

ORIGINAL

11-005

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT**

RECEIVED**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**

JAN 07 2011

This Section must be completed for all projects.**Facility/Project Identification**HEALTH FACILITIES &
SERVICES REVIEW BOARD

Facility Name: Touchette Regional Hospital		
Street Address: 5900 Bond Ave.		
City and Zip Code: Centreville, IL 62207		
County: St. Clair	Health Service Area: HSA 11	Health Planning Area: F1

Applicant/Co-Applicant Identification

[Provide for each co-applicant - [refer to Part 1130.220].]

Exact Legal Name: Touchette Regional Hospital, Inc.
Address: 5900 Bond Ave., Centreville, IL 62207
Name of Registered Agent: Frederick Hess
Name of Chief Executive Officer: Mike McManus (C.O.O.)
CEO Address: As Above
Telephone Number: 618-337-9461

Type of Ownership of Applicant/Co-Applicant

- | | |
|--|--|
| <input checked="" type="checkbox"/> Non-profit Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental |
| <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Sole Proprietorship |
| | <input type="checkbox"/> Other |

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT-1, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact

[Person to receive all correspondence or inquiries during the review period]

Name: Clare Connor Ranalli
Title: Partner
Company Name: Holland & Knight LLP
Address: 131 S. Dearborn Street, Suite 3000, Chicago, IL 60603
Telephone Number: 312-578-6567
E-mail Address: clare.ranalli@hkllaw.com
Fax Number: 312-578-6666

Additional Contact

[Person who is also authorized to discuss the application for permit]

Name: Mike McManus
Title: Chief Operating Officer
Company Name: Touchette Regional Hospital
Address: 5900 Bond Ave., Centreville, IL 62207
Telephone Number: 618-337-9461
E-mail Address: mmcmanus@touchette.org
Fax Number:

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT**

SECTION II. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**This Section must be completed for all projects.****Facility/Project Identification**

Facility Name: Touchette Regional Hospital	
Street Address: 5900 Bond Ave.	
City and Zip Code: Centreville, IL 62207	
County: St. Clair	Health Service Area: HSA 11
Health Planning Area: F1	

Applicant/Co-Applicant Identification

[Provide for each co-applicant – [refer to Part 1130.220].

Exact Legal Name: Southern Illinois Healthcare Foundation, Inc.	
Address: 2041 Goose Lake Rd., Sauget, IL 62206	
Name of Registered Agent: Pete Themas	
Name of Chief Executive Officer: Larry McCulley	
CEO Address: Same as Above	
Telephone Number: 618-332-0964	

Type of Ownership of Applicant/Co-Applicant

- | | |
|--|--|
| <input checked="" type="checkbox"/> Non-profit Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental |
| <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Sole Proprietorship |
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Name:	Clare Connor Ranalli
Title:	Partner
Company Name:	Holland & Knight LLP
Address:	131 S. Dearborn Street, Suite 3000, Chicago, IL 60603
Telephone Number:	312-578-6567
E-mail Address:	clare.ranalli@hklaw.com
Fax Number:	312-578-6666

Additional Contact

[Person who is also authorized to discuss the application for permit]

Name:	Steve Lawrence
Title:	Vice President Administration
Company Name:	Southern Illinois Healthcare Foundation
Address:	2041 Goose Lake Rd., Sauget, IL 62206
Telephone Number:	618-332-5305
E-mail Address:	slawrence@sihf.org
Fax Number:	618-332-2427

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**]

Name:	Clare Connor Ranalli
Title:	Partner
Company Name:	Holland & Knight LLP
Address:	131 S. Dearborn Street, Suite 3000, Chicago, IL 60603
Telephone Number:	312-578-6567
E-mail Address:	clare.ranalli@hkllaw.com
Fax Number:	312-578-6666

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Touchette Regional Hospital, Inc.
Address of Site Owner:	5900 Bond Avenue, Centreville, IL 62207
Street Address or Legal Description of Site:	As above.
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.	
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page]

Exact Legal Name:	Touchette Regional Hospital		
Address:	5900 Bond Avenue, Centreville, IL 62207		
<input checked="" type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental
<input type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship
		<input type="checkbox"/>	Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. 			
APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Post Permit Contact

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Title:	Partner
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Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page]

Exact Legal Name:	Touchette Regional Hospital d/b/a Kenneth Hall Regional Hospital		
Address:	129 N. 8 th Street, East St. Louis, IL 62207		
<input checked="" type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental
<input type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship
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<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. 			
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Flood Plain Requirements

NOT APPLICABLE

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT-6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT

1. Project Classification

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b).]

Part 1110 Classification:

- Substantive
- Non-substantive

Part 1120 Applicability or Classification:

[Check one only.]

- Part 1120 Not Applicable
- Category A Project
- Category B Project
- DHS or DVA Project

2. Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms, NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Touchette proposes discontinuation of its Kenneth Hall Regional Hospital campus located at 129 N. 8th Street in East St. Louis, Illinois which consists of 39 AMI beds and a comprehensive emergency department.

Touchette also proposes establishing a 12 bed Acute Mental Illness ("AMI") category of service at its campus/hospital building in Centreville, Illinois. The cost of the project which will include minor modernization is \$750,000.00.

In sum the applicant proposes:

- 1) Discontinuation of its KHRH campus/building;**
- 2) Establishment of AMI category of service at Touchette in Centreville, Illinois.**

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. See 20 ILCS 3960 for definition of non-clinical. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			0
Site Survey and Soil Investigation			0
Site Preparation			0
Off Site Work			0
New Construction Contracts			0
Modernization Contracts	\$750,000.00	0	\$750,000.00
Contingencies			0
Architectural/Engineering Fees			0
Consulting and Other Fees			0
Movable or Other Equipment (not in construction contracts)			0
Bond Issuance Expense (project related)			0
Net Interest Expense During Construction (project related)			0
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized			0
Acquisition of Building or Other Property (excluding land)			0
TOTAL USES OF FUNDS	\$750,000.00		\$750,000.00
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$750,000.00	0	\$750,000.00
Pledges	0		0
Gifts and Bequests	0		0
Bond Issues (project related)	0		0
Mortgages	0		0
Leases (fair market value)	0		0
Governmental Appropriations	0		0
Grants	0		0
Other Funds and Sources	0		0
TOTAL SOURCES OF FUNDS	\$750,000.00		\$750,000.00
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7. IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project Yes No
 Purchase Price: \$ _____
 Fair Market Value: \$ _____

The project involves the establishment of a new facility or a new category of service
 Yes No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is \$ 0

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

- None or not applicable Preliminary
 Schematics Final Working

Anticipated project completion date (refer to Part 1130.140): September 1, 2011

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

- Purchase orders, leases or contracts pertaining to the project have been executed.
 Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies.
 Project obligation will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT-8. IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

Are the following submittals up to date as applicable:

- Cancer Registry
 APORS
 All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
 All reports regarding outstanding permits

Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

APPEND DOCUMENTATION AS ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert following this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which the data are available. Include observation days in the patient day totals for each bed service.** Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete.**

FACILITY NAME: Touchette Regional Hospital d/b/a Kenneth Hall Regional Hospital		CITY: East St. Louis			
REPORTING PERIOD DATES:		From: 01/01/09	To: 12/31/09		
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness	39	1,031	4,907	-39	0
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other (identify)					
TOTALS:	39			-39	0

Note: 39 AMI beds will be discontinued at Touchette Regional Hospital d/b/a Kenneth Hall Regional Hospital, and Touchette proposes establishment of 12 AMI beds at its Centreville Touchette campus.

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert following this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which the data are available. Include observation days in the patient day totals for each bed service.** Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete.**

FACILITY NAME: Touchette Regional Hospital			CITY: Centreville		
REPORTING PERIOD DATES: From: 01/01/2009 To: 12/31/2009					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	66	4,040	16,846		
Obstetrics					
Pediatrics	8	2	5		
Intensive Care	8	358	1,481		
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness	0			+12	12
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other (identify)					
TOTALS:	115	4,400	18,332	+12	127

Note: 39 AMI beds will be discontinued at Touchette Regional Hospital d/b/a Kenneth Hall Regional Hospital, and Touchette proposes establishment of 12 AMI beds at its Centreville Touchette campus.

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on behalf of Touchette Regional Hospital, Inc. *
 in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

Mike McManus
 SIGNATURE

Mike McManus
 PRINTED NAME

Chief Operating Officer
 PRINTED TITLE

Notarization:
 Subscribed and sworn to before me
 this 5th day of January, 2011

Beverly Michiaels
 Signature of Notary

Seal



John Majchrzak
 SIGNATURE

John Majchrzak
 PRINTED NAME

V.P. Finance
 PRINTED TITLE

Notarization:
 Subscribed and sworn to before me
 this 5th day of January 2011

Beverly Michiaels
 Signature of Notary

Seal



*Insert EXACT legal name of the applicant

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on behalf of Southern Illinois Healthcare Foundation, Inc, * in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

Larry McCulley
SIGNATURE

Larry McCulley
PRINTED NAME

Chief Executive Officer
PRINTED TITLE

Steve Lawrence
SIGNATURE

Steve Lawrence
PRINTED NAME

V.P. Administration
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 5th day of January 2011

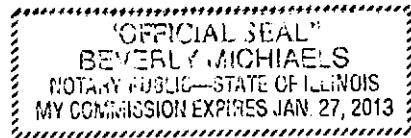
Notarization:
Subscribed and sworn to before me
this 5th day of January 2011

Beverly Michiaels
Signature of Notary

Beverly Michiaels
Signature of Notary

Seal

Seal



*Insert EXACT legal name of the applicant

SECTION III. DISCONTINUATION

This Section is applicable to any project that involves discontinuation of a health care facility or a category of service. **NOTE:** If the project is solely for discontinuation and if there is no project cost, the remaining Sections of the application are not applicable.

Criterion 1110.130 – Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any that are to be discontinued.
2. Identify all of the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued, and the length of time the records will be maintained.
6. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (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.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.130(b) for examples.

IMPACT ON ACCESS

1. Document that the discontinuation of each service or of the entire facility will not have an adverse effect upon access to care for residents of the facility's market area.
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within 45 minutes travel time of the applicant facility.
3. Provide copies of impact statements received from other resources or health care facilities located within 45 minutes travel time, that indicate the extent to which the applicant's workload will be absorbed without conditions, limitations or discrimination.

APPEND DOCUMENTATION AS ATTACHMENT-10, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV. BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS **ATTACHMENT-11**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Agency Report.

APPEND DOCUMENTATION AS **ATTACHMENT-12**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

1. Identify **ALL** of the alternatives to the proposed project:
Alternative options **must** 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) Provide the reason why the chosen alternative was selected.
2. Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total cost, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
3. The applicant shall provide empirical evidence, including quantified outcome data, that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION V. PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following::
 - b. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
 - c. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
 - d. The project involves the conversion of existing space that results in excess square footage.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE:**NOT APPLICABLE**

Provide the following information:

1. Total gross square footage of the proposed shell space;
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function;
3. Evidence that the shell space is being constructed due to
 - a. Requirements of governmental or certification agencies; or
 - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
 - a. Historical utilization for the area for the latest five-year period for which data are available; and
 - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**ASSURANCES:****NOT APPLICABLE**

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

A. Criterion 1110.730 - Acute Mental Illness and Chronic Mental Illness

1. Applicants proposing to establish, expand and/or modernize Acute/Chronic Mental Illness must submit the following information:

2. Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
<input checked="" type="checkbox"/> Acute Mental Illness		12
<input type="checkbox"/> Chronic Mental Illness		

3. READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.730(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.730(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.730(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.730(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.730(b)(5) - Planning Area Need - Service Accessibility	X		
1110.730(c)(1) - Unnecessary Duplication of Services	X		
1110.730(c)(2) - Maldistribution	X		
1110.730(c)(3) - Impact of Project on Other Area Providers	X		
1110.730(d)(1) - Deteriorated Facilities			X
1110.730(d)(2) - Documentation			X
1110.730(d)(3) - Documentation Related to Cited Problems			X
1110.730(d)(4) - Occupancy			X
1110.730(e)(1) - Staffing Availability	X	X	
1110.730(f) - Performance Requirements	X	X	X
1110.730(g) - Assurances	X	X	X
APPEND DOCUMENTATION AS ATTACHMENT-22, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- o Section 1120.120 Availability of Funds – Review Criteria
- o Section 1120.130 Financial Viability – Review Criteria
- o Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

VIII. 1120.120 – Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

X	<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion; <p>b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimate time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.</p> <p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;</p> <p>d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:</p> <ol style="list-style-type: none"> 1) For general obligation bonds, proof of passage of the required referendum or evidence that the government unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specific amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions. <p>e) Government Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;</p> <p>f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;</p> <p>g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.</p>
	TOTAL FUNDS AVAILABLE

APPEND DOCUMENTATION AS ATTACHMENT-39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

IX. 1120.130 – Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. All of the projects capital expenditures are completely funded through internal sources
2. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
3. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for Information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:				
Current Ratio	N/A	N/A	N/A	N/A
Net Margin Percentage	N/A	N/A	N/A	N/A
Percent Debt to Total Capitalization	N/A	N/A	N/A	N/A
Projected Debt Service Coverage	N/A	N/A	N/A	N/A
Days Cash on Hand	N/A	N/A	N/A	N/A
Cushion Ratio	N/A	N/A	N/A	N/A

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT-41, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements - NOT APPLICABLE

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 of the cash and equivalents must be retained in the balance sheet asset accounts in order 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 the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing - NOT APPLICABLE

This criteria is applicable only to projects that involve debt financing. The applicant 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. That the selected form of debt financing for the project 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. That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs -

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE											
Department (list below)	A	B	C		D		E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)			
Contingency											
TOTALS											

* Include the percentage (%) of space for circulation

D. Projected Operating Costs - NONE

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. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs - NONE

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.

APPEND DOCUMENTATION AS ATTACHMENT 42, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XI. Safety Net Impact Statement

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statement shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding " Inpatients and Outpatients Served by Payor Source" and " Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 43.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			

	Medicaid (revenue)			
	Inpatient			
	Outpatient			
	Total			

APPEND DOCUMENTATION AS ATTACHMENT-43, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XII. Charity Care Information

Charity Care Information **MUST** be furnished for **ALL** projects.

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

"Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer. (20 ILCS 3960/3) Charity Care **must** be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 44.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charly Care			

APPEND DOCUMENTATION AS ATTACHMENT-44, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

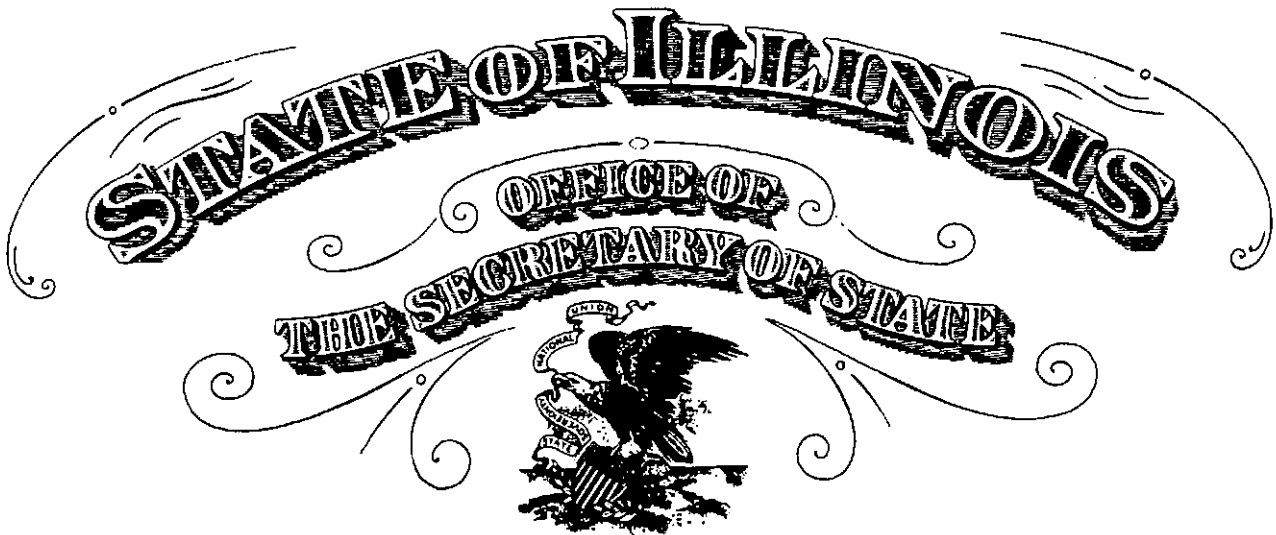
INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant/Co-applicant Identification including Certificate of Good Standing	26-28
2	Site Ownership	29
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	30
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing, Etc.	31
5	Flood Plain Requirements	N/A
6	Historic Preservation Act Requirements	32-35
7	Project and Sources of Funds Itemization	35A
8	Obligation Document if required	N/A
9	Cost Space Requirements	36-38
10	Discontinuation	36-61
11	Background of the Applicant	112-113
12	Purpose of the Project	114-138
13	Alternatives to the Project	139
14	Size of the Project	140
15	Project Service Utilization	141
16	Unfinished or Shell Space	N/A
17	Assurances for Unfinished/Shell Space	N/A
18	Master Design Project	N/A
19	Mergers, Consolidations and Acquisitions	N/A
	Service Specific:	
20	Medical Surgical Pediatrics, Obstetrics, ICU	N/A
21	Comprehensive Physical Rehabilitation	N/A
22	Acute Mental Illness	142-154
23	Neonatal Intensive Care	N/A
24	Open Heart Surgery	N/A
25	Cardiac Catheterization	N/A
26	In-Center Hemodialysis	N/A
27	Non-Hospital Based Ambulatory Surgery	N/A
28	General Long Term Care	N/A
29	Specialized Long Term Care	N/A
30	Selected Organ Transplantation	N/A
31	Kidney Transplantation	N/A
32	Subacute Care Hospital Model	N/A
33	Post Surgical Recovery Care Center	N/A
34	Children's Community-Based Health Care Center	N/A
35	Community-Based Residential Rehabilitation Center	N/A
36	Long Term Acute Care Hospital	N/A
37	Clinical Service Areas Other than Categories of Service	N/A
38	Freestanding Emergency Center Medical Services	N/A
	Financial and Economic Feasibility:	
39	Availability of Funds	155-156, 161-229
40	Financial Waiver	N/A
41	Financial Viability	155-156
42	Economic Feasibility	157
43	Safety Net Impact Statement	158, 160
44	Charity Care Information	159-160

Good Standing Certificates

See attached for TRH and SIHF.

NOTE: Kenneth Hall Regional Hospital is not a separate legal entity -- it is owned and operated as a campus of Touchette Regional Hospital.

ATTACHMENT 1



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

TOUCHETTE REGIONAL HOSPITAL, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON DECEMBER 18, 1992, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1100401200

Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 4TH
day of JANUARY A.D. 2011

Jesse White

SECRETARY OF STATE



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

SOUTHERN ILLINOIS HEALTH CARE FOUNDATION, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON DECEMBER 09, 1983, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1100401268

Authenticate at: <http://www.cyberdriveillinois.com>

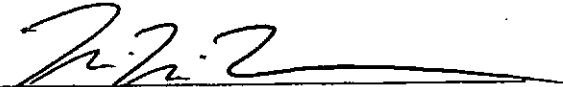
In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 4TH day of JANUARY A.D. 2011 .

Jesse White


SECRETARY OF STATE

Site Ownership

I, Mike McManus, do hereby attest that both the Touchette Regional Hospital site located at 5900 Bond Avenue, Centreville, Illinois, and its campus located at 129 N. 8th Street, East St. Louis, Illinois are owned by Touchette Regional Hospital, Inc.


Mike McManus

Subscribed and sworn to before me
this 5th day of January, 2010


Notary Public



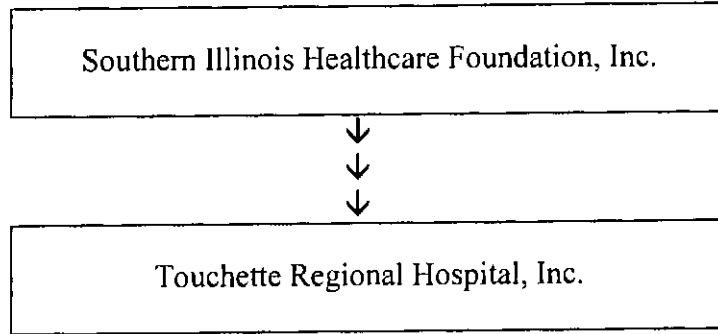
ATTACHMENT 2

See Good Standing Certificates per Attachment 1.

The sole member of the licensee, TRH, is Southern Illinois Healthcare Foundation.

ATTACHMENT 3

Organizational Chart



Historic Preservation Letter

See attached. A request for a comment from the Illinois Historic Preservation Agency was sent to it. However, the modernization at issue is all interior renovation, without any demolition or structural changes to an existing building which is 50 years old.

Holland & Knight

131 South Dearborn Street | Chicago, IL 60603 | T 312.263.3600 | F 312.578.6666
Holland & Knight LLP | www.hklaw.com

Clare Connor Ranalli
(312) 578-6567
clare.ranalli@hklaw.com

January 4, 2011

Via UPS

Anne Haaker
Preservation Services Division
Illinois Historic Preservation Agency
1 Old Capitol Plaza
Springfield, IL 62701-1507

Re: CON Application Including Modernization of Touchette Regional Hospital

Dear Ms. Haaker:

Touchette Regional Hospital ("TRH") will be filing an application to establish the acute mental illness category of service in its existing building located at 5900 Bond Ave. in Centreville. The project will require minor modernization of interior space, but no demolition or architectural alteration of the existing structure internally or externally. In fact architectural design/drawings are not required for the project.

Attached is a photo of TRH which is 50 years old and its oldest components, and a topographical map. I hope this is sufficient for your agency to issue a letter that there will be no impact on historical structures.

Thank you.

Very truly yours,

HOLLAND & KNIGHT LLP



Clare Connor Ranalli

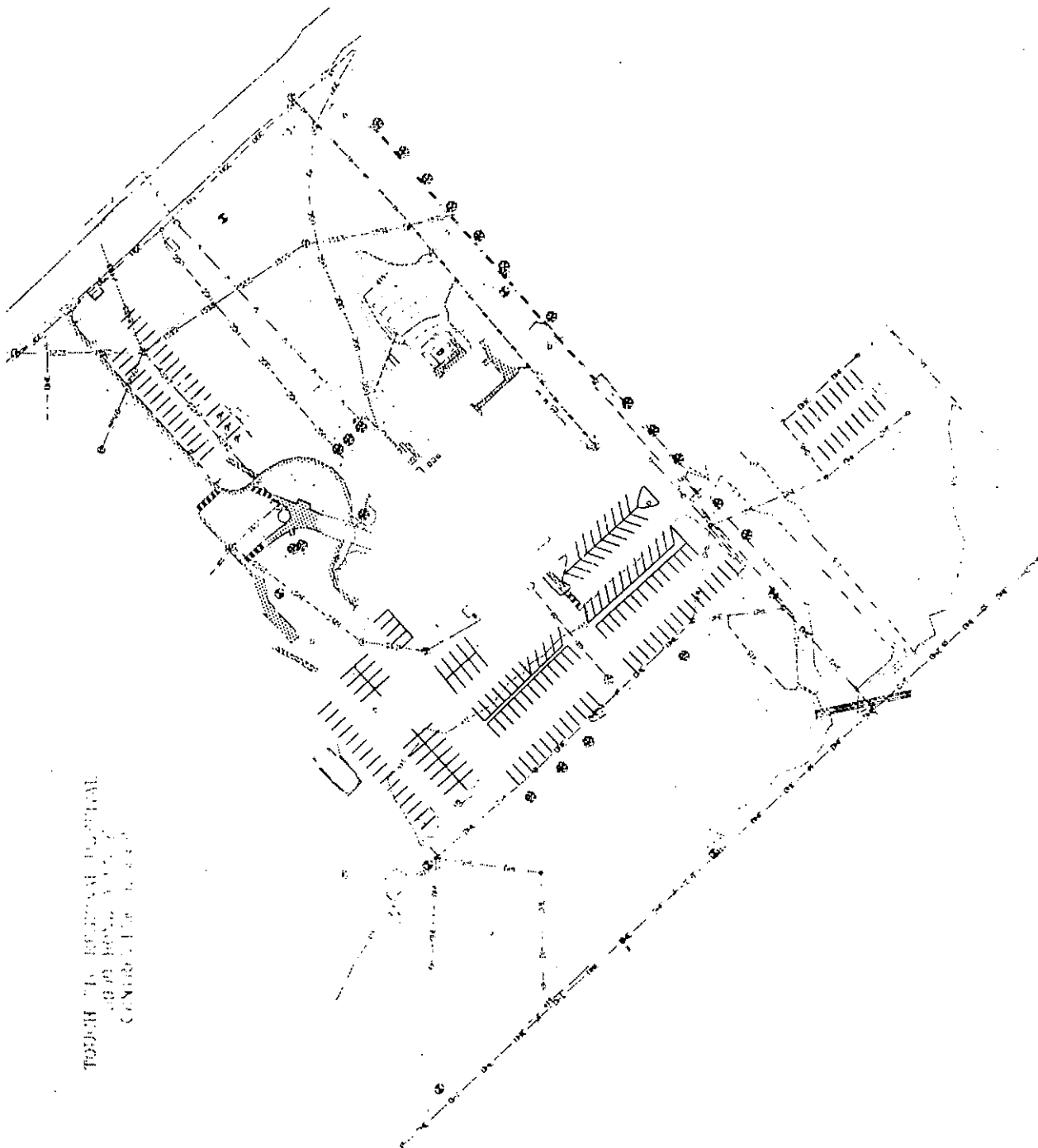
CCR/mjy
Enclosures



SCALE 1"=50'

GRAPHIC SCALE

1" = 50' H.



TOWN OF BIRMGHAM LOCAL
GOVERNMENT
CONSTRUCTION

- 1. 1" = 50' H.
- 2. 1" = 50' H.
- 3. 1" = 50' H.
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THIS IS TO CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT COPY OF THE ORIGINAL RECORDS OF THE CITY OF BIRMINGHAM, ALABAMA, AND THAT THE SAME HAVE BEEN REPRODUCED IN ACCORDANCE WITH THE PROVISIONS OF THE ACTS OF THE LEGISLATURE OF ALABAMA, PASSED MARCH 15, 1901, AND MARCH 15, 1902, AND THAT THE SAME ARE TRUE AND CORRECT.

CITY ENGINEER

DATE

APPROVED AND AUTHORIZED FOR THE CITY ENGINEER

RECORDED FOR THE CITY ENGINEER

FIELD WORK COMPLETED MAY 15, 1921



A P I





Itemized Costs

Construction:	\$317,930.00
Code Upgrades:	\$ 60,435.00
Mechanical:	\$120,870.00
Plumbing:	\$ 80,580.00
Fire Protection:	\$ 20,145.00
Electrical:	\$100,725.00
General Conditions/OH/P:	<u>\$ 49,315.00</u>
TOTAL:	\$750,000.00

Cost Space Requirements

Touchette Campus

Dept./Area	Cost	Existing	Proposed	New Constr.	Modernized	As Is	Vacated Space
Reviewable AMI	\$750,000.00	0	4,029	0	4,029	0	0

The proposed GSF of space dedicated to the establishment of AMI by TRH at its Centreville campus will consist of 4,029 of modernized space.

Cost Space Requirements

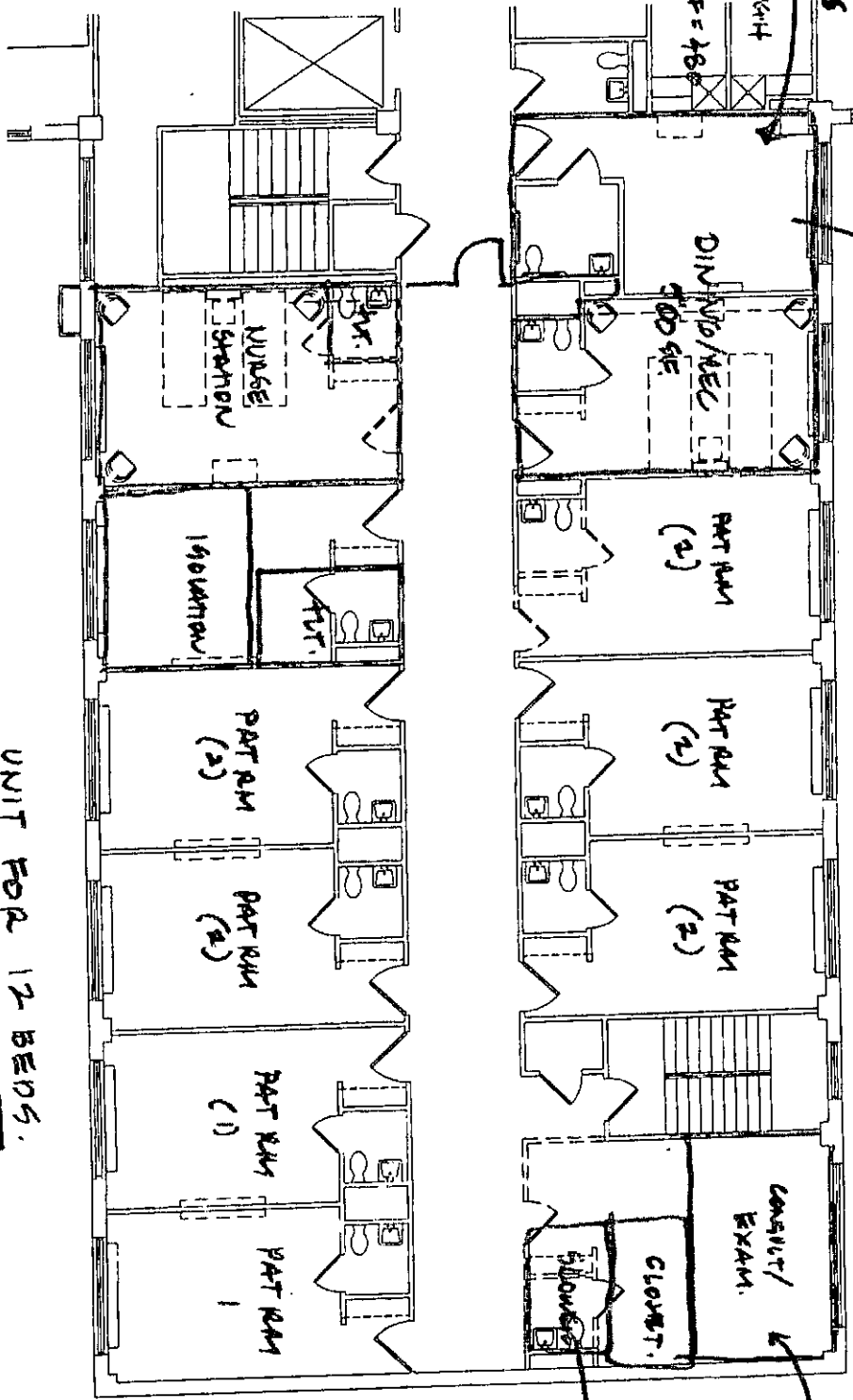
KHRH Campus

Dept./Area	Cost	Existing	Proposed	New Constr.	Modernized	As Is	Vacated Space
Reviewable AMI	\$750,000.00	11,400.00	0	0	0	11,400.00	11,400.00

The AMI service at KHRH will be discontinued. The space will be vacated. The entire building may be modernized and used for Senior Housing.

MOVE BED TO TAKE THIS ROOM TO HAVE ENOUGH SPACE BED'S 12 BEDS X 40 SF = 480 NOT ENOUGH ROOM FOR 14 BEDS.

DINING/REC 40 SF PER PERSON BED 400 SF.



WILL HAVE TO HAVE BREAK ROOM SINCE ALL ROOMS ARE NOT WITHIN THE THIS MAY BE SHIPPED.

1 SHOWER PER 12 BEDS.

UNIT FOR 12 BEDS.
5 SEMI PRIVATE ROOMS
& PRIVATE ROOMS.

Discontinuation

General Information Requirements

1. 39 AMI beds will be discontinued at Touchette Regional Hospital d/b/a Kenneth Hall Regional Hospital located in East St. Louis.
2. The only service at KHRH that is reviewable is the AMI service. However, the entire campus building required to be licensed by the Hospital Licensing Act will be closed, which includes a comprehensive emergency department.
3. It is anticipated the KHRH campus will discontinue on or before September 1, 2011. The Board will be notified of the exact date of discontinuation if it is prior to this date.
4. It is anticipated the site will be used for general housing units.
5. All KHRH records will be maintained by TRH (they are TRH records) for a minimum of the time required by Federal and State law.
6. The requested certification is inapplicable as TRH is the licensed hospital and will continue to file the questionnaires and data required by HFSRB and IDPH.

Discontinuation

Reason for Discontinuation

The KHRH campus has lost approximately \$5Million a year since 2000 (\$2Million in operating the ED and 3M in operating the AMI service). It is a 224,687 GSF building and yet only 18,966 GSF are utilized for AMI and ED services. In October 2009 IDPH issued life safety code violations to KHRH which will cost approximately \$5.8 Million to complete. TRH, which owns and operates KHRH, as a campus under Section 210 ILCS 85/4.5 of the Hospital Licensing Act, can no longer afford to sustain the annual losses, let alone spend \$6 Million to address the Life Safety Code issues. The building is 85 years old, is no longer safe to operate as a hospital facility and the cost of doing so is prohibitive. In fact, SIHF was the only entity that was interested assuming operations of the facility approximately 6 years ago when it was operated as St. Mary's Hospital (Ancilla System). While SIHF/TRH are proud they have been able to maintain the KHRH building as long as they have, they can no longer afford the sustained financial losses of operating KHRH, which jeopardize the sustained health services operated by TRH at its site.

