



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: July 21, 2026	PROJECT NO: 26-024	PROJECT COST: Original: \$40,197,732
FACILITY NAME: Carle Richland Memorial Hospital Outpatient Department Building	CITY: Olney	
TYPE OF PROJECT: Non-Substantive		HSA: V

PROJECT DESCRIPTION: The Applicants (Richland Memorial Hospital, Inc. d/b/a Carle Richmond Memorial Hospital and The Carle Foundation d/b/a Carle Health) propose to establish a two-story medical office building (MOB) in 46,310 GSF of newly constructed space, located proximally and attached to Carle Richland Memorial Hospital, 800 East Locust Street, Olney, Illinois. The total project cost is \$40,197,732. The expected completion date is December 31, 2027.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (Richland Memorial Hospital, Inc. d/b/a Carle Richmond Memorial Hospital (CRMH) and The Carle Foundation d/b/a Carle Health) propose establishing a two-story MOB that includes Cardiac Rehabilitation, Pulmonary Rehabilitation, Laboratory, General X-Ray, and Physician Office Space. The building will be located near the existing Carle Richland Memorial Hospital and connected by a covered walkway.
- The total project size is 46,310 gross square feet ("GSF"), and the total estimated cost is \$40,197,732. The expected completion date is December 31, 2027.
- This project consists entirely of new construction and will improve patient access by consolidating service lines that are currently located at three separate sites in Olney.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The State Board is considering the project because its cost exceeds the capital expenditure minimum of \$17,252,704.

PURPOSE OF THE PROJECT:

- According to the Applicants, *"the purpose of the project is to improve access to quality, coordinated, efficient, and cost-effective services for residents of Richland County and surrounding areas."* The proposed project is designed not only to address access issues but also quality-of-care issues by establishing a comprehensive outpatient care facility. Since the initial construction of the main hospital building, there have been significant advances in patient care that increase efficiencies in care and reduce infection rates, which benefit the patient, the caregivers, and the patient care team. This outpatient care facility will be located on the Carle Richland Memorial Hospital ("CRMH") campus, which is located on a key transportation corridor (Illinois Routes 130 and 50) and will provide easier and more equitable access for the communities it serves. It will accommodate future growth in demand for outpatient services.

PUBLIC HEARING/COMMENT:

- A public hearing was offered for this project, but there were no requests. The State Board has received no letters of support or opposition for this project.

SUMMARY

- The Applicant facility is located in Richland County but serves a patient catchment area that serves the entirety of the 21-mile service area, and Hospital Planning Area F-03.
- The Applicants addressed 15 criteria and appear to be compliant with all criteria.



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STATE BOARD STAFF REPORT

#26-024

Carle Richland Memorial Hospital-Hospital Outpatient Department (HOPD)

APPLICATION CHRONOLOGY	
Applicants	The Carle Foundation d/b/a Carle Health Richland Memorial Hospital Inc. d/b/a Carle Richland Memorial Hospital
Facility Name	Carle Richland Memorial Hospital-HOPD Building
Location	800 East Locust Street, Olney, Illinois
Permit Holder	The Carle Foundation d/b/a Carle Health
Operating Entity/Licensee	Richland Memorial Hospital Inc. d/b/a Carle Richland Memorial Hospital
Owner of Site	Richland Memorial Hospital Inc. d/b/a Carle Richland Memorial Hospital
Application Received	April 28, 2026
Application Deemed Complete	May 4, 2026
Anticipated Completion Date	December 31, 2027
Review Period Ends	July 3, 2026
Did the State Board staff extend the review period?	No
Can the Applicants request a deferral?	Yes

I. Project Description

The Applicants (The Carle Foundation d/b/a Carle Health and Richland Memorial Hospital, Inc. d/b/a Carle Richland Memorial Hospital) propose establishing a two-story MOB on the campus of CRMH. The MOB will contain physician offices, a laboratory, a cardiac/Pulmonary Rehabilitation, and a general X-ray. The project's total size is 46,310 GSF (1,190 GSF clinical/45,120 non-clinical), and the total cost is \$40,197,732. The expected completion date is December 31, 2027.

