rehabilitation unit through connections with referral sources from level 1 trauma centers and comprehensive stroke centers to achieve a sustainable census point. The only level 1 trauma and comprehensive stroke center in the Planning Area D-01 is Carle Foundation Hospital.
- Eliminated the duplication of services between OSF Heart of Mary Medical Center and Sacred Heart Medical Center, reducing costs and aligning the availability of providers such as orthopedics, general surgery, and gastroenterology.
- Made efforts to extend clinical privileges to physicians from area hospitals, however; most have had exclusive relationships with their respective hospitals or partner hospitals.
- Consolidated complex ICU care of OSF Heart of Mary Medical Center and Sacred Heart Medical Center to OSF Heart of Mary Medical Center.
- Consolidated Administrative Leadership between OSF Heart of Mary Medical Center and Sacred Heart Medical Center.

Beyond the cited reasons like low utilization and recruitment challenges, what alternative solutions or strategies were explored to maintain the services being discontinued, and why were those options not deemed viable?

Before finalizing our current plan, OSF thoroughly explored developing niche services within the Cardiovascular service category such as a specialty hospital. However, after extensive due



Continuation of Response to HFSRB

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diligence, we concluded that the local and regional patient population would not be sufficient to sustain this service in the long term.

Similarly, our due diligence for behavioral health services revealed an increasing demand for this service. The number of patients boarding in our Emergency Departments across the Ministry every day, awaiting appropriate placement and treatment, clearly demonstrates this need. To bridge this care gap, OSF and USHV are collaborating to ensure we deliver the greatest care and love.

Since we acquired Heart of Mary in 2017, we have observed that our community members have increasingly chosen other providers. This is reflected in our approximate number of adult primary care patients, which stands at 5,200 in a county of 212,000 residents, representing approximately 2.5%. Additionally, the total number of unique patients served in the Urbana service area last year was 26,139, accounting for about 12.3% and a 7% reduction from the previous year. This reality has limited our ability to offer general services and necessitates focusing on a single service, such as behavioral health, which can achieve scale and efficiency through higher patient demand.

How has OSF engaged with the local community, including patients, community leaders, and healthcare advocacy groups, in the decision-making process, and what efforts have been made to address their concerns?

OSF has met with key stakeholders (city leadership, local business leaders, area politicians, and local civil servants) one-on-one to discuss the strategic transformation to formally link OSF Sacred Heart Medical Center and OSF Heart of Mary Medical Center into one hospital with two campuses. This will allow us to better address the health needs of the communities and vulnerable populations we serve, with the Urbana campus becoming a hub for an expanded continuum of behavioral health care and strengthening of the specialty services at the Danville campus. Additionally, OSF has established a regular cadence of meetings that share information with Carle Foundation Leadership about the upcoming transition of services.

OSF has explained that the residents of the area have chosen to access their medical care with our healthcare peers within the community. OSF only garnered 8.5% service area share in 2025 at OSF Heart of Mary Medical Center, which has eroded from 20.2% in 2018 due to the inability to build an adequate primary care network. Currently, there are now only 5,627 patients empaneled with the medical group and community physicians on medical staff at OSF Heart of Mary Medical Center has eroded from 80 physicians in 2018 to 39 physicians in 2025, of which in 2018, 58 were surgeons compared to 27 in 2025. These statistics reflect the lack of patient demand to support two full-service hospitals within the community of Champaign/Urbana located only 1 mile apart.



Continuation of Response to HFSRB Project #25-026

OSF has also received positive support from politicians, civil servants, and community members alike for addressing the significant unmet need for expanded behavioral health services. The proposed niche services such as a Young Adult inpatient unit, Geriatric inpatient unit, and medical/psychiatry services with the partial hospitalization and intensive outpatient services will support these vulnerable patient populations in the community. Currently, the young adult population accounts for the highest utilization within our current adult inpatient mental health unit.