Please see the attached data which includes a pro forma showing the financial losses at KHRH over the past three years and a copy of the statement of deficiencies relating to the life safety code issues.

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

COMBINING STATEMENTS OF OPERATIONS - Continued
Year ended December 31, 2007

	Combining Information			Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Reclassifications and Eliminations	
Unrestricted revenues, gains and other support				
Net patient service revenue	\$ 41,041,771	\$ 33,600,176	\$ -	\$ 74,641,947
Other operating revenue	1,397,242	605,794	-	2,003,036
Total unrestricted revenues, gains and other support	42,439,013	34,205,970	-	76,644,983
Operating expense				
Salaries	18,124,890	12,907,744	-	31,032,634
Employee benefits	3,662,940	3,090,610	-	6,753,550
Physician fees	2,978,629	1,848,206	-	4,826,835
Supplies and other	11,005,018	8,475,177	-	19,480,195
Insurance and liability claims	792,522	1,102,972	-	1,895,494
Provision for bad debts	6,665,747	3,062,402	-	9,728,149
Depreciation and amortization	1,154,028	961,953	-	2,115,981
Hospital provider assessment	863,926	973,192	-	1,837,118
Interest	53,178	192,885	-	246,063
Total operating expense	45,300,878	32,615,141	-	77,916,019
Income (loss) from operations	(2,861,865)	1,590,829	-	(1,271,036)
Other income	82,055	436,331	-	518,386
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (2,779,810)	\$ 2,027,160	\$ -	\$ (752,650)

F

TOUCHETTE REGIONAL HOSPITAL, INC.

COMBINING STATEMENTS OF OPERATIONS - Continued
 Year ended December 31, 2008

	Combining Information				Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Archview Health Support, Inc.	Reclassifications and Eliminations	
Unrestricted revenues, gains and other support					
Net patient service revenue	\$ 29,870,592	\$ 38,003,823	\$ -	\$ -	\$ 67,874,415
Other operating revenue	1,531,300	1,238,637	-	-	2,769,937
Total unrestricted revenues, gains, and other support	31,401,892	39,242,460	-	-	70,644,352
Operating expense					
Salaries	14,384,706	16,457,543	-	-	30,842,249
Employee benefits	3,192,903	3,259,538	-	-	6,452,441
Physician fees	2,181,358	2,355,565	-	-	4,536,923
Supplies and other	8,093,667	10,179,305	2,068	-	18,275,040
Insurance and liability claims	858,446	870,991	-	-	1,729,437
Provision for bad debts	4,166,097	3,743,025	-	-	7,909,122
Depreciation and amortization	1,047,786	1,118,748	-	-	2,166,534
Hospital provider assessment	1,487,940	1,476,295	-	-	2,964,235
Interest	43,850	262,202	-	-	306,052
Total operating expense	35,456,753	39,723,212	2,068	-	75,182,033
Loss from operations	(4,054,861)	(480,752)	(2,068)	-	(4,537,681)
Other income	33,732	282,667	28	-	316,427
Deficiency of revenues over expenses	(4,021,129)	(198,085)	(2,040)	-	(4,221,254)
Other changes					
Transfer (to) from affiliate	862,860	(916,300)	73,440	-	-
INCREASE (DECREASE) IN NET ASSETS	\$ (3,158,269)	\$ (1,134,385)	\$ 71,400	\$ -	\$ (4,221,254)

TOUCHSITE REGIONAL HOSPITAL, INC.

COMBINING STATEMENTS OF OPERATIONS
Year ended December 31, 2009

	Combining Information				Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Archiver Health Support, Inc.	Reclassifications and Eliminations	
Unrestricted revenues, gains and other support					
Net patient service revenue	\$ 7,545,534	\$ 59,117,727	\$ -	\$ -	\$ 66,663,261
Other operating revenue	403,804	877,925	-	-	1,281,729
Total unrestricted revenues, gains, and other support	7,949,338	59,995,652	-	-	67,944,990
Operating expense					
Salaries	4,693,709	25,701,743	-	-	30,395,452
Employee benefits	981,100	4,967,337	-	-	5,948,437
Physician fees	746,940	4,725,598	-	-	5,472,538
Supplies and other	1,845,224	15,615,789	5,755	-	17,466,768
Insurance and liability claims	153,627	1,024,362	-	-	1,177,989
Provision for bad debts	1,317,394	3,680,732	-	-	4,998,126
Depreciation and amortization	456,047	1,889,077	-	-	2,345,124
Hospital provider assessment	411,488	2,720,773	-	-	3,132,261
Interest	7,380	180,283	-	-	187,663
Total operating expense	10,612,909	60,505,694	5,755	-	71,124,358
Loss from operations	(2,663,571)	(510,042)	(5,755)	-	(3,179,368)
Other income	1,145	320,931	32	-	322,108
Deficiency of revenues over expenses	(2,662,426)	(189,111)	(5,723)	-	(2,857,260)
Other changes					
Transfer (to) from affiliate	(1,666,258)	1,666,258	-	-	-
INCREASE (DECREASE) IN NET ASSETS	\$ (4,328,684)	\$ 1,477,147	\$ (5,723)	\$ -	\$ (2,857,260)

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

COMBINING STATEMENTS OF OPERATIONS - Continued
Year ended December 31, 2007

	Combining Information			Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Reclassifications and Eliminations	
Unrestricted revenues, gains and other support				
Net patient service revenue	\$ 41,041,771	\$ 33,600,176	\$ -	\$ 74,641,947
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EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (2,779,810)	\$ 2,027,160	\$ -	\$ (752,650)

IF

TOUCHETTE REGIONAL HOSPITAL, INC.

COMBINING STATEMENTS OF OPERATIONS - Continued
 Year ended December 31, 2008

	Combining Information				Combined Total
	Keaneth Kall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Archview Health Support, Inc.	Reclassifications and Eliminations	
Unrestricted revenues, gains and other support					
Net patient service revenue	\$ 29,870,592	\$ 38,003,823	\$ -	\$ -	\$ 67,874,415
Other operating revenue	1,531,300	1,238,637	-	-	2,769,937
Total unrestricted revenues, gains, and other support	31,401,892	39,242,460	-	-	70,644,352
Operating expense					
Salaries	14,384,706	16,457,543	-	-	30,842,249
Employee benefits	3,192,903	3,259,538	-	-	6,452,441
Physician fees	2,181,358	2,355,565	-	-	4,536,923
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TOUCHETTE REGIONAL HOSPITAL, INC.
COMBINING STATEMENTS OF OPERATIONS
 Year ended December 31, 2009

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Physician fees	746,940	4,725,598	-	-	5,472,538
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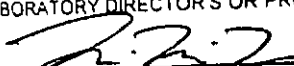
DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 140077	(X2) MULTIPLE CONSTRUCTION A. BUILDING 02 - FORMERLY KENNETH HA B. WING _____	(X3) DATE SURVEY COMPLETED R 08/19/2010
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NAME OF PROVIDER OR SUPPLIER TOUCHETTE REGIONAL HOSPITAL INC	STREET ADDRESS, CITY, STATE, ZIP CODE 5900 BOND AVENUE CENTREVILLE, IL 62207
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(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
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{K 000}	<p>INITIAL COMMENTS</p> <p>Surveyor: 20224</p> <p>Building #2 is Kenneth Hall Hospital located in East St. Louis, IL. This building was found to be Construction Type I (332). Four stories and a Ground floor level. Overall square footage was found to be approximately 240,000 square feet.</p> <p>The main building was constructed in 1925 with a Center two story addition constructed in 1968, a North four story addition constructed in 1954 and a 1982 two story addition constructed above the 1968 addition for floor levels three and four.</p> <p>The services provided at the time of the survey are Behavioral and Emergency services. The Behavioral unit is located on the Second floor. The Emergency department is located on the Ground floor.</p> <p>During the time of the survey, the Fourth floor contains offices located on the North wing of the 1925 building, remainder of the floor is unoccupied.</p> <p>The Third floor contains offices located on the North wing and the Pharmacy located on the Main wing of the 1925 building. The remainder of this floor is unoccupied.</p> <p>The Second floor contains the Behavioral unit in the South wing of the 1925 building and Doctor's offices in the 1954 North addition. The remainder of this floor is unoccupied.</p> <p>The First floor contains primarily Administration, and Clinics.</p> <p>The Ground floor contains the E.D., Lab., Radiology, Kitchen, Dining and Mechanical.</p> <p>The Building was found to be partially sprinkler</p>	{K 000}		
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LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE 	TITLE CHIEF OPERATING OFFICER	(X6) DATE 9/9/10
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Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

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FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 140077	(X2) MULTIPLE CONSTRUCTION A. BUILDING 02 - FORMERLY KENNETH HA B. WING _____	(X3) DATE SURVEY COMPLETED R 08/19/2010
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NAME OF PROVIDER OR SUPPLIER TOUCHETTE REGIONAL HOSPITAL INC	STREET ADDRESS, CITY, STATE, ZIP CODE 5900 BOND AVENUE CENTREVILLE, IL 62207
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{K 000}	Continued From page 1 protected. Unless otherwise noted, those code sections listed herein that do not include a reference to a specific NFPA code and year of issue (such as NFPA 70 1999) are taken from the 2000 Edition of the NFPA 101 Life Safety Code. Unless otherwise noted, all deficiencies cited herein were found through random observation during the survey walk-through, staff interview, or document review. The requirements of 42 CFR Subpart 483.41 are NOT MET as evidenced by the deficiencies cited under the following K-Tags. Surveyor 12798 On August 19, 2010 a Monitoring Survey was conducted at Touchette Regional Hospital, Centreville and East St. Louis, IL to verify correction completions in accordance to the Provider's Plan of Correction dated 10/22/09. All corrections were made by direct observation, staff interview or document review.	{K 000}		
{K 012}	NFPA 101 LIFE SAFETY CODE STANDARD Building construction type and height meets one of the following. 19.1.6.2, 19.1.6.3, 19.1.6.4, 19.3.5.1 This STANDARD is not met as evidenced by: Surveyor: 20224 A. Based on random observation during the survey walk through portions of the building	{K 012}		

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DEPARTMENT OF HEALTH AND HUMAN SERVICES
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NAME OF PROVIDER OR SUPPLIER TOUCHETTE REGIONAL HOSPITAL INC	STREET ADDRESS, CITY, STATE, ZIP CODE 5900 BOND AVENUE CENTREVILLE, IL 62207
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{K 012} Continued From page 2
components are of combustible materials which does not comply with NFPA 220 1999 3-1.1

1 Location observed: Ground floor "Old Key Room", surveyor observed that this space has been subdivided with wood studs and plywood decking. This room is deemed a hazardous area by the Authority Having Jurisdiction (IDPH) due to the amount of storage within this space.

2. Location observed: Second floor 1925 building Behavioral Unit, Mens Shower adjacent to the pipe/duct chase. Surveyor observed partition wall of wood stud construction.

3. Example location observed: Second floor 1925 building Behavioral Unit, Pipe/duct chase adjacent to Mens Shower. Surveyor observed plywood decking attached to the underside of the concrete slab above. This condition was noted on every floor in multiple duct/pipe chases. The surveyor was unable to determine the use of the plywood material. Refer to K-Tag 020 referencing the lack of a 2-hour fire rated chase enclosure.

{K 012}

KO12A.1

KO12A.2

KO12A.3

This room has been dismantled and no longer exist. ALL wood was removed. *complete 5/1/2010*

The partition wall of wood stud construction has been replaced with non-combustible material. *complete 5/15/2010*

All wood will be removed during pipe/duct chase upgrade. *1/15/2013*

{K 018} NFPA 101 LIFE SAFETY CODE STANDARD

Doors protecting corridor openings in other than required enclosures of vertical openings, exits, or hazardous areas are substantial doors, such as those constructed of 1 3/4 inch solid-bonded core wood, or capable of resisting fire for at least 20 minutes. Doors in sprinklered buildings are only required to resist the passage of smoke. There is no impediment to the closing of the doors. Doors are provided with a means suitable for keeping

{K 018}

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{K 018} Continued From page 3
the door closed. Dutch doors meeting 19.3.6.3.6 are permitted. 19.3.6.3

Roller latches are prohibited by CMS regulations in all health care facilities.

This STANDARD is not met as evidenced by:
Surveyor: 20224

A. Based on random observation during the survey walk through wood door frames including trim were noted in exit access corridor walls (non sprinklered areas of the building) which does not comply with 19.3.6.3.7. Example location:

1. Second floor 1925 building example room # 236 This is evident throughout the facility in the 1925 building. All floors contain the same type of corridor door frames within non sprinklered areas of the facility.

{K 018}

K018A.1 We will replace wood door and frames with hollow metal non-combustible frames. Existing solid wood doors or new rated doors will be installed in new frames.

10/31/2011

{K 020} NFPA 101 LIFE SAFETY CODE STANDARD

Stairways, elevator shafts, light and ventilation shafts, chutes, and other vertical openings between floors are enclosed with construction having a fire resistance rating of at least one hour. An atrium may be used in accordance with

{K 020}

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NAME OF PROVIDER OR SUPPLIER TOUCHETTE REGIONAL HOSPITAL INC	STREET ADDRESS, CITY, STATE, ZIP CODE 5900 BOND AVENUE CENTREVILLE, IL 62207
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{K 020} Continued From page 4
8.2.5.6. 19.3.1.1

This STANDARD is not met as evidenced by:
Surveyor: 20224

A. Example location: Ground floor pipe shaft adjacent to "Old Key room" and east of "Styrofoam cup room". Access to the shaft is from the "Old Key room". The shaft penetrates multiple floors and lacks a 2 hour fire rated shaft enclosure. Openings are not protected as appropriate for the fire resistance rating of the barrier.

Conditions cited as follows:

- The doors to the shaft (surveyor was told these doors were from bathrooms and allowed access to the shaft from those floor levels) do not provide a continuous separation for a shaft enclosure due to the following:
 - The door frames are combustible wood construction
 - The doors are not self closing.
 - The doors lack a fire resistant U.L. listed label for a 2-hour rated shaft enclosure.
- The walls of the shaft contain multiple holes, and unprotected penetrations which are not sealed to maintain the fire rating of the enclosure.
- The shaft contains multiple combustible materials within - primarily wood.
(see top of pg 6 for explanation)

B. Example location observed: Second floor

{K 020}

K020 A the exhaust duct that extends to the roof shall be wrapped with 2 hr shaft wall assembly. This will encase the duct with a shaft. Any ductwork that exits the shaft shall have fire dampers. A new 5 1/4" concrete floor on metal deck and metal angle supports framing shall be installed. Supports to be fire proofed. All pipe penetrations sealed. U.L.#s CAT 2059, 2038, 1150, 1151, 1357, 1533, & 1361. Existing shaft walls do not require rating since ductwork will be in a shaft.

K020.1.a replace wood doors & frames 11/15/2013

K020.1.b Doors do not require self closing since they are not rated.

K020.1.c Doors are not in rated walls and do not require rating.

K020.2 the existing walls will not be fire rated due to new construction noted in K020.A.

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{K 020} Continued From page 5
South wing of 1925 building, Pipe/duct chase enclosure adjacent to Men's shower. Vertical PVC pipe penetrations through 2-hour fire rated floor assemblies were observed that are not sealed against the passage of fire with a U.L. listed assembly at each floor penetration to comply with 8.2.3.2.4.2 This condition is prevalent throughout the facility and on every floor.

C. Example location observed: First floor pipe/duct chase access from "Data" room across from main elevators. The 2-hour fire rated enclosure for the chase is not maintained due to the following:

1. Lack of a fire resistant U.L. labeled door and frame for access.
2. The door is not self closing.

These conditions were observed throughout the facility at all locations of duct/pipe chases.

{K 020} the wood will be removed to install new concrete floors. the wood identified exists a a "form" for the previously poured +/- 3" slab at various chases. All of the concrete, unistrut and plywood forms will be removed. 11/15/2013

K020.B we will install approved fire stop collars on all PVC pipe penetrations thru the floors this will be an on-going process. 10/31/2012

K020.C. The pipe/duct thru the floor is abandoned. These will be removed and the abandoned hole filled with concrete. 11/15/2013

{K 024} NFPA 101 LIFE SAFETY CODE STANDARD

The smoke compartments do not exceed 22,500 square feet and the travel distance to and from any point to reach a door in the required smoke barrier does not exceed 200 feet. 19.3.7.1

This STANDARD is not met as evidenced by:

{K 024}

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{K 024} Continued From page 6
Surveyor: 20224

A There is a lack of clearly indicated smoke barriers on the Facility provided Life Safety Plans. It appears that the travel distance from one smoke compartment to the next exceeds the allowable maximum travel distance. Example location observed: First floor central part of building including 1968 addition.

{K 024}
K024A

Hospital consultants will review existing life safety plans along with smoke partitions, barriers, fire separations, travel distances and suite size to include path of egress. complete 5/21/2010

{K 029} NFPA 101 LIFE SAFETY CODE STANDARD

One hour fire rated construction (with ¾ hour fire-rated doors) or an approved automatic fire extinguishing system in accordance with 8.4.1 and/or 19.3.5.4 protects hazardous areas. When the approved automatic fire extinguishing system option is used, the areas are separated from other spaces by smoke resisting partitions and doors. Doors are self-closing and non-rated or field-applied protective plates that do not exceed 48 inches from the bottom of the door are permitted. 19.3.2.1

{K 029}

This STANDARD is not met as evidenced by:
Surveyor: 20224

A From random observation the surveyor finds that multiple Hazardous Areas are not enclosed to comply with 19.3.2, and 8.4 :

1. Ground Floor Receiving Dock lacks complete fire rated separation from adjacent

K029A.1
a,b,c,d

These deficiencies will be eliminated in their entirety with the correction of K038F. 12/31/2013

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{K 029} Continued From page 7
spaces. Surveyor observed a pair of cross corridor push style doors leading to the Dock which do not maintain a fire rated separation due to the lack of the following:

- a. The doors lacked a U.L. fire rated label
- b. The doors did not positively latch
- c. The door frame lacked a U.L. fire rated label.
- d. The doors were not self closing.

B. Multiple locations containing stored combustible materials are not separated from adjacent areas to comply with 19.3.2. Conditions and locations noted as follows:

1. Ground floor - "Styrofoam Cup room" is not designated as a hazardous area, however it is a storage room containing multiple combustibles.
2. Ground floor - Maintenance shop containing numerous combustible materials and is deemed a hazardous area lacks separation from adjacent spaces due to the following:
 - a. Perimeter walls do not indicate a 1-hour fire rated separation on the Life Safety plans.
 - b. There is no fire rated self closing door and frame between this room and adjacent offices or the area leading to the maintenance hallway.
 - c. A West wall of this area is the enclosing metal wall of the kitchen cooler. There is no indicated fire resistant rating for this installation.
3. Corrected 8/19/10

{K 029}

K029.B.1 Install new 1hr rated wall and door to form new storage room. Remove all storage from corridor. Seal pipe penetrations thru existing 1hr. rated side walls. 12/31/2010

K029.B.2.a. Existing 1hr rated wall seal several openings to match 1hr rating. Upgrade existing wall to form 1hr wall. complete 2/15/2010

K029.B.2.b. Replace existing door and frame to match 1hr rating of wall. complete 2/15/2010

K029.B.2.c. Install 1hr rated shaft wall adjacent to cooler to extend 1hr wall separation of maintenance shop. complete 2/15/2010

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{K 029} Continued From page 8

{K 033} NFPA 101 LIFE SAFETY CODE STANDARD

Exit components (such as stairways) are enclosed with construction having a fire resistance rating of at least one hour, are arranged to provide a continuous path of escape, and provide protection against fire or smoke from other parts of the building. 8.2.5.2, 19.3.1.1

This STANDARD is not met as evidenced by:
Surveyor: 20224

A. Location observed: North East Stair Ground level adjacent to Kitchen "Styrofoam cup storage". Surveyor observed that the Stair is not physically separated from the exit access corridor and opens directly into it on the level of exit discharge. There is no fire resistant labeled latching door and frame. The lack of a separation does not comply with 19.3.1.1. and 7.1.3.2.1.

B. Location observed: Center North Stair 1925 building, 4th floor, Surveyor observed that a 2-hour fire resistant separation is not maintained due to the following:

1. An elevator machine room is not separated from the stair due to a wall and floor construction which does not maintain the 2-hour fire rated separation.
2. A duct penetrates through the stair in the same location as C. 1. which does not serve the

{K 029}

{K 033}

K033.A A 2 hr rated door and frame will be installed. The door will be positive latch and self closing. 2/15/2011

K033.B.1 The wall and floor will be brought up to a 2hr fire resistive rating. 6/30/2013

K033.B.2 The ducting will be enclosed with a 2 hr shaft wall. Interrupter gate will be installed since this portion of the stairwell is only used by maintenance and security for roof access. 6/30/2013

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{K 033} Continued From page 9
stair and is not separated from the stair by a 2-hour fire resistant construction.

C. Location observed: "South Stair": Surveyor observed medgas shut off valves and a oxygen line penetrating and extending the height of the stair enclosure.

D. Corrected 8/19/10
E. Corrected 8/19/10
F. Corrected 8/19/10

{K 033}

K033.C Some of the lines not in service have been removed. The remaining active lines and valves will be encased in a 2hr assembly IAW NFPA 101 19.3.1.1 and 7.1.3.2.1 10/31/2010

{K 034} NFPA 101 LIFE SAFETY CODE STANDARD

Stairways and smokeproof towers used as exits are in accordance with 7.2. 19.2.2.3, 19.2.2.4

This STANDARD is not met as evidenced by:
Surveyor: 20224

A. Surveyor observed that there are six exit stairs serving the four floor levels. It is noted that all stairs discharge to the interior of the building. The discharge for these stairs do not utilize designated exit passageways and/or comply with 7.7.2. for the minimum egress capacity permitted to discharge through areas on the level of exit discharge. Further not all stairs discharge to sprinklered routes to comply with 7.7.1. Due to the lack of information concerning the location of smoke and fire barriers it could not be determined whether these stairs, which discharge

{K 034}

K034.A A new life safety plan was submitted for approval on 5/2/10 to address concerns of location of smoke & fire barriers. All paths of egress will be brought up to code by construction of fire rated walls, doors and use of automatic sprinkler systems in stairwell discharge exits per 7.7.1 12/31/2013

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{K 034} Continued From page 10 to the interior of the building actually discharge into the same smoke compartment on the First floor or Ground Level.

{K 034}

{K 038} NFPA 101 LIFE SAFETY CODE STANDARD
Exit access is arranged so that exits are readily accessible at all times in accordance with section 7.1. 19.2.1

{K 038}

This STANDARD is not met as evidenced by:
Surveyor: 20224

A. From random observation the surveyors find that means of egress are not readily available at all times. There are multiple locations throughout the facility in which corridors contain less than two approved exits remotely located from each other which does not comply with 19.2.5.9. Numerous corridors were observed which contain dead ends exceeding 30 feet in length. Example locations as follows:

1. First floor South end corridor adjacent to "One South" This corridor terminates at one end into the Windsor Building. The Windsor building does not share the same occupiable hours as the hospital therefore, there is no access leaving this corridor with one exit.

2. Ground floor corridor (running North/south) between ED and Radiology This

K038.A. According to the Life Safety Plan 12/31/10 submitted on 5/2/10 a new door and frame will be installed in accordance with 19.2.5.9 2013

K038.A. According to the Life Safety Plan 12/31/10 submitted on 5/2/10 the corridor will be modified to meet 19.2.5.9 2013

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{K 038} Continued From page 11
corridor terminates at one end into a room (closet), the only means of egress for this corridor is located at the North end which does not comply with 19.2.5.9.

3. Ground floor corridor (running East/west) terminates at one end into the "Hot Kitchen".

4. Ground floor corridor "Morgue back hall" terminates at one end into a pair of doors that open against egress. Further this corridor contains one directional exit sign.

B. From random observation patient care areas are open to exit access corridor (not sprinkler protected) which does not comply with 19.3.6.1. Location observed, the patient dressing area for Fluoroscopy.

C. Location observed: North Stair 1954 addition, The direction of egress is not clear to the public way due to the uninterrupted continuation of the stair beyond the level of discharge. This does not comply with 7.7.3.

D. Corrected 8/19/10

E. Location observed: Ground floor Lab and Radiology which are not indicated as a Suite to comply with 19.2.5.3, therefore, occupants are required to pass through an intervening space(s) to obtain access to the exit access corridor which does not comply with 19.2.5.9. For example Microbiology must pass through Hematology, Pathology must pass through Chemistry and

{K 038}

K038.A. According to the Life safety Plan 12/31/2013 submitted on 5/2/10 this corridor will be modified to meet 19.2.5.9

K038.A. This corridor will be modified 6/30/2011 so doors swing in the direction of travel and the appropriate exit signs will be installed to meet 19.2.5.9.

K038.B. A new one hour rated wall and doors will be added 6/30/2013 to comply with 19.3.6.1

K038.C. An interrupter gate will be installed to comply 6/30/2011 with 7.7.3

K038.E. According to the Life Safety Plan Submitted on 5/2/10 12/31/2013 suites will be designated by the installation of cross corridor doors, fire doors, fire wall upgrades and installation of dampers to comply with 19.2.5.9

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{K 038}	Continued From page 12 Processing must pass through Fluoroscopy. These are not the only two areas, Central Supply is similar	{K 038}		
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	<p>F. Location observed: Ground floor Receiving Dock Hallway which is indicated as an exit access corridor. This corridor does not comply with 19.2.5.9. Surveyor observed that the exiting for two stairs relies on this corridor for exiting. However, exiting is directed through the Receiving dock which is a hazardous area due to the amount of storage and multiple motorized units, this does not comply with 7.5.2.1. Refer to K-Tag 029.</p>	K038 F.	<p>The exit passageway will be created by constructing a new 2 hr rated wall separating the loading dock from the new corridor extension. An approved automatic sprinkler will be installed from the exit stairway to the exterior of the building (see Life Safety Plan submitted 5/2/10)</p>	12/31/2013
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	<p>G. Location observed: Ground floor Kitchen which is indicated as having two remote exits out of the area. However, one designated means of egress is shown as being through the "Styrofoam cup storage" room which is deemed a hazardous area. This does not comply with 19.3.2 and 7.5.2.1 for protection from hazardous areas.</p>	K038 G.	<p>Per K033A we will create a new storage room and open this area up to a second means of egress.</p>	12/31/2013
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{K 044}	<p>NFPA 101 LIFE SAFETY CODE STANDARD Horizontal exits, if used, are in accordance with 7.2.4 19.2.2.5 This STANDARD is not met as evidenced by: Surveyor: 20224 A. Corrected 8/19/10</p>	{K 044}		
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(K 044)	Continued From page 13 B. Location observed, First floor, "Ancilla" conference room. A duct penetration through several wall assemblies and serves multiple areas was found to lack a damper installation. The duct originates in a mechanical room adjacent to the "Ancilla" conference room located on the first floor. The duct was seen to penetrate several rooms to the corridor and lacks any type of damper. C. Locations observed, Ground floor exit passage for Stairs - 1968 South East and 1925 South. Surveyor was informed that these two stairs exit into 2-hour fire rated exit passageways. The Life Safety floor plans do not show a designation for exit passageways and these corridors do not comply with 7.1.3.2.1 and 7.1.3.2.2 for a continuous separated/protected exit to a discharge due to the following: 1. Both corridors contain multiple pipes, conduit, ductwork which is not separated by a 2-hour fire resistant separation. 2. The perimeter wall of the corridor serving the 1968 South East Stair is incomplete above the suspended acoustical tile ceiling. Surveyor was able to view along the North wall of the corridor above the ceiling to a large gap between the stair wall and the Boiler room wall. Therefore, this corridor is not separated from adjacent rooms. 3. Corrected 8/19/10	(K 044)	K044.B 2 dampers were installed complete in ductwork penetrating fire rated walls 6/20/2010 K044.C Abandoned units have been removed and holes patched to match existing conditions. The 1hr ceiling will be brought up to a 2hr rating to match existing conditions. 6/30/2012 K044.C The void space between the 2 hr rated walls will be filled to match surrounding wall ratings. 10/31/2011	
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{K 044} Continued From page 14

{K 044}

{K 047} NFPA 101 LIFE SAFETY CODE STANDARD

{K 047}

Exit and directional signs are displayed in accordance with section 7.10 with continuous illumination also served by the emergency lighting system. 19.2.10.1

This STANDARD is not met as evidenced by:
 Surveyor: 20224

A. Location observed: Ground floor, "Receiving Dock Hallway". Surveyor observed exit signs which directed egress through a hazardous area (the receiving dock room) and not toward an exit. This does not comply with 7.10.1.1.
 UPDATE 8/19/10: New exit signs have been installed, but the hazardous area has not been separated at this time.

K047.A. A new 2hr wall and door will be installed to separate 12/31/ the dock from the new exit corridor. An additional 2013 2hr rated cross corridor rated door & walls will be installed according to the life safety plan submitted on 5/2/10

{K 048} NFPA 101 LIFE SAFETY CODE STANDARD

{K 048}

There is a written plan for the protection of all patients and for their evacuation in the event of an emergency. 19.7.1.1

This STANDARD is not met as evidenced by:
 Surveyor: 20224

A. The surveyors find, from document review

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{K 048} Continued From page 15
and facility walk through, that there is no definitive floor plan showing the necessary elements for evacuation and areas of refuge to comply with 19.7.2.2. Life Safety floor plans provided by the facility representatives lacked clearly defined smoke compartments. Facility personnel's knowledge related to location of smoke barriers, direction of travel for exit access (dead end corridor issues) and locations and sizes of suites (to comply with 19.2.5) appeared to conflict with the provided Life Safety floor plans.

1. Locations and length of fire rated barrier walls.
2. Locations and sizes of smoke compartments.
3. Designated suites including the perimeter of the suite.
4. Sprinklered portions of the building and designated fire rated separations between sprinklered and non sprinklered areas.
5. Exit discharge enclosures designated exit passageways and their fire resistance.
6. Location and fire resistant ratings for vertical shaft enclosures including stairs, elevators, duct and pipe.
7. Designated hazardous areas and their fire resistance rating.

{K 048}

K048.A Please review the Life Safety 5/2/10 plan submitted on 5/2/10 for compliance with 19.7.2.2 and 19.2.5. Additionally items 1-7 will be addressed and corrected within other K-tags in this document.

{K 056} NFPA 101 LIFE SAFETY CODE STANDARD

{K 056}

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(X4) ID PREFIX TAG SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
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{K 056} Continued From page 16

If there is an automatic sprinkler system, it is installed in accordance with NFPA 13, Standard for the Installation of Sprinkler Systems, to provide complete coverage for all portions of the building. The system is properly maintained in accordance with NFPA 25, Standard for the Inspection, Testing, and Maintenance of Water-Based Fire Protection Systems. It is fully supervised. There is a reliable, adequate water supply for the system. Required sprinkler systems are equipped with water flow and tamper switches, which are electrically connected to the building fire alarm system. 19.3.5

This STANDARD is not met as evidenced by:
Surveyor: 14416

A. By direct observation and staff interview not all inspectors tests and drains are pipe to drain capable of receiving the test flow. It was observed that to test, a garden hose it to be connected and routed to drain in non-compliance with NFPA 5-15.4.2. Location observed: First floor 1925 building, mechanical room adjacent to "Ancilla Room" with access through 1 South corridor, directly East of the Stair.

