



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: January 13, 2026	PROJECT NO: 25-044	PROJECT COST: Original: \$0
FACILITY NAME: Javon Bea Hospital	CITY: Rockford	
TYPE OF PROJECT: Substantive		HSA: I

PROJECT DESCRIPTION: The Applicants (Javon Bea Hospital and Mercy Health Corporation) propose to discontinue the four-bed intensive care service and the 17-bed long-term care service at the Javon Bea Hospital, 2400 North Rockton Avenue, Rockford, Illinois. Should the State Board approve this discontinuation, the Javon Bea Hospital-Rockton Avenue will be closed. There is no cost to the project, and the expected completion date is upon State Board approval.

Information regarding this application can be found at this link:

<https://hfsrb.illinois.gov/project.25-044-javon-bea-hospital---rockton-avenue-campus.html>

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (Javon Bea Hospital and Mercy Health Corporation) propose to discontinue the four-bed intensive care service and the 17-bed long-term care service at 2400 North Rockton Avenue, Rockford, Illinois. Should the State Board approve this discontinuation, the Javon Bea Hospital-Rockton Avenue will be closed. There is no cost to the project, and the expected completion date is upon State Board approval.

BACKGROUND

- The main hospital building at the Javon Bea Hospital Rockton Campus is permanently closed to inpatient and emergency services. Mercyhealth Physician Clinic and EMS services building on the campus remain open and operational. The REACT helicopter is still based at the campus.
- The primary hospital building services, including the emergency department (ED), intensive care unit (ICU), and long-term care units, were suspended as of July 1, 2025, according to the Applicants, due to ongoing flooding risks and declining patient volumes. All hospital signage has been removed, and the building is no longer used for hospital operations.
- The hospital building has been sold to Kingdom Authority International Ministries for \$1. The Ministry is in the early stages of planning a community hub at the site, to be called the Unity in the Community Development Center. The vision includes a hub for affordable apartments, accessible health care services, and community resources. The State Board approved the sale of the property (change of ownership) at the November 2025 State Board meeting (E-017-25).
- **State Board Staff Note:** The sale of the Javon Bea Hospital–Rockton property occurred while services were "temporarily suspended," which allowed the property transfer to proceed before the final discontinuation of all hospital services was approved. Mercyhealth cited chronic flooding and significant water damage as a primary reason for closing the Rockton facility. They stated that the environment was no longer clinically safe for inpatient care due to risks, such as microbial growth in the HVAC system.
- Services were formally suspended on July 1, 2025, because of extremely low patient volume. For example, the standby emergency department reportedly saw an average of less than one patient per day. In November 2025, the State Board approved the sale of the physical plant to Kingdom Authority International Ministries for \$1. This was legally classified as a "change of ownership" for the real estate only, not the hospital license. To maintain remaining services during the transition, Mercyhealth and the new owners entered into a lease agreement. This allowed Mercyhealth to continue utilizing parts of the facility—including its physician clinic, helicopter hangar, and EMS training center—while the State Board processed the final application to discontinue all suspended services.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- This project is before the State Board because it proposes to discontinue a licensed hospital under the jurisdiction of the State Board.

PUBLIC HEARING/COMMENT:

- There was no request for a public hearing, and the State Board did receive a letter of comment from the Mayor of Rockford. That letter is included at the end of this report.

SUMMARY:

- There is currently a calculated excess of 94 medical surgical beds, 30 obstetric beds, and a calculated need for nine intensive care beds in the B-01 Hospital Planning. There is a calculated excess of 212 long-term care beds in the Winnebago Long Term Care Planning area. The Applicants addressed seven criteria, but did not meet the following criterion.

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 13 intensive care beds in the B-01 planning area.



