



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

March 21, 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dan Colby, Vice President
Mercy Health System Corporation
1000 Mineral Point Avenue
Janesville, WI 53548

RE: **REVISED DENIAL OF APPLICATION**
Notice of an Opportunity for an Administrative Hearing
Illinois Health Facilities Planning Act
PROJECT: #10-089 Mercy Crystal Lake Hospital & Medical Center, Inc.
APPLICANT(S): Mercy Crystal Lake Hospital & Medical Center, Inc.
Mercy Alliance, Inc.

Dear Mr. Colby:

On December 7, 2011 the Illinois Health Facilities Planning Board issued its denial of the application for permit for the above-referenced project. Pursuant to 77 IAC Part 1130.655, the State Board rendered its decision following consideration of the application, the State Board Staff Report, requested or supplemental information, public comment, public hearing testimony, and the testimony of the applicant. The State Board reported that the applicant's failure to document that a project of the nature and scope as that proposed is appropriate for the reasons stated in the following allegations of non-compliance:

Allegations of Non-Compliance

The applicants did not document conformance with the following review criteria:

- Criterion 1110.530(b) - Planning Area Need
- Criterion 1110.530(c) - Unnecessary Duplication/Maldistribution
- Criterion 1110.530(f) - Performance Requirements
- Criterion 1110.3030 - Clinical Services Other Than Categories of Service

Section 10 of the Illinois Health Facilities Planning Act (the "Act"), P.A. 78-1156 as amended, [20 ILCS 3960/10] affords you the opportunity for a hearing before a hearing officer appointed by the Director of the Illinois Department of Public Health. Such hearing shall be conducted in accordance with the provisions specified in Section 10 of the Act and

DENIAL LETTER

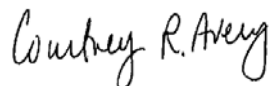
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the implementing rules, 77 IAC Part 1130. If you decide to exercise your right to a hearing, you must submit a written notice of a request for such hearing to the Administrator of the State Board, postmarked within 30 days of receipt or delivery of this notice.

Notice to Administrator may be made by forwarding the written request to my attention at the following address: Illinois Health Facilities and Services Review Board, Attention: Courtney R. Avery, Administrator, Division of Health Systems Development, 525 West Jefferson Street (2nd Floor), Springfield, Illinois 62761. Notice to the Administrator constitutes notice to the State Board (77 IAC 1130.1020(b)). Failure to submit your request within this period constitutes a waiver of your right to a hearing.

If you decide to exercise your right to a hearing, the Illinois Health Facilities and Services Review Board, shall, within 30 days after the receipt of your request, appoint a hearing officer. The hearing will afford you the opportunity to demonstrate that the application is consistent with the criteria upon which the action of the State Board was based. Following its consideration of the report of the hearing, or upon default of the party to the hearing, the State Board shall make its final determination.

Sincerely,

A handwritten signature in cursive script that reads "Courtney R. Avery".

Courtney R. Avery, Administrator
Illinois Health Facilities and Services Review
Board