{K 056}

{K 061}

we will install correct test and drains on all fire sprinkler zone test locations. 10/31/2010

{K 061} NFPA 101 LIFE SAFETY CODE STANDARD

Required automatic sprinkler systems have valves supervised so that at least a local alarm

{K 061}

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DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 08/23/2010
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 140077	(X2) MULTIPLE CONSTRUCTION A. BUILDING 02 - FORMERLY KENNETH HA B. WING _____	(X3) DATE SURVEY COMPLETED R 08/19/2010
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NAME OF PROVIDER OR SUPPLIER TOUCHETTE REGIONAL HOSPITAL INC	STREET ADDRESS, CITY, STATE, ZIP CODE 5900 BOND AVENUE CENTREVILLE, IL 62207
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{K 061}	Continued From page 17 will sound when the valves are closed. NFPA 72, 9.7.2.1 This STANDARD is not met as evidenced by: Surveyor: 14416 A. By direct observation the facility to provide electronic supervision (tamper switches) for the two gate valves isolating the the back flow prevention device for the fire pump.	{K 061}	K061.A We will install tamper switches on gate valves at the back flow prevention	10/31/2010
{K 063}	NFPA 101 LIFE SAFETY CODE STANDARD Required automatic sprinkler systems have an adequate and reliable water supply which provides continuous and automatic pressure. 9.7.1.1, NFPA 13 This STANDARD is not met as evidenced by: Surveyor: 14416 A Based on direct observation, the facility failed to provide a remote alarm annunciator for the fire pump at a point of constant attendance. (NFPA 20, 1999, 7-4.7)	{K 063}	K063.A We will install a remote annunciator to a constant attended location for the fire pump.	10/31/2010

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{K 063} Continued From page 18	{K 063}		
<p>{K 072} NFPA 101 LIFE SAFETY CODE STANDARD</p> <p>Means of egress are continuously maintained free of all obstructions or impediments to full instant use in the case of fire or other emergency. No furnishings, decorations, or other objects obstruct exits, access to, egress from, or visibility of exits. 7.1.10</p> <p>This STANDARD is not met as evidenced by: Surveyor: 20224</p> <p>A. Not all egress paths are maintained free of obstructions or impediments to full instant use in the case of fire or other emergency to comply with 19.2.3.3. For example furnishings and equipment were observed stored in 8'-0" wide exit access corridors. These objects obstruct paths of egress which does not comply with 19.2.3.3. and 7.1.10.2.2</p> <p>Locations observed:</p> <ol style="list-style-type: none"> 1. Ground floor, corridor leading to the Receiving Dock contains combustible materials which obstruct the egress width. 2. Corrected 8/19/10 	{K 072}	<p>K072.A: Items have been removed, signs have been installed going instructing staff not to store items in hallways and staff have been trained. Security will do rounding in this area as well.</p>	
{K 077} NFPA 101 LIFE SAFETY CODE STANDARD	{K 077}		

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DEPARTMENT OF HEALTH AND HUMAN SERVICES
 CENTERS FOR MEDICARE & MEDICAID SERVICES

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<p>{K 077} Continued From page 19</p> <p>Piped in medical gas systems comply with NFPA 99, Chapter 4</p> <p>This STANDARD is not met as evidenced by: Surveyor: 14416</p> <p>A. Based on direct observation, the facility failed to provide separation of medical gas zone control valves from supplied outlets and inlets in the Emergency Department. The zone valves are located at the nurses station. (NFPA 99, 1999, 4-3.1.2.3 (d))</p> <p>B. Based on direct observation, the facility failed to provide zone valves located in accessible location in the corridor for the former Fast Track Department. The valves are installed within an office located within the department. (NFPA 99, 1999, 4-3.1.2.3 (d))</p>	<p>{K 077}</p> <p>K077.A</p> <p>K077.B</p>	<p>we will remove and relocate the medical gas zone valves outside the area of outlets</p> <p>The medical gas piping servicing this area is no longer in use. The piping will be cut and capped at an active main and the valves will be removed.</p>	<p>10/31/2011</p> <p>10/31/2011</p>
<p>{K 106} NFPA 101 LIFE SAFETY CODE STANDARD</p> <p>Hospitals, and nursing homes and hospices with life support equipment, have a Type I Essential Electrical System powered by a generator with a transfer switch and separate power supply. The EES is in accordance with NFPA 99, 3.4.2.2, 3.4.2.1.4.</p>	<p>{K 106}</p>		

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DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

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OMB NO. 0938-0391

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{K 106} Continued From page 20

This STANDARD is not met as evidenced by:
Surveyor: 14416

A. Based on direct observation and staff interview, the facility failed to:

1. Corrected 8/19/10
2. Provide a remote manual emergency stop station for the emergency generator. (NFPA 110, 1999, 3-5.5.6)
3. Remote alarm annunciators for the emergency generators at a constantly attended work station. NFPA 99, 1999, 3-4.1.1.15 (b)
4. Separation of normal and emergency power systems. The generator enclosure (room) contains two generators, emergency switchgear and distribution panels plus two normal power utility switchgear. (NFPA 110, 1999, 5-2)
5. Separation between the emergency generators and the elevator controls for the adjacent hydraulic elevator. (NFPA 99, 1999, 3-4.1.1.6)
6. Verify what the connected essential electrical system loads are and whether the rule for over 150 KVA prevails and the requirement for separate transfer switches need to be provided. Direct observation find that one transfer switch is provided for the 208 volt and one for the 480 volt generators. (NFPA 99, 1999, 3-4.2.2.1)
7. Identify all critical care electrical receptacles identified as to distribution panels and

{K 106}

K106.A.2 we will provide a remote manual stop for the emergency generator 9/30/2010

K106.A.3 we will relocate the remote annunciator to an area with a constant attendant. 9/30/2010

K106.A.4 we will separate the normal & emergency power functions by relocating the normal power equipment from the generator room 10/31/2012

K106.A.5 we will relocate the elevator power controls from the generator room 10/31/2012

K106.A.6 Separate transfer switches will be installed according to NFPA 99, 1999, 3-4.2.2.1 12/31/2012

DEPARTMENT OF HEALTH AND HUMAN SERVICES
 CENTERS FOR MEDICARE & MEDICAID SERVICES

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{K 106} Continued From page 21 circuit number. NFPA 70, 517-19 & NFPA 99, 3-4.2.2.4 (b)	{K 106}	we will identify the critical care electrical receptacles with markers to the emergency power panel.	12/31/2010
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{K 130} NFPA 101 MISCELLANEOUS OTHER LSC DEFICIENCY NOT ON 2786	{K 130}		
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This STANDARD is not met as evidenced by:
 Surveyor: 14416

A. By direct observation the surveyor find the sewerage ejection pit has the access lids removed allowing sewer gas to escape to the interior of the building. UPDATE 8/19/10: the pit has been covered with wood, which is not adequate. Surveyor: 20224	K130.A	An aluminum plate has been ordered to replace the wood cover.	11/11/2010
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B. Due to the number, variety, and severity of the life safety deficiencies observed during the survey walk-through, the provider shall institute appropriate interim life safety measures until all cited deficiencies are corrected. The provider shall include, as an attachment to its Plan of Correction (PoC) and referenced therein, a detailed narrative and proposed schedule for all such measures. The narrative shall describe all measures to be implemented, as well as the frequency with which they are to be conducted, and shall indicate the manner in which the	K130.B.	As an interim Life Safety measure security staff round the entire facility every 2 hours. Monthly we have a multidisciplinary team conduct environmental rounds. Additional training on fire extinguisher use, pull station activation and facility evacuation procedures have been given to key staff.	on-going
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DEPARTMENT OF HEALTH AND HUMAN SERVICES
 CENTERS FOR MEDICARE & MEDICAID SERVICES

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{K 130} Continued From page 22
 measures are to be documented. The narrative shall also include comments related to changes in the interim life safety measures to remain in place as work toward the completion of its PoC progresses

{K 130}

{K 145} NFPA 101 LIFE SAFETY CODE STANDARD
 The Type I EES is divided into the critical branch, life safety branch and the emergency system in accordance with NFPA 99. 3.4.2.2.2.
 This STANDARD is not met as evidenced by:
 Surveyor: 14416

{K 145}

K145.A Separate transfer switches will be installed according to NFPA 99 para 3-4.2.2.2 12/31/2012

{K 160} NFPA 101 LIFE SAFETY CODE STANDARD
 All existing elevators, having a travel distance of 25 ft. or more above or below the level that best serves the needs of emergency personnel for fire fighting purposes, conform with Firefighter's Service Requirements of ASME/ANSI A17.3, Safety Code for Existing Elevators and Escalators. 19.5.3, 9.4.3.2

{K 160}

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DEPARTMENT OF HEALTH AND HUMAN SERVICES
 CENTERS FOR MEDICARE & MEDICAID SERVICES

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{K 160} Continued From page 23

This STANDARD is not met as evidenced by:
 Surveyor 14416

A. Based on direct observation, the facility failed to provide phase 1 & 2 firefighter service requirements for all elevators. (A17.1, 211.3)

{K 160}

K160.A we will install firefighter recall on all existing elevators in the facility 10/31/2013

ILLINOIS DEPARTMENT OF PUBLIC HEALTH
STATE SUMMARY
REVISED BED NEED DETERMINATIONS
9/28/2010

ACUTE MENTAL ILLNESS PLANNING AREAS	ACUTE MENTAL ILLNESS			
	APPROVED EXISTING BEDS	CALCULATED BEDS NEEDED	ADDITIONAL BEDS NEEDED	EXCESS AMI BEDS
PLANNING AREA 1	66	74	8	0
PLANNING AREA 2	108	87	0	21
PLANNING AREA 3	226	103	0	123
PLANNING AREA 4	172	103	0	69
PLANNING AREA 5	75	69	0	6
PLANNING AREAS 6 & 7				
6 A-1	418	398	0	20
6 A-2	724	592	0	132
6 A-3	210	220	10	0
6 & 7 A-4	196	126	0	70
7 A-5	253	188	0	65
7 A-6	317	249	0	68
7 A-7	570	312	0	258
7 A-8	17	49	32	0
AREA 6 & 7 TOTALS	2,705	2,134	42	613
PLANNING AREA				
8 A-9	59	77	18	0
8 A-10	44	51	7	0
8 A-11	30	40	10	0
8 A-12	95	48	0	47
AREA 8 TOTALS	228	216	35	47
PLANNING AREA				
9 A-13	51	75	24	0
9 A-14	75	33	0	42
AREA 9 TOTALS	126	108	24	42
PLANNING AREA 10	54	31	0	23
PLANNING AREA 11	206	143	0	63
ILLINOIS AMI TOTALS	3,966	3,068	109	1,007

KENNETH HOSPITAL DPH SURVEY DEFICIENCIES

ITEM	DESCRIPTION	BUDGET AMOUNT
1	Remove and Replace Wood Frame Doors (Ground, 1, 2, 3, & 4) (525 Ea)	\$1,165,539
2	Chase Wall Upgrades (2 Hr)	\$459,917
3	Create 2 Hr Egress Routes	\$660,315
4	Seal Corridor Smoke Partitions	\$291,470
5	Increase Partitions to 1 Hour Fire Rated	\$679,148
6	Add Firestop Collar/Boot to PVC Penetrations (750 Ea)	\$201,825
7	Install Dampers in Duct Penetrations (250 Ea)	\$421,200
8	Upgrade Elevators	\$1,173,244
9	Electrical Deficiencies	\$772,200
TOTALS		\$5,824,859

Discontinuation

Impact on Access

1. TRH believes that if its proposal to establish a 12 bed AMI category of service its Centreville campus is approved, access to the service will be minimally impacted, if at all. If TRH is not allowed to establish the AMI service then access may be negatively impacted as KHRH AMI patients (average ADC for 2010 of 13) would have to travel to another State (St. Louis, Missouri) or to Belleville, Alton or Granite City in Illinois. The trip from KHRH to Granite City (Gateway Regional Medical Center) is about 14 minutes. Gateway is authorized for 100 AMI beds which are generally utilized at target rate or close to it. The trip from KHRH to Alton (Alton Memorial Hospital) is about 38 minutes. Alton Memorial has 20 AMI beds and the service does not operate at the HFSRB utilization target. The trip from KHRH to St. Elizabeth's is about 20 minutes, and St. Elizabeth's has indicated it could accept KHRH's excess patients assuming TRH establishes a service.

2 & 3. See attached letters and responses regarding impact on other area facilities. The only facilities offering AMI services within 45 minutes of KHRH are St. Elizabeth, Alton Memorial Hospital and Gateway Regional Medical Center. The discontinuation of KHRH should not have an impact on these facilities, particularly if TRH is allowed to establish AMI services at its Centreville location. Further, while it would appear that Alton Memorial Hospital could serve ten of the 13-14 ADC patients of KHRH, the travel time of 38 minutes may be difficult for these patients. In addition, Alton Memorial's 20 AMI beds would be fully utilized (based on KHRH's average daily census of 13.4 in 2009).

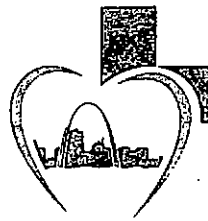
The discontinuation of KHRH's ED will not affect trauma care, as it is not a trauma center and has no inpatient beds other than AMI beds. Most trauma patients are not brought by ambulance since KHRH is not a trauma center. If a patient requires trauma care transfer is arranged to a St. Louis trauma center. Generally, one trauma patient a month (on average) is transferred from the KHRH ED to local trauma centers.

The ED had 12,566 visits in 2009 and 7,109 through July 2010. Most of these patients will be referred to an urgent care center to be located in a Medical Office Building located approximately 200 feet away from the KHRH site. While this will be costly to operate, it will result in an estimated \$1Million loss per year as opposed to \$5Million per year. There will be non-hospital based laboratory and imaging services which will address 94 percent (94%) of the patient care issues as presented in the ED at KHRH on a regular basis at this time.

Further, the general ED patients can be assumed by either TRH which is 8 minutes away from KHRH or by St. Elizabeth's or Memorial in Belleville. Patients who present to the urgent care center or TRH's ED who require AMI services will be admitted to the proposed TRH service or transferred as appropriate.

TOUCHETTE REGIONAL HOSPITAL
5900 BOND AVENUE
CENTREVILLE, IL 62207

P: 618.332.3060 F: 618.332.5256



KENNETH HALL REGIONAL HOSPITAL
129 NORTH 8TH STREET
EAST ST. LOUIS, IL 62201

P: 618.274.1900 F: 618.482.7014

January 4, 2010

Ms. Sharon Timmons, Interim CEO
St. Elizabeth's Hospital
211 South Third Street
Belleville, IL 62220

Sent Certified/Return Receipt Requested and Via Fax

RE: Touchette Regional Hospital/Kenneth Hall Regional Hospital Intent to Discontinue AMI Category of Service and Emergency Department at KHRH

Dear Ms. Timmons:

Touchette Regional Hospital will be filing an application to discontinue the 39 bed unit AMI (Acute Mental Illness) Category of Service and the Emergency Department at the KHRH Campus in East St. Louis, Illinois. Touchette will also be filing an application to re-establish the AMI Category of Service with a 12 bed unit at its Centerville, Illinois campus and will be establishing an Urgent Care center in a medical office building adjacent to the KHRH building. No hospital services will be provided, just outpatient medical services on an urgent care basis. Please advise us in writing if you believe that this will have an impact on your hospital (whether positive or negative). I would appreciate it if we could receive this correspondence by January 7, 2010. This correspondence can be sent via fax (618) 332-5256 or via e-mail to mmcmanus@touchette.org.

Sincerely,

Michael McManus
Chief Operating Officer
Touchette Regional Hospital/Kenneth Hall Regional Hospital

MM/bam

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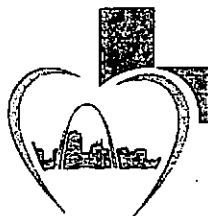
Street, Apt. No.,
or PO Box No. 211 S. Third Street

City, State, ZIP+4 Belleville, IL 62220

PS Form 3800, August 2006 See Reverse for Instructions

TOUCHETTE REGIONAL HOSPITAL
5900 BOND AVENUE
CENTREVILLE, IL 62207

P: 618.332.3060 F: 618.332.5256



KENNETH HALL REGIONAL HOSPITAL
129 NORTH 8TH STREET
EAST ST. LOUIS, IL 62201

P: 618.274.1900 F: 618.482.7014

January 4, 2010

Mr. Mark Bethell, CEO
Gateway Regional Medical Center
2100 Madison Avenue
Granite City, IL 62040

Sent Certified/Return Receipt Requested and Via Fax

RE: Touchette Regional Hospital/Kenneth Hall Regional Hospital Intent to Discontinue AMI Category of Service and Emergency Department at KHRH

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Sincerely,

Michael McManus
Chief Operating Officer
Touchette Regional Hospital/Kenneth Hall Regional Hospital

MM/bam

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5900 BOND AVENUE
CENTREVILLE, IL 62207

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January 4, 2010

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Gateway Regional Medical Center
2100 Madison Avenue
Granite City, IL 62040

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City, State, ZIP+4	Granite City IL 62040

PS Form 3800, August 2006 See Reverse for Instructions

RE: Touchette Regional Hospital/Kenneth Hall Regional Hospital Intent to Discontinue AMI Category of Service and Emergency Department at KHRH

Dear Mr. Bethell:

Touchette Regional Hospital will be filing an application to discontinue the 39 bed unit AMI (Acute Mental Illness) Category of Service and the Emergency Department at the KHRH Campus in East St. Louis, Illinois. Touchette will also be filing an application to re-establish the AMI Category of Service with a 12 bed unit at its Centerville, Illinois campus and will be establishing an Urgent Care center in a medical office building adjacent to the KHRH building. No hospital services will be provided, just outpatient medical services on an urgent care basis. Please advise us in writing if you believe that this will have an impact on your hospital (whether positive or negative). I would appreciate it if we could receive this correspondence by January 7, 2010. This correspondence can be sent via fax (618) 332-5256 or via e-mail to mmcmanus@touchette.org.

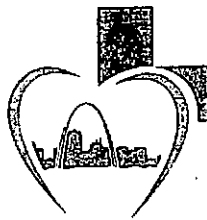
Sincerely,

Michael McManus
Chief Operating Officer
Touchette Regional Hospital/Kenneth Hall Regional Hospital

MM/bam

TOUCHETTE REGIONAL HOSPITAL
5900 BOND AVENUE
CENTREVILLE, IL 62207

P: 618.332.3060 F: 618.332.5256



KENNETH HALL REGIONAL HOSPITAL
129 NORTH 8TH STREET
EAST ST. LOUIS, IL 62201

P: 618.274.1900 F: 618.482.7014

January 4, 2010

Mr. Dave Braasch, President
Alton Memorial Hospital
One Memorial Drive
Alton, IL 62002

Sent Certified/Return Receipt Requested and Via Fax

RE: Touchette Regional Hospital/Kenneth Hall Regional Hospital Intent to Discontinue AMI Category of Service and Emergency Department at KHRH

Dear Dave:

Touchette Regional Hospital will be filing an application to discontinue the 39 bed unit AMI (Acute Mental Illness) Category of Service and the Emergency Department at the KHRH Campus in East St. Louis, Illinois. Touchette will also be filing an application to re-establish the AMI Category of Service with a 12 bed unit at its Centerville, Illinois campus and will be establishing an Urgent Care center in a medical office building adjacent to the KHRH building. No hospital services will be provided, just outpatient medical services on an urgent care basis. Please advise us in writing if you believe that this will have an impact on your hospital (whether positive or negative). I would appreciate it if we could receive this correspondence by January 7, 2010. This correspondence can be sent via fax (618) 332-5256 or via e-mail to mmcmanus@touchette.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael McManus".

Michael McManus
Chief Operating Officer
Touchette Regional Hospital/Kenneth Hall Regional Hospital

MM/bam

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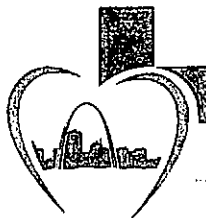
Postmark
Here

Sent To Dave Braasch Attn Man.
Street, Apt. No.,
or PO Box No. One Memorial Drive
City, State, ZIP+4[®] Alton IL 62002

PS Form 3800, August 2006 See Reverse for Instructions

TOUCHETTE REGIONAL HOSPITAL
5900 BOND AVENUE
CENTREVILLE, IL 62207

P: 618.332.3060 F: 618.332.5256



KENNETH HALL REGIONAL HOSPITAL
129 NORTH 8TH STREET
EAST ST. LOUIS, IL 62201

P: 618.274.1900 F: 618.482.7014

January 4, 2010

Mr. Mark Turner, President
Memorial Hospital
4500 Memorial Drive
Belleville, IL 62226

Sent Certified/Return Receipt Requested and Via Fax

RE: Touchette Regional Hospital/Kenneth Hall Regional Hospital Intent to Discontinue AMI Category of Service and Emergency Department at KHRH

Dear Mr. Turner:

Touchette Regional Hospital will be filing an application to discontinue the 39 bed unit AMI (Acute Mental Illness) Category of Service and the Emergency Department at the KHRH Campus in East St. Louis, Illinois. Touchette will also be filing an application to re-establish the AMI Category of Service with a 12 bed unit at its Centerville, Illinois campus and will be establishing an Urgent Care center in a medical office building adjacent to the KHRH building. No hospital services will be provided, just outpatient medical services on an urgent care basis. Please advise us in writing if you believe that this will have an impact on your hospital (whether positive or negative). I would appreciate it if we could receive this correspondence by January 7, 2010. This correspondence can be sent via fax (618) 332-5256 or via e-mail to mmcmanus@touchette.org.

Sincerely,

A handwritten signature in black ink, appearing to read "McManus".

Michael McManus
Chief Operating Officer
Touchette Regional Hospital/Kenneth Hall Regional Hospital

MM/bam

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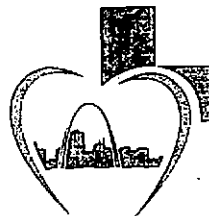
Sent To	Mark Turner Memorial
Street, Apt. No., or PO Box No.	4500 Memorial Avenue
City, State, ZIP+4	Belleville IL 62226

PS Form 3800, August 2006 See Reverse for Instructions

10

TOUCHETTE REGIONAL HOSPITAL
5900 BOND AVENUE
CENTREVILLE, IL 62207

P: 618.332.3060 F: 618.332.5256



KENNETH HALL REGIONAL HOSPITAL
129 NORTH 8TH STREET
EAST ST. LOUIS, IL 62201

P: 618.274.1900 F: 618.482.7014

January 4, 2010

Mr. Keith Page, President
Anderson Hospital
6800 State Route 162
Maryville, IL 62062

Sent Certified/Return Receipt Requested and Via Fax

RE: Touchette Regional Hospital/Kenneth Hall Regional Hospital Intent to Discontinue AMI Category of Service and Emergency Department at KHRH

Dear Mr. Page:

Touchette Regional Hospital will be filing an application to discontinue the 39 bed unit AMI (Acute Mental Illness) Category of Service and the Emergency Department at the KHRH Campus in East St. Louis, Illinois. Touchette will also be filing an application to re-establish the AMI Category of Service with a 12 bed unit at its Centerville, Illinois campus and will be establishing an Urgent Care center in a medical office building adjacent to the KHRH building. No hospital services will be provided, just outpatient medical services on an urgent care basis. Please advise us in writing if you believe that this will have an impact on your hospital (whether positive or negative). I would appreciate it if we could receive this correspondence by January 7, 2010. This correspondence can be sent via fax (618) 332-5256 or via e-mail to mmcmanus@touchette.org.

Sincerely,

Michael McManus
Chief Operating Officer
Touchette Regional Hospital/Kenneth Hall Regional Hospital

MM/bam

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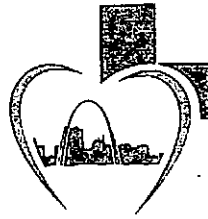
Sent To Keith Page Anderson
 Street, Apt. No.,
 or PO Box No. 6800 State Route 162
 City, State, ZIP+4 Granville IL 62062

PS Form 3800, August 2006 See Reverse for Instructions

10

TOUCHETTE REGIONAL HOSPITAL
5900 BOND AVENUE
CENTREVILLE, IL 62207

P: 618.332.3060 F: 618.332.5256



KENNETH HALL REGIONAL HOSPITAL
129 NORTH 8TH STREET
EAST ST. LOUIS, IL 62201

P: 618.274.1900 F: 618.482.7014

January 4, 2010

Ms. Peggy Sebastian, CEO
St. Joseph Hospital
1515 Main Street
Highland, IL 62249

Sent Certified/Return Receipt Requested and Via Fax

RE: Touchette Regional Hospital/Kenneth Hall Regional Hospital Intent to Discontinue AMI Category of Service and Emergency Department at KHRH

Dear Ms. Sebastian:

Touchette Regional Hospital will be filing an application to discontinue the 39 bed unit AMI (Acute Mental Illness) Category of Service and the Emergency Department at the KHRH Campus in East St. Louis, Illinois. Touchette will also be filing an application to re-establish the AMI Category of Service with a 12 bed unit at its Centerville, Illinois campus and will be establishing an Urgent Care center in a medical office building adjacent to the KHRH building. No hospital services will be provided, just outpatient medical services on an urgent care basis. Please advise us in writing if you believe that this will have an impact on your hospital (whether positive or negative). I would appreciate it if we could receive this correspondence by January 7, 2010. This correspondence can be sent via fax (618) 332-5256 or via e-mail to mmcmanus@touchette.org.

Sincerely,

Michael McManus
Chief Operating Officer
Touchette Regional Hospital/Kenneth Hall Regional Hospital

MM/bam

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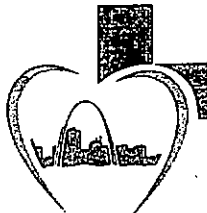
Sent To Peggy Sebastian - St. Louis
 Street, Apt. No. or PO Box No. 1515 Yoran Street
 City, State, ZIP+4 Nightland IL 62249

PS Form 3800, August 2006 See Reverse for Instructions

10

TOUCHETTE REGIONAL HOSPITAL
5900 BOND AVENUE
CENTREVILLE, IL 62207

P: 618.332.3060 F: 618.332.5256



KENNETH HALL REGIONAL HOSPITAL
129 NORTH 8TH STREET
EAST ST. LOUIS, IL 62201

P: 618.274.1900 F: 618.482.7014

January 4, 2010

Mr. Mark Klosterman, CEO
St. Joseph Hospital
9515 Holy Cross Lane
Breese, IL 62230

Sent Certified/Return Receipt Requested and Via Fax

RE: Touchette Regional Hospital/Kenneth Hall Regional Hospital Intent to Discontinue AMI Category of Service and Emergency Department at KHRH

Dear Mr. Klosterman:

Touchette Regional Hospital will be filing an application to discontinue the 39 bed unit AMI (Acute Mental Illness) Category of Service and the Emergency Department at the KHRH Campus in East St. Louis, Illinois. Touchette will also be filing an application to re-establish the AMI Category of Service with a 12 bed unit at its Centerville, Illinois campus and will be establishing an Urgent Care center in a medical office building adjacent to the KHRH building. No hospital services will be provided, just outpatient medical services on an urgent care basis. Please advise us in writing if you believe that this will have an impact on your hospital (whether positive or negative). I would appreciate it if we could receive this correspondence by January 7, 2010. This correspondence can be sent via fax (618) 332-5256 or via e-mail to mmcmanus@touchette.org.

Sincerely,

Michael McManus
Chief Operating Officer
Touchette Regional Hospital/Kenneth Hall Regional Hospital

MM/bam

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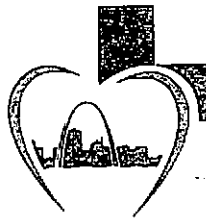
Street, Apt. No.,
or PO Box No. 9515 Holy Cross Lane

City, State, ZIP+4 Deerfield IL 60015

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TOUCHETTE REGIONAL HOSPITAL
5900 BOND AVENUE
CENTREVILLE, IL 62207

P: 618.332.3060 F: 618.332.5256



KENNETH HALL REGIONAL HOSPITAL
129 NORTH 8TH STREET
EAST ST. LOUIS, IL 62201

P: 618.274.1900 F: 618.482.7014

January 4, 2010

Mr. E. J. Kuiper, CEO
St. Anthony's Health Center
1 Saint Anthony's Way
Alton, IL 62002

Sent Certified/Return Receipt Requested and Via Fax

RE: Touchette Regional Hospital/Kenneth Hall Regional Hospital Intent to Discontinue AMI Category of Service and Emergency Department at KHRH

Dear Mr. Kuiper:

Touchette Regional Hospital will be filing an application to discontinue the 39 bed unit AMI (Acute Mental Illness) Category of Service and the Emergency Department at the KHRH Campus in East St. Louis, Illinois. Touchette will also be filing an application to re-establish the AMI Category of Service with a 12 bed unit at its Centerville, Illinois campus and will be establishing an Urgent Care center in a medical office building adjacent to the KHRH building. No hospital services will be provided, just outpatient medical services on an urgent care basis. Please advise us in writing if you believe that this will have an impact on your hospital (whether positive or negative). I would appreciate it if we could receive this correspondence by January 7, 2010. This correspondence can be sent via fax (618) 332-5256 or via e-mail to mmcmanus@touchette.org.

Sincerely,

Michael McManus
Chief Operating Officer
Touchette Regional Hospital/Kenneth Hall Regional Hospital

MM/bam

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Total Postage & Fees	\$5.54

Postmark
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Sent to E J Kuiper St. Anth.
Street, Apt. No., or PO Box No. 1 Saint Anthony's Way
City, State, ZIP+4 Alton IL 62002

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TOUCHETTE REGIONAL HOSPITAL
5900 BOND AVENUE
CENTREVILLE, IL 62207

P: 618.332.3060 F: 618.332.5256



KENNETH HALL REGIONAL HOSPITAL
129 NORTH 8TH STREET
EAST ST. LOUIS, IL 62201

P: 618.274.1900 F: 618.482.7014

January 4, 2010

Charlie Kelly, CEO
MedStar Ambulance
P.O. Box 296
705 Bradbury Lane
Sparta, IL 62286

Dear Charlie:

Touchette Regional Hospital will be filing an application to discontinue the 39 bed unit AMI (Acute Mental Illness) Category of Service and Emergency Department offered at the Kenneth Hall Campus in East St. Louis, Illinois. Touchette will also be filing an application to re-establish the AMI Category of Service with a 12 bed unit at the TRH Campus in Centreville, Illinois.

As a result of this application, the emergency services that are currently offered at the KHRH Campus will be discontinued and an Urgent Care Center will be established in the Windsor Medical Office Building which is adjacent to the KHRH building. We would appreciate your commentary about the level of major traumas that are currently transported by EMS to the KHRH emergency department and how emergency services would be impacted should KHRH emergency department close. I would appreciate it if we could receive this correspondence by January 7, 2010. This correspondence can be sent via fax (618) 332-5256 or via e-mail to mmcmanus@touchette.org.

Sincerely,

Michael McManus
Chief Operating Officer
Touchette Regional Hospital/Kenneth Hall Regional Hospital

MM:bam



January 4, 2010

Jeff Shafer, M.D.
Region IV EMS Medical Director
Memorial Hospital
4500 Memorial Drive
Belleville, IL 62226

Dear Dr. Shafer:

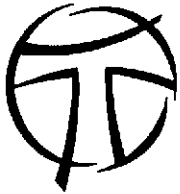
Touchette Regional Hospital will be filing an application to discontinue the 39 bed unit AMI (Acute Mental Illness) Category of Service and Emergency Department offered at the Kenneth Hall Campus in East St. Louis, Illinois. Touchette will also be filing an application to re-establish the AMI Category of Service with a 12 bed unit at the TRH Campus in Centreville, Illinois.

As a result of this application, the emergency services that are currently offered at the KHRH Campus will be discontinued and an Urgent Care Center will be established in the Windsor Medical Office Building which is adjacent to the KHRH building. We would appreciate your commentary about the level of major traumas that are currently transported to the KHRH emergency department and how the emergency services would be impacted should KHRH emergency department close. I would appreciate it if we could receive this correspondence by January 7, 2010. This correspondence can be sent via fax (618) 332-5256 or via e-mail to mmcmanus@touchette.org.

Sincerely,

Michael McManus
Chief Operating Officer
Touchette Regional Hospital/Kenneth Hall Regional Hospital

MM:bam



St. Elizabeth's
HOSPITAL
BELLEVILLE, ILLINOIS

January 5, 2011

Michael McManus
Chief Operating Officer
Touchette Regional Hospital/
Kenneth Hall Regional Hospital
5900 Bond Avenue
Centreville, IL 62207

Dear Mr. McManus:

We received your request for information on whether the closure of Kenneth Hall Regional Hospital, and establishment of a 12 bed Acute Mental Illness service at Touchette, would have any impact on St. Elizabeth's Hospital. We believe that it would not, and are willing to also assist Touchette when and if its Acute Mental Illness volumes ever require patients be transferred to St. Elizabeth's for care.

Thank you.

Sincerely,

Sharon D. Timmons
Interim President & CEO

211 South Third Street
Belleville, IL 62220
618-234-2120
www.steliz.org

*Sponsored by the
Hospital Sisters
of St. Francis*

Illinois Hospitals within 45 minutes of KHRH

Hospital	Time	Distance
Touchette Regional Hospital 5900 Bond Avenue Centreville, IL 62207	11 minutes	5.46 miles
Gateway Regional Hospital 1 Memorial Drive Alton, IL 62002	13 minutes	7.15 miles
Memorial Hospital 4500 Memorial Drive Belleville, IL 62226	20 minutes	10.50 miles
St. Elizabeth's Hospital 211 S. 3 rd Street Belleville, IL 62220	21 minutes	12.80 miles
Anderson Hospital 6800 State Route 162 Maryville, IL 62062	21 minutes	16.13 miles
Alton Memorial Hospital 1 Memorial Drive Alton, IL 62002	38 minutes	30.41 miles
St. Joseph's Hospital 1515 Main Street Highland, IL 62249	38 minutes	32.44 miles
St. Anthony's Health Center 1 Saint Anthony's Way Alton, IL 62226	40 minutes	31.25 miles
St. Joseph's Hospital 9515 Holy Cross Lane Breese, IL 62230	46 minutes	38.65 miles

*Source – MapQuest Maps

St. Elizabeth to
Gateway Regional Medical
Center



MAPQUEST.