II. Summary of Findings

- A. The State Board Staff finds the project conforms to all relevant provisions of 77 Ill. Adm. Code Part 1110.
- B. The State Board Staff finds the project conforms to all relevant provisions of 77 Ill. Adm. Code Part 1120.

III. General Information

The Carle Foundation was incorporated in November 1946 as a general not-for-profit corporation and adopted the assumed name of Carle Health in December 2019. Carle Health is the parent corporation of Richland Memorial Hospital Inc., a general not-for-

profit corporation incorporated in September 1996. Carle Health maintains controlling ownership interest in 12 healthcare facilities in Illinois, including:

- The Carle Foundation-Urbana: 509-bed acute care hospital.
- Carle Richland Memorial Hospital, Olney: 45-bed critical access hospital.
- Carle Hoopeston Regional Health Center, Hoopeston: 24-bed critical access hospital
- Carle BroMenn Medical Center, Normal: 200-bed acute care hospital
- Carle Eureka Hospital, Eureka: 25-bed critical access hospital
- The Methodist Medical Center of Illinois, Peoria: 264-bed Acute Care Hospital
- Proctor Hospital, Peoria: 108-bed acute care hospital
- Pekin Memorial Hospital, Pekin: 39-bed acute care hospital
- Bromenn Care & Comfort Suites, Bloomington:
- Center for Outpatient Medicine, Bloomington: Multi-Specialty ASTC
- Carle Danville Surgery Center, Danville: Multi-Specialty ASTC
- Champaign Surgicenter, Champaign: Multi-Specialty ASTC

The operating entity is Richland Memorial Hospital, Inc. d/b/a Carle Richland Memorial Hospital, which will also maintain site ownership.

IV. Health Service Area Health Planning Area

The proposed facility is in Health Service Area ("HSA") V and Hospital Planning Area ("HPA") F-03. HSA V includes the Illinois Counties of Alexander, Bond, Clay, Crawford, Edwards, Effingham, Fayette, Franklin, Gallatin, Hardin, Hamilton, Jackson, Jasper, Jefferson, Johnson, Lawrence, Marion, Massac, Perry, Pope, Pulaski, Randolph, Richland, Saline, Union, Wabash, Washington, Wayne, White, and Williamson. HPA F-03 includes Crawford, Lawrence, Richland, Wabash, and Edwards Counties. In addition, it includes Clay County Townships: Louisville, Sanger, Xenia, Oskaloosa, Hoosier, Harter, Stanford, Pixley, Clay City, Jasper County Townships: Hunt City, Willow Hill, Ste. Marie, Fox, Grandville, and Wayne County Townships: Orchard, Keith, Garden Hill, Berry, Bedford, Lamard, Indian Prairie, Zif, Elm River, Jasper, Mount Erie, Massilion, Leech, Barnhill, and Grover.

Carle Richland Memorial Hospital-Olney

CRMH is a 45-bed acute care hospital that serves as a critical access hospital for the Carle Health System. CRMH is one of six hospitals in Planning Area F-03 and one of two hospitals in the 21-mile service area. The hospital's bed complement comprises 15 Medical/Surgical, 6 Intensive Care, 4 Obstetrics/Gynecology, and 20 Long-Term Care beds. The overall utilization rate for this hospital was 73.7% for calendar year ("CY") 2025.