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STATE BOARD STAFF REPORT

Javon Bea Hospital - Rockton

Project #25-044

APPLICATION CHRONOLOGY

Applicant	Javon Bea Hospital and Mercy Health Corporation
Facility Name	Javon Bea Hospital – Rockton
Location	2400 North Rockton Avenue, Rockford, Illinois
Permit Holder	Javon Bea Hospital and Mercy Health Corporation
Operating Entity/Licensee	Javon Bea Hospital
Owner of Site	Javon Bea Hospital
Application Received	November 3, 2025
Application Deemed Complete	November 24, 2025
Anticipated Completion Date	Upon approval of the State Board
Review Period Ends	December 24, 2025
Can the Applicant request a deferral?	Yes

I. Project Description

The Applicants (Javon Bea Hospital and Mercy Health Corporation) propose discontinuing the four-bed intensive care service and the 17-bed long-term care service at the Javon Bea Hospital-Rockton Avenue. If the State Board approves this discontinuation, Javon Bea Hospital-Rockton Avenue will be closed. There are no project costs, and the expected completion date is upon State Board approval.

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

The Applicants are Javon Bea Hospital and Mercy Health Corporation. Mercy Health Corporation owns Javon Bea Hospital, which operates two inpatient campuses: one on North Rockton Avenue and one on East Riverside Boulevard, both in Rockford, Illinois. In addition, Mercy Health Care Corporation owns and operates Mercy Harvard Hospital in Harvard, Illinois; Mercyhealth Hospital and Physician Clinic – Crystal Lake; and Van Matre Encompass Health Rehabilitation Institute, a joint venture with Javon Bea Hospital. 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.

V. Health Service Area

Javon Bea Hospital is in Health Service Area (HSA) I, the B-01 Hospital Planning Area (HPA), and the Winnebago County Long Term Care Planning Area. The hospital has two campuses in Rockford, Illinois: Riverside and Rockton. HSA I includes the Illinois Counties of Boone, Carroll, DeKalb, Jo Daviess, Lee, Ogle, Stephenson, Whiteside, and Winnebago. The B-1 planning area includes Boone and Winnebago Counties; DeKalb County, Townships of Franklin, Kingston, and Genoa; Ogle County, Townships of Monroe, White Rock, Lynnville, Scott, Marion, Byron, Rockvale, Leaf River, and Mount Morris.

The State Board is projecting a 1.13% decrease in total population for the period 2021-2026 in the B-01 HPA and an increase in the over-65 population of 13.18% by 2026 in this same planning area (see Table One).

TABLE ONE			
B-01 Hospital Planning Area			
Population Change			
Age	2021	2026	Change %
0-14	71,150	65,180	-8.39%
15-44	135,730	133,080	-1.95%
45-64	97,840	93,480	-4.46%
65-74	38,930	42,790	9.92%
75+	27,710	32,630	17.76%
Total	371,360	367,160	-1.13%
65+	66,640	75,420	13.18%

There are five acute care hospitals in the B-01 Hospital Planning Area.

TABLE TWO		
Hospitals in the B-01 Hospital Planning Area		
Facilities	City	Beds
Mercyhealth Hospital-Riverside Blvd	Rockford	194
Mercyhealth Hospital-Rockton Ave.	Rockford	21
Saint Anthony Medical Center	Rockford	241
SwedishAmerican Hospital	Rockford	353
SwedishAmerican Medical Center	Belvidere	34

There are 17 long-term care facilities in the Winnebago Long Term Care Planning Area.

TABLE THREE		
Long-term care facilities in the Winnebago County Planning Area		
Facilities	City	Beds
Alden Debes Rehab and Healthcare Ctr	Rockford	268
Alden-Park Strathmore	Rockford	189
Alpine Fireside Health Center	Rockford	66

TABLE THREE		
Long-term care facilities in the Winnebago County Planning Area		
Amberwood Care Center	Rockford	141
Ascension Cor Mariae Village	Rockford	0
Ascension Saint Anne Place	Rockford	179
East Bank Center, LLC.	Loves Park	54
Fair Oaks Rehab & HCC	South Beloit	78
Fairhaven Christian Retirement Center	Rockford	96
Forest City Rehab & Nursing Center	Rockford	213
Javon Bea Hospital - Rockton Campus	Rockford	17
Medina Nursing Center	Durango	89
Peterson At the Citadel	Rockford	129
River Bluff Nursing Home	Rockford	304
River Crossing Of Rockford	Rockford	120
Rock River Health Care	Rockford	130
Willows Health Center	Rockford	91
Total		2,164