Notes

Trip to 211 S 3rd St
Belleville, IL 62220-1915
22.48 miles - about 33 minutes

2100 Madison Ave, Granite City, IL 62040-4701

- | | | |
|--|--|-----------|
| | 1. Start out going SOUTHWEST on MADISON AVE toward 21ST ST. | go 0.2 mi |
| | 2. Turn LEFT onto 20TH ST. | go 0.7 mi |
| | 3. Turn RIGHT onto EDWARDSVILLE RD / IL-203.
Continue to follow IL-203 S. | go 3.4 mi |
| | 4. Merge onto I-55 S / I-70 W / US-40 W toward ST LOUIS / THE GREAT RIVER ROAD SOUTH. | go 1.1 mi |
| | 5. Merge onto I-64 E via EXIT 2 on the LEFT toward LOUISVILLE. | go 4.1 mi |
| | 6. Merge onto I-255 S / US-50 W via EXIT 7 toward MEMPHIS. | go 3.7 mi |
| | 7. Merge onto IL-15 E via EXIT 17A toward BELLEVILLE. | go 8.1 mi |
| | 8. Take the CENTREVILLE AVE / IL-158 ramp toward MILLSTADT. | go 0.2 mi |
| | 9. Turn LEFT onto IL-158 / CENTREVILLE AVE. Continue to follow CENTREVILLE AVE. | go 0.7 mi |
| | 10. Turn SLIGHT RIGHT onto W LINCOLN ST. | go 0.2 mi |
| | 11. Turn RIGHT onto S 3RD ST. | go 0.0 mi |

94

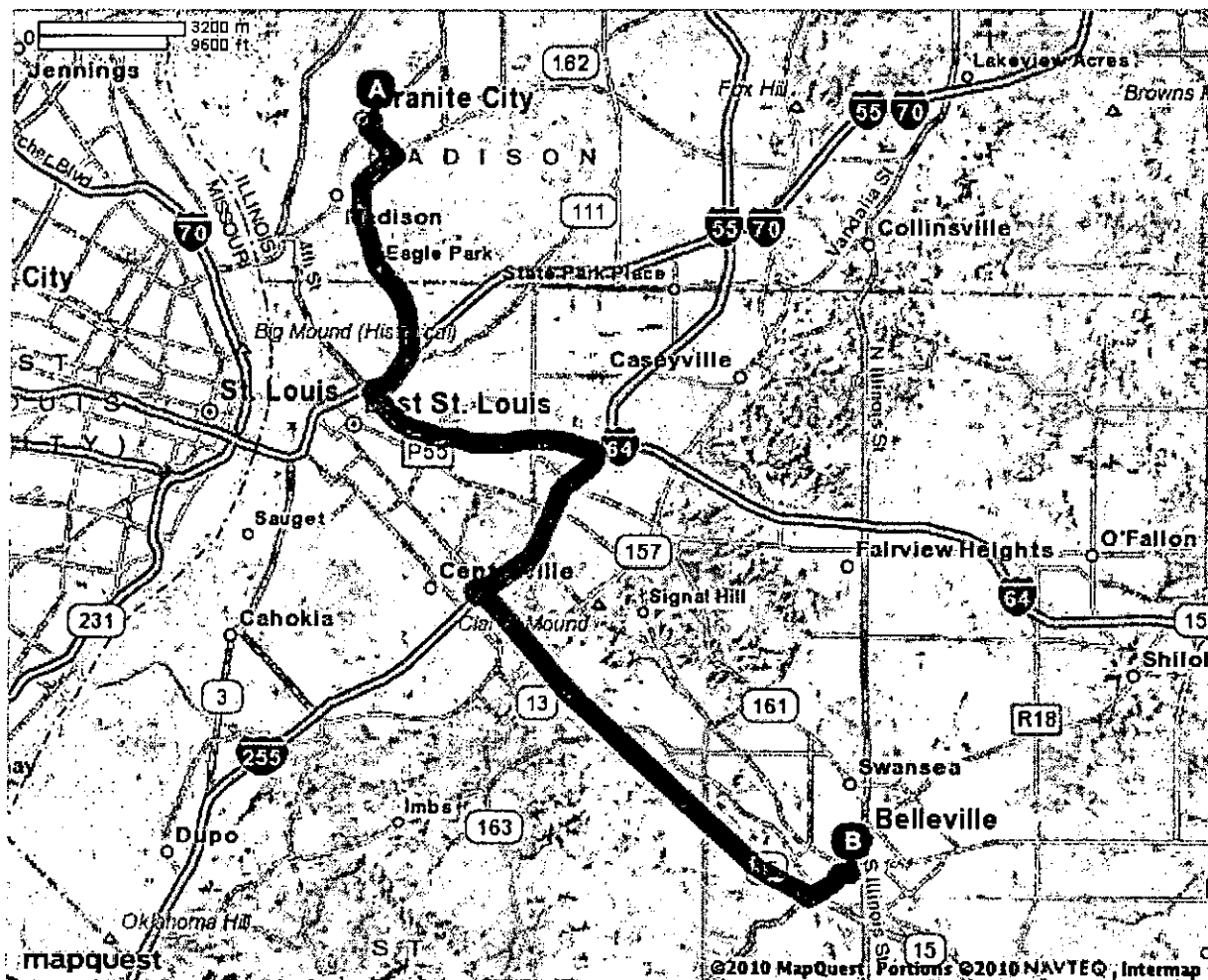
END

12. 211 S 3RD ST is on the RIGHT.

go 0.0 mi

B 211 S 3rd St, Belleville, IL 62220-1915
Total Travel Estimate : 22.48 miles - about 33 minutes

Route Map [Hide](#)



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Touchette to Gateway Regional

MAPQUEST.

Notes

Trip to 2100 Madison Ave
Granite City, IL 62040-4701
9.24 miles - about 19 minutes



2900 Bond Ave, Centreville, IL 62207-1722



1. Start out going **NORTHWEST** on **BOND AVE** toward **S 29TH ST.** go 0.2 mi



2. Turn **RIGHT** onto **S 26TH ST.** go 0.7 mi



3. **S 26TH ST** becomes **N 25TH ST.** go 0.7 mi



4. Turn **LEFT** onto **STATE ST.** go 0.0 mi



5. Turn **RIGHT** onto **N 25TH ST / CR-P55 N.** go 0.5 mi



6. Merge onto **I-64 W** via the ramp on the **LEFT.** go 1.2 mi



7. Merge onto **I-55 N / I-70 E / US-40 E** via **EXIT 3** toward **CHICAGO / INDIANAPOLIS.** go 0.9 mi



8. Merge onto **IL-203 N** via **EXIT 4** toward **GRANITE CITY.** go 4.2 mi



9. Turn **LEFT** onto **E 20TH ST.** go 0.7 mi



10. Turn **RIGHT** onto **MADISON AVE.** go 0.2 mi

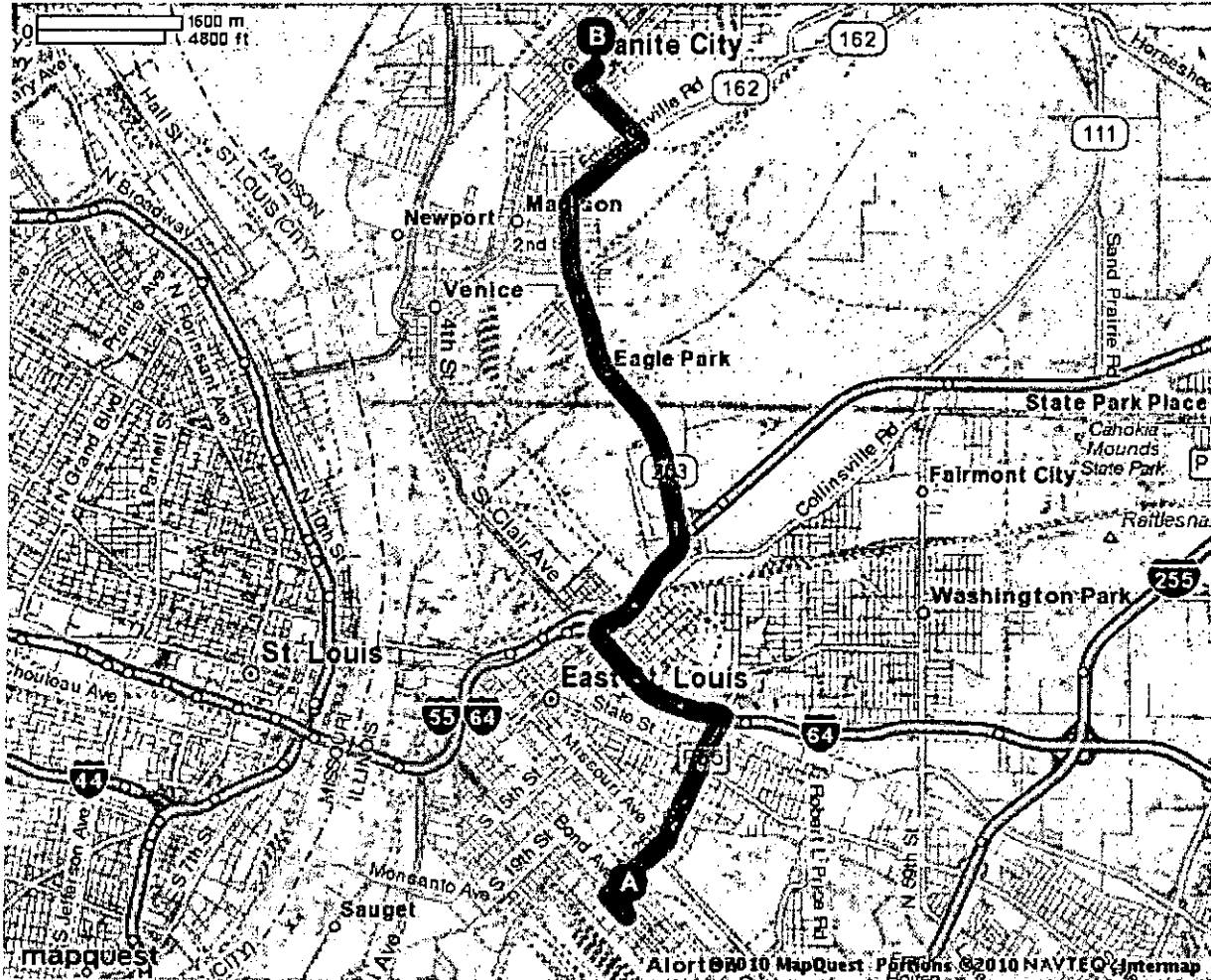


11. **2100 MADISON AVE** is on the **RIGHT.** go 0.0 mi

96

B 2100 Madison Ave, Granite City, IL 62040-4701
Total Travel Estimate : 9.24 miles - about 19 minutes

Route Map [Hide](#)



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MAPQUEST.

Trip to 129 N 8th St
East Saint Louis, IL 62201-2917
7.43 miles - about 14 minutes

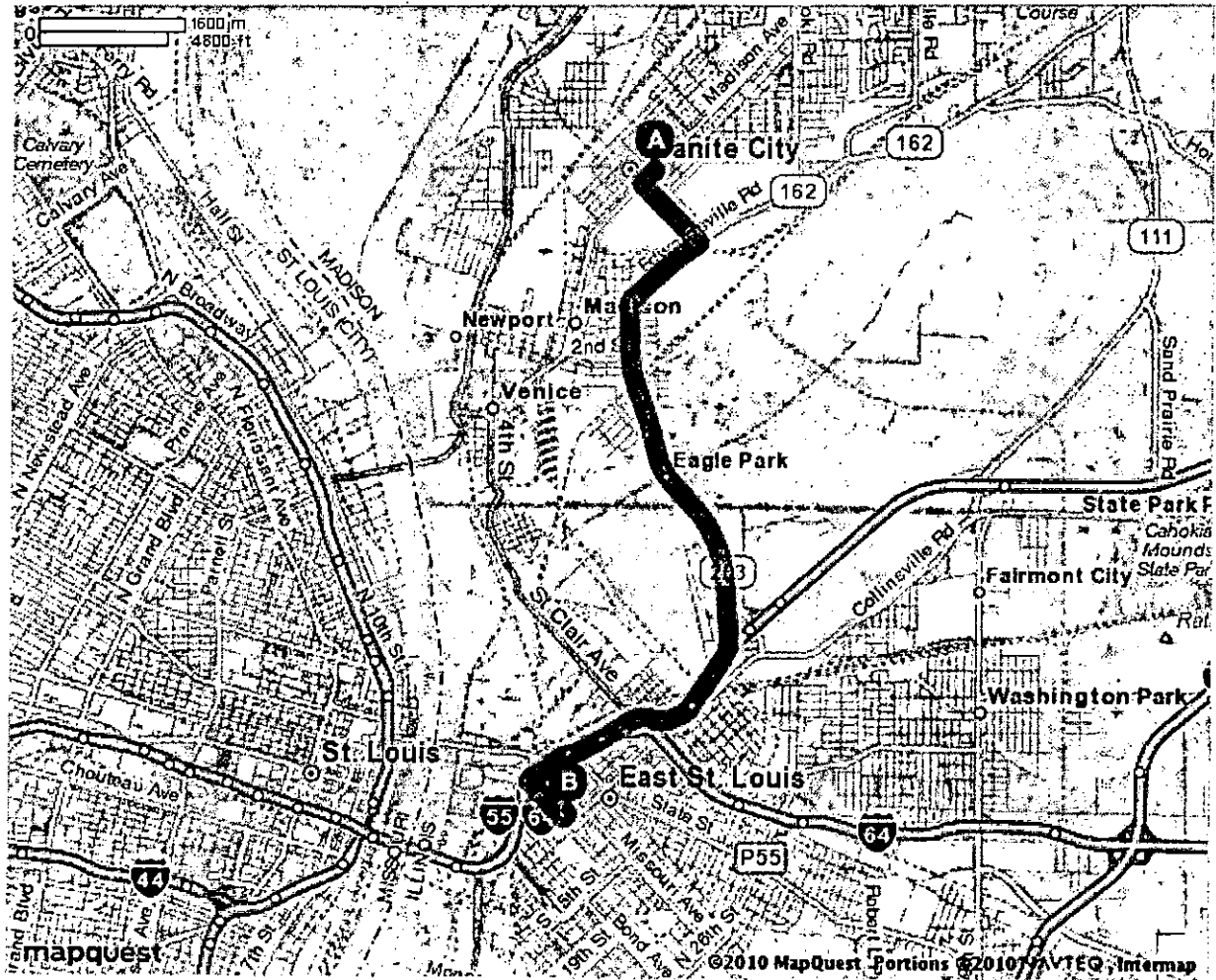
Notes

[Empty dashed box for notes]

Kenneth Hall to
Gateway Regional

98

Route Map [Hide](#)



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MAPQUEST.

Trip to 211 S 3rd St
 Belleville, IL 62220-1915
 39.09 miles - about 48 minutes

Notes

St. Elizabeth to
 Alton Memorial
 Hospital

1 Memorial Dr, Alton, IL 62002-6722

- | | | |
|--|--|------------|
| | 1. Start out going NORTH on MEMORIAL DR toward ROCK SPRINGS DR. | go 0.0 mi |
| | 2. Turn LEFT onto ROCK SPRINGS DR. | go 0.2 mi |
| | 3. Turn RIGHT onto COLLEGE AVE. | go 2.8 mi |
| | 4. COLLEGE AVE becomes IL-111 S / IL-140 E. | go 2.3 mi |
| | 5. Merge onto IL-255 S toward I-270. | go 10.3 mi |
| | 6. IL-255 S becomes I-255 S. | go 14.3 mi |
| | 7. Merge onto IL-15 E via EXIT 17A toward BELLEVILLE. | go 8.1 mi |
| | 8. Take the CENTREVILLE AVE / IL-158 ramp toward MILLSTADT. | go 0.2 mi |
| | 9. Turn LEFT onto IL-158 / CENTREVILLE AVE. Continue to follow CENTREVILLE AVE. | go 0.7 mi |
| | 10. Turn SLIGHT RIGHT onto W LINCOLN ST. | go 0.2 mi |
| | 11. Turn RIGHT onto S 3RD ST. | go 0.0 mi |

100

END

12. 211 S 3RD ST is on the RIGHT.

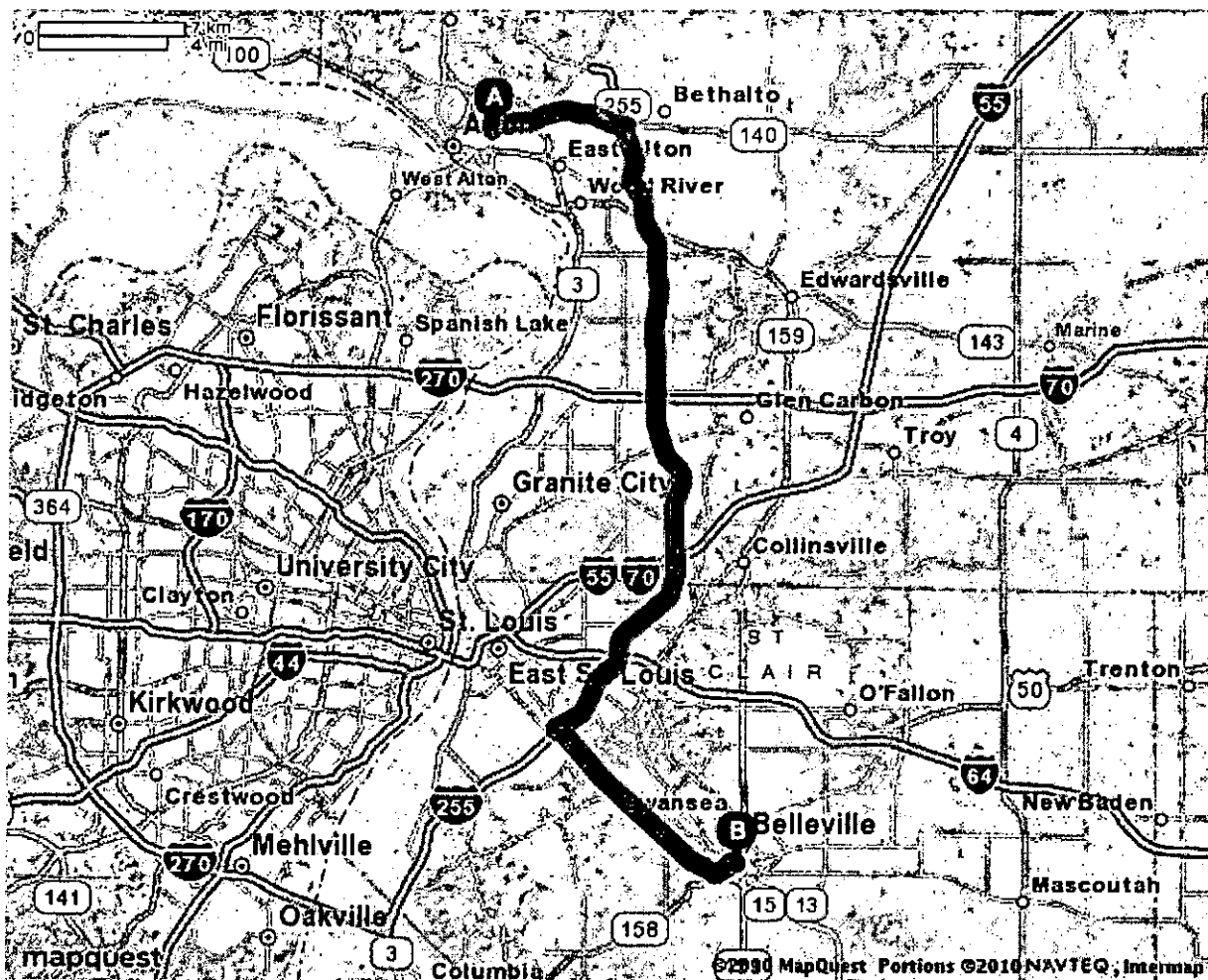
go 0.0 mi



211 S 3rd St, Belleville, IL 62220-1915

Total Travel Estimate : 39.09 miles - about 48 minutes

Route Map [Hide](#)



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101



MAPQUEST.

Trip to 5900 Bond Ave
 Centreville, IL 62207-2326
 32.93 miles - about 39 minutes

Notes

*Tauvette to
 Alton Memorial
 Hospital*



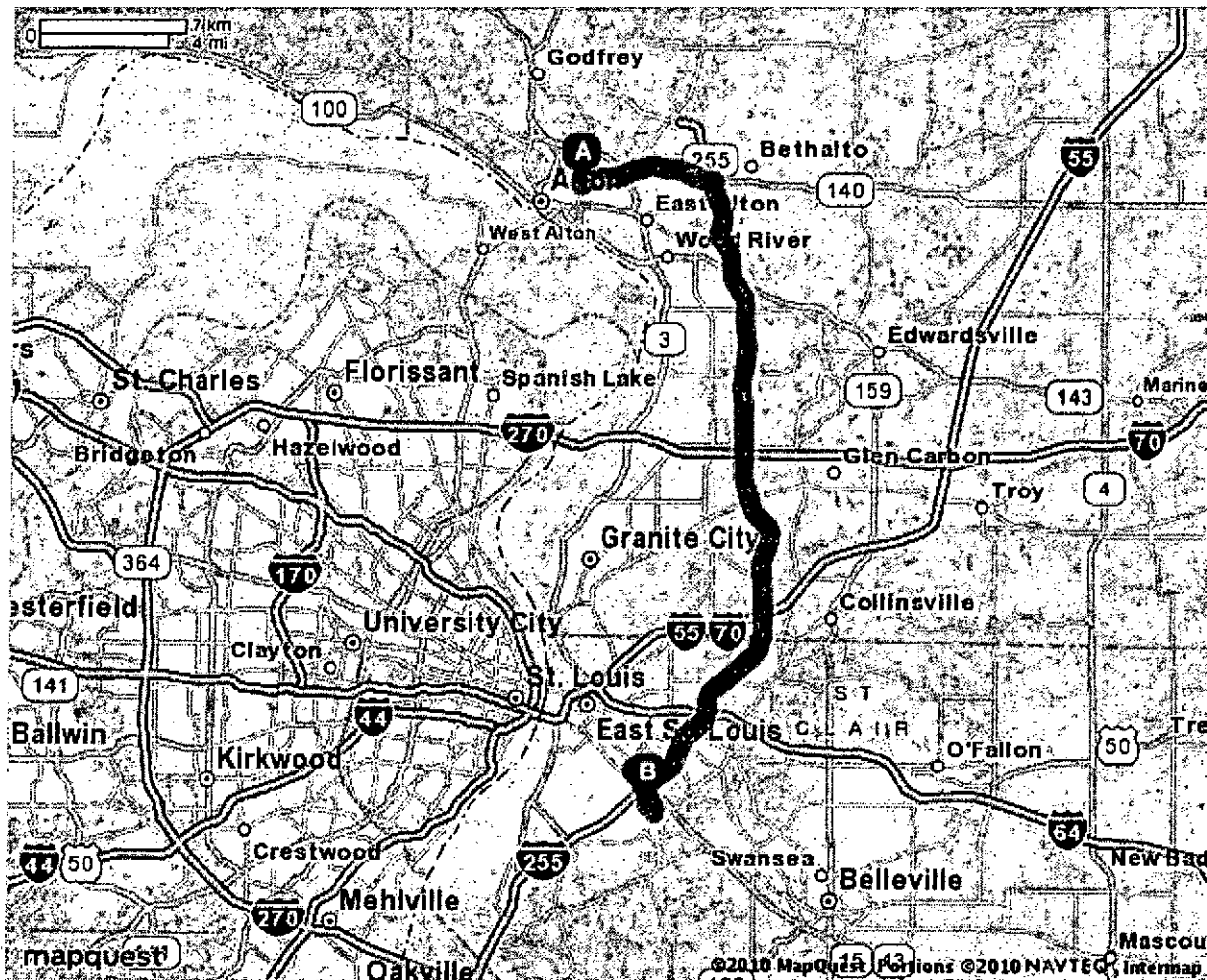
1 Memorial Dr, Alton, IL 62002-6722

- | | | |
|--|--|------------|
| | 1. Start out going SOUTHEAST on MEMORIAL DR toward ROCK SPRINGS DR. | go 0.0 mi |
| | 2. Turn LEFT onto ROCK SPRINGS DR. | go 0.2 mi |
| | 3. Turn RIGHT onto COLLEGE AVE. | go 2.8 mi |
| | 4. COLLEGE AVE becomes IL-111 S / IL-140 E. | go 2.3 mi |
| | 5. Merge onto IL-255 S toward I-270. | go 10.3 mi |
| | 6. IL-255 S becomes I-255 S. | go 14.0 mi |
| | 7. Merge onto IL-15 W / MISSOURI AVE via EXIT 17B toward EAST ST LOUIS. | go 1.1 mi |
| | 8. Turn LEFT onto IL-163 S. | go 1.9 mi |
| | 9. Turn SLIGHT RIGHT. | go 0.0 mi |
| | 10. Turn RIGHT onto BOND AVE. | go 0.4 mi |
| | 11. 5900 BOND AVE is on the LEFT. | go 0.0 mi |

102

B 5900 Bond Ave, Centreville, IL 62207-2326
Total Travel Estimate : 32.93 miles - about 39 minutes

Route Map [Hide](#)



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MAPQUEST.

Notes

Trip to 129 N 8th St

East Saint Louis, IL 62201-2917
30.56 miles - about 38 minutes

KRRH to
Alton Memorial
Hospital



1 Memorial Dr, Alton, IL 62002-6722

1. Start out going **SOUTHEAST** on **MEMORIAL DR** toward **ROCK SPRINGS DR.**

go 0.0 mi

2. Turn **LEFT** onto **ROCK SPRINGS DR.**

go 0.2 mi

3. Turn **RIGHT** onto **COLLEGE AVE.**

go 2.8 mi

4. **COLLEGE AVE** becomes **IL-111 S / IL-140 E.**

go 2.3 mi

5. Merge onto **IL-255 S** toward **I-270.**

go 10.3 mi

6. **IL-255 S** becomes **I-255 S.**

go 5.7 mi

7. Merge onto **I-55 S / I-70 W / US-40 W** via **EXIT 25B** toward **ST LOUIS.**

go 8.4 mi

8. Take the **THIRD STREET** exit, **EXIT 2A**, on the **LEFT** toward **EADS BRIDGE.**

go 0.2 mi

9. Turn **SLIGHT RIGHT** onto **N 3RD ST.**

go 0.2 mi

10. Turn **LEFT** onto **RIVER PARK DR.**

go 0.2 mi

11. **RIVER PARK DR** becomes **E BROADWAY / IL-15.**

go 0.3 mi

104



12. Turn LEFT onto N 8TH ST.

go 0.0 mi



13. 129 N 8TH ST is on the LEFT.

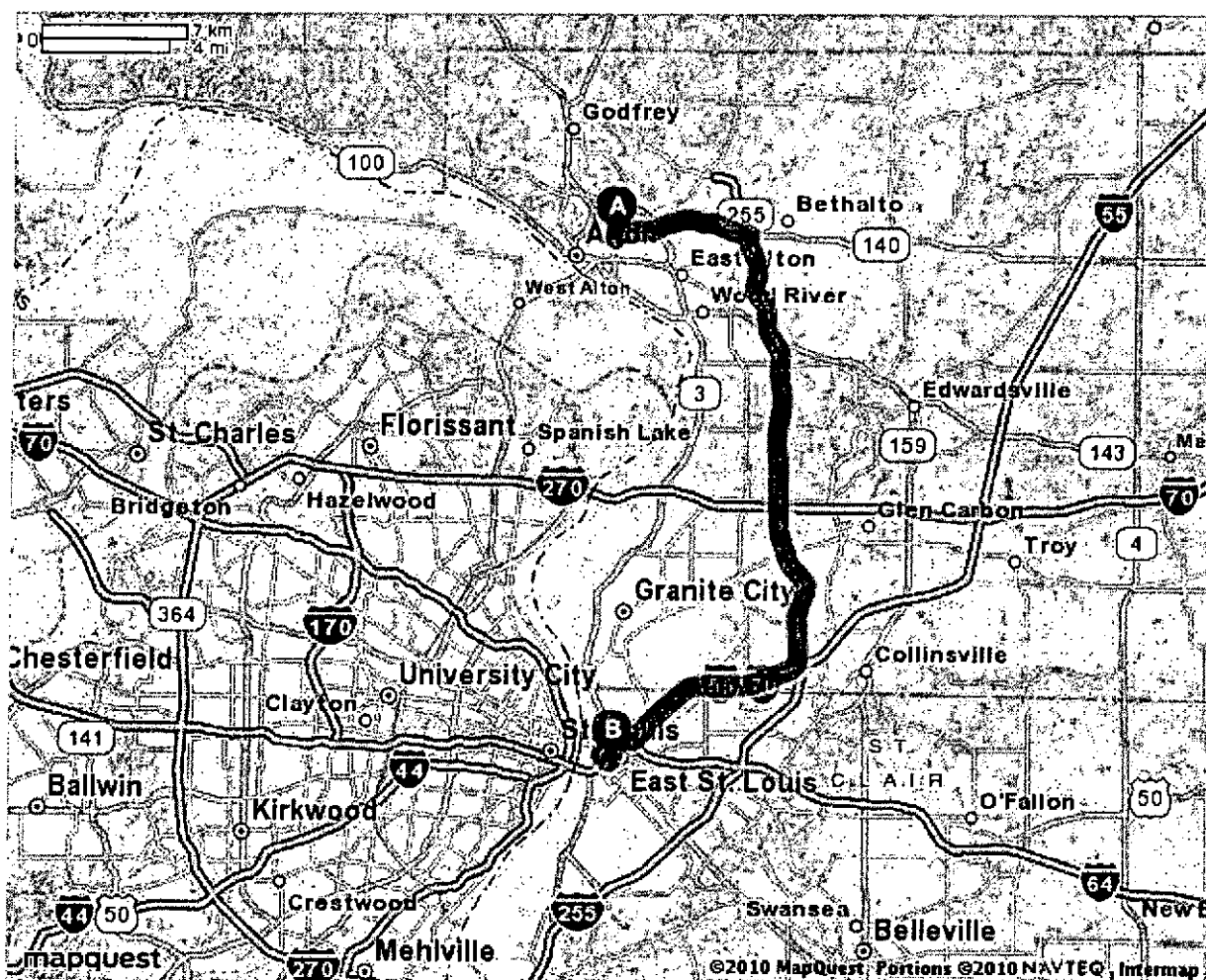
go 0.0 mi



129 N 8th St, East Saint Louis, IL 62201-2917

Total Travel Estimate : 30.56 miles - about 38 minutes

Route Map [Hide](#)



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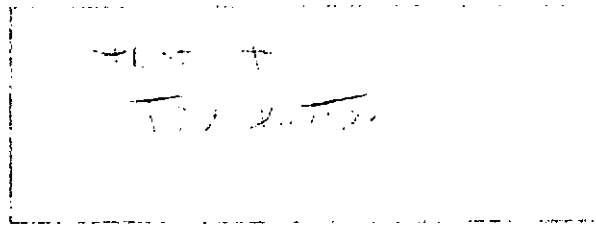
105



MAPQUEST.

Trip to 129 N 8th St
 East Saint Louis, IL 62201-2917
 5.70 miles - about 12 minutes

Notes



5900 Bond Ave, Centreville, IL 62207-2326



1. Start out going **SOUTHEAST** on **BOND AVE** toward **IL-163 / OLD MISSOURI AVE.** go 0.5 mi



2. Turn **SHARP LEFT** onto **IL-163 W / OLD MISSOURI AVE.** Continue to follow **IL-163 W.** go 2.0 mi



3. Turn **LEFT** onto **IL-15 W / MISSOURI AVE.** go 2.9 mi



4. Turn **LEFT** onto **N 9TH ST / IL-15 N.** go 0.2 mi



5. Turn **RIGHT** onto **E BROADWAY / IL-15.** go 0.0 mi



6. Turn **RIGHT** onto **N 8TH ST.** go 0.0 mi



7. **129 N 8TH ST** is on the **LEFT.** go 0.0 mi



129 N 8th St, East Saint Louis, IL 62201-2917

Total Travel Estimate : 5.70 miles - about 12 minutes

Route Map [Hide](#)

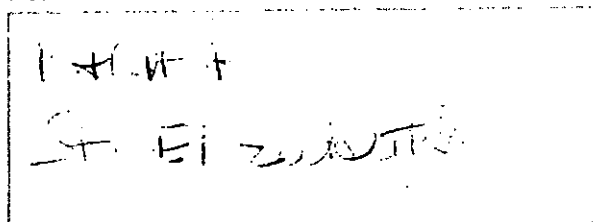
106



MAPQUEST.

Trip to 211 S 3rd St
 Belleville, IL 62220-1915
 12.80 miles - about 21 minutes

Notes



129 N 8th St, East Saint Louis, IL 62201-2917



1. Start out going **NORTHEAST** on **N 8TH ST** toward **MISSOURI AVE.** go 0.1 mi



2. Turn **RIGHT** onto **MISSOURI AVE.** go 3.9 mi



3. Stay **STRAIGHT** to go onto **IL-15 E / NEW MISSOURI AVE.** Continue to follow **IL-15 E.** go 7.7 mi



4. Take the **CENTREVILLE AVE / IL-158** ramp toward **MILLSTADT.** go 0.2 mi



5. Turn **LEFT** onto **IL-158 / CENTREVILLE AVE.** Continue to follow **CENTREVILLE AVE.** go 0.7 mi



6. Turn **SLIGHT RIGHT** onto **W LINCOLN ST.** go 0.2 mi



7. Turn **RIGHT** onto **S 3RD ST.** go 0.0 mi



8. **211 S 3RD ST** is on the **RIGHT.** go 0.0 mi



211 S 3rd St, Belleville, IL 62220-1915

Total Travel Estimate : 12.80 miles - about 21 minutes

Route Map [Hide](#)

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MAPQUEST.