VI. Project Details

The proposed MOB will be located on the CRMH campus. The building will consist of 46,310 GSF of space (1,190 GSF clinical/45,120 GSF non-clinical). The MOB will be connected to CRMH and will consolidate services currently dispersed within the community. The proposed services include:

- Laboratory Services
- Cardiac Rehabilitation
- Pulmonary Rehabilitation
- General X-Ray
- Physician Medical Offices/Patient Exam Rooms/Provider Work Areas for
 - Cardiology
 - Pain Management
 - Urology
 - Audiology
 - ENT
 - Allergy
 - Oncology
 - General Surgery
 - Wound Care
 - Orthopedics
 - Dermatology
 - Podiatry

VII. Project Costs and Sources of Funds

The Applicants will fund this project with Cash and Securities totaling \$6,726,497, Bond Issues totaling \$33,400,000, and the Net Book Value (NBV) of transferred equipment totaling \$71,235 (see Table One).

TABLE ONE Project Costs and Sources of Funds				
Use of Funds	Clinical	Non-Clinical	Total	% of Total
Preplanning Costs	\$4,368	\$165,632	\$170,000	0.5%
Site Survey and Soil Investigation	\$899	\$34,101	\$35,000	0.1%
Site Preparation	\$38,724	\$2,529,892	\$2,568,616	6.4%
New Construction Contracts	\$754,645	\$27,551,433	\$28,306,078	70.4%
Contingencies	\$66,022	\$2,503,298	\$2,569,320	6.4%
Architectural/Engineering Fees	\$65,603	\$1,534,647	\$1,600,250	4.0%
Consulting and Other Fees	\$8,364	\$317,136	\$325,500	.8%
Movable or Other Equipment	\$1,735,513	\$1,999,724	\$3,735,236	9.3%
Bond Issuance Expense	\$7,690	\$106,476	\$114,166	0.2%
Net Interest Expense During Construction	\$47,313	\$655,018	\$702,331	1.7%
Other Costs to be Capitalized*	\$71,235	\$0	\$71,235	0.2%
TOTAL USES OF FUNDS	\$2,800,376	\$37,397,357	\$40,197,732	100.00%
SOURCE OF FUNDS				
Source of Funds	Clinical	Non-Clinical	Total	% of Total
Cash/Securities	\$459,141	\$6,267,357	\$6,726,497	16.8%
Bond Issuance	\$2,250,000	\$31,150,000	\$33,400,000	83.0%
Other Funds and Sources*	\$71,235	\$0	\$71,235	0.2%
TOTAL SOURCES OF FUNDS	\$2,780,376	\$37,417,357	\$40,197,732	100.00%
*Net Book Value (NBV) of Equipment to be Transferred				

VIII. 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 he is fit, willing, and able, and has the qualifications, background, and character to provide a proper standard of health care services *for 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.

The Applicants are registered in the State of Illinois as a not-for-profit corporation having ownership interest in eight hospitals and four ambulatory surgery centers in the State (see General Information). The Applicants attest that no adverse action was taken against any facility operated by The Carle Foundation 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; licensing or certification records of other states, when applicable; and records of nationally recognized accreditation organizations.

The Applicants have demonstrated that they are fit, willing, and able, and that they have the 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 health care or well-being of the population of the market area to be served. The applicant shall define the planning area, market area, or other area as the applicant deems appropriate.

According to the Applicants, the **purpose of this project** is:

- To improve access to quality, coordinated, efficient, and cost-effective services in the health planning area.
- Modernize and update services to provide better patient care, reduce infection rates, and increase overall patient satisfaction.

Provide easier and equitable access for the patients it serves, while accommodating future growth in demand for outpatient services.

The Applicants report having a 21-mile service area encompassing five counties in HSA V, with a population of 42,058. A 21-mile radius of the proposed MOB defines the geographic service area ("GSA"). The Applicants state that patients within the GSA comprise 96% of the population served by the current facility.

C) Safety Net Impact Statement

All healthcare facilities, except for skilled and intermediate long-term care facilities licensed under the Nursing Home Care Act, shall provide a safety net impact statement filed with an application for a substantive project (see Section 1110.40). Safety net services are those offered by health care providers or organizations that deliver health care services to persons with barriers to mainstream health care due to lack of insurance, inability to pay, special needs, ethnic or cultural characteristics, or geographic isolation. [20 ILCS 3960/5.4]

The project is classified as non-substantive, and a SafetyNet Impact Statement is not required. The Applicants supplied Charity Care Data for CRMH (see Table Three).