V. Javon Bea Hospital

Table Four below documents Javon Bea Hospital-Riverside Campus' Average Length of Stay (ALOS), Average Daily Census (ADC), and Occupancy (OCC) for 2024. Javon Bea Hospital-Rockton Campus had no inpatient utilization in 2024. In 2024, Javon Bea Hospital's patient mix by payor source was 56.8% Medicare, 15.5% Medicaid, 24.2% Private Insurance, 1.8% Private Pay, and 2.25% Charity Care.

TABLE FOUR							
Javon Bea Hospital – Riverside Campus							
Inpatient Utilization							
Services	Beds	Admit	Days	OB Days	ALOS	ADC	OCC
Medical Surgical	84	7,005	22,039	2,950	3.57	68.46	81.50%
Pediatric	12	0	0	0	0.00	0.00	0.00%
Intensive Care	26	1,368	4,076	147	3.09	11.57	44.50%
OB	20	1,594	3,454	202	2.29	10.02	50.08%
Neonatal	52	461	10,435	7	22.65	28.61	55.02%
Totals	194	10,428	40,004	3,306			

VI. 77 Ill. Adm. Code 1110.110 - Background of the Applicants

An applicant must demonstrate that it is fit, willing, and able, and has the qualifications, background, and character to adequately provide a proper standard of health care service for the community. [20 ILCS 3960/6]

Mercy Health Corporation is an Illinois non-profit corporation and the sole member of multiple healthcare facilities within Illinois. There have been no adverse actions taken against Mercy Health by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the Mercy Health Corporation, directly or indirectly, within three years preceding the filing of the application.

VII. 77 Ill. Adm. Code 1110.110 (b) – Purpose of the Project

The applicant shall document that the project will provide health services that improve the health care or well-being of the population to be served in the market area. The applicant shall define the planning area, market area, or other area, as the applicant defines it.

The Applicants propose to close four intensive care beds and 17 long-term care beds at the Javon Bea Hospital Rockton Campus. Outpatient services will still be available at the medical office building on the Rockton Campus. Intensive Care and Emergency Department services are available at Javon Bea Hospital Riverside. No other clinics will be affected by this application for discontinuation, and according to the Applicants the Riverside campus can accommodate any increase in volume with minimal disruption to care.

According to the Applicants, the decision to shut down hospital services at the Rockton Campus is based on a detailed review of safety, usage, and sustainability factors. The facility has consistently had a low patient volume, averaging about one patient per day, which does not justify maintaining a second ICU or a standby Emergency Department. The Applicants state that its location within a municipal sewer system prone to overflow during heavy rains has led to frequent flooding, posing ongoing safety, sanitation, and flood insurance challenges. Without adequate flood insurance, essential repairs and operational stability are complex. The Applicants state that closing inpatient services at Rockton addresses these issues. The low patient numbers make high-quality care unfeasible, as staffing and infrastructure costs cannot be justified. Ending services also eliminates the inefficiencies of operating underused ICUs and Emergency Departments, allowing resources to be consolidated at the Riverside Campus, which effectively offers complete clinical and trauma services.

The Applicants state the site's flood-prone location also poses ongoing safety concerns, and closing the site reduces the risk of care disruptions from flooding, thereby protecting patients. From a community health perspective, this move aims to preserve and improve overall health and well-being by directing patients to better-equipped facilities with adequate volume, experienced clinical teams, and full-service capabilities. The Javon Bea Riverside Campus features a Level I Trauma Center with 24/7 access to trauma surgeons, 26 licensed ICU beds, and comprehensive subspecialty support, ensuring timely, high-

quality, and safe care for all patients. This reallocation of services improves clinical outcomes, enhances emergency reliability, and supports the sustainable use of health system resources, ultimately enhancing regional access to care. The primary goal is to ensure seamless patient access to care despite Rockton's service discontinuation. Care transitions will be carefully coordinated with nearby facilities, and residents will be supported in receiving care close to home. Acute, emergency, and specialty services remain available at surrounding hospitals, with the capacity to meet community needs. Staff will be reassigned within the health system to maintain expertise, and overall resources will be optimized to improve patient care across the planning area.