Trip to 5900 Bond Ave
Centreville, IL 62207-2326
9.13 miles - about 14 minutes

Notes

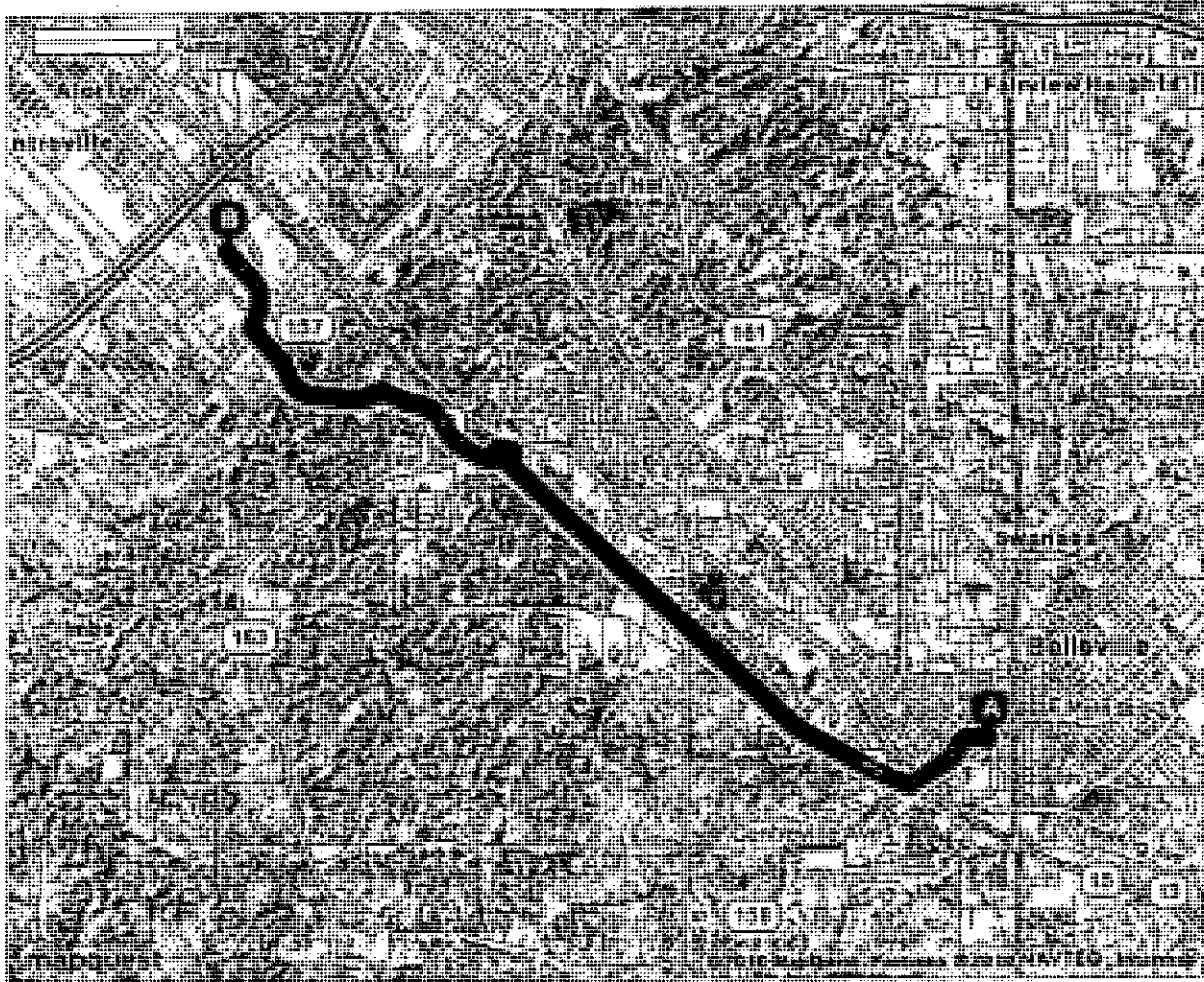
Touchette Regional Hospital to St. Elizabeth's

211 S 3rd St, Belleville, IL 62220-1915

- | | | |
|---|--|-----------|
|  | 1. Start out going NORTH on S 3RD ST toward W LINCOLN ST. | go 0.0 mi |
|  | 2. Turn LEFT onto W LINCOLN ST. | go 0.2 mi |
|  | 3. Turn SLIGHT LEFT onto CENTREVILLE AVE. | go 0.6 mi |
|   | 4. Merge onto IL-15 W toward E ST LOUIS. | go 4.5 mi |
|   | 5. Merge onto IL-13 W / OLD ST LOUIS RD toward CENTREVILLE. | go 3.0 mi |
|   | 6. Turn RIGHT onto IL-163 / OLD MISSOURI AVE. | go 0.3 mi |
|  | 7. Stay STRAIGHT to go onto BOND AVE. | go 0.5 mi |
|  | 8. 5900 BOND AVE is on the LEFT. | go 0.0 mi |

5900 Bond Ave, Centreville, IL 62207-2326 Total Travel Estimate : 9.13 miles - about 14 minutes

Route Map [Hide](#)



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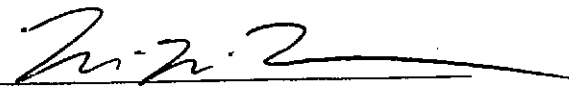
111

Background of Applicant

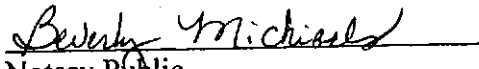
1. None.

2 & 3. See below.

I, Mike Manus, do hereby attest that Touchette Regional Hospital has had no adverse actions taken against it in the past three (3) years. The HFSRB is authorized to access whatever information it deems necessary, including state and federal government records and information from certifying organizations, to verify this information and other information contained in this application.


Mike Manus
COO Touchette Regional Hospital

Subscribed and sworn to before me
this 5th day of January, 2010


Notary Public




Background of Applicant

1. None.

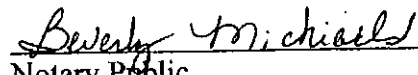
2 & 3. See below.

I, Larry McCulley, do hereby attest that Southern Illinois Healthcare Foundation has had no adverse actions taken against it in the past three (3) years. The HFSRB is authorized to access whatever information it deems necessary, including state and federal government records and information from certifying organizations, to verify this information and other information contained in this application.



Larry McCulley
CEO & President
Southern Illinois Healthcare Foundation

Subscribed and sworn to before me
this 5th day of January, 2010



Notary Public



PURPOSE OF PROJECT (1.-6.)

1.,2.,3. & 5.

Currently, TRH, at its KHRH campus/building, serves a patient population in the AMI category of service and the ED in a market area based on zip codes attached. It proposes to discontinue the category of service at its KHRH campus due to the age of the building and associated life safety issues as cited by IDPH, and also due to the fact only 40 percent of the GSF of the building is used. It is financially impossible to continue to operate the building under TRH's license as a hospital. The building's age, structure and associated life safety code issues make it unsafe, and TRH cannot spend the approximate \$6Million it will cost to address the issues, let alone to continue to operate the building on an annual basis.

The proposal of establishing AMI beds at Touchette in Centreville, if accepted by HFSRB, will allow for continued access to the important AMI category of service in the region, without substantially impacting patients given the minimal travel time for patients to go to Centreville from the zip codes referenced. The TRH Centreville campus is more modern, and will not pose the same life safety code issues patients are confronted with at KHRH. Attached is a breakdown of patients in the AMI service by payer source at both the TRH/KHRH campus, reflecting the significant number of Medicaid and self patients seen by these hospitals. The purpose of the establishment of AMI as category of service by TRH is to continue to provide access to this patient population.

4. The market area is based on the zip codes previously provided and includes the cities listed. The source of this information is the Hospital's own records and Comp Data.

6. There are no quantifiable and measurable objectives associated with this project.

Mental Health 2009.TXT

FROM DATE: 01/01/09
LOCATION: KH.2S
ZIP CODE: 04605
TOTAL FOR ZIP CODE: 1
ZIP CODE: 37380
TOTAL FOR ZIP CODE: 1
ZIP CODE: 39401
TOTAL FOR ZIP CODE: 2
ZIP CODE: 41048
TOTAL FOR ZIP CODE: 2
ZIP CODE: 42003
TOTAL FOR ZIP CODE: 1
ZIP CODE: 42104
TOTAL FOR ZIP CODE: 1
ZIP CODE: 60013
TOTAL FOR ZIP CODE: 1
ZIP CODE: 60410
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ZIP CODE: 60637
TOTAL FOR ZIP CODE: 1
ZIP CODE: 61938
TOTAL FOR ZIP CODE: 1
ZIP CODE: 62002
TOTAL FOR ZIP CODE: 18
ZIP CODE: 62010
TOTAL FOR ZIP CODE: 3
ZIP CODE: 62018
TOTAL FOR ZIP CODE: 3
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ZIP CODE: 62025
TOTAL FOR ZIP CODE: 3
ZIP CODE: 62033
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ZIP CODE: 62035
TOTAL FOR ZIP CODE: 1
ZIP CODE: 62040
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TOTAL FOR ZIP CODE: 8
ZIP CODE: 62065
TOTAL FOR ZIP CODE: 1
ZIP CODE: 62069
TOTAL FOR ZIP CODE: 1
ZIP CODE: 62075
TOTAL FOR ZIP CODE: 1
ZIP CODE: 62082

TO DATE: 12/31/09

Mental Health 2009.TXT

TOTAL FOR ZIP CODE:	1
ZIP CODE: 62087	
TOTAL FOR ZIP CODE:	1
ZIP CODE: 62090	
TOTAL FOR ZIP CODE:	1
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TOTAL FOR ZIP CODE:	1
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TOTAL FOR ZIP CODE:	1

Mental Health 2009.TXT

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ZIP CODE: 62298	
TOTAL FOR ZIP CODE:	4
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TOTAL FOR ZIP CODE:	2
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ZIP CODE: 62902	
TOTAL FOR ZIP CODE:	2
ZIP CODE: 62918	
TOTAL FOR ZIP CODE:	1
ZIP CODE: 62948	
TOTAL FOR ZIP CODE:	4
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TOTAL FOR ZIP CODE:	1
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Mental Health 2009.TXT

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TOTAL FOR ZIP CODE:	1
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TOTAL FOR ZIP CODE:	1
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TOTAL FOR ZIP CODE:	1
ZIP CODE: 78753-4007	
TOTAL FOR ZIP CODE:	1
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ZIP CODE: 333113255	
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Mental Health 2010.txt

FROM DATE: 01/01/10
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 ZIP CODE: 60429
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 ZIP CODE: 60649
 TOTAL FOR ZIP CODE: 1
 ZIP CODE: 62001
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 ZIP CODE: 62002
 TOTAL FOR ZIP CODE: 11
 ZIP CODE: 62014
 TOTAL FOR ZIP CODE: 1
 ZIP CODE: 62017
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 ZIP CODE: 62018
 TOTAL FOR ZIP CODE: 1
 ZIP CODE: 62024
 TOTAL FOR ZIP CODE: 4
 ZIP CODE: 62025
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 ZIP CODE: 62033
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 ZIP CODE: 62040
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 TOTAL FOR ZIP CODE: 1
 ZIP CODE: 62059
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 TOTAL FOR ZIP CODE: 16
 ZIP CODE: 62223
 TOTAL FOR ZIP CODE: 20
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 TOTAL FOR ZIP CODE: 26
 ZIP CODE: 62232

TO DATE: 09/30/10

Mental Health 2010.txt

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Mental Health 2010.txt

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TOTAL FOR ZIP CODE:	1
ZIP CODE: 72117	
TOTAL FOR ZIP CODE:	1
ZIP CODE: 98661	
TOTAL FOR ZIP CODE:	1
ZIP CODE: 99999	
TOTAL FOR ZIP CODE:	1
TOTAL FOR LOCATION:	735

**St. Clair County Hospitals
Behavioral Health Patient Origin
13 months (March '09 – March '10)**

	<u>SEH</u>	<u>Percent</u>	<u>TRH</u>	<u>Percent</u>	<u>Combined</u>	<u>Percent</u>
Alorton, Cahokia, Centreville, E. St. Louis, Washington Park	165	10%	676	63%	841	32%
Belleville, Fairview, O'Fallon, Swansea	733	47%	203	19%	936	35%
Other St. Clair County	202	13%	37	3%	239	9%
Outside St. Clair County	<u>467</u>	30%	<u>159</u>	15%	<u>626</u>	24%
Total	1567		1075		2642	

Market Report

COMPdata

COMPdata Report: PSYCH ALL PATIENTS

09/29/2010

Reporting Period: 03/01/2009 THROUGH 03/31/2010

Page 1

PROVIDER FACILITY ZIP CODE - PATIENT	Cases	Market Share	Avg LOS	Days		Market Share	Charges		Avg Age
				Total	Market Share		Avg Charge	Avg Per Day	
ST ELIZABETH'S HOSPITAL - BELLEVILLE									
00000	3	0.19	3.67	11	0.16	6,212	1,694	27.9	
01440	1	0.06	8.00	8	0.12	8,081	1,010	22.2	
08055	1	0.06	3.00	3	0.04	4,033	1,344	49.2	
12122	1	0.06	6.00	6	0.09	13,666	2,278	30.4	
21207	1	0.06	10.00	10	0.15	12,188	1,220	47.3	
30308	1	0.06	9.00	9	0.13	10,274	1,142	34.6	
30318	1	0.06	4.00	4	0.06	3,673	968	28.8	
33611	1	0.06	3.00	3	0.04	7,505	2,502	52.7	
37917	1	0.06	3.00	3	0.04	5,205	1,735	22.7	
40218 LOUISVILLE	1	0.06	6.00	6	0.09	7,992	1,332	28.7	
44887	1	0.06	7.00	7	0.10	7,091	1,013	25.2	
53225 MILWAUKEE	1	0.06	5.00	5	0.07	8,219	1,644	43.4	
60438 LANSING	1	0.06	6.00	6	0.09	8,854	1,476	37.6	
61986 RANTOUL	1	0.06	1.00	1	0.01	2,917	2,917	36.6	
62001 ALHAMBRA	1	0.06	4.00	4	0.06	6,824	1,706	27.5	
62002 ALTON	5	0.32	4.00	20	0.29	5,341	1,335	37.1	
62010 BETHALTO	1	0.06	1.00	1	0.01	1,021	1,021	38.1	
62012 BRIGHTON	3	0.19	4.00	12	0.18	5,304	1,326	27.9	
62018 COTTAGE HILLS	1	0.06	2.00	2	0.03	2,078	1,039	26.3	
62024 EAST ALTON	6	0.38	5.83	35	0.51	8,522	1,461	40.7	
62025 EDWARDSVILLE	15	0.96	4.73	71	1.04	7,328	1,548	37.4	
62033 GILLESPIE	2	0.13	4.00	8	0.12	5,046	1,261	23.3	
62034 GLEN CARBON	4	0.26	3.50	14	0.20	4,483	1,284	39.4	
62040 GRANITE CITY	19	1.21	4.26	81	1.18	6,559	1,539	39.3	
62048 HARTFORD	3	0.19	4.33	13	0.19	4,990	1,152	37.9	
62052 JERSEYVILLE	1	0.06	2.00	2	0.03	2,282	1,131	27.5	
62059 LOVEJOY	1	0.06	3.00	3	0.04	7,150	2,383	62.7	
62060 MADISON	2	0.13	4.00	8	0.12	5,735	1,434	44.5	
62062 MARVILLE	2	0.13	3.50	7	0.10	8,485	2,424	47.9	
62069 MOUNT OLIVE	1	0.06	5.00	5	0.07	6,486	1,299	40.7	
62084 ROXANA	1	0.06	2.00	2	0.03	2,028	1,014	21.5	
62086 SORENTO	1	0.06	3.00	3	0.04	4,761	1,587	44.3	
62087 SOUTH ROXANA	1	0.06	1.00	1	0.01	3,352	3,352	31.1	
62088 STAUNTON	1	0.06	4.00	4	0.06	6,810	1,652	36.4	
62092 WHITE HALL	1	0.06	5.00	5	0.07	6,000	1,200	47.9	
62095 WOOD RIVER	3	0.19	6.00	18	0.26	8,726	1,454	44.1	
62097 WORDEN	3	0.19	4.00	12	0.18	5,726	1,431	26.8	
62201 EAST SAINT LOUIS	18	1.15	3.94	71	1.04	6,800	1,724	40.7	
62202 EAST SAINT LOUIS	8	0.51	8.38	67	0.98	10,987	1,300	33.3	
62203 EAST SAINT LOUIS	32	2.04	4.36	140	2.04	6,820	1,559	39.2	
62204 EAST SAINT LOUIS	18	1.15	3.61	65	0.95	6,405	1,774	39.5	
62205 EAST SAINT LOUIS	16	1.02	6.00	96	1.40	8,791	1,465	37.0	
62206 EAST SAINT LOUIS	61	3.89	3.97	242	3.53	7,298	1,829	39.4	
62207 EAST SAINT LOUIS	12	0.77	6.08	73	1.06	10,444	1,717	43.5	
62208 FAIRVIEW HEIGHTS	83	5.30	4.12	342	4.99	6,463	1,569	37.8	
62214 ADDIEVILLE	2	0.13	2.50	5	0.07	10,588	4,235	52.4	

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				Total	Market Share		Avg Charge	Avg Per Day	
ST ELIZABETH'S HOSPITAL - BELLEVILLE									
62215 ALBERS	2	0.13	4.50	9	0.13	5.772	1.283	47.9	
62216 AVINSON	5	0.32	3.40	17	0.26	4.204	1.237	44.1	
62217 BALDWIN	2	0.13	3.00	6	0.09	4.234	1.411	36.7	
62218 BARTELSO	1	0.06	4.00	4	0.06	5.863	1.466	58.8	
62219 BECKEMEYER	1	0.06	3.00	3	0.04	3.236	1.079	26.3	
62220 BELLEVILLE	184	11.74	4.29	790	11.52	7.181	1.673	39.4	
62221 BELLEVILLE	106	6.76	3.71	393	5.73	6.363	1.716	38.0	
62222 BELLEVILLE	8	0.51	3.25	26	0.36	6.094	1.875	33.7	
62223 BELLEVILLE	55	3.51	4.38	241	3.51	7.165	1.635	40.3	
62225 SCOTT AIR FORCE BASE	16	1.02	3.81	61	0.89	5.614	1.473	28.4	
62226 BELLEVILLE	189	10.78	4.87	790	11.52	7.798	1.668	41.8	
62230 BRESE	3	0.19	3.33	10	0.15	3.913	1.174	32.4	
62231 CARLYLE	4	0.26	3.50	14	0.20	6.353	1.815	25.4	
62232 CASEVILLE	18	1.15	4.11	74	1.08	6.795	1.653	44.4	
62233 CHESTER	18	1.15	4.78	86	1.25	6.583	1.378	35.7	
62234 COLLINSVILLE	54	3.45	4.41	238	3.47	7.081	1.607	39.5	
62235 COLUMBIA	15	0.96	4.00	60	0.88	5.986	1.496	33.2	
62237 COULTERVILLE	4	0.26	4.25	17	0.25	6.712	1.579	22.2	
62238 CUTLER	1	0.06	3.00	3	0.04	4.003	1.334	36.3	
62239 DUPO	14	0.89	4.64	65	0.95	7.070	1.623	40.3	
62240 EAST CARONDELET	2	0.13	5.00	10	0.15	7.326	1.465	45.1	
62241 ELLIS GROVE	6	0.38	6.33	38	0.55	9.609	1.517	40.0	
62242 EVANSVILLE	2	0.13	2.50	5	0.07	4.108	1.643	26.2	
62243 FREEBURG	28	1.79	3.46	97	1.41	6.390	1.644	35.7	
62244 FULTS	1	0.06	5.00	5	0.07	7.275	1.455	56.4	
62245 GERMANTOWN	1	0.06	4.00	4	0.06	3.857	964	37.9	
62246 GREENVILLE	2	0.13	3.00	6	0.09	3.759	1.253	24.6	
62248 HECKER	3	0.19	3.00	9	0.13	3.828	1.276	31.0	
62249 HIGHLAND	20	1.28	4.15	83	1.21	6.602	1.591	38.2	
62253 KEYSPORT	1	0.06	5.00	5	0.07	9.464	1.893	24.0	
62254 LEBANON	15	0.96	3.87	58	0.85	6.786	1.755	43.4	
62255 LENZBURG	1	0.06	5.00	5	0.07	6.516	1.303	47.5	
62256 MAEYSTOWN	3	0.19	6.67	20	0.29	9.496	1.424	45.7	
62257 MARISSA	25	1.60	4.32	108	1.58	6.586	1.524	44.5	
62258 MASCOULTAH	49	3.13	4.45	218	3.18	7.390	1.661	40.3	
62260 MILLSTADT	22	1.40	4.50	99	1.44	7.873	1.750	35.6	
62263 NASHVILLE	4	0.26	9.75	39	0.57	10.627	1.090	39.7	
62264 NEW ATHENS	8	0.51	4.75	38	0.55	7.646	1.610	42.2	
62265 NEW BADEN	17	1.08	3.53	60	0.88	5.577	1.580	35.5	
62266 NEW MEMPHIS	2	0.13	2.00	4	0.06	5.188	2.593	35.8	
62269 O FALLON	112	7.15	4.64	520	7.58	7.047	1.518	40.5	
62271 OKAMVILLE	1	0.06	8.00	6	0.09	10.205	1.701	20.8	
62272 PERCY	6	0.36	3.83	23	0.34	4.547	1.188	30.6	
62274 PINCKNEYVILLE	4	0.26	5.50	22	0.32	8.812	1.602	37.2	
62275 POCAHONTAS	1	0.06	5.00	5	0.07	7.624	1.525	51.6	
62277 PRAIRIE DU ROCHER	2	0.13	5.00	10	0.15	7.760	1.552	36.3	

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				Total	Avg		Avg Per Day	Avg	
ST ELIZABETH'S HOSPITAL - BELLEVILLE									
62278 RED BUO	20	1.28	5.20	104	1.52	8.682	1.670	39.9	
62282 SAINT LIBORY	1	0.06	3.00	3	0.04	6.363	2.121	24.6	
62285 SMITHTON	14	0.89	4.07	57	0.83	6.832	1.678	40.1	
62286 SPARTA	18	1.15	4.06	73	1.08	7.689	1.896	41.9	
62288 STEELEVILLE	3	0.19	8.33	25	0.36	12.098	1.452	40.3	
62289 SUMMERFIELD	20	1.28	3.80	76	1.11	6.920	1.821	40.4	
62292 TILDEN	4	0.26	7.50	30	0.44	9.927	1.324	41.9	
62293 TRENTON	7	0.45	3.43	24	0.35	5.079	1.481	30.2	
62294 TROY	10	0.64	4.50	45	0.66	5.963	1.547	38.7	
62295 VALMEYER	1	0.06	4.00	4	0.06	5.163	1.291	24.6	
62298 WATERLOO	28	1.79	4.75	133	1.94	6.594	1.386	42.7	
62471 VANDALIA	1	0.06	3.00	3	0.04	4.431	1.477	42.7	
62530 DAWSON	1	0.06	7.00	7	0.10	9.075	1.477	39.2	
62568 TAYLORVILLE	1	0.06	7.00	7	0.10	6.756	1.296	37.9	
62708 SPRINGFIELD	1	0.06	6.00	6	0.08	8.465	1.411	44.7	
62801 CENTRALIA	5	0.32	3.80	19	0.28	4.993	1.314	31.9	
62806 ALBION	1	0.06	6.00	6	0.09	7.605	1.267	43.0	
62810 BELLE RIVE	1	0.06	4.00	4	0.06	4.627	1.157	63.9	
62822 CHRISTOPHER	1	0.06	3.00	3	0.04	5.262	1.754	41.4	
62828 DAHLGREN	1	0.06	1.00	1	0.01	11.208	1.208	60.3	
62839 FLORA	1	0.06	4.00	4	0.06	3.941	9.85	56.1	
62864 MOUNT VERNON	6	0.38	4.83	29	0.42	6.999	1.436	32.0	
62876 RADOM	1	0.06	2.00	2	0.03	5.270	2.635	47.8	
62881 SALEM	1	0.06	3.00	3	0.04	3.072	1.024	55.2	
62883 SCHELLER	1	0.06	3.00	3	0.04	3.409	1.136	46.7	
62893 WALNUT HILL	1	0.06	2.00	2	0.03	3.157	1.578	35.3	
62901 CARBONDALE	2	0.13	7.00	14	0.20	7.964	1.136	33.1	
62902 CARBONDALE	1	0.06	7.00	7	0.10	9.846	1.407	57.0	
62918 CARTERVILLE	2	0.13	4.00	8	0.12	5.865	1.464	26.3	
62930 ELDORADO	1	0.06	9.00	9	0.13	10.464	1.163	51.5	
62948 HERRIN	2	0.13	3.00	6	0.09	4.636	1.545	36.1	
62997 WILLISVILLE	2	0.13	7.50	15	0.22	9.947	1.326	25.2	
63011 BALLWIN	1	0.06	8.00	8	0.12	10.071	1.259	24.4	
63026 FENTON	1	0.06	1.00	1	0.01	1.062	1.062	23.7	
63028 FESTUS	1	0.06	1.00	1	0.01	3.960	3.960	34.1	
63031 FLORISSANT	1	0.06	4.00	4	0.06	7.973	1.993	51.2	
63042 HAZELWOOD	1	0.06	5.00	5	0.07	4.963	973	19.8	
63044 BRIDGETON	1	0.06	3.00	3	0.04	6.787	2.262	46.5	
63051 HOUSE SPRINGS	1	0.06	5.00	5	0.07	10.135	2.027	34.6	
63062 IMPERIAL	1	0.06	3.00	3	0.04	6.439	2.146	37.8	
63101 SAINT LOUIS	5	0.32	6.60	33	0.48	8.961	1.368	34.8	
63103 SAINT LOUIS	1	0.06	4.00	4	0.06	6.731	1.683	30.5	
63104 SAINT LOUIS	2	0.13	4.00	8	0.12	5.101	1.275	33.8	
63107 SAINT LOUIS	1	0.06	2.00	2	0.03	2.013	1.006	42.4	
63110 SAINT LOUIS	4	0.26	4.00	16	0.23	4.695	1.174	38.4	
63111 SAINT LOUIS	1	0.06	2.00	2	0.03	5.224	2.612	38.7	

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				Total	Avg Charge		Avg Per Day		
ST ELIZABETH'S HOSPITAL - BELLEVILLE									
63112 SAINT LOUIS	2	0.13	8.00	16	0.23	9,624	1,203	41.4	
63115 SAINT LOUIS	1	0.06	14.00	14	0.20	19,610	1,401	57.8	
63116 SAINT LOUIS	1	0.06	5.00	5	0.07	5,352	1,070	37.8	
63118 SAINT LOUIS	3	0.19	4.00	12	0.18	7,540	1,885	46.3	
63123 SAINT LOUIS	1	0.06	2.00	2	0.03	2,321	1,161	20.7	
63125 SAINT LOUIS	2	0.13	3.00	6	0.09	5,547	1,849	48.2	
63132 SAINT LOUIS	2	0.13	4.00	8	0.12	5,049	1,262	53.2	
63138 SAINT LOUIS	1	0.06	5.00	5	0.07	6,915	1,383	29.4	
63383 WARRENTON	1	0.06	3.00	3	0.04	2,781	927	42.8	
63401 HANNIBAL	1	0.06	5.00	5	0.07	7,326	1,485	59.6	
63701 CAPE GIRARDEAU	1	0.06	2.00	2	0.03	2,465	1,232	22.1	
65101 JEFFERSON CITY	1	0.06	7.00	7	0.10	9,823	1,403	29.2	
65960 SALEM	1	0.06	3.00	3	0.04	6,755	2,252	39.6	
66614	1	0.06	6.00	6	0.09	8,476	1,413	42.6	
73102	1	0.06	3.00	3	0.04	6,941	2,314	27.1	
73117	1	0.06	3.00	3	0.04	3,400	1,133	22.9	
74019	1	0.06	9.00	9	0.13	9,729	1,082	40.4	
85301	1	0.06	3.00	3	0.04	21,275	7,092	76.0	
TOTAL FOR: ST ELIZABETH'S HOSPITAL - BELLEVILLE	1,967		4.38	6,857		7,030	1,697	39.1	

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				Total	Market Share				
TOUCHELETTE AND KENNETH HALL REGIONAL HOSPITALS									
37380	1	0.14	7.00	7	0.20	9,789	1,398	44.8	
39401	2	0.28	7.50	15	0.43	7,179	957	31.5	
41048 HEBRON	2	0.28	2.00	4	0.12	3,736	1,869	43.0	
42003 PADUCAH	1	0.14	4.00	4	0.12	5,433	1,358	51.5	
42104 BOWLING GREEN	1	0.14	4.00	4	0.12	5,213	1,303	31.8	
60013 CARY	1	0.14	4.00	4	0.12	5,511	1,378	29.2	
61938 MATTOON	1	0.14	6.00	6	0.17	7,664	1,277	42.3	
62002 ALTON	8	1.10	6.13	49	1.41	5,958	972	35.9	
62014 BUNKER HILL	1	0.14	1.00	1	0.03	800	800	24.3	
62022 DOW	1	0.14	3.00	3	0.09	2,799	933	38.4	
62024 EAST ALTON	2	0.28	3.50	7	0.20	3,319	948	36.0	
62040 GRANITE CITY	18	2.48	3.89	70	2.02	6,270	1,612	42.8	
62056 LITCHFIELD	1	0.14	5.00	5	0.14	6,032	1,366	27.0	
62058 LIVINGSTON	1	0.14	3.00	3	0.08	2,721	907	35.5	
62059 LOVEJOY	5	0.69	5.20	26	0.75	6,775	1,303	50.0	
62060 MADISON	2	0.28	3.00	6	0.17	5,181	1,727	35.5	
62087 SOUTH ROXANA	1	0.14	9.00	9	0.26	9,977	1,109	32.5	
62095 WOOD RIVER	1	0.14	4.00	4	0.12	3,644	911	34.3	
62201 EAST SAINT LOUIS	57	7.85	4.91	290	8.06	8,489	1,321	43.9	
62202 EAST SAINT LOUIS	1	0.14	23.00	23	0.66	6,477	1,032	21.3	
62203 EAST SAINT LOUIS	40	5.51	4.68	187	5.40	23,738	1,386	40.6	
62204 EAST SAINT LOUIS	104	14.33	5.29	550	15.87	6,872	1,299	40.0	
62205 EAST SAINT LOUIS	103	14.19	4.82	496	14.31	6,542	1,359	42.9	
62206 EAST SAINT LOUIS	94	12.95	4.65	437	12.61	6,431	1,383	44.5	
62207 EAST SAINT LOUIS	63	8.68	4.13	260	7.50	6,389	1,560	39.1	
62208 FAIRVIEW HEIGHTS	22	3.03	4.00	88	2.54	5,947	1,487	45.0	
62220 BELLEVILLE	24	3.31	4.36	105	3.03	5,759	1,316	37.7	
62221 BELLEVILLE	26	3.58	4.42	115	3.32	6,050	1,368	41.9	
62222 BELLEVILLE	5	0.69	4.80	24	0.69	6,348	1,322	33.4	
62223 BELLEVILLE	27	3.72	6.11	165	4.76	7,704	1,261	44.3	
62226 BELLEVILLE	32	4.41	4.78	153	4.42	6,432	1,345	45.0	
62232 CASEYVILLE	5	0.69	3.40	17	0.49	5,475	1,610	40.1	
62234 COLLETSVILLE	1	0.14	2.00	2	0.06	4,391	2,195	48.7	
62236 COLUMBIA	1	0.14	3.00	3	0.09	4,338	1,446	20.0	
62237 COLLETSVILLE	3	0.41	5.33	16	0.46	8,565	1,231	55.5	
62239 DUPO	11	1.52	4.55	50	1.44	7,031	1,547	37.0	
62240 EAST CARONDELET	3	0.41	6.33	19	0.55	7,472	1,160	34.2	
62254 LEBANON	5	0.69	3.60	18	0.52	5,473	1,520	53.2	
62256 MAEYSTOWN	1	0.14	5.00	5	0.14	6,281	1,258	48.8	
62257 MARISSA	1	0.14	6.00	6	0.17	7,163	1,194	24.6	
62258 MASCOUJAH	1	0.14	8.00	8	0.23	10,385	1,288	61.2	
62260 MILLSTADT	3	0.41	3.67	11	0.32	5,205	1,420	36.6	
62264 NEW ATHENS	1	0.14	5.00	5	0.14	7,861	1,572	67.9	
62265 NEW BADEN	2	0.28	5.50	11	0.32	7,106	1,292	30.3	
62269 O FALLON	8	1.10	5.13	41	1.18	6,640	1,296	47.1	
62272 PERCY	1	0.14	3.00	3	0.09	2,520	840	46.7	

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			Avg LOS	Total	Market Share	Avg Charge		
TOUCHEITE AND KENNETH HALL REGIONAL HOSPITALS								
62285 SMITHTON	3	0.41	5.00	15	0.43	5,810	1,162	54.8
62280 SUMMERFIELD	1	0.14	1.00	1	0.03	3,040	3,040	38.4
62288 WATERLOO	2	0.28	5.50	11	0.32	7,278	1,323	54.9
62471 VANDALLA	1	0.14	10.00	10	0.29	12,286	1,229	48.2
62674 PALMYRA	1	0.14	2.00	2	0.06	1,713	856	48.1
62812 BENTON	1	0.14	8.00	8	0.23	8,422	1,053	33.7
62902 CARBONDALE	2	0.28	2.00	4	0.12	1,716	858	41.2
62959 MARION	1	0.14	3.00	3	0.09	2,413	804	21.2
63005 CHESTERFIELD	1	0.14	19.00	19	0.55	21,024	1,107	57.2
63038 GLENCOE	1	0.14	4.00	4	0.12	6,415	1,604	40.2
63074 SAINT ANN	1	0.14	1.00	1	0.03	950	950	43.0
63101 SAINT LOUIS	2	0.28	1.50	3	0.09	3,515	2,344	27.2
63103 SAINT LOUIS	2	0.28	2.00	4	0.12	3,986	1,993	43.5
63104 SAINT LOUIS	1	0.14	2.00	2	0.06	5,248	2,624	28.3
63105 SAINT LOUIS	1	0.14	3.00	3	0.09	5,499	1,833	20.4
63106 SAINT LOUIS	1	0.14	2.00	2	0.06	3,941	1,971	25.2
63116 SAINT LOUIS	4	0.55	3.00	12	0.35	5,588	1,863	23.0
63125 SAINT LOUIS	1	0.14	7.00	7	0.20	7,891	1,127	49.4
63136 SAINT LOUIS	1	0.14	4.00	4	0.12	8,536	2,159	21.0
63141 SAINT LOUIS	1	0.14	14.00	14	0.40	12,512	894	28.8
63147 SAINT LOUIS	1	0.14	5.00	5	0.14	6,457	1,291	47.2
89146	1	0.14	6.00	6	0.17	9,184	1,531	49.5
TOTAL FOR: TOUCHEITE AND KENNETH HALL REGIONAL HOSP	726		4.77	3,465		6,478	1,357	41.8