TABLE TWO Charity Care Information Carle Richland Memorial Hospital			
	FY2022	FY2023	FY2024
Net Patient Revenue	\$58,827,522	\$63,324,000	\$75,439,081
Amount of Charity Care (charges)	\$3,789,651	\$2,950,774	\$4,492,443
Cost of Charity Care	\$1,089,843	\$890,396	\$1,134,410
% of Charity Care	1.8%	1.4%	1.5%

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 healthcare needs of the population it will serve.

The Applicants considered three alternatives regarding the proposed project.

Alternative #1: Maintain Status Quo/Do Nothing

The Applicants note this alternative would do nothing to address the issues experienced by Carle's patient base and their clinical staff, including quality of service, patient satisfaction, and operational efficiency. Furthermore, maintaining the status quo would not yield the anticipated cost savings from the discontinued space leases at the existing medical office sites. The Applicants identified no costs associated with this option and rejected it.

Alternative #2: Renovate Existing Locations (Cost: \$52,000,000)

The Applicants note that this alternative incurred the highest costs and yielded the least optimal results. The Applicants attest that the cost of renovating existing clinical space exceeds that of new construction and that it would not account for future expansion due to growth in demand for services. Furthermore, under this option, patient care would not be enhanced but would be further hindered by the required staging of services during the remodeling of an operational facility. This option held no potential to benefit the patient base or clinical staff and was rejected.

**Alternative #3: Build Facility with Additional Capacity,
(Cost: \$40,197,732/Option Chosen)**

Having researched the two previous alternatives, the Applicants determined that building on campus was the most viable option, as it would not only address the need

for co-location of services but also leave options open for future expansion when needed.

VIII. Project Scope And Size, Utilization, and Unfinished/Shell Space

- 1110.120(a) – Size of Project
- 1110.120(b) – Utilization of the Project
- 1110.110(c) – Unfinished Shell Space
- 1110.110(e) – Assurances

A) Size of Project

1) The applicant shall document that the physical space proposed for the project is necessary and appropriate. The proposed square footage cannot deviate from the square footage range indicated in Appendix B or exceed the square footage standard in Appendix B, if the standard is a single number, unless the square footage is justified.

The Applicants propose establishing a two-story MOB in 46,310 GSF of newly constructed space (1,190 GSF clinical/45,120 GSF non-clinical). The clinical space will consist of one General X-Ray unit. This is the only service with a size standard. Table Four outlines the spatial allocations for this project.

TABLE THREE					
Size of the Project					
Department Service	Rooms/Units	State Standard	Proposed GSF	Difference	Standard Met?
CLINICAL					
General X-Ray	1	1,300	1,190	(110)	Yes
TOTAL CLINICAL			1,190		
NON-CLINICAL					
Laboratory	1	N/A	3,546	N/A	N/A
Phlebotomy	1	N/A	1,006	N/A	N/A
Registration/Waiting	1	N/A	23,882	N/A	N/A
Infusion*	1	N/A	5,041	N/A	N/A
Podiatry*	1	N/A	688	N/A	N/A
Wound Care*	1	N/A	906	N/A	N/A
Hoteling*	1	N/A	1,333	N/A	N/A
Pain Management*	1	N/A	944	N/A	N/A
Dermatology*	1	N/A	617	N/A	N/A
Urology*	1	N/A	1,602	N/A	N/A
Cardiac Rehabilitation	1	N/A	1,722	N/A	N/A
Cardiology*	1	N/A	1,000	N/A	N/A
Audiology*	1	N/A	523	N/A	N/A
ENT*	1	N/A	893	N/A	N/A
Allergy*	1	N/A	409	N/A	N/A
General Surgery*	1	N/A	1,008	N/A	N/A
TOTAL NON-CLINICAL			45,120		
TOTAL			46,310		
*Physician Office/Clinic Space					