VIII. 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.

There will be no inpatient clinical services remaining at the Rockton Campus. All the inpatient beds and services at the Rockton Campus will be discontinued. Additionally, the standby Emergency Department will also cease operating. The Applicants filed a notice of temporary suspension of services effective July 1, 2025, pursuant to which the Rockton Campus ceased providing intensive care, stand-by emergency department, and long-term care services.

The acute hospital building has been transferred to Kingdom Authority International Ministries via a donative sale approved by the State Board at the November 2025 State Board Meeting (#E-017-25). The new owner intends to utilize the space to offer community services. Usable medical equipment would be transferred to other facilities within the Mercyhealth system or, otherwise, donated to the community.

Javon Bea Hospital - Riverside remains fully operational, located at 6201 E Riverside Blvd in Rockford, IL, and will continue to maintain medical records. The records are maintained in an electronic health records information system. All documents will be kept in compliance with all applicable State and Federal laws

about medical record storage, including the Illinois Hospital Licensing Act (210 ILCS 85/6.17).

The Applicants provided notice of their intent to file a Certificate of Need to discontinue the inpatient hospital and emergency services at the Rockton Campus to the municipality in which the facility is located, the State Representative and State Senator of the district the health care facility is located, the Director of Public Health and the Director of Healthcare and Family Services on October 24, 2025. Copies of these notices have been included in the Application for Permit.

TABLE FOUR			
Services and Beds Discontinued at			
Javon Bea Hospital – Rockton Avenue			
Categories	Existing	Discontinuation	Ending
Intensive Care	4	-4	0
Long Term Care Beds	17	-17	0
Total	21	-21	0
1.			

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 decision to discontinue hospital operations at the Rockton Campus is based on an assessment of safety, utilization, and sustainability. The facility has a declining patient census, averaging approximately one patient per day, which does not justify the continued operation of a second intensive care unit (ICU) and a stand-by Emergency Department, and makes it difficult for the site to maintain compliance with state service requirements, as the low census can appear to indicate that services are not being provided. In addition, the hospital's location within a municipal sewer system prone to overflow during rainfall has led to recurrent flooding events. These events have created ongoing challenges in maintaining a safe and sanitary environment for patient care and have constrained the ability to secure adequate insurance coverage for flood-related damages. Without such coverage, the facility is unable to address necessary repairs or ensure reliable operational continuity.

Notwithstanding the discontinuation of services at the Rockton Campus, Jvon Bea Hospital will continue to offer outpatient cardiac rehabilitation, pulmonary rehabilitation, ophthalmology/optometry, allergy, and rheumatology services in the medical office building, which is located on higher ground adjacent to the Rockton

Campus inpatient facility building, and will maintain administrative services at the site. JBH will also continue to offer its range of inpatient, outpatient, primary, secondary, and tertiary services at the Riverside Campus.

One reason for discontinuing services at the Rockton Campus is the persistently low patient census. As a result, the continued operation of the ICU and the stand-by Emergency Department services at the Rockton Campus is no longer feasible. This is evidenced by the unit's historical utilization data from 2021 through 2024, which show a consistent decline in patient volumes across all service areas. ICU utilization at the Rockton Campus has fallen to negligible levels, while volumes at the Riverside Campus have remained stable. Similarly, emergency department visits at the Rockton Campus have continued to decrease during this time. As evidenced, the patient census remains insufficient to justify the continued operation of a second ICU and stand-by Emergency Department footprint at this location.

According to the Applicants, Mercyhealth and Javon Bea Hospital have long invested heavily in the Rockton campus, including replacing a radiation oncology CT simulator, an interventional radiology biplane, and lab analyzers for chemistry and hematology, as well as repairing a helipad damaged by flooding. Javon Bea Hospital also invested over \$5 million in recruiting physicians to expand specialties, including orthopedics, radiology, pathology, and emergency medicine. With \$30 million in insurance reconstruction, Mercyhealth has spent about \$70 million in recent years on remodeling and updating the campus.

The Applicants state that the facility experienced four rain-related incidents, raising concerns about infrastructure, technology, and patient care. In August 2007, 5.15 inches of rain fell; in July 2017, 5.92 inches over three days; in June 2018, 5 inches in four hours; and in August 2018, 0.5 inches in one hour. These storms led to water infiltration of 4 to 6 inches within the building and lab areas. Several critical departments, such as endoscopy, pediatric therapy, radiation oncology, clinical education, medical affairs, transcription, and medical records, were severely impacted. Recovery in most zones took between 6 and 12 months. To address stormwater, a pumping system was installed in 2014. On July 21, 2017, a storm with heavy rain and strong winds caused storm drains to back up, trees to fall, and power outages. The hospital operated on emergency power for 20-30 minutes. Water entered the pharmacy, causing a short circuit in a power panel that temporarily disrupted X-ray and CT operations.

The Applicants state Mercyhealth's investments to safeguard the Rockton Campus ongoing and worsening flood risks pose an unsustainable threat to the facility, technology, and operations. According to the Applicants, factors such as outdated city drainage systems, increased neighborhood development, and more severe weather events continue to endanger patient safety and disrupt essential services. Without a long-term, community-backed solution, Mercyhealth faces growing financial and operational risks, including potential loss of insurability, which could jeopardize Javon Bea Hospital's ability to serve the region.

Intensive care and emergency services at Javon Bea Hospital Riverside campus will stay the same. The campus is well-equipped with 26 licensed ICU beds, a Level I trauma and emergency center with 24/7 trauma surgeons, and 16 emergency room stations. With 194 authorized beds and a current utilization rate of only 63.9%, the campus has sufficient capacity to handle critical care for both children and adults.

Of the 389 patients discharged to skilled nursing facilities (SNFs), most were placed in Rockford facilities, reflecting strong community partnerships. East Bank, Wesley Willows, and Presence St. Anne Center each accounted for nearly 10% of patients, with PA Peterson, Amberwood, and Nelson Debes also serving a significant share. Other Rockford partners, including Alden Park Strathmoor, Alpine Fireside Health Center, and Fair Oaks Nursing Home, together served about 12% of patients. These established relationships ensure that, even as we reduce our long-term care capacity, patients continue to access high-quality post-acute and long-term care close to home. JBH's coordinated discharge planning promptly connects patients to the appropriate level of care, maintaining continuity of care and supporting optimal outcomes.

C) Impact on Access

The applicant shall document whether discontinuation of each service or the entire facility will adversely affect 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 Applicants believe the proposed discontinuation of services at the Rockton Campus is not expected to significantly affect access to care, given the consistently low patient numbers there. Services remain available nearby at the Javon Bea Hospital Riverside campus, which has established relationships with local long-term care facilities to keep residents' care close to home.

SAFETY NET IMPACT STATEMENT

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 are 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-POLL, August 2003.)

The proposed closure reflects changes in healthcare preferences among the Rockford, Illinois, community. Recent hospital data show that patient volumes at Javon Bea Hospital – Rockton Campus have steadily decreased since 2021, mainly due to the availability of other high-quality providers in the area and the concentration of services at the more modern Javon Bea Hospital – Riverside Campus. Mercyhealth is committed to continuing to serve the same patient population previously cared for at the Rockton Campus, including those facing healthcare disparities identified in the 2023 Community Health Needs Assessment. Similar services are accessible at nearby facilities within the B-01 Hospital Planning Area, ensuring continued access to essential care without compromising safety. The closure of the Rockton Campus will not negatively affect other providers, as patient volumes have been consistently low and most services are already available at nearby facilities, including Riverside Campus. Adequate services remain accessible in the planning area, and there will be no loss of safety net capacity or added pressure on neighboring hospitals. Consequently, there will be no significant impact on essential safety net services in the community.

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 closure of the Rockton Campus will not negatively affect other providers' ability to cross-subsidize safety-net services. By centralizing services at the Riverside Campus, Mercyhealth will use existing facilities more effectively and efficiently, aligning with HFSRB priorities. This move helps address issues faced by other providers, such as staffing shortages and low inpatient census, strengthening the region's overall delivery system. Importantly, outpatient services—including cardiac rehabilitation, pulmonary rehabilitation, ophthalmology/optometry, allergy, and rheumatology—will continue to be offered in the medical office building near the Rockton Campus. Meanwhile, inpatient and emergency services will remain fully operational at JBH Riverside. This change also reduces unnecessary service duplication and supports the long-term financial sustainability of safety net care in the area, without likely impacting other providers' or health systems' ability to cross-subsidize safety net services.

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 discontinuation of services at the Rockton Campus is not expected to hurt the remaining safety net providers in the community. Given the persistently low census and 0% utilization of ICU and long-term care services at this location in recent years, there is limited evidence that other providers will experience a significant increase in demand attributable to this project. Instead, this change will allow for a more natural distribution of patients and staff among area providers. The Javon Bea Hospital - Riverside campus will continue to serve as a regional safety net, providing

SAFETY NET IMPACT STATEMENT

comprehensive inpatient, emergency, and trauma services to the same community residents. The consolidation of services enables more robust and reliable care delivery, ensuring that patients have access to the full spectrum of resources in one location. Outpatient and clinical services will also continue to be provided at the Rockton Avenue Campus, preserving community access points for services.

IX. FINANCIAL

Mercy Health Corporation has an ‘A’ or better bond rating. Fitch Ratings increased Mercy Health Corporation's credit rating to "A" from "A-" and assigned a stable outlook, noting its strong financial profile. This upgrade was driven by the system's improving economic performance and appreciation in investment markets. Fitch anticipated that Mercy Health's operating profile would remain strong in the long term, despite potential challenges from rising labor and supply expenses and the opening of its new Crystal Lake Hospital in mid-2023. The rating considered Mercy Health's financial data as of fiscal year-end June 30, 2022, when the system had approximately \$1.2 billion in revenue and 370 days of cash on hand.

Table Five shows the audited financial information for Mercy Health Corporation and Javon Bea Hospital. Table Four shows the Income or Loss reported on the Medicare Cost Report (2020-2024), Javon Bea Hospital.

TABLE FIVE Mercy Health Corporation Audited (in thousands)			
Year	2025	2024	
Cash	\$383,514	\$402,036	
Current Assets	\$507,924	\$538,168	
Total Assets	\$2,491,133	\$2,402,010	
Current Liabilities	\$209,958	\$222,222	
Total Long-Term Liabilities	\$812,583	\$820,715	
Total Liabilities	\$1,022,541	\$1,042,937	
Patient Service Revenue	\$1,128,155	\$1,071,329	
Total Revenue	\$1,314,215	\$1,257,356	
Operating Expenses	\$1,315,949	\$1,241,051	
Income (Loss)	-\$1,734	\$16,305	
Excess of Revenue over Expenses	\$107,528	\$118,538	

Javon Bea Hospital - Rockton and Riverside Audited (in thousands)			
Year	2025		
Cash	\$46,353		
Current Assets	\$75,568		
Total Assets	\$697,043		
Current Liabilities	\$32,219		
Total Long-Term Liabilities	\$497,540		
Total Liabilities	\$697,043		
Patient Service Revenue	\$393,566		
Total Revenue	\$409,655		

TABLE FIVE Mercy Health Corporation Audited (in thousands)		
Operating Expenses	\$402,669	
Income (Loss)	\$6,990	
Excess of Revenue over Expenses	\$25,513	

Javon Bea Hospital – Rockton and Riverside Medicare Cost Report 2020-2024						
	2020	2021	2022	2023	2024	AVE
Javon Bea Hospital						
Total Patient Revenues	\$1,462,685,829	\$1,255,404,973	\$1,266,892,985	\$1,187,215,735	\$1,309,370,835	\$1,296,314,071
Less Contractual All	\$1,122,628,411	\$891,340,254	\$948,344,101	\$822,780,038	\$937,817,057	\$944,581,972
Net Patient Revenue	\$340,057,418	\$364,064,719	\$318,548,884	\$364,435,697	\$371,553,778	\$351,732,099
Operating Expense	\$384,552,001	\$348,641,161	\$335,720,996	\$327,912,186	\$377,466,274	\$354,858,524
Net Income from Patient Services	-\$44,494,583	\$15,423,558	-\$17,172,112	\$36,523,511	-\$5,912,496	-\$3,126,424
Other Income	\$73,500,910	\$54,566,260	\$44,160,148	\$27,107,190	\$20,907,838	\$44,048,469
Other Expenses	\$0	\$0	\$0	\$0	\$0	\$0
Net Income	\$29,006,327	\$39,989,818	\$26,988,036	\$63,630,701	\$38,827,390	\$39,688,454
Operating Margin	-13.1%	4.2%	-5.4%	10.0%	-1.6%	-0.9%
1. Operating Margin = Net Income from Patient Services ÷ Net Patient Revenue						



Thomas P. McNamara
Mayor
Office of the Mayor

December 5, 2025

To Whom It May Concern:

I am writing to express my alarm and deep frustration regarding the systematic dismantling of healthcare services on Rockford's West Side by Mercyhealth. For years, Mercyhealth promised a "one hospital, two campuses" model, maintaining the original hospital on North Rockton Avenue while opening a new facility on Riverside. Yet, it has become clear that Mercy leadership has not maintained that commitment and I question their intent from the outset to gradually strip services from the West Side campus, leaving the community that relies most heavily on local healthcare completely abandoned.

This is not merely an issue of convenience - it is a matter of life and death. One of our Rockford Fire Department Driver Engineers, based at a West Side station, recently shared that what once took minutes to transport a patient to Mercy on North Rockton Avenue now requires 18½ minutes - with lights and sirens - to reach Mercy Riverside, and roughly 30 minutes for the return trip, under the best circumstances. That leaves an ambulance out of service for nearly an hour, denying timely emergency care to West Side residents, as Javon Bea and Mercyhealth shifted services to gain state support for their East Side location.

The West Side was promised accessible healthcare, yet the reality is empty buildings and broken assurances. This is unacceptable. Rockford cannot stand by while an entire community is left without the health services it urgently needs. We must demand concrete solutions that restore reliable, accessible care to the West Side - solutions that place the needs of patients above the convenience of hospital administration.

Javon Bea and the Mercyhealth Board first cut mental health, then pediatric services, and then posted signs claiming a six-hour delay for non-emergency care (see attachment) - intentionally discouraging patients. When patients avoided the ER due to their signage, Mercyhealth used the low numbers to justify closures. Would anyone wait six hours if their emergency felt urgent?

In their application before you, Javon Bea and the Mercyhealth Board state that they also needed to close due to flooding caused by the City. Here are the facts - Mercyhealth and Federal Insurance Co. filed complaints in 2019, alleging that the City's 1962 failure to install adequate drainage at the hospital's campus led to the 2018 flooding, constituted an unconstitutional taking, and caused the insurer to pay Mercy Health System \$29.5 million. In 2023, Judge Lisa Fabiano dismissed parts of the lawsuits with prejudice. The City then sought summary judgment on the remaining claims, which Judge Fabiano granted, ruling entirely in the City's favor. These rulings make clear that the City was not responsible for the flooding, and Mercyhealth's claims cannot justify the closure of essential services on the West Side



Thomas P. McNamara
Mayor
Office of the Mayor

The West Side deserves nothing less than a hospital that serves its residents with dignity, reliability and fairness. Rockford as a whole deserves a healthcare system that fulfills its promises, not one that abandons the most vulnerable among us. I urge all relevant stakeholders to act decisively to address this crisis and ensure that local, lifesaving care is once again available to the West Side community.

Sincerely,

A handwritten signature in black ink that reads "Thomas P. McNamara".

Thomas P. McNamara
Mayor, City of Rockford