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Market Report

COMPdata

COMPdata Report: PSYCH ALL PATIENTS

09/29/2010

Reporting Period: 03/01/2009 THROUGH 03/31/2010

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PROVIDER FACILITY ZIP CODE - PATIENT	Cases	Market Share	Avg LOS	Days		Market Share	Avg Charge	Changes		Avg Age
				Total	Market Share			Avg Per Day	Avg Per Day	
ZMRGD09 KENNETH HALL REGIONAL HOSPITAL										
60410 CHANNAHON	1	0.29	1.00	1	0.06	629	829	42.3		
60821 CHICAGO	1	0.29	2.00	2	0.13	3,590	1,795	54.9		
60637 CHICAGO	1	0.29	2.00	2	0.13	3,822	1,911	40.6		
62002 ALTON	9	2.58	5.56	50	3.19	5,360	865	31.5		
62010 BETHALTO	1	0.29	4.00	4	0.26	3,399	850	36.2		
62024 EAST ALTON	1	0.29	2.00	2	0.13	1,841	620	33.5		
62025 EDWARDSVILLE	1	0.29	2.00	2	0.13	4,067	2,034	35.9		
62033 GILLESPIE	2	0.57	6.00	12	0.77	5,525	921	35.1		
62034 GLEN CARBON	1	0.29	3.00	3	0.19	3,436	1,145	37.2		
62035 GODFREY	1	0.29	2.00	2	0.13	1,600	800	21.9		
62040 GRANITE CITY	5	1.43	4.00	20	1.28	4,830	1,233	40.7		
62052 JERSEYVILLE	2	0.57	3.00	6	0.38	2,589	863	33.9		
62056 LITCHFIELD	1	0.29	4.00	4	0.26	3,308	827	50.7		
62060 MADISON	3	0.86	2.67	6	0.51	4,396	1,649	34.6		
62069 MOUNT OLIVE	1	0.29	2.00	2	0.13	1,635	818	34.1		
62075 NOKOMIS	1	0.29	3.00	3	0.19	4,934	1,645	38.0		
62084 ROXANA	1	0.29	6.00	6	0.36	5,009	835	35.6		
62092 WHITE HALL	1	0.29	3.00	3	0.19	2,501	834	32.5		
62095 WOOD RIVER	2	0.57	3.00	6	0.38	2,507	836	27.6		
62201 EAST SAINT LOUIS	16	4.58	5.20	84	8.30	6,624	1,274	42.9		
62203 EAST SAINT LOUIS	25	7.16	5.25	130	5.36	6,346	1,209	37.7		
62204 EAST SAINT LOUIS	16	15.76	5.15	84	18.07	6,702	1,302	42.7		
62205 EAST SAINT LOUIS	55	14.33	4.88	283	14.94	6,068	1,297	41.7		
62206 EAST SAINT LOUIS	50	10.32	4.81	234	9.13	5,281	1,405	41.1		
62207 EAST SAINT LOUIS	36	9.17	4.81	143	9.83	6,277	1,304	37.1		
62208 FAIRVIEW HEIGHTS	32	9.17	4.17	154	3.19	5,720	1,373	41.5		
62220 BELLEVILLE	8	2.29	4.88	39	2.49	6,674	1,369	41.1		
62221 BELLEVILLE	14	4.01	4.21	59	3.77	5,140	1,220	35.8		
62223 BELLEVILLE	7	2.01	4.00	28	1.79	5,631	1,408	42.5		
62225 SCOTT AIR FORCE BASE	1	0.29	1.00	1	0.06	3,007	3,007	20.6		
62226 BELLEVILLE	14	4.01	4.57	64	4.09	6,263	1,370	36.1		
62232 CASEYVILLE	1	0.29	4.00	4	0.26	5,515	1,379	42.6		
62233 CHESTER	3	0.86	2.67	8	0.51	2,380	882	31.9		
62234 COLUMBIA	6	1.72	3.17	19	1.21	4,287	1,347	34.2		
62236 COLUMBIA	1	0.29	3.00	3	0.19	4,475	1,492	39.1		
62239 DUPO	3	0.86	4.33	13	0.83	5,023	1,159	47.1		
62243 FREEBURG	1	0.29	1.00	1	0.06	4,262	4,262	29.3		
62260 MILLSTADT	2	0.57	7.00	14	0.89	7,496	1,071	35.9		
62269 O FALLON	3	0.86	4.33	13	0.83	6,903	1,593	39.7		
62275 POCAHONTAS	1	0.29	2.00	2	0.13	1,899	950	49.4		
62276 RED BUD	1	0.29	3.00	3	0.19	4,806	1,602	28.0		
62285 SMITTON	2	0.57	2.00	4	0.26	3,752	1,876	33.9		
62288 WATERLOO	2	0.57	1.50	3	0.19	3,751	2,501	38.5		
62826 CARLINVILLE	1	0.29	7.00	7	0.45	6,132	876	21.4		
62896 WEST FRANKFORT	2	0.57	4.00	8	0.51	4,183	1,046	63.0		
62918 CARTERSVILLE	1	0.29	4.00	4	0.26	3,252	813	20.0		

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Market Report

COMPdata

COMPdata Report: PSYCH ALL PATIENTS

09/29/2010

Reporting Period: 03/01/2009 THROUGH 03/31/2010

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PROVIDER FACILITY ZIP CODE - PATIENT	Cases	Market Share	Days		Market Share	Charges		Avg Age
			Avg LOS	Total		Avg Charge	Avg Per Day	
ZMRGD09 KENNETH HALL REGIONAL HOSPITAL								
62948 HERRIN	4	1.15	5.75	23	1.47	5,209	906	25.4
63102 SAINT LOUIS	1	0.29	4.00	4	0.26	5,719	1,430	70.5
63105 SAINT LOUIS	1	0.29	3.00	3	0.19	4,959	1,653	34.8
63108 SAINT LOUIS	1	0.29	1.00	1	0.06	2,957	2,957	39.3
63116 SAINT LOUIS	3	0.86	4.33	13	0.83	6,178	1,426	35.5
63130 SAINT LOUIS	1	0.29	4.00	4	0.26	5,618	1,405	30.8
63301 SAINT CHARLES	1	0.29	1.00	1	0.06	4,002	4,002	59.1
78753	1	0.29	4.00	4	0.26	5,920	1,480	44.8
TOTAL FOR: ZMRGD09 KENNETH HALL REGIONAL HOSPITAL	349		4.49	1,566		5,782	1,289	38.6
GRAND TOTAL:	2,642		4.50	11,888		6,714	1,482	38.9

Touchette & Kenneth Hall Regional Hospital
Acute Mental Illness Volume Data

	Oct - Dec 2009	Sept YTD 2010	Total Oct 2009 - Sept 2010
Behavioral Health Patient Days	1,100		1,100
Behavioral Health Discharges	233		233

Behavioral Health Volumes

<u>Discharges by Payor</u>	2008	2009	2010 *
Medicare	259	260	
Medicaid	439	437	
Self Pay	130	260	
All Other	223	64	
Total	1,051	1,021	0

<u>Patient Days by Payor</u>	2008	2009	2010 *
Medicare	1,477	1,627	
Medicaid	2,076	2,262	
Self Pay	439	277	
All Other	915	1,090	
Total	4,907	5,256	0

<u>Average Daily Census by Payor</u>	2008	2009	2010 *
Medicare	4.05	4.46	0.00
Medicaid	5.69	6.20	0.00
Self Pay	1.20	0.76	0.00
All Other	2.51	2.99	0.00
Total	13.44	14.40	0.00

<u>Discharge Payor Mix Percentages</u>	2008	2009	2010 *
Medicare	24.64%	25.47%	#DIV/0!
Medicaid	41.77%	42.80%	#DIV/0!
Self Pay	12.37%	25.47%	#DIV/0!
All Other	21.22%	6.27%	#DIV/0!
Total	100.00%	100.00%	#DIV/0!

Touchette & Kenneth Hall Regional Hospital
Acute Mental Illness Volume Data

	Oct - Dec 2009	Sept YTD 2010	Total Oct 2009 - Sept 2010
Behavioral Health Patient Days	1,100	3,366	4,466
Behavioral Health Discharges	233	729	962

Behavioral Health Volumes

<u>Discharges by Payor</u>	2008	2009	Sept YTD 2010 - Actual	Sept YTD 2010 - Annualized
Medicare	260	259	186	248
Medicaid	437	439	312	416
Self Pay	64	130	180	240
All Other	260	223	51	68
Total	1,021	1,051	729	972

Patient Days by Payor

Medicare	1,627	1,477	1,009	1,345
Medicaid	2,262	2,076	1,453	1,937
Self Pay	277	439	702	936
All Other	1,090	915	202	269
Total	5,256	4,907	3,366	4,487

Average Daily Census by Payor

Medicare	4.46	4.05	3.69	3.68
Medicaid	6.20	5.69	5.31	5.31
Self Pay	0.76	1.20	2.56	2.56
All Other	2.99	2.51	0.74	0.74
Total	14.40	13.44	12.30	12.29

Discharge Payor Mix Percentages

Medicare	25.47%	24.64%	25.51%	25.51%
Medicaid	42.80%	41.77%	42.80%	42.80%
Self Pay	6.27%	12.37%	24.69%	24.69%
All Other	25.47%	21.22%	7.00%	7.00%
Total	100.00%	100.00%	100.00%	100.00%

**St. Clair County Hospitals
Behavioral Health Patient Origin
13 months (March '09 – March '10)**

	<u>SEH</u>	<u>Percent</u>	<u>TRH</u>	<u>Percent</u>	<u>Combined</u>	<u>Percent</u>
Alorton, Cahokia, Centreville, E. St. Louis, Washington Park	165	10%	676	63%	841	32%
Belleville, Fairview, O'Fallon, Swansea	733	47%	203	19%	936	35%
Other St. Clair County	202	13%	37	3%	239	9%
Outside St. Clair County	<u>467</u>	30%	<u>159</u>	15%	<u>626</u>	24%
Total	1567		1075		2642	

Zip Code Radius Search Results

Unique ZIP codes found: 127

Total Population: 1430236

Search Criteria - ZIP Code: 62220 Radius: 25 miles

#	ZIP Code	City	State	Pop.	Miles	County	Area Code	Time Zone
1	62220	Belleville	IL	18587	0.00	Saint Clair	618	CST
2	62222	Belleville	IL	0	0.65	Saint Clair	618	CST
3	62226	Belleville	IL	29691	2.80	Saint Clair	618	CST
4	62221	Belleville	IL	27826	2.92	Saint Clair	618	CST
5	62223	Belleville	IL	16531	4.92	Saint Clair	618	CST
6	62208	Fairview Heights	IL	16811	6.26	Saint Clair	618	CST
7	62260	Millstadt	IL	7184	6.79	Saint Clair	618	CST
8	62225	Scott Air Force Base	IL	4774	6.81	Saint Clair	618	CST
9	62243	Freeburg	IL	6107	6.90	Saint Clair	618	CST
10	62269	O Fallon	IL	34089	7.25	Saint Clair	618	CST
11	62285	Smithton	IL	4329	7.48	Saint Clair	618	CST
12	62203	East Saint Louis	IL	7933	8.25	Saint Clair	618	CST
13	62232	Caseyville	IL	6741	9.17	Saint Clair	618	CST
14	62207	East Saint Louis	IL	8752	9.74	Saint Clair	618	CST
15	62282	Saint Libory	IL	0	10.04	Saint Clair	618	CST
16	62258	Mascoutah	IL	8823	10.59	Saint Clair	618	CST
17	62206	East Saint Louis	IL	15210	10.87	Saint Clair	618	CST
18	62204	East Saint Louis	IL	8307	10.98	Saint Clair	618	CST
19	62205	East Saint Louis	IL	8568	11.01	Saint Clair	618	CST
20	62254	Lebanon	IL	6389	11.51	Saint Clair	618	CST
21	62289	Summerfield	IL	0	11.79	Saint Clair	618	CST
22	62239	Dupo	IL	4851	11.89	Saint Clair	618	CST
23	62234	Collinsville	IL	33476	12.13	Madison	618	CST
24	62201	East Saint Louis	IL	7332	12.22	Saint Clair	618	CST
25	62202	East Saint Louis	IL	0	12.40	Saint Clair	618	CST
26	62236	Columbia	IL	13066	12.77	Monroe	618	CST
27	62240	East Carondelet	IL	1449	12.85	Saint Clair	618	CST
28	62071	National Stock Yards	IL	0	13.18	Saint Clair	618	CST
29	62264	New Athens	IL	4155	13.52	Saint Clair	618	CST

30	62248	Hecker	IL	0	13.75	Monroe	618	CST
31	63157	Saint Louis	MO	0	13.82	Saint Louis City	314	CST
32	63160	Saint Louis	MO	0	14.05	Saint Louis City	314	CST
33	63164	Saint Louis	MO	0	14.10	Saint Louis City	314	CST
34	63102	Saint Louis	MO	2029	14.22	Saint Louis City	314	CST
35	63169	Saint Louis	MO	0	14.26	Saint Louis City	314	CST
36	63150	Saint Louis	MO	0	14.29	Saint Louis City	314	CST
37	63101	Saint Louis	MO	1079	14.34	Saint Louis City	314	CST
38	63190	Saint Louis	MO	0	14.39	Saint Louis City	314	CST
39	63199	Saint Louis	MO	0	14.39	Saint Louis City	314	CST
40	63188	Saint Louis	MO	0	14.47	Saint Louis City	314	CST
41	62059	Lovejoy	IL	0	14.49	Saint Clair	618	CST
42	63104	Saint Louis	MO	21846	14.72	Saint Louis City	314	CST
43	63118	Saint Louis	MO	28475	14.74	Saint Louis City	314	CST
44	63158	Saint Louis	MO	0	14.75	Saint Louis City	314	CST
45	63177	Saint Louis	MO	0	14.79	Saint Louis City	314	CST
46	63180	Saint Louis	MO	0	14.79	Saint Louis City	314	CST
47	63179	Saint Louis	MO	0	14.79	Saint Louis City	314	CST
48	63178	Saint Louis	MO	0	14.79	Saint Louis City	314	CST
49	63197	Saint Louis	MO	0	14.79	Saint Louis City	314	CST
50	63182	Saint Louis	MO	0	14.79	Saint Louis City	314	CST
51	63166	Saint Louis	MO	0	14.79	Saint Louis City	314	CST
52	63155	Saint Louis	MO	0	14.79	Saint Louis City	314	CST
53	63111	Saint Louis	MO	21592	15.08	Saint Louis City	314	CST
54	63103	Saint Louis	MO	7160	15.26	Saint Louis	314	CST

						City		
55	62298	Waterloo	IL	17134	15.30	Monroe	618	CST
56	62090	Venice	IL	1390	15.32	Madison	618	CST
57	62060	Madison	IL	4350	15.42	Madison	618	CST
58	62266	New Memphis	IL	0	15.54	Clinton	618	CST
59	63163	Saint Louis	MO	0	15.55	Saint Louis City	314	CST
60	63106	Saint Louis	MO	11468	15.57	Saint Louis City	314	CST
61	62062	Maryville	IL	8148	15.58	Madison	618	CST
62	62294	Troy	IL	14556	15.98	Madison	618	CST
63	63116	Saint Louis	MO	47884	16.09	Saint Louis City	314	CST
64	62265	New Baden	IL	4423	16.17	Clinton	618	CST
65	63107	Saint Louis	MO	13684	16.49	Saint Louis City	314	CST
66	62040	Granite City	IL	42766	16.71	Madison	618	CST
67	63156	Saint Louis	MO	0	16.98	Saint Louis City	314	CST
68	63110	Saint Louis	MO	20829	17.05	Saint Louis City	314	CST
69	63125	Saint Louis	MO	31369	17.19	Saint Louis	314	CST
70	63151	Saint Louis	MO	0	17.64	Saint Louis	314	CST
71	63108	Saint Louis	MO	21344	17.64	Saint Louis City	314	CST
72	62255	Lenzburg	IL	1519	17.72	Saint Clair	618	CST
73	62034	Glen Carbon	IL	16735	17.78	Madison	618	CST
74	63109	Saint Louis	MO	32167	17.79	Saint Louis City	314	CST
75	63113	Saint Louis	MO	15287	17.83	Saint Louis City	314	CST
76	62293	Trenton	IL	5212	17.84	Clinton	618	CST
77	62281	Saint Jacob	IL	2485	17.94	Madison	618	CST
78	63139	Saint Louis	MO	26703	18.26	Saint Louis City	314	CST
79	63115	Saint Louis	MO	24746	18.44	Saint Louis City	314	CST
80	63129	Saint Louis	MO	54609	18.66	Saint Louis	314	CST
81	63123	Saint Louis	MO	48379	18.87	Saint Louis	314	CST
82	63147	Saint Louis	MO	13945	18.97	Saint Louis City	314	CST
83	63112	Saint Louis	MO	22217	19.52	Saint Louis	314	CST

						City		
84	63171	Saint Louis	MO	0	19.66	Saint Louis City	314	CST
85	63143	Saint Louis	MO	9963	19.74	Saint Louis	314	CST
86	63120	Saint Louis	MO	11741	19.87	Saint Louis City	314	CST
87	62215	Albers	IL	1346	20.02	Clinton	618	CST
88	62026	Edwardsville	IL	0	20.06	Madison	618	CST
89	62278	Red Bud	IL	7488	20.43	Randolph	618	CST
90	63117	Saint Louis	MO	10372	20.46	Saint Louis	314	CST
91	63119	Saint Louis	MO	32938	20.68	Saint Louis	314	CST
92	63133	Saint Louis	MO	6788	21.12	Saint Louis	314	CST
93	63137	Saint Louis	MO	19209	21.16	Saint Louis	314	CST
94	63128	Saint Louis	MO	30602	21.21	Saint Louis	314	CST
95	63144	Saint Louis	MO	8199	21.30	Saint Louis	314	CST
96	63105	Saint Louis	MO	17463	21.30	Saint Louis	314	CST
97	62257	Marissa	IL	3208	21.38	Saint Clair	618	CST
98	63130	Saint Louis	MO	29494	21.42	Saint Louis	314	CST
99	62216	Aviston	IL	2151	21.54	Clinton	618	CST
100	63126	Saint Louis	MO	13721	21.73	Saint Louis	314	CST
101	63195	Saint Louis	MO	0	21.84	Saint Louis City	314	CST
102	62214	Addieville	IL	1107	21.90	Washington	618	CST
103	62025	Edwardsville	IL	32719	21.93	Madison	618	CST
104	63121	Saint Louis	MO	24990	22.15	Saint Louis	314	CST
105	63136	Saint Louis	MO	49157	22.25	Saint Louis	314	CST
106	62061	Marine	IL	1933	22.29	Madison	618	CST
107	62295	Valmeyer	IL	896	22.42	Monroe	618	CST
108	63010	Arnold	MO	38431	22.60	Jefferson	636	CST
109	62087	South Roxana	IL	1846	22.67	Madison	618	CST
110	63053	Kimmswick	MO	0	22.72	Jefferson	636	CST
111	63138	Saint Louis	MO	20487	23.12	Saint Louis	314	CST
112	63127	Saint Louis	MO	4216	23.13	Saint Louis	314	CST
113	62245	Germantown	IL	2478	23.19	Clinton	618	CST
114	63124	Saint Louis	MO	9737	23.30	Saint Louis	314	CST
115	62048	Hartford	IL	1258	23.36	Madison	618	CST
116	62217	Baldwin	IL	2433	23.59	Randolph	618	CST

117	62256	Maeystown	IL	0	23.68	Monroe	618	CST
118	63122	Saint Louis	MO	35041	23.86	Saint Louis	314	CST
119	62249	Highland	IL	16317	23.91	Madison	618	CST
120	62244	Fults	IL	899	23.95	Monroe	618	CST
121	63135	Saint Louis	MO	18566	24.09	Saint Louis	314	CST
122	63132	Saint Louis	MO	13050	24.26	Saint Louis	314	CST
123	62084	Roxana	IL	1562	24.27	Madison	618	CST
124	63140	Saint Louis	MO	358	24.56	Saint Louis	314	CST
125	63052	Imperial	MO	26540	24.87	Jefferson	636	CST
126	63114	Saint Louis	MO	32985	24.90	Saint Louis	314	CST
127	62271	Okawville	IL	2036	24.99	Washington	618	CST

Unique ZIP codes found: 127

Total Population: 1430236

ALTERNATIVES

The alternatives were to (1) do nothing or (2) discontinue KHRH and modernize TRH to offer 12 AMI beds or (3) construct a new hospital for TRH and establish an even larger AMI service or (4) discontinue KHRH and not establish AMI as a TRH service in Centreville or (5) discontinue the AMI service at KHRH but keep the ED service.

Alternative 1. Although doing nothing is not an alternative the Board reviews in much detail, it is an option. However, doing nothing at this time would only delay the inevitable discontinuation request relative to the KHRH building. The cost of doing nothing in dollars would be approximately \$3Million a year plus \$6Million in addressing life safety code issues given the significant deficiencies associated with the KHRH building. This alternative was not seriously considered by the applicant.

Alternative 2. The applicant chose to discontinue the KHRH building and modernize TRH to offer 12 AMI beds. This was a cost effective alternative to maintain access. The cost is estimated at \$750,000.00. It maintains access to this service in the region.

Alternative 3. The applicant Touchette is desirous of constructing an entirely new hospital in a location owned by it, but this would cost approximately \$150M and is not financially feasible. It would allow space for a larger AMI unit which would be ideal. However, in addition to the cost which is prohibitive, it is problematic due to FEMA and associated flood plain mapping issues.

Alternative 4. Maintain KHRH but discontinue the AMI service there. KHRH offers comprehensive ED services. It would not make sense to have a licensed hospital operating a stand alone ED. In essence this would be a de facto FSEC. Further, KHRH would continue to lose millions of dollars (approximately \$3Million a year) simply to remain "open" as a building. This alternative was rejected as it is not feasible from either a regulatory or financial standpoint.

Alternative 5. Discontinue the KHRH campus without establishing at Touchette. The cost of this alternative would be zero. This option is not good as it does not preserve access to acute behavioral health services to the AMI patients seen on a daily basis at KHRH.

Miscellaneous

A joint venture was not chosen as an alternative because the capital costs to construct a building for the joint venture was prohibitive, and because this is a hospital licensed service it should be operated by a single license.

Other healthcare resources (St. Elizabeth's or Alton Memorial) could provide services to the patients seen at KHRH. However, Alton's census is increasing and it is approximately 38 minutes from KHRH and not a viable an option for KHRH patients. St. Elizabeth's would have difficulty accepting all of KHRH's patients, but has indicated it would accept overflow from the service at TRH if established.

The applicant does not have quantifiable data on improved quality of care - but if there is no access to care, quality suffers.

SIZE OF PROJECT

There is no new construction involved in this project. The 12 AMI beds will be located in existing GSF at Touchette in Centreville, Illinois. The State Standard is 440-560 DGSF/bed. TRH will assume this service and operate it in 4,029 DGSF.

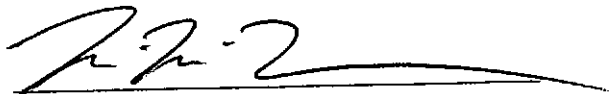
SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
AMI (12 BEDS)	4,029	440-560 DGSF	336	YES

PROJECT SERVICES UTILIZATION

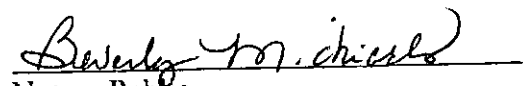
The ADC for TRH d/b/a KHRH for years 2008 was 14, 2009 was 13 and in 2010 has been 13. This average daily census would result in a general need for 12-14 AMI beds. However, Touchette can accommodate only 12 given space limitations. The state target utilization rate for AMI is 85% and with 12 beds the AMI service should be operated at this level most of the time on an ADC basis.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1	AMI	13 ADC	85% OR MORE	85%	YES
YEAR 2	AMI	13 ADC	85% OR MORE	85%	YES

I, Mike McManus, certify that within two years the target utilization of 85% for 12 AMI beds will be met, based on historical utilization at KHRH.


 Mike McManus
 COO, Touchette Regional Hospital

Subscribed and sworn to before me
 this 5th day of January, 2010


 Notary Public



ACUTE MENTAL ILLNESS

The applicant Touchette Regional Hospital ("TRH") is proposing establishment of the AMI category of service. However, it offers this service under its license at its KHRH campus. Nonetheless, the HFSRB rules do not allow a hospital to "relocate" beds. Thus, in order to discontinue the service at KHRH and offer it at another location TRH must establish the service at its Centreville campus. TRH proposes offering the AMI service in 12 beds at its Centreville site. Thus, KHRH will discontinue 39 beds and TRH will establish 12 beds resulting in a total reduction of AMI beds in the Health Service and Planning Areas of 27 beds. Currently there are 63 excess AMI beds in the HSA/Planning Area. The reduction as proposed, will result in their being 36 excess AMI beds. It will also allow for the continued service in the region, which is clearly necessary given the ADC and peak census over recent years for these facilities combined.

Planning Area Need (1110.730(b)(1)) - The applicants cannot establish a need based on a deficit of AMI beds in the region, as there is an excess of 63 beds in the region and the proposal would result in a continued excess of 36 beds. However, the proposal over all will reduce the excess and also is empirically and objectively based on a 2-3 year history of Average Daily and Peak Census at KHRH. The total beds proposed is 12, which will allow for appropriate utilization and will address the need for this service in the region.

Planning Area Need/Service to Area Residents (1110.730(b)(2)) - The primary purpose of the project is to maintain the AMI category of service in the region. The service to planning area residents will be maintained given the historical utilization of the KHRH service as provided by zip code in previous sections of this application and as provided as an attachment hereto.

Service Demand (1110.730(b)(3)) - The demand for this service is based on historical utilization at KHRH over the past two years. Attached is patient origin by zip code and the name/specialty of admitting physicians. Also attached are referral letters from the admitting physicians confirming their referrals over the last 12 months by patient by zip code and to which facilities they have referred/admitted patients and a certified statement that they expect the number of referrals to remain the same over the next two years, if not to increase.

Service Accessibility - (1110.730(b)(5)) - The purpose of this project is to maintain access to this service for the patients who comprised the ADC of KHRH in recent years. Without the establishment of the service by TRH at its Centreville campus access to this service will not be maintained. The only other facilities that might accommodate these patients are St. Elizabeth's in Belleville (20 minutes from KHRH) and Alton Memorial Hospital (38 minutes from KHRH). Alton has an ADC of 6 with 20 beds. If it remains at this utilization, it could accept 14 of the 36 patients which comprised the ADC of KHRH in 2009. However given the travel time between KHRH and Alton this is not a viable option. St. Elizabeth's cannot accept the 13-14 ADC of KHRH, but can handle overflow from a 12 bed unit at TRH. Touchette is 8 miles from KHRH and the KHRH physicians are on its Medical Staff.

Unnecessary Duplication/Maldistribution - (1110.730(c)) - Attached is a list of all zip code areas that are located in the service area. The total population of the identified zip code areas is also provided, along with the names and locations of all existing or approved health care facilities located within 30 minutes normal travel time from the proposed site/campus in Centreville.

The project will not negatively impact these facilities as it proposes establishment of a number of beds that will accommodate and provide access to the existing AMI patients at KHRH. The only real change is that the service will be operated in Centreville by TRH as opposed to at KHRH under TRH's license. The end result will be a reduction in AMI beds (despite the "establishment" of a service) and no resulting impact on area facilities, given the fact that the applicant's project is relying on referrals that otherwise go to the applicant. Thus, it would appear that no unnecessary duplication or maldistribution will occur as a result of the project.

Staffing Availability (1110.730(e)) - The AMI beds at TRH will be staffed by existing employees of KHRH. If this project is not approved, many of these employees will be laid off.

Performance Requirements (1110.730(f)) - The proposed project proposes a 12 bed unit in order to continue to provide access to a critical service. While Centreville is in the St. Louis MSA, this service is really the continuation of the existing service at TRH and is necessary to preserve access. Also, St. Clair County has less than 300,000 inhabitants and minimal AMI services are available to its residents despite its general proximity to the St. Louis, Missouri metropolitan area.

Ownership, Management and General Information		Patients by Race		Patients by Ethnicity	
ADMINISTRATOR NAME:	Dave Braasch	White	90.2%	Hispanic or Latino:	0.2%
ADMINISTRATOR PHONE:	618-463-7301	Black	8.6%	Not Hispanic or Latino:	98.9%
OWNERSHIP:	Alton Memorial Hospital	American Indian	0.0%	Unknown:	1.0%
OPERATOR:	Alton Memorial Hospital	Asian	0.0%	IDPH Number:	0026
MANAGEMENT:	Not for Profit Corporation	Hawaiian/ Pacific	0.0%	HPA	F-01
CERTIFICATION:	None	Unknown:	1.1%	HSA	11
FACILITY DESIGNATION:	General Hospital	CITY:	Alton	COUNTY:	Madison County
ADDRESS:	One Memorial Drive				

Facility Utilization Data by Category of Service										
Clinical Service	Authorized CON Beds 12/31/2009	Peak Beds Setup and Staffed	Peak Census	Admissions	Inpatient Days	Observation Days	Average Length of Stay	Average Daily Census	CON Occupancy 12/31/2009	Staff Bed Occupancy Rate %
Medical/Surgical	117	84	69	4,498	19,547	959	4.6	56.2	48.0	66.9
0-14 Years				0	0					
15-44 Years				572	1,980					
45-64 Years				1,290	5,197					
65-74 Years				867	3,761					
75 Years +				1,769	8,609					
Pediatric	4	4	4	22	35	0	1.6	0.1	2.4	2.4
Intensive Care	12	12	12	661	2,833	-7	4.3	7.7	64.5	64.5
Direct Admission				578	1,815					
Transfers				83	1,018					
Obstetric/Gynecology	25	14	10	548	1,294	97	2.5	3.8	15.2	27.2
Maternity				488	1,178					
Clean Gynecology				60	116					
Neonatal	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long Term Care	28	16	16	527	5,429	0	10.3	14.9	53.1	93.0
Swing Beds				0	0		0.0	0.0		
Acute Mental Illness	20	20	10	193	2,094	0	10.8	5.7	28.7	28.7
Rehabilitation	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	0					0				
Facility Utilization	206			6,366	31,232	1,049	5.1	88.4	42.9	

(Includes ICU Direct Admissions Only)

Inpatients and Outpatients Served by Payor Source							
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Totals
Inpatients	53.1%	15.3%	0.7%	21.1%	1.1%	8.6%	6,366
	3381	974	44	1346	72	549	
Outpatients	34.4%	22.5%	1.1%	34.3%	3.8%	3.8%	107,983
	37194	24279	1177	37086	4152	4095	

Financial Year Reported:	Inpatient and Outpatient Net Revenue by Payor Source							Charity Care Expense	Total Charity Care Expense
	1/1/2009 to	12/31/2009	Medicare	Medicaid	Other Public	Private Insurance	Private Pay		
Inpatient Revenue (\$)	32,012,383	3,875,719	236,633	18,913,620	605	55,038,960	2,274,525	4,738,593	
Outpatient Revenue (\$)	17,054,805	2,977,628	507,163	38,713,884	153,027	59,406,507	2,464,068		

Birthing Data		Newborn Nursery Utilization		Organ Transplantation	
Number of Total Births:	513	Level 1 Patient Days	936	Kidney:	0
Number of Live Births:	500	Level 2 Patient Days	23	Heart:	0
Birthing Rooms:	0	Level 2+ Patient Days	0	Lung:	0
Labor Rooms:	0	Total Nursery Patientdays	959	Heart/Lung:	0
Delivery Rooms:	0			Pancreas:	0
Labor-Delivery-Recovery Rooms:	4	Laboratory Studies		Liver:	0
Labor-Delivery-Recovery-Postpartum Rooms:	0	Inpatient Studies	221,864	Total:	0
C-Section Rooms:	0	Outpatient Studies	190,001		
CSections Performed:	139	Studies Performed Under Contract	0		

* Note: According to Board action on 4/22/09 Board reduced 14 ped beds, new CON = 206 beds.

Surgery and Operating Room Utilization

Surgical Specialty	Operating Rooms				Surgical Cases		Surgical Hours			Hours per Case	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Cardiovascular	0	0	0	0	11	22	26	25	51	2.4	1.1
Dermatology	0	0	0	0	0	0	0	0	0	0.0	0.0
General	0	0	1	1	446	868	708	966	1674	1.6	1.1
Gastroenterology	0	0	0	0	0	0	0	0	0	0.0	0.0
Neurology	0	0	0	0	0	0	0	0	0	0.0	0.0
OB/Gynecology	0	0	1	1	79	253	161	253	414	2.0	1.0
Oral/Maxillofacial	0	0	0	0	0	1	0	3	3	0.0	3.0
Ophthalmology	0	0	1	1	0	227	0	176	176	0.0	0.8
Orthopedic	0	0	1	1	300	717	590	662	1252	2.0	0.9
Otolaryngology	0	0	1	1	6	72	10	81	91	1.7	1.1
Plastic Surgery	0	0	1	1	4	419	4	255	259	1.0	0.6
Podiatry	0	0	1	1	44	121	41	142	183	0.9	1.2
Thoracic	0	0	0	0	0	1	0	2	2	0.0	2.0
Urology	0	0	1	1	88	173	90	222	312	1.0	1.3
Totals	0	0	8	8	978	2874	1630	2787	4417	1.7	1.0

SURGICAL RECOVERY STATIONS Stage 1 Recovery Stations 11 Stage 2 Recovery Stations 7

Dedicated and Non-Dedicated Procedure Room Utilization

Procedure Type	Procedure Rooms				Surgical Cases		Surgical Hours			Hours per Case	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Gastrointestinal	0	0	3	3	538	4289	538	4289	4827	1.0	1.0
Laser Eye Procedures	0	0	1	1	0	1	0	1	1	0.0	1.0
Pain Management	0	0	0	0	0	0	0	0	0	0.0	0.0
Cystoscopy	0	0	0	0	0	0	0	0	0	0.0	0.0
Multipurpose Non-Dedicated Rooms											
	0	0	0	0	0	0	0	0	0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0.0	0.0

Cardiac Catheterization Labs

Total Cath Labs (Dedicated+Nondedicated labs):	2
Cath Labs used for Angiography procedures	0
Dedicated Diagnostic Catheterization Labs	0
Dedicated Interventional Catheterization Labs	0
Dedicated EP Catheterization Labs	0

Cardiac Catheterization Utilization

Total Cardiac Cath Procedures:	967
Diagnostic Catheterizations (0-14)	0
Diagnostic Catheterizations (15+)	435
Interventional Catheterizations (0-14):	0
Interventional Catheterization (15+)	279
EP Catheterizations (15+)	109

Emergency/Trauma Care

Certified Trauma Center by EMS	<input type="checkbox"/>
Level of Trauma Service	Level 1 Level 2
Operating Rooms Dedicated for Trauma Care	0
Number of Trauma Visits:	0
Patients Admitted from Trauma	0
Emergency Service Type:	Basic
Number of Emergency Room Stations	20
Persons Treated by Emergency Services:	40,606
Patients Admitted from Emergency:	4,205
Total ED Visits (Emergency+Trauma):	40,606

Cardiac Surgery Data

Total Cardiac Surgery Cases:	0
Pediatric (0 - 14 Years):	0
Adult (15 Years and Older):	0
Coronary Artery Bypass Grafts (CABGs) performed of total Cardiac Cases :	0

Outpatient Service Data

Total Outpatient Visits	107,984
Outpatient Visits at the Hospital/ Campus:	107,984
Outpatient Visits Offsite/off campus	0

Diagnostic/Interventional Equipment

	Examinations				Radiation Equipment			Therapies/ Treatments
	Owned	Contract	Inpatient	Outpatient	Owned	Contract		
General Radiography/Fluoroscopy	12	0	7,830	26,266	Lithotripsy	0	0	0
Nuclear Medicine	1	0	1,259	2,771	Linear Accelerator	1	0	4,507
Mammography	3	0	0	13,858	Image Guided Rad Therapy	0	0	0
Ultrasound	4	0	2,349	6,454	Intensity Modulated Rad Therap	0	0	0
Diagnostic Angiography	0	0	0	0	High Dose Brachytherapy	0	0	0
Interventional Angiography	0	0	0	0	Proton Beam Therapy	0	0	0
Positron Emission Tomography (PET)	0	1	0	0	Gamma Knife	0	0	0
Computerized Axial Tomography (CAT)	2	0	2,561	13,321	Cyber knife	0	0	0
Magnetic Resonance Imaging	0	2	0	0				

Source: 2009 Annual Hospital Questionnaire, Illinois Department of Public Health, Health Systems Development.

Ownership, Management and General Information		Patients by Race		Patients by Ethnicity	
ADMINISTRATOR NAME:	Sharon Timmons	White	79.5%	Hispanic or Latino:	0.6%
ADMINISTRATOR PHONE:	(618) 641-5462	Black	18.7%	Not Hispanic or Latino:	98.0%
OWNERSHIP:	St. Elizabeth's Hospital	American Indian	0.1%	Unknown:	1.4%
OPERATOR:	St. Elizabeth's Hospital	Asian	0.4%	IDPH Number:	2345
MANAGEMENT:	Church-Related	Hawaiian/ Pacific	0.0%	HPA	F-01
CERTIFICATION:	None	Unknown:	1.4%	HSA	11
FACILITY DESIGNATION:	General Hospital				
ADDRESS	211 South 3rd Street	CITY:	Belleville	COUNTY:	St. Clair County

Clinical Service	Facility Utilization Data by Category of Service									
	Authorized CON Beds 12/31/2009	Peak Beds Setup and Staffed	Peak Census	Admissions	Inpatient Days	Observation Days	Average Length of Stay	Average Daily Census	CON Occupancy 12/31/2009	Staff Bed Occupancy Rate %
Medical/Surgical	278	142	132	8,558	35,947	1,550	4.4	102.7	37.0	72.3
0-14 Years				1	1					
15-44 Years				1,556	4,502					
45-64 Years				2,681	9,823					
65-74 Years				1,438	6,947					
75 Years +				2,882	14,674					
Pediatric	14	0	0	0	0	0	0.0	0.0	0.0	0.0
Intensive Care	24	24	24	1,773	6,338	10	3.6	17.4	72.5	72.5
Direct Admission				1,437	4,851					
Transfers				336	1,487					
Obstetric/Gynecology	30	28	19	1,311	3,037	321	2.6	9.2	30.7	32.9
Maternity				1,134	2,689					
Clean Gynecology				177	348					
Neonatal	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long Term Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Swing Beds				0	0		0.0	0.0		
Acute Mental Illness	47	36	30	1,930	8,093	2	4.2	22.2	47.2	61.6
Rehabilitation	33	33	33	592	7,393	3	12.5	20.3	61.4	61.4
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	0					0				
Facility Utilization	426			13,828	60,808	1,886	4.5	171.8	40.3	

(Includes ICU Direct Admissions Only)

	Inpatients and Outpatients Served by Payor Source							Totals
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care		
Inpatients	38.4%	12.9%	7.8%	30.1%	5.0%	5.9%	13,828	
	5304	1778	1081	4158	686	821		
Outpatients	20.1%	13.4%	10.7%	49.5%	5.0%	1.3%	176,486	
	35491	23699	18822	87348	8833	2293		

Financial Year Reported:	Inpatient and Outpatient Net Revenue by Payor Source							Charity Care Expense	Total Charity Care Expense
	7/1/2008 to	6/30/2009	Medicare	Medicaid	Other Public	Private Insurance	Private Pay		
Inpatient Revenue (\$)	49.0%	12.4%	4.3%	29.8%	4.4%	100.0%	1,470,105	2,159,322	
	53,828,917	13,584,780	4,720,269	32,737,606	4,882,023	109,753,595			
Outpatient Revenue (\$)	23.7%	11.7%	8.5%	50.2%	5.9%	100.0%	689,217	1.2%	
	18,219,855	8,995,322	6,542,579	38,662,315	4,571,611	76,991,682			

Birthing Data		Newborn Nursery Utilization		Organ Transplantation	
Number of Total Births:	1,106	Level 1 Patient Days	1,786	Kidney:	0
Number of Live Births:	1,101	Level 2 Patient Days	587	Heart:	0
Birthing Rooms:	0	Level 2+ Patient Days	517	Lung:	0
Labor Rooms:	0	Total Nursery Patientdays	2,990	Heart/Lung:	0
Delivery Rooms:	0			Pancreas:	0
Labor-Delivery-Recovery Rooms:	8			Liver:	0
Labor-Delivery-Recovery-Postpartum Rooms:	0	Laboratory Studies		Total:	0
C-Section Rooms:	2	Inpatient Studies	56,647		
CSections Performed:	240	Outpatient Studies	40,517		
		Studies Performed Under Contract	0		

* Note: On 4/22/2009, Board approved the voluntary discontinuation of 80 Medical Surgical beds by the facility. Now M/S = 278 and total beds = 426.

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Surgery and Operating Room Utilization

Surgical Specialty	Operating Rooms				Surgical Cases		Surgical Hours			Hours per Case	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Cardiovascular	0	0	2	2	355	345	666	509	1175	1.9	1.5
Dermatology	0	0	0	0	0	0	0	0	0	0.0	0.0
General	0	0	12	12	551	1114	1070	1254	2324	1.9	1.1
Gastroenterology	0	0	0	0	3	23	2	2	4	0.7	0.1
Neurology	0	0	0	0	359	91	1026	152	1178	2.9	1.7
OB/Gynecology	0	0	0	0	97	440	226	716	942	2.3	1.6
Oral/Maxillofacial	0	0	0	0	17	5	10	67	77	0.6	13.4
Ophthalmology	0	0	0	0	1	2	2	1	3	2.0	0.5
Orthopedic	0	0	0	0	258	454	535	747	1282	2.1	1.6
Otolaryngology	0	0	0	0	46	282	51	313	364	1.1	1.1
Plastic Surgery	0	0	0	0	68	396	122	597	719	1.8	1.5
Podiatry	0	0	0	0	14	41	16	72	88	1.1	1.8
Thoracic	0	0	0	0	41	15	73	21	94	1.8	1.4
Urology	0	0	2	2	145	415	235	478	713	1.6	1.2
Totals	0	0	16	16	1955	3623	4034	4929	8963	2.1	1.4

SURGICAL RECOVERY STATIONS Stage 1 Recovery Stations 16 Stage 2 Recovery Stations 15

Dedicated and Non-Dedicated Procedure Room Utilization

Procedure Type	Procedure Rooms				Surgical Cases		Surgical Hours			Hours per Case	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Gastrointestinal	0	0	5	5	752	2606	953	2769	3722	1.3	1.1
Laser Eye Procedures	0	0	0	0	0	0	0	0	0	0.0	0.0
Pain Management	0	0	1	1	19	1203	8	35	43	0.4	0.0
Cystoscopy	0	0	1	1	2	76	1	60	61	0.5	0.8
Multipurpose Non-Dedicated Rooms											
	0	0	0	0	0	0	0	0	0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0.0	0.0

Cardiac Catheterization Labs

Total Cath Labs (Dedicated+Nondedicated labs):	3
Cath Labs used for Angiography procedures	0
Dedicated Diagnostic Catheterization Labs	0
Dedicated Interventional Catheterization Labs	0
Dedicated EP Catheterization Labs	1

Cardiac Catheterization Utilization

Total Cardiac Cath Procedures:	4,090
Diagnostic Catheterizations (0-14)	0
Diagnostic Catheterizations (15+)	2,314
Interventional Catheterizations (0-14):	0
Interventional Catheterization (15+)	1,711
EP Catheterizations (15+)	65

Emergency/Trauma Care

Certified Trauma Center by EMS	<input type="checkbox"/>
Level of Trauma Service	Level 1 Level 2
	--- ---
Operating Rooms Dedicated for Trauma Care	0
Number of Trauma Visits:	0
Patients Admitted from Trauma	0
Emergency Service Type:	Comprehensive
Number of Emergency Room Stations	21
Persons Treated by Emergency Services:	35,805
Patients Admitted from Emergency:	8,955
Total ED Visits (Emergency+Trauma):	35,805

Cardiac Surgery Data

Total Cardiac Surgery Cases:	220
Pediatric (0 - 14 Years):	0
Adult (15 Years and Older):	220
Coronary Artery Bypass Grafts (CABGs) performed of total Cardiac Cases :	78

Outpatient Service Data

Total Outpatient Visits	176,486
Outpatient Visits at the Hospital/ Campus:	150,856
Outpatient Visits Offsite/off campus	25,630

Diagnostic/Interventional Equipment	Examinations		Radiation Equipment		Therapies/ Treatments		
	Owned	Contract	Inpatient	Outpatient	Owned	Contract	
General Radiography/Fluoroscopy	14	0	11,999	56,542	Lithotripsy	0 1 77	
Nuclear Medicine	4	0	1,105	1,120	Linear Accelerator	0 0 0	
Mammography	4	0	0	10,828	Image Guided Rad Therapy	0 0 0	
Ultrasound	8	0	1,308	7,609	Intensity Modulated Rad Therap	0 0 0	
Diagnostic Angiography	0	0	0	0	High Dose Brachytherapy	0 0 0	
Interventional Angiography	0	0	0	0	Proton Beam Therapy	0 0 0	
Positron Emission Tomography (PET)	0	0	0	0	Gamma Knife	0 0 0	
Computerized Axial Tomography (CAT)	4	0	2,767	18,937	Cyber knife	0 0 0	
Magnetic Resonance Imaging	1	0	883	3,235			

Source: 2009 Annual Hospital Questionnaire, Illinois Department of Public Health, Health Systems Development.

Ownership, Management and General Information		Patients by Race		Patients by Ethnicity	
ADMINISTRATOR NAME:	Ron Leazer	White	79.0%	Hispanic or Latino:	1.0%
ADMINISTRATOR PHONE	618-798-3990	Black	18.8%	Not Hispanic or Latino:	99.0%
OWNERSHIP:	Granite City IL Hospital Co.	American Indian	0.1%	Unknown:	0.0%
OPERATOR:	Granite City IL Hospital Co.	Asian	0.3%	IDPH Number:	5223
MANAGEMENT:	For Profit Corporation	Hawaiian/ Pacific	0.4%	HPA	F-01
CERTIFICATION:	None	Unknown:	1.5%	HSA	11
FACILITY DESIGNATION:	General Hospital				
ADDRESS	2100 Madison Avenue	CITY:	Granite City	COUNTY:	Madison County

Facility Utilization Data by Category of Service										
Clinical Service	Authorized CON Beds 12/31/2009	Peak Beds Setup and Staffed	Peak Census	Admissions	Inpatient Days	Observation Days	Average Length of Stay	Average Daily Census	CON Occupancy 12/31/2009	Staff Bed Occupancy Rate %
Medical/Surgical	181	165	67	3,881	16,087	705	4.3	46.0	25.4	27.9
0-14 Years				12	56					
15-44 Years				662	1,877					
45-64 Years				1,282	4,701					
65-74 Years				654	2,836					
75 Years +				1,271	6,617					
Pediatric	28	0	0	0	0	0	0.0	0.0	0.0	0.0
Intensive Care	12	11	10	341	1,886	10	5.6	5.2	43.3	47.2
Direct Admission				200	1,360					
Transfers				141	526					
Obstetric/Gynecology	28	28	8	419	894	85	2.3	2.7	9.6	9.6
Maternity				299	630					
Clean Gynecology				120	264					
Neonatal	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long Term Care	19	19	16	295	3,573	0	12.1	9.8	51.5	51.5
Swing Beds				0	0		0.0	0.0		
Acute Mental Illness	100	100	100	3,920	24,150	0	6.2	66.2	66.2	66.2
Rehabilitation	14	14	11	124	1,468	0	11.8	4.0	28.7	28.7
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	0					0				
Facility Utilization	382			8,839	48,058	800	5.5	133.9	35.0	

(Includes ICU Direct Admissions Only)

Inpatients and Outpatients Served by Payor Source							
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Totals
Inpatients	33.2%	28.2%	6.7%	0.0%	28.9%	3.0%	8,839
	2936	2492	592	0	2558	261	
Outpatients	15.4%	27.8%	6.7%	0.0%	49.7%	0.3%	68,680
	10573	19113	4634	0	34124	236	

Financial Year Reported:	Inpatient and Outpatient Net Revenue by Payor Source							Charity Care Expense	Total Charity Care Expense
	1/1/2009 to	12/31/2009	Medicare	Medicaid	Other Public	Private Insurance	Private Pay		
Inpatient Revenue (\$)	19,740,891	29,625,648	24.5%	36.8%	0.0%	23.5%	15.2%	100.0%	781,265
Outpatient Revenue (\$)	3,644,937	1,742,317	13.1%	6.3%	0.0%	49.1%	31.5%	100.0%	Totals: Charity Care as % of Net Revenue
									0.7%

Birthing Data		Newborn Nursery Utilization		Organ Transplantation	
Number of Total Births:	284	Level 1 Patient Days	628	Kidney:	0
Number of Live Births:	280	Level 2 Patient Days	0	Heart:	0
Birthing Rooms:	0	Level 2+ Patient Days	0	Lung:	0
Labor Rooms:	0	Total Nursery Patientdays	628	Heart/Lung:	0
Delivery Rooms:	0			Pancreas:	0
Labor-Delivery-Recovery Rooms:	0			Liver:	0
Labor-Delivery-Recovery-Postpartum Rooms:	4	Laboratory Studies		Total:	0
C-Section Rooms:	0	Inpatient Studies	222,678		
CSections Performed:	136	Outpatient Studies	110,784		
		Studies Performed Under Contract	13,178		

* Note: On 4/30/09 added 10 AMI beds, now AMI= 100 beds. According to Board action on 4/22/09, Board reduced 44 beds overall in M/S and ICU categories of service. New CON count for the facility is 382 beds.

Surgery and Operating Room Utilization

Surgical Specialty	Operating Rooms				Surgical Cases		Surgical Hours			Hours per Case	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Cardiovascular	0	0	0	0	26	41	38	40	78	1.5	1.0
Dermatology	0	0	0	0	0	0	0	0	0	0.0	0.0
General	0	0	9	9	271	326	545	447	992	2.0	1.4
Gastroenterology	0	0	0	0	0	0	0	0	0	0.0	0.0
Neurology	0	0	0	0	2	10	3	17	20	1.5	1.7
OB/Gynecology	0	0	0	0	62	332	99	287	386	1.6	0.9
Oral/Maxillofacial	0	0	0	0	0	0	0	0	0	0.0	0.0
Ophthalmology	0	0	0	0	0	0	0	0	0	0.0	0.0
Orthopedic	0	0	0	0	191	201	421	274	695	2.2	1.4
Otolaryngology	0	0	0	0	7	489	7	297	304	1.0	0.6
Plastic Surgery	0	0	0	0	15	5	19	6	25	1.3	1.2
Podiatry	0	0	0	0	0	4	0	4	4	0.0	1.0
Thoracic	0	0	0	0	19	9	65	12	77	3.4	1.3
Urology	0	0	0	0	42	56	45	54	99	1.1	1.0
Totals	0	0	9	9	635	1473	1242	1438	2680	2.0	1.0

SURGICAL RECOVERY STATIONS Stage 1 Recovery Stations 2 Stage 2 Recovery Stations 24

Dedicated and Non-Dedicated Procedure Room Utilization

Procedure Type	Procedure Rooms				Surgical Cases		Surgical Hours			Hours per Case	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Gastrointestinal	0	0	3	3	496	1577	534	1705	2239	1.1	1.1
Laser Eye Procedures	0	0	0	0	0	0	0	0	0	0.0	0.0
Pain Management	0	0	1	1	2	128	1	39	40	0.5	0.3
Cystoscopy	0	0	0	0	0	0	0	0	0	0.0	0.0
Multipurpose Non-Dedicated Rooms											
	0	0	0	0	0	0	0	0	0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0.0	0.0

Cardiac Catheterization Labs

Total Cath Labs (Dedicated+Nondedicated labs):	1
Cath Labs used for Angiography procedures	0
Dedicated Diagnostic Catheterization Labs	0
Dedicated Interventional Catheterization Labs	0
Dedicated EP Catheterization Labs	0

Cardiac Catheterization Utilization

Total Cardiac Cath Procedures:	477
Diagnostic Catheterizations (0-14)	0
Diagnostic Catheterizations (15+)	456
Interventional Catheterizations (0-14):	0
Interventional Catheterization (15+)	21
EP Catheterizations (15+)	0

Emergency/Trauma Care

Certified Trauma Center by EMS	<input type="checkbox"/>
Level of Trauma Service	Level 1 Level 2
	--- ---
Operating Rooms Dedicated for Trauma Care	0
Number of Trauma Visits:	0
Patients Admitted from Trauma	0
Emergency Service Type:	Comprehensive
Number of Emergency Room Stations	17
Persons Treated by Emergency Services:	22,001
Patients Admitted from Emergency:	5,211
Total ED Visits (Emergency+Trauma):	22,001

Cardiac Surgery Data

Total Cardiac Surgery Cases:	0
Pediatric (0 - 14 Years):	0
Adult (15 Years and Older):	0
Coronary Artery Bypass Grafts (CABGs) performed of total Cardiac Cases :	0

Outpatient Service Data

Total Outpatient Visits	68,444
Outpatient Visits at the Hospital/ Campus:	68,444
Outpatient Visits Offsite/off campus	0

Diagnostic/Interventional Equipment	Examinations				Radiation Equipment			Therapies/ Treatments
	Owned	Contract	Inpatient	Outpatient	Owned	Contract		
General Radiography/Fluoroscopy	14	0	8,102	17,554	Lithotripsy	0	1	21
Nuclear Medicine	0	2	628	804	Linear Accelerator	0	0	0
Mammography	3	0	0	2,884	Image Guided Rad Therapy	0	0	0
Ultrasound	3	0	802	3,418	Intensity Modulated Rad Therap	0	0	0
Diagnostic Angiography	0	0	0	0	High Dose Brachytherapy	0	0	0
Interventional Angiography	0	0	0	0	Proton Beam Therapy	0	0	0
Positron Emission Tomography (PET)	0	0	0	0	Gamma Knife	0	0	0
Computerized Axial Tomography (CAT)	1	2	3,297	6,704	Cyber knife	0	0	0
Magnetic Resonance Imaging	2	0	230	1,908				

Source: 2009 Annual Hospital Questionnaire, Illinois Department of Public Health, Health Systems Development.

January 4, 2010

Michael McManus, COO
Touchette Regional Hospital
5900 Bond Avenue
Centreville, IL 62207

Dear Mr. McManus:

My name is Narsimha Muddasani, M.D. and I am a psychiatrist with a practice located in East. St. Louis, Illinois.

Over the past 12 months I have treated as the admitting physician 281 patients at Kenneth Hall Regional Hospital (KHRH) and 336 patients at Gateway Regional Medical Center. The majority of referrals at KHRH have come directly from the Emergency Department of Kenneth Hall Regional Hospital. I do not believe the referral and/or admitted patient count will vary in the next year or two as the AMI patient population has remained relatively stable over the past two to three years.

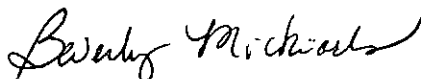
I am on the Medical Staff at Touchette Regional Hospital (TRH) and will continue to utilize the inpatient AMI service after it has been relocated from KHRH to TRH. The information provided in this letter is true and accurate to the best of my knowledge.

Sincerely,



Narsimha Muddasani, M.D.

Notarized:



January 4, 2010

Michael McManus, COO
Touchette Regional Hospital
5900 Bond Avenue
Centreville, IL 62207

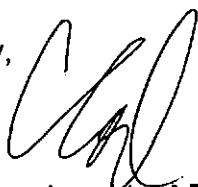
Dear Mr. McManus:

My name is Christopher Loynd, M.D. and I am a psychiatrist with a practice located in East St. Louis, Illinois.

Over the past 12 months I have treated as the admitting physician 321 patients at Kenneth Hall Regional Hospital and have not utilized any other hospital. The majority of referrals have come directly from the Emergency Department of Kenneth Hall Regional Hospital. I do not believe the referral and/or admitted patient count will vary in the next year or two as the AMI patient population has remained relatively stable over the past two to three years.

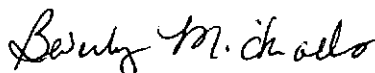
I am on the Medical Staff at Touchette Regional Hospital (TRH) and will continue to utilize the inpatient AMI service after it has been relocated from KHRH to TRH. The information provided in this letter is true and accurate to the best of my knowledge.

Sincerely,



Christopher Loynd, M.D.

Notarized:



January 4, 2010

Michael McManus, COO
Touchette Regional Hospital
5900 Bond Avenue
Centreville, IL 62207

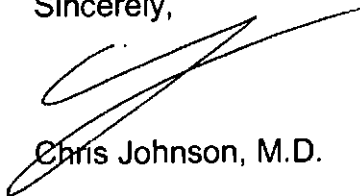
Dear Mr. McManus:

My name is Chris Johnson, M.D. and I am a psychiatrist with a practice located in East St. Louis, Illinois.

I am a new physician and I have treated as the admitting physician 29 patients at Kenneth Hall Regional Hospital over the past three months and have not utilized any other hospital. The majority of referrals have come directly from the Emergency Department of Kenneth Hall Regional Hospital. I believe the referral and/or admitted patient count will increase over the next year or two as my practice continues to grow.

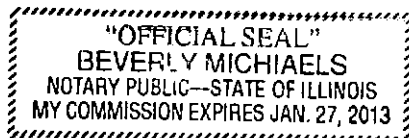
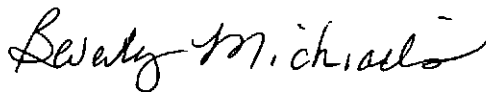
I am on the Medical Staff at Touchette Regional Hospital (TRH) and will continue to utilize the inpatient AMI service after it has been relocated from KHRH to TRH. The information provided in this letter is true and accurate to the best of my knowledge.

Sincerely,



Chris Johnson, M.D.

Notarized:



St. Elizabeth to Gateway Regional:	
23 miles	33 minutes
Touchette to Gateway Regional:	
9 miles	19 minutes
KHRH to Gateway Regional:	
7.5 miles	14 minutes
St. Elizabeth's to Alton Memorial:	
39 miles	48 minutes
Touchette to Alton Memorial:	
33 miles	39 minutes
KHRH to Alton Memorial:	
30.5 miles	38 minutes
Touchette to KHRH:	
5.7 miles	12 minutes
KHRH to St. Elizabeth's:	
12.8 miles	21 minutes
Touchette to St. Elizabeth's:	
9 miles	14 minutes

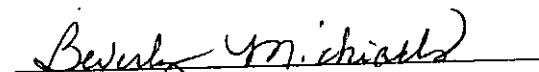
Assurances (1110.730(g) - See attached certification.

I, Mike McManus, COO of Touchette Regional Hospital, hereby certify to my understanding that within two years, if not sooner, the AMI category of service will operate within the target utilization standard required by the Health Facilities Services and Review Board. This understanding is based on the ADCs of the current service at KHRH and the referral letters from the physicians relating to this service.



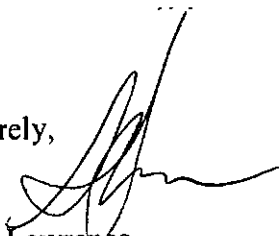
Mike McManus, COO
Touchette Regional Hospital

Subscribed and sworn to before me
this 5th day of January, 2010


Notary Public

The applicant TRH is the sole source of funds for the project. Its financials are consolidated with those of its sole member, SIHF. Attached are the audited financial statements for SIHF/TRH for the past three (3) years.

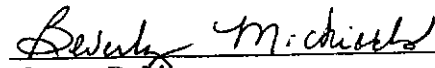
Sincerely,

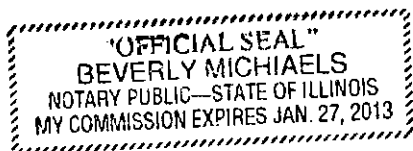


Steve Lawrence

V.P. of Administration, Southern Illinois Healthcare Foundation, Inc.

Subscribed and sworn to before me
this 5th day of January, 2010


Notary Public



The project will be funded through internal sources.

Sincerely,



Steve Lawrence
V.P. of Administration, Southern Illinois Healthcare Foundation, Inc.

Subscribed and sworn to before me
this 5th day of January, 2010

Beverly Michiaels
Notary Public



Reasonableness of Cost

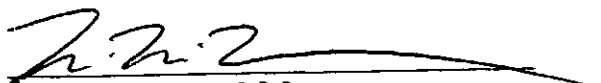
Dept	Modernization	Cost Per GSF	Total
AMI	4,029	\$186.150	\$750,000.00

The cost per GSF is well within the State Standard.

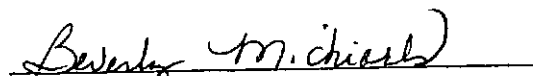
Safety Net Impact Statement

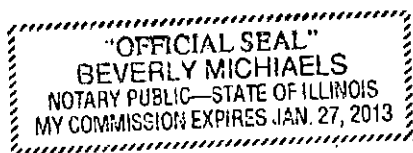
The only other safety net provider, to Touchette's knowledge, in the community which offers the AMI category of service is St. Elizabeth's which has said it is willing to accept any AMI patients that Touchette cannot accommodate. As a result Touchette does not believe that its application to discontinue will affect any safety net provider in the community.

Attached is a true and accurate account of the amount of charity care and Medicaid service provided by the applicant over the past 3 fiscal years.


Mike McManus, COO

Subscribed and sworn to before me
this 5th day of January, 2010


Notary Public



Charity Care

See attached information relating to the amount of charity care provided by the applicant Touchette for the latest 3 audited fiscal years, the cost of the charity care and ratio of charity care to net patient revenue.

#9788536_v1

Touchette & Kenneth Hall Regional Hospitals - Consolidated
 CON Application Information
 Charity and Medicaid

		09/2010 YTD	2010 Annualized	2009	2008	2007
Charity Care Gross Charges		7,867,107	10,489,476	10,286,119	4,017,825	3,819,781
Cost of Chairty Care			6,758,448	6,627,424	5,138,006	5,789,171
Charity # of Patients	IP	283	377	309	63	34
	OP	4,610	6,147	6,612	2,627	1,622
	Total	<u>4,893</u>	<u>6,524</u>	<u>6,921</u>	<u>2,690</u>	<u>1,656</u>
Charity (Cost in dollars)	IP		2,271,196	1,966,819	1,018,395	1,235,007
	OP		4,487,252	4,660,605	4,119,611	4,554,164
	Total		<u>6,758,448</u>	<u>6,627,424</u>	<u>5,138,006</u>	<u>5,789,171</u>
Medicaid # of Patients	IP	1,342	1,789	1,903	1,845	2,141
	OP	24,865	33,153	33,528	27,270	20,435
	Total	<u>26,207</u>	<u>34,943</u>	<u>35,431</u>	<u>29,115</u>	<u>22,576</u>
Medicaid Gross Charges	IP	12,076,236	16,101,648	16,879,090	17,348,388	20,755,761
	OP	24,355,390	32,473,853	30,847,341	29,464,901	28,516,925
	Total	<u>36,431,626</u>	<u>48,575,501</u>	<u>47,726,431</u>	<u>46,813,289</u>	<u>49,272,686</u>

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

TOUCHETTE REGIONAL HOSPITAL, INC.

December 31, 2009 and 2008

TOUCHETTE REGIONAL HOSPITAL, INC.

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Kerber, Eck & Braeckel LLP

CPAs and
Management Consultants
One South Memorial Drive, Ste. 950
St. Louis, MO 63102-2439
ph 314.231.6232
fax 314.231.0079
www.kebcpa.com

Independent Auditors' Report

Board of Directors
Touchette Regional Hospital, Inc.

We have audited the accompanying combined balance sheets of Touchette Regional Hospital, Inc. (an Illinois not-for-profit corporation) and affiliates as of December 31, 2009 and 2008, and the related combined statements of operations, changes in net assets, and cash flows for the years then ended. These combined financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Touchette Regional Hospital, Inc. and affiliates as of December 31, 2009 and 2008, and the results of their operations, changes in net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Kerber, Eck + Braeckel LLP

St. Louis, Missouri
June 16, 2010

Other Locations

Belleville, IL • Carbondale, IL • Springfield, IL • Jacksonville, IL • Cape Girardeau, MO • Milwaukee, WI

TOUCHETTE REGIONAL HOSPITAL, INC.

COMBINED BALANCE SHEETS

December 31,

		LIABILITIES AND NET ASSETS	
ASSETS		2009	2008
Current assets			
Cash and cash equivalents	\$ 1,935,500	\$ 3,009,075	
Accounts receivable			
Patients, less estimated uncollectibles of			
\$2,255,000 in 2009 and \$5,823,000 in 2008	5,063,573	6,754,654	
Other	356,129	219,607	
Investments	500,000	-	
Assets limited as to use	-	1,700,000	
Provider assessment receivable	2,005,993	5,536,428	
Third-party payor settlements	549,664	1,952,919	
Inventories, prepaid and other	1,057,641	914,148	
Total current assets	11,468,500	20,086,831	
Assets limited as to use			
By board for capital improvements	9,387	5,801	
Held by bank for collateral	-	1,700,000	
Held by bank for insurance guarantee	2,156,000	2,175,000	
Less amount required to meet current obligations	2,165,387	3,880,801	
		<u>(1,700,000)</u>	
Property and equipment - net	2,165,387	2,180,801	
Other assets			
Beneficial interest in charitable trust	423,848	568,409	
Total assets	\$ 28,636,876	\$ 38,080,145	
LIABILITIES AND NET ASSETS			
Current liabilities			
Current maturities of long-term obligations	\$ 730,947	\$ 2,471,528	
Short-term notes	108,671	110,147	
Accounts payable	1,650,703	2,467,688	
Deferred revenue	-	2,000,956	
Accrued liabilities			
Payroll and payroll taxes	2,026,740	1,841,107	
Provider assessment payable	-	2,094,069	
Other	655,840	691,833	
Third-party payor settlements	14,964	144,262	
Total current liabilities	5,187,865	11,821,590	
Long-term obligations, less current maturities			
	1,208,621	717,669	
Other liabilities			
Asset retirement obligations	1,935,880	1,841,555	
Estimated liability claims payable, less current portion	2,617,000	3,010,000	
Total other liabilities	4,552,880	4,851,555	
Total liabilities	10,949,366	17,390,814	
Net assets			
Unrestricted	17,212,574	20,069,834	
Temporarily restricted	51,088	51,088	
Permanently restricted	423,848	568,409	
Total net assets	17,687,510	20,689,331	
Total liabilities and net assets	\$ 28,636,876	\$ 38,080,145	

The accompanying notes are an integral part of these statements.

TOUCHETTE REGIONAL HOSPITAL, INC.