B) Project Services Utilization

The applicant shall document that, by the end of the second year of operation, the annual utilization of the clinical service areas or equipment shall meet or exceed the utilization standards specified in Appendix B. The number of years projected shall not exceed the number of historical years documented. If the applicant does not meet the utilization standards in Appendix B or service areas, or does not have utilization standards in 77 Ill. Adm. Code 1100, the applicant shall justify its utilization standard by providing published data or studies, as applicable.

1. General Radiology/X-Ray

The Applicants propose to provide General X-Ray services as part of their service line in the MOB. The 1,190 GSF allotted for this service will encompass two rooms/units: one in the new MOB and one in the existing X-Ray unit already operational in the hospital. The Applicants' project is to provide 10,201 service units annually for the first two years after project completion (see Table Five). The Applicants can justify the proposed two X-Ray rooms/units based on the information submitted.

TABLE FOUR Projected Utilization				
Department	Units	State Standard*	Year One*	Justified?
X-Ray	2	8,000/unit	10,201	Yes
*Visits				

IX. Criterion 1110.270 Clinical Service Areas Other than Categories of Service

PROJECT TYPE	REQUIRED REVIEW CRITERIA		
Service Modernization	(c)	–	Deteriorated Facilities/Necessary Expansion

1) Service Modernization – Expansion

The Applicants propose establishing an MOB on the CRMH campus to address deteriorating facilities and the need for expanded outpatient services. In addition to patient offices/exam rooms, the MOB will also provide General X-Ray services. The historical utilization data for X-Ray services are presented in Table Six. It appears the Applicants have met the requirements of this criterion.

TABLE FIVE Historical Utilization of X-Ray/Imaging Services Carle Richland Memorial Hospital			
Year	Inpatient*	Outpatient*	Total*
2025	1,150	9,388	10,538
2024	655	10,760	11,415
2023	613	8,682	9,295
*Visits/Patient Encounters Data taken from IDPH AHQ Surveys			

2) Service Modernization – Deteriorated Facilities

The Applicants currently provide inpatient/outpatient care services at three locations in the city of Olney. Each facility has issues that require remediation to support future utilization and growth. Each is listed below and includes the services provided as well as the deficiencies that necessitated the proposed project.

A) 800 East Locust Street/Main Hospital Building (Cardiology, Pain Management, Urology, Audiology, ENT, Allergy, Cardiac Rehab, Pulmonary Rehab, Oncology)

The main hospital building reports the following deficiencies:

- Inadequate ventilation/HVAC throughout the clinic.
- ENT Space is not ADA (Americans with Disabilities Act) compliant.
- No clear line of sight exists between clinicians and patients when being monitored after injections.
- Pain Management rooms are undersized to accommodate PM procedures.
- Challenges with temperature control throughout the building affect patient safety/satisfaction.
- Urology services are located in repurposed patient care rooms, resulting in operational deficiencies of these services.
- Lack of available space to accommodate the recruitment of an additional Oncologist.
- Cardiology services are located in repurposed patient care rooms, resulting in operational deficiencies of these services.
- Audiology space is not ADA compliant.

B) 605 East Main Street, Olney (General Surgery, Wound Care)

- Leased space
- Rooms are inadequately sized to care for patients requiring lifting assistance.

C) 363 North West Street, Olney (Orthopedics, Dermatology, Podiatry)

- Rural Health Clinic location that also accommodates specialty services. The original intent was for use as Primary Care, but space is limited because other specialties are located in this facility.

While no spatial standards exist for physician medical offices or exam rooms, Table Four of this report indicates that sufficient space has been allocated for all patient-service modalities.