OSF has committed to offering redistribution of employment to greater than 75% of the 213 Mission Partners at OSF Heart of Mary Medical Center impacted by the changes. To date, 170 Mission Partners or 80% were offered redistribution to other roles within OSF. In addition, the behavioral health services expansion created new jobs and opportunities for the acute rehabilitation unit Mission Partners to be upskilled and remain with OSF.

Lastly, OSF has committed to redirecting critical specialty physician resources to OSF Sacred Heart Medical Center to reduce the need for patient transfers outside of the combined OSF Sacred Heart Medical Center service area – Danville and Urbana. In FY24, the inpatient days at OSF Heart of Mary Medical Center related to Vermilion County residents represented 25.8% of all inpatient medical days. The Sacred Heart Medical Center plan is to retain much of the volume from Vermilion County at the Danville campus, eliminating the transportation burden and cost for patients and families.

What communication plan is in place to inform patients about the changes, available alternative services, and support resources?

All patients empaneled with OSF Medical Group have received written communication in advance on their alternatives for care internally to the community through virtual care or other care sites in Danville and Bloomington. We have encouraged our primary care patients to continue their care with their primary care physicians relocated to Danville. The OSF Contact Center will assist patients via phone to address their unique needs.

OSF Medical Group is coordinating with OSF Heart of Mary Medical Center Care Management team to ensure Urbana campus discharged inpatients gain access to a post-discharge visit either virtually or in person.

Will OSF commit to providing regular updates and transparent communication throughout the transition process to address any emerging challenges or concerns?



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Mission Partners: OSF Heart of Mary Medical Center President conducts weekly town hall meetings to ensure the Mission Partners remain informed with the most up-to-date Strategic Transformation progress. The same presentation materials are shared with the OneOSF Cabinet, senior leadership across OSF, to ensure communication and full support during the transition.

Carle Foundation: OSF Heart of Mary Medical Center President meets with the Carle Foundation Hospital President every other week, as well as convenes their executive teams together on the offsetting weeks to discuss the care coordination during the transition and has received support for the transition plan.

IDPH: The Strategic Transformation has an estimated timeline of events, yet as the situation evolves during the ramp down of services, OSF is committed to meeting all necessary reporting requirements related to paused programs or services as staffing capabilities change. The OSF Heart of Mary Medical Center President notified HFSRB and IDPH in late July of the temporary disruption of the open-heart surgery service due to the early departure of nurses and other key staff, making continuation of that service not possible.

What measures are being implemented to ensure seamless transitions of care for patients, including the transfer of medical records and continuity of treatment plans?

OSF HealthCare has a Ministry wide policy and procedure for medical records release. The medical records release policy and procedure were shared with the impacted patients in a letter to their home. OSF Mission Partners and the Contact Center are equipped to ease our patients' way through the transition.

What support and resources are being offered to staff impacted by the discontinuation of services, including assistance with job placement or retraining opportunities?

OSF Leadership has developed staffing plans that provide for the redistribution of Mission Partners to the Urbana and Danville campuses as well as other OSF service areas. At the same time, all impacted Mission Partners submitted their professional interests and needs. Then HR married the needs of the Mission Partners with the openings throughout OSF and generated offer letters. Leaders and HR met with the impacted Mission Partners or departments as a group or one on one, then followed up with them on their election. This process continues until every Mission Partner has



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made an election or the open positions are exhausted. Currently, the second round of offers are pending decision. Upskilling or retraining is available for Mission Partners that meet the required job qualifications.

For temporary redistributed Mission Partners, OSF provides reimbursement for travel expenses or transportation. For permanently redistributed Mission Partners, OSF provides retention bonuses commensurate with years of service. Lastly, OSF provides severance to Mission Partners in accordance with the redistribution policy for those not offered positions. The health insurance benefits remain unchanged from prior to the transition, Christie Clinic providers are Tier 1 and Carle providers remain Tier 2, allowing OSF Mission Partners to access care outside of the OSF network.