COMBINED STATEMENTS OF OPERATIONS

Year ended December 31,

	<u>2009</u>	<u>2008</u>
Unrestricted revenues, gains and other support		
Net patient service revenue	\$ 66,663,261	\$ 67,874,415
Other operating revenue	<u>1,281,729</u>	<u>2,769,937</u>
Total unrestricted revenues, gains and other support	67,944,990	70,644,352
Operating expense		
Salaries	30,395,452	30,842,249
Employee benefits	5,948,437	6,452,441
Physician fees	5,472,538	4,536,923
Supplies and other	17,466,768	18,275,040
Insurance and liability claims	1,177,989	1,729,437
Provision for bad debts	4,998,126	7,909,122
Depreciation and amortization	2,345,124	2,166,534
Hospital provider assessment	3,132,261	2,964,235
Interest	<u>187,663</u>	<u>306,052</u>
Total operating expense	<u>71,124,358</u>	<u>75,182,033</u>
Loss from operations	(3,179,368)	(4,537,681)
Other income	<u>322,108</u>	<u>316,427</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (2,857,260)</u>	<u>\$ (4,221,254)</u>

The accompanying notes are an integral part of these statements.

TOUCHETTE REGIONAL HOSPITAL, INC.

COMBINED STATEMENTS OF CHANGES IN NET ASSETS

Year ended December 31,

	<u>2009</u>	<u>2008</u>
Unrestricted net assets		
Deficiency of revenues over expenses	<u>\$ (2,857,260)</u>	<u>\$ (4,221,254)</u>
Decrease in unrestricted net assets	(2,857,260)	(4,221,254)
Permanently restricted net assets		
Increase (decrease) in value of beneficial interest in charitable trust	<u>(144,561)</u>	<u>232,531</u>
Increase (decrease) in permanently restricted net assets	<u>(144,561)</u>	<u>232,531</u>
Decrease in net assets	(3,001,821)	(3,988,723)
Net assets, beginning of year	<u>20,689,331</u>	<u>24,678,054</u>
Net assets, end of year	<u><u>\$ 17,687,510</u></u>	<u><u>\$ 20,689,331</u></u>

The accompanying notes are an integral part of these statements.

TOUCHETTE REGIONAL HOSPITAL, INC.

COMBINED STATEMENTS OF CASH FLOWS
Year ended December 31,

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities and gains		
Change in net assets	\$ (3,001,821)	\$ (3,988,723)
Adjustments to reconcile change in net assets to net cash provided by operating activities and gains		
Depreciation and amortization	2,345,124	2,166,534
Provision for bad debts	4,998,126	7,909,122
Loss (gain) on disposal of assets	-	(7,000)
(Increase) decrease in assets		
Accounts receivable	(3,443,567)	(6,420,627)
Provider assessment receivable	3,530,435	341,226
Other assets	1,404,323	(1,040,429)
Increase (decrease) in liabilities		
Accounts payable, accrued and other liabilities	(796,644)	(1,311,600)
Deferred revenue	(2,000,956)	2,000,956
Provider assessment liability	(2,094,069)	1,175,511
Estimated liability claims payable	(393,000)	211,667
Total adjustments	<u>3,549,772</u>	<u>5,025,360</u>
Net cash provided by operating activities and gains	547,951	1,036,637
Cash flows from investing activities		
Proceeds from sale of property and equipment	-	7,000
Capital expenditures	(384,064)	(3,090,572)
Purchase of investments	(500,000)	-
Net (deposits) withdrawals of funds whose use is limited	<u>1,715,414</u>	<u>(1,778,129)</u>
Net cash provided by (used in) investing activities	831,350	(4,861,701)
Cash flows from financing activities		
Net short-term borrowings	(1,476)	110,147
Principal payments on long-term obligations	<u>(2,451,400)</u>	<u>(985,463)</u>
Net cash used in financing activities	(2,452,876)	(875,316)
Net decrease in cash and cash equivalents	(1,073,575)	(4,700,380)
Cash and cash equivalents, beginning of year	<u>3,009,075</u>	<u>7,709,455</u>
Cash and cash equivalents, end of year	<u>\$ 1,935,500</u>	<u>\$ 3,009,075</u>
Non-cash investing and financing activities:		
Capital lease obligations entered into in exchange for equipment	<u>\$ 1,201,771</u>	<u>\$ 721,000</u>

The accompanying notes are an integral part of these statements.

TOUCHETTE REGIONAL HOSPITAL, INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE A – NATURE OF ENTITY AND SUMMARY OF ACCOUNTING POLICIES

The combined financial statements of Touchette Regional Hospital, Inc. (Hospital) include the accounts of Touchette Regional Hospital, Inc., Centreville, Illinois (TRH), Kenneth Hall Regional Hospital (KHRH) (through June 30, 2009), and Archview Health Support, Inc., East St. Louis, Illinois (Archview). All significant intercompany transactions and accounts are eliminated.

A summary of the significant accounting policies of the Hospital consistently applied in the preparation of the accompanying combined financial statements follows.

1. Nature of Entity

The Hospital was organized to provide comprehensive healthcare and health-related services to residents of the Hospital's service area within its two campuses (TRH and KHRH). This area includes East St. Louis, Centreville Township, as well as the surrounding communities. The Hospital is a 154 bed acute care service provider.

Effective July 1, 2009, Articles of Merger between TRH and KHRH were adopted by the Board of Directors of TRH and by written consent of KHRH. The plan of merger was approved by resolutions adopted by the Board of Directors of TRH in which TRH was the surviving Organization.

The Hospital is a controlled affiliate of Southern Illinois Healthcare Foundation, Inc. (SIHF). SIHF is an Illinois not-for-profit corporation organized under Section 501(c)(3) of the Internal Revenue Code. Membership of the Hospital consists of the Board of Directors for SIHF, which appoints the Hospital's Board of Directors.

Archview was organized to be operated for charitable purposes exclusively for the benefit of the Hospital. Archview is a controlled affiliate of the Hospital.

2. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TOUCHETTE REGIONAL HOSPITAL, INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE A – NATURE OF ENTITY AND SUMMARY OF ACCOUNTING POLICIES - Continued

3. Cash, Cash Equivalents and Investments

The Hospital considers all highly liquid debt instruments with maturities of three months or less at the date of acquisition and not limited as to their use to be cash equivalents. Investments, consisting of certificates of deposit, are recorded at cost which approximates fair value.

4. Assets Limited as to Use

Resources which are set aside for board-designated or other restricted purposes are considered to be assets limited as to use. Assets limited as to use that are required for obligations classified as current liabilities are reported as current assets. Such assets are reported at fair value.

5. Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out method.

6. Property and Equipment

Property and equipment is stated at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, on a straight-line basis. Leased property under capital leases is amortized over the lives of the respective leases, or over the service lives of the assets for those leases which substantially transfer ownership.

7. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific purpose or time period. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity.

TOUCHETTE REGIONAL HOSPITAL, INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE A – NATURE OF ENTITY AND SUMMARY OF ACCOUNTING POLICIES - Continued

8. Net Patient Service Revenue and Receivables

Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors and others for services rendered. Also included in net patient service revenue are estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined. Net patient receivables are recorded net of an allowance for uncollectible accounts based on various factors including historical performance, the aging of receivables and existing economic conditions.

9. Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

10. Excess of Revenues Over Expenses

The statement of operations includes excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for purposes of acquiring such assets).

11. Donor Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value when received. Unrestricted contributions and donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements. Donor-restricted contributions whose restrictions are not met at year end are reported as either temporarily or permanently restricted support until such assets are released from restrictions.

TOUCHETTE REGIONAL HOSPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

NOTE A – NATURE OF ENTITY AND SUMMARY OF ACCOUNTING POLICIES - Continued

12. Income Taxes

The Hospital is a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on related income under Section 501(a) of the Code.

Effective January 1, 2009, the Hospital adopted the standards for accounting for uncertainty in income taxes. These standards prescribe a comprehensive model for financial statement recognition, measurement, classification and disclosure of uncertain tax positions. The implementation of the standards had no effect on net assets as of January 1, 2009.

The Hospital continually evaluates the effects of all tax positions taken including expiring statutes of limitations, tax examinations, unrelated business income and new authoritative rulings. The Hospital files federal information returns. The statute of limitations for information returns filed for the years ended December 31, 2006 through 2009 have not expired and therefore are subject to examination.

13. Asset Retirement Obligation

Under the provisions of the standard for accounting for conditional asset retirement obligations, the Hospital records a liability and capitalizes costs for the fair value of conditional asset retirement obligations when incurred if the fair value of the liability can be reasonably estimated.

NOTE B – NET PATIENT SERVICE REVENUE

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. These payment arrangements include:

Medicare – Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. The Hospital is reimbursed for certain services at tentative rates with final settlement determined after submission of an annual cost report by the Hospital and audit thereof by the Medicare fiscal intermediary.

TOUCHETTE REGIONAL HOSPITAL, INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE B – NET PATIENT SERVICE REVENUE - Continued

Medicaid – Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Outpatient services rendered to Medicaid program beneficiaries are reimbursed based on prospectively determined fee schedules. The Hospital is also eligible for additional payments based on the volume of services provided to Medicaid program beneficiaries.

In December 2006, the State of Illinois Hospital Assessment Program (Program) was approved for the period July 2005 through June 2008. In December 2008, the Centers for Medicare and Medicaid Services (CMS) approved the Program through June 2013. This Program increases the amount of federal funding for the Illinois Medicaid program by \$640 million per year. For the years ended December 31, 2009 and 2008, respectively, the Hospital recorded a receivable from the Program of \$2,005,993 and \$5,536,428 and an assessment payable in connection with the Program of \$0 and \$2,094,069.

Approximately 73% and 68% of net patient service revenues are from participation in the Medicare and state sponsored Medicaid programs for the years ended December 31, 2009 and 2008, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that actual results may differ from recorded estimates.

The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payments to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

NOTE C – CONCENTRATION OF CREDIT RISK

The Hospital maintains its cash and investments in various financial institutions. Certain such cash and investments are either not insured or the balances may, at times, exceed the federally insured limits. The Hospital has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk on its cash and investments.

TOUCHETTE REGIONAL HOSPITAL, INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE C – CONCENTRATION OF CREDIT RISK - Continued

The Hospital grants credit without collateral to its patients most of whom are local residents and some of which are insured under third-party payor agreements. The mix of receivables from patients and third-party payors is as follows at December 31,:

	<u>2009</u>	<u>2008</u>
Medicaid	25 %	22 %
Medicare	13	13
Other third-party payors	28	18
Self-pay	<u>34</u>	<u>47</u>
	<u>100 %</u>	<u>100 %</u>

NOTE D – FAIR VALUE MEASUREMENT

The Hospital uses generally accepted accounting principles to determine fair value. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles establish a three-level hierarchy for fair value measurements based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is categorized in one of the three levels based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below.

Level 1 – Valuation is based on quoted prices in active markets for identical assets and liabilities.

Level 2 – Valuation is determined from quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar instruments in markets that are not active or by model-based techniques whose significant inputs are observable in the market.

Level 3 – Valuation is derived from model-based techniques in which at least one significant input is unobservable and based on the Organization's own estimates about the assumptions that market participants would use to value the asset or liability.

TOUCHETTE REGIONAL HOSPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

NOTE D – FAIR VALUE MEASUREMENT - Continued

Repurchase agreements, invested in mortgage-backed securities, are valued using quotes from independent pricing vendors based on recent trading activity and other relevant trading information including market interest rate curves, dealer quotes, the U.S. treasury yield curve and bond terms and conditions. These agreements are included in Level 2.

The beneficial interest in a perpetual trust is valued using present value techniques based on observable inputs. Inputs include the applicable federal interest rate and the estimated annual income distribution. This asset is included in Level 2.

Certificates of deposit are valued at cost which approximates fair value and are included in Level 2.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Hospital believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain assets could result in a different fair value measurement at the reporting date.

A summary of assets at December 31, 2009 measured at estimated fair value on a recurring basis are as follows:

	Assets at Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents				
Repurchase agreements	\$ 1,608,560	\$ -	\$ 1,608,560	\$ -
Investments				
Certificates of deposit	500,000	-	500,000	-
Assets limited as to use				
Certificates of deposit	2,156,000	-	2,156,000	-
Other assets				
Beneficial interest in perpetual trust	423,848	-	423,848	-
	<u>\$ 4,688,408</u>	<u>\$ -</u>	<u>\$ 4,688,408</u>	<u>\$ -</u>

TOUCHETTE REGIONAL HOSPITAL, INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE D – FAIR VALUE MEASUREMENT - Continued

A summary of assets at December 31, 2008 measured at estimated fair value on a recurring basis are as follows:

	Assets at Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents				
Repurchase agreements	\$ 2,798,393	\$ -	\$ 2,798,393	\$ -
Assets limited as to use				
Certificates of deposit	3,875,000	-	3,875,000	-
Other assets				
Beneficial interest in perpetual trust	568,409	-	568,409	-
	<u>\$ 7,241,802</u>	<u>\$ -</u>	<u>\$ 7,241,802</u>	<u>\$ -</u>

NOTE E – ASSETS LIMITED AS TO USE

Assets limited as to use consist of amounts designated by the Board of Directors to be used for plant expansion or equipment acquisition. Also included are amounts that are being held by a bank to guarantee certain obligations under letters of credit and amounts pledged as collateral for a mortgage loan payable.

Assets limited as to use consist of the following at December 31,:

	2009	2008
By board for capital improvements		
Deposits	\$ 3,575	\$ -
Money market	5,812	5,801
Held by bank for collateral		
Certificate of deposit	-	1,700,000
Held by bank for insurance guarantee		
Certificates of deposit	2,156,000	2,175,000
	<u>\$ 2,165,387</u>	<u>\$ 3,880,801</u>

TOUCHETTE REGIONAL HOSPITAL, INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE F – ENDOWMENT

Effective January 1, 2009, the Hospital adopted standards for the reporting of endowments. These standards provide guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and improves disclosures about an organization's endowed funds (both donor-restricted endowment funds and board designated endowment funds). The State of Illinois enacted UPMIFA effective June 30, 2009, the provisions of which apply to endowment funds existing on or established after that date.

The Hospital has interpreted UPMIFA as requiring the preservation of the fair value of the beneficial interest in the perpetual trust absent explicit donor stipulations to the contrary. As a result of this interpretation, the Hospital classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) the net appreciation of the beneficial interest in the perpetual trust. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Hospital.

Endowment Investment and Spending Policies

The Hospital's endowment fund investments are managed by a third party trustee in accordance with the trust agreement. The Hospital receives annual distributions from the trust equal to 75% of annual trust earnings. When received, this amount is considered temporarily restricted until appropriated by the Board for expenditure.

Endowment net asset composition by type of fund as of December 31, 2009 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Assets</u>
Donor-restricted endowment funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 423,848</u>	<u>\$ 423,848</u>

TOUCHETTE REGIONAL HOSPITAL, INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE F – ENDOWMENT - Continued

Changes in endowment net assets as of December 31, 2009 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Assets</u>
Endowment net assets, beginning of year	\$ -	\$ -	\$ 568,409	\$ 568,409
Investment income	-	26,188	-	26,188
Net depreciation	-	-	(144,561)	(144,561)
Amounts appropriated for expenditure	-	(26,188)	-	(26,188)
	<u>-</u>	<u>(26,188)</u>	<u>-</u>	<u>(26,188)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 423,848</u>	<u>\$ 423,848</u>

NOTE G – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31,:

	<u>2009</u>	<u>2008</u>
Land improvements	\$ 1,122,806	\$ 1,122,806
Buildings and permanent fixtures	36,754,209	36,685,815
Furniture and equipment	25,904,397	24,839,019
	<u>63,781,412</u>	<u>62,647,640</u>
Less accumulated depreciation and amortization	52,072,571	50,306,240
	<u>11,708,841</u>	<u>12,341,400</u>
Construction in progress	677,653	710,056
Land	2,192,647	2,192,648
	<u>\$ 14,579,141</u>	<u>\$ 15,244,104</u>

TOUCHETTE REGIONAL HOSPITAL, INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE H – SELF INSURANCE

The Hospital and SIHF maintain one self-administered health benefits program for employees and their dependents. The Hospital self-insures amounts up to a lifetime maximum of \$1,000,000 per individual with certain exceptions. Claim amounts exceeding \$150,000 per covered participant are covered under a stop-loss policy. Claims expense for the Hospital for 2009 and 2008 were \$2,191,898 and \$2,905,632, respectively.

NOTE I – OPERATING LEASES

The Hospital has entered into noncancelable operating leases for various equipment items and office space. These operating leases range from two to ten years in length. Some of the leases provide that the Hospital pay for property insurance and maintenance. Total rent and other operating leases expense for 2009 and 2008 was \$561,296 and \$590,411, respectively.

The minimum commitments under the operating leases are as follows at December 31,:

2010	\$ 364,511
2011	198,839
2012	123,438
2013	125,907
2014	128,425
Thereafter	<u>130,993</u>
Total minimum payments required	<u>\$ 1,072,113</u>

TOUCHETTE REGIONAL HOSPITAL, INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE J – LONG-TERM OBLIGATIONS

A summary of long-term debt and capital lease obligations are as follows at December 31,:

	<u>2009</u>	<u>2008</u>
Mortgage loan payable to Bank of America, N.A., principal maturing June 30, 2009, interest at British Bankers Association LIBOR rate plus 1.5 percent, collateralized by a \$1.7 million certificate of deposit	\$ -	\$ 1,700,000
Capital lease obligations for purchase and installation of financial and clinical information systems and other equipment, payable at varying monthly amounts and at varying rates of imputed interest from 4.2% to 9.6%, collateralized by leased equipment	<u>1,939,568</u>	<u>1,489,197</u>
Less current portion	<u>1,939,568</u> <u>(730,947)</u>	<u>3,189,197</u> <u>(2,471,528)</u>
Long-term portion	<u>\$ 1,208,621</u>	<u>\$ 717,669</u>

The cost of equipment under capital leases included in the Combined Balance Sheets was \$3,315,419 and \$5,994,573 and accumulated depreciation was \$1,128,601 and \$2,333,132 at December 31, 2009 and 2008, respectively.

TOUCHETTE REGIONAL HOSPITAL, INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE J – LONG-TERM OBLIGATIONS - Continued

Scheduled principal repayments on capital lease obligations are as follows:

Year ended December 31,	
2010	\$ 820,355
2011	719,361
2012	365,088
2013	<u>225,922</u>
Total	2,130,726
Amount representing interest	<u>(191,158)</u>
Long-term obligations	<u>\$ 1,939,568</u>

Total interest expense incurred was \$187,663 and \$306,052 for the years ended December 31, 2009 and 2008, respectively. Cash paid for interest was \$187,663 and \$306,052 for the years ended December 31, 2009 and 2008, respectively. No interest was capitalized in 2009 or 2008.

NOTE K – ESTIMATED LIABILITY CLAIMS PAYABLE

Through March 2, 2008, the Hospital was insured for medical professional liability under a combined insurance policy which was purchased from a commercial insurance carrier on a claims-made basis. General liability insurance was also purchased on an occurrence basis. The Hospital has paid the minimum premium due under the policy. Additional premiums of \$2,500,000 may be required based on claims experience. See Note Q. Prior to the effective dates of the commercial insurance coverage, the Hospital was insured by a commercial insurance carrier that subsequently became insolvent. Potential claims incurred during this period of insurance are covered by the Illinois Insurance Guaranty Fund with limits of \$300,000 per occurrence.

Effective March 3, 2008, the Hospital purchased medical professional liability and general liability insurance from a commercial carrier on a claims made basis. The primary insurance coverage is subject to per occurrence and aggregate limits. Excess liability coverage insures against losses in excess of the primary coverage.

TOUCHETTE REGIONAL HOSPITAL, INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE K – ESTIMATED LIABILITY CLAIMS PAYABLE - Continued

The Hospital is involved in litigation arising in the ordinary course of business. Medical professional and general liability claims have been asserted against the Hospital and are currently in various stages of litigation.

The accrual for professional liability claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported. Estimated liability claims payable at December 31, 2009 and 2008 were approximately \$2,887,000 and \$3,280,000, respectively.

NOTE L – UNCOMPENSATED CARE

In line with its mission, the Hospital is designated as a Disproportionate Share Hospital which provides a safety net for the communities served to access much needed health care by offering some services to patients without regard to their ability to pay for those services. For some of their patient services, the Hospital receives no payment or payment that is less than the full cost of providing the services.

The Hospital voluntarily provides free care to patients who are unable to pay for all or part of their health care expenses as determined by the Hospital's criteria for financial assistance.

In some cases, the Hospital does not receive the amount billed for patient services even though it did not receive information necessary to determine if the patients met the criteria for financial assistance. Bad debts expense is the estimated amount of patient revenue that the Hospital will not collect.

The estimated cost of charity care and the cost of bad debts for 2009 and 2008 are as follows. Costs are calculated using the ratio of the Hospital's costs of providing patient care to its charges.

	<u>2009</u>	<u>2008</u>
Cost of charity care	\$ 6,627,424	\$ 5,138,006
Cost of bad debts	<u>3,097,542</u>	<u>4,946,331</u>
	<u>\$ 9,724,966</u>	<u>\$ 10,084,337</u>

TOUCHETTE REGIONAL HOSPITAL, INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE L – UNCOMPENSATED CARE - Continued

The Hospital also participates in government sponsored healthcare programs such as Medicaid, Medicare, Champus and Tricare. Payment from such programs for services provided may not cover costs.

The Hospital also commits significant time and resources to activities and services that meet unmet community needs. Many of these activities are sponsored with the knowledge that they will not be self-supporting or financially viable. Such programs include health screenings and assessments, prenatal education and care, support for vital community services, trauma care, specialty physicians, community educational services and various support groups.

NOTE M – PENSION

The Hospital and SIHF maintain a defined contribution 401(k) plan for the benefit of their employees. The Hospital matches participants' contributions to the Plan up to 4% of the employee's salary. Effective January 1, 2009, the plan was amended to cover substantially all employees after six months of service and to provide for immediate vesting of employer contributions on or after January 1, 2009. Prior to the amendment, employees covered under the plan were eligible for employee deferrals after six months of service and matching contributions after one year of service. Plan participants will be 100% vested in employer contributions prior to January 1, 2009 after six years of credited service.

Pension expense was \$704,901 and \$777,918 for the years ended December 31, 2009 and 2008, respectively.

NOTE N – RELATED-PARTY TRANSACTIONS

During 2009, the Hospital earned \$150,068 in operating revenue from SIHF. During 2009 and 2008, respectively, the Hospital had \$274,452 and \$789,897 in other operating revenue from SIHF. These transactions were primarily for management and marketing services, security, maintenance, housekeeping and rent. The Hospital incurred \$392,905 and \$660,925 in operating expenses to SIHF during 2009 and 2008, respectively. Amounts due from SIHF reflected in the accompanying Combined Balance Sheets were \$188,165 and \$2,262 at December 31, 2009 and 2008, respectively.

TOUCHETTE REGIONAL HOSPITAL, INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE O – FUNCTIONAL EXPENSES

The Hospital provides general inpatient and outpatient health care services within its geographic locations. Expenses related to providing these services are as follows at December 31,:

	<u>2009</u>	<u>2008</u>
Health care services	\$ 61,991,443	\$ 65,981,501
General and administrative	<u>9,132,915</u>	<u>9,200,532</u>
	<u>\$ 71,124,358</u>	<u>\$ 75,182,033</u>

NOTE P – PERPETUAL TRUST

A donor established an irrevocable perpetual trust naming TRH as a beneficiary. Under terms of the trust, TRH will receive 75% of the trust's annual taxable income. Based upon an estimated return on assets of 3.2% and 3.4%, the present value of future benefits expected to be received by TRH was estimated to be \$423,848 and \$568,409 at December 31, 2009 and 2008, respectively.

NOTE Q – LETTERS OF CREDIT

At December 31, 2009 and 2008, the Hospital had outstanding letters of credit in the amount of \$2,156,000 and \$2,175,000, respectively. The letters of credit act as a guarantee of payment to certain third parties providing professional, general liability and worker's compensation insurance coverage in accordance with specified terms and conditions. The letters of credit are secured by the assignment of \$2,156,000 and \$2,175,000 in certificates of deposit at December 31, 2009 and 2008, respectively.

TOUCHETTE REGIONAL HOSPITAL, INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE R – ASSET RETIREMENT OBLIGATIONS

The Hospital has recorded conditional asset retirement obligations and capitalized costs related to the estimated cost of removing asbestos from its facilities. Federal and state regulations require the removal of asbestos when a building is demolished or, at a minimum, encapsulation of the asbestos when it would be exposed during renovation. The obligation is included in other liabilities, and the capitalized costs are included in property and equipment. The following summarizes the asset retirement obligations.

	<u>2009</u>	<u>2008</u>
Balance at January 1,	\$ 1,841,555	\$ 1,751,826
Accretion expense	<u>94,325</u>	<u>89,729</u>
Balance at December 31,	<u>\$ 1,935,880</u>	<u>\$ 1,841,555</u>

NOTE S – RECLASSIFICATIONS

Certain amounts in the 2008 financial statements have been reclassified for comparative purposes to conform to the presentation in the 2009 financial statements.

NOTE T – SUBSEQUENT EVENTS

In preparing these financial statements, the Hospital has evaluated events and transactions for potential recognition or disclosure through June 16, 2010, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION



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**Independent Auditors' Report
on Supplementary Information**

Board of Directors
Touchette Regional Hospital, Inc.

Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole of Touchette Regional Hospital, Inc. and affiliates as of and for the years ended December 31, 2009 and 2008, which are presented in the preceding section of this report. The combining information presented hereinafter is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, results of operations, and cash flows of the individual entities. The combining information has been subjected to the auditing procedures applied in the audits of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
June 16, 2010

Other Locations

Belleville, IL • Carbondale, IL • Springfield, IL • Jacksonville, IL • Cape Girardeau, MO • Milwaukee, WI

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TOUCHETTE REGIONAL HOSPITAL, INC.

COMBINING BALANCE SHEETS

December 31, 2009

ASSETS	Combining Information					Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Archview Health Support, Inc.	Reclassifications and Eliminations		
Current assets						
Cash and cash equivalents	\$ -	\$ 1,869,823	\$ 65,677	\$ -	\$ -	\$ 1,935,500
Accounts receivable	-	5,063,573	-	-	-	5,063,573
Patients, less estimated uncollectibles of \$2,255,000	-	356,129	-	-	-	356,129
Other	-	500,000	-	-	-	500,000
Investments	-	2,005,993	-	-	-	2,005,993
Provider assessment receivable	-	549,664	-	-	-	549,664
Third-party payor settlements	-	1,057,641	-	-	-	1,057,641
Inventories, prepaid and other	-	-	-	-	-	-
Total current assets	-	11,402,823	65,677	-	-	11,468,500
Assets limited as to use						
By board for capital improvements	-	9,387	-	-	-	9,387
Held by bank for insurance guarantee	-	2,156,000	-	-	-	2,156,000
	-	2,165,387	-	-	-	2,165,387
Property and equipment - net	-	14,579,141	-	-	-	14,579,141
Other assets						
Beneficial interest in charitable trust	-	423,848	-	-	-	423,848
Total assets	\$ -	\$ 28,571,199	\$ 65,677	\$ -	\$ -	\$ 28,636,876

TOUCHETTE REGIONAL HOSPITAL, INC.

COMBINING BALANCE SHEETS - Continued
December 31, 2009

LIABILITIES AND NET ASSETS	Combining Information				Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Archview Health Support, Inc.	Reclassifications and Eliminations	
Current liabilities					
Current maturities of long-term obligations	\$ -	\$ 730,947	\$ -	\$ -	\$ 730,947
Short-term notes	-	108,671	-	-	108,671
Accounts payable	-	1,650,703	-	-	1,650,703
Accrued liabilities					
Payroll and payroll taxes	-	2,026,740	-	-	2,026,740
Other	-	655,840	-	-	655,840
Third-party payor settlements	-	14,964	-	-	14,964
Total current liabilities	-	5,187,865	-	-	5,187,865
Long-term obligations, less current maturities	-	1,208,621	-	-	1,208,621
Other liabilities					
Asset retirement obligations	-	1,935,880	-	-	1,935,880
Estimated liability claims payable, less current portion	-	2,617,000	-	-	2,617,000
Total other liabilities	-	4,552,880	-	-	4,552,880
Total liabilities	-	10,949,366	-	-	10,949,366
Net assets					
Unrestricted	-	17,146,897	65,677	-	17,212,574
Temporarily restricted	-	51,088	-	-	51,088
Permanently restricted	-	423,848	-	-	423,848
Total net assets	-	17,621,833	65,677	-	17,687,510
Total liabilities and net assets	\$ -	\$ 28,571,199	\$ 65,677	\$ -	\$ 28,636,876

TOUCHETTE REGIONAL HOSPITAL, INC.

COMBINING BALANCE SHEETS - Continued
December 31, 2008

ASSETS	Combining Information				Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Archview Health Support, Inc.	Reclassifications and Eliminations	
Current assets					
Cash and cash equivalents	\$ 774,518	\$ 2,163,157	\$ 71,400	\$ -	\$ 3,009,075
Accounts receivable					
Patients, less estimated uncollectibles of \$5,823,000	1,772,279	4,982,375	-	-	6,754,654
Other	56,158	3,259,315	-	(3,095,866)	219,607
Assets limited as to use					
Provider assessment receivable	3,062,070	1,700,000	-	-	1,700,000
Third-party payor settlements	769,359	2,474,358	-	-	5,536,428
Inventories, prepaid and other	266,536	1,183,560	-	-	1,952,919
		647,612	-	-	914,148
Total current assets	6,700,920	16,410,377	71,400	(3,095,866)	20,086,831
Assets limited as to use					
By board for capital improvements	-	5,801	-	-	5,801
Held by bank for collateral	-	1,700,000	-	-	1,700,000
Held by bank for insurance guarantee	-	2,175,000	-	-	2,175,000
Less amount required to meet current obligations	-	3,880,801	-	-	3,880,801
	-	(1,700,000)	-	-	(1,700,000)
	-	2,180,801	-	-	2,180,801
Property and equipment - net	5,754,271	9,489,833	-	-	15,244,104
Other assets					
Beneficial interest in charitable trust	-	568,409	-	-	568,409
Total assets	\$ 12,455,191	\$ 28,649,420	\$ 71,400	\$ (3,095,866)	\$ 38,080,145

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TOUCHETTE REGIONAL HOSPITAL, INC.

COMBINING BALANCE SHEETS - Continued
December 31, 2008

LIABILITIES AND NET ASSETS	Combining Information					Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Archview Health Support, Inc.	Reclassifications and Eliminations		
Current liabilities						
Current maturities of long-term obligations	\$ 212,447	\$ 2,259,081	\$ -	\$ -	\$ -	\$ 2,471,528
Short-term notes	54,366	55,781	-	-	-	110,147
Accounts payable	4,022,282	1,541,272	-	(3,095,866)	-	2,467,688
Deferred revenue	-	2,000,956	-	-	-	2,000,956
Accrued liabilities						
Payroll and payroll taxes	891,466	949,641	-	-	-	1,841,107
Provider assessment payable	1,055,978	1,038,091	-	-	-	2,094,069
Other	321,271	370,562	-	-	-	691,833
Third-party payor settlements	-	144,262	-	-	-	144,262
Total current liabilities	6,557,810	8,359,646	-	(3,095,866)	-	11,821,590
Long-term obligations, less current maturities	32,832	684,837	-	-	-	717,669
Other liabilities						
Asset retirement obligations	1,010,865	830,690	-	-	-	1,841,555
Estimated liability claims payable, less current portion	525,000	2,485,000	-	-	-	3,010,000
Total other liabilities	1,535,865	3,315,690	-	-	-	4,851,555
Total liabilities	8,126,507	12,360,173	-	(3,095,866)	-	17,390,814
Net assets						
Unrestricted	4,277,596	15,720,838	71,400	-	-	20,069,834
Temporarily restricted	51,088	-	-	-	-	51,088
Permanently restricted	-	568,409	-	-	-	568,409
Total net assets	4,328,684	16,289,247	71,400	-	-	20,689,331
Total liabilities and net assets	\$ 12,455,191	\$ 28,649,420	\$ 71,400	\$ (3,095,866)	\$ -	\$ 38,080,145

TOUCHETTE REGIONAL HOSPITAL, INC.

COMBINING STATEMENTS OF OPERATIONS
Year ended December 31, 2009

	Combining Information				Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Archview Health Support, Inc.	Reclassifications and Eliminations	
Unrestricted revenues, gains and other support					
Net patient service revenue	\$ 7,545,534	\$ 59,117,727	\$ -	\$ -	\$ 66,663,261
Other operating revenue	403,804	877,925	-	-	1,281,729
Total unrestricted revenues, gains, and other support	7,949,338	59,995,652	-	-	67,944,990
Operating expense					
Salaries	4,693,709	25,701,743	-	-	30,395,452
Employee benefits	981,100	4,967,337	-	-	5,948,437
Physician fees	746,940	4,725,598	-	-	5,472,538
Supplies and other	1,845,224	15,615,789	5,755	-	17,466,768
Insurance and liability claims	153,627	1,024,362	-	-	1,177,989
Provision for bad debts	1,317,394	3,680,732	-	-	4,998,126
Depreciation and amortization	456,047	1,889,077	-	-	2,345,124
Hospital provider assessment	411,488	2,720,773	-	-	3,132,261
Interest	7,380	180,283	-	-	187,663
Total operating expense	10,612,909	60,505,694	5,755	-	71,124,358
Loss from operations	(2,663,571)	(510,042)	(5,755)	-	(3,179,368)
Other income	1,145	320,931	32	-	322,108
Deficiency of revenues over expenses	(2,662,426)	(189,111)	(5,723)	-	(2,857,260)
Other changes					
Transfer (to) from affiliate	(1,666,258)	1,666,258	-	-	-
INCREASE (DECREASE) IN NET ASSETS	\