XI. Financial Viability and Economic Feasibility

A) Availability of Funds

Applicants shall document that financial resources will be available and equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following applicable sources:

The Applicants are funding this project with bond proceeds totaling \$33,400,00, Cash/Securities of \$6,726,497, and the Net Book Value of Equipment of \$71,235. Carle Foundation has an “AA-/Negative” Bond Rating from Standard & Poor’s Global Ratings dated July 30, 2025 (see Attachment 35).

B) Financial Viability

A) Financial Viability Waiver

Because of the “A+/Stable” bond rating, the Applicants qualify for the financial viability waiver and do not need to provide financial ratios. Table Seven contains data from the 2024-2025 Consolidated Financial Statements of the Carle Foundation, further establishing the Applicant's financial viability.

TABLE SIX The Carle Foundation December 31st (in thousands)		
	2025	2024
Cash	\$199,975	\$187,722
Current Assets	\$1,150,696	\$1,041,255
Total Assets	\$5,705,166	\$5,393,383
Current Liabilities	\$699,104	\$791,069
Total Liabilities	\$2,102,347	\$2,172,309
Net Assets	\$3,602,819	\$3,221,074
Patient Revenue	\$3,216,136	\$2,805,229
Total Revenue	\$4,831,689	\$4,934,436
Total Expenses	\$4,850,245	\$4,921,951
Operating Income	(\$18,556)	\$12,485
Non-Operating Income	\$397,668	\$192,615
Revenues over Expenses	<u>\$371,059</u>	<u>\$217,703</u>

XII. Economic Feasibility

A) Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts, and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all the cash and equivalents must be retained in the balance sheet asset accounts to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities, or

B) Borrowing is less costly than liquidating existing investments, and the existing investments being retained may be converted to cash or used to retire debt within 60 days.

The Applicants have an “A” or better bond rating and have successfully met the requirements for reasonable financing arrangements.

B) Conditions of Debt Financing

Applicants with projects involving debt financing shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) The project's selected form of debt financing will be at the lowest net cost available.
- 2) That the selected form of debt financing will not be at the lowest net cost available but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs, and other factors.
- 3) The project involves (in total or part) leasing equipment or facilities, and the expenses incurred with leasing are less costly than constructing a new facility or purchasing new equipment.

The Applicants intend to take ownership of the building upon project completion and own the land as the building site. The Applicants are financing the project with project-related bond proceeds, and the selected form of debt financing will be the lowest-cost available.

C) Reasonableness of Project and Related Costs

The Applicants shall document that the estimated project costs are reasonable. Only clinical costs are considered for the following criterion.

Preplanning Costs are \$4,368, or .17% of construction, contingencies, and equipment costs (\$2,556,180). This appears reasonable compared to the State standard of 1.8%.

Site Survey/Site Preparation Costs are \$39,623, or 4.8% of construction and contingencies costs (\$820,667). This appears reasonable compared to the State standard of 5%.

New Construction costs are \$754,645, or \$634.16 per GSF. This appears reasonable compared to the State standard of \$811.36 per GSF.

Contingency Costs total \$66,022, or 8.7% of new construction costs (\$754,645). This appears reasonable when compared to the State Board Standard of 10%.

Architectural and Engineering Fees total \$65,603, or 8% of new construction and contingency costs (\$820,667). This appears reasonable relative to the State standard of 10.59%–15.89%.

The State Board does not have standards for the costs below.

Moveable Equipment	\$1,735,513
Bond Issuance Expense	\$7,690
Net Interest Expense During Construction	\$47,313
NBV of Equipment Transferred	\$71,235
Consulting & Other Fees	\$8,364

The Applicants have met the requirements for compliance with this criterion, resulting in a positive finding for this criterion.

D) Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization, but no more than two years following project completion. These costs amount to \$75.23 per unit of patient service.

E) Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization, but no more than two years following project completion. These costs amount to \$116.29 per unit of patient service.

The State Board does not have a standard for projected operating or capital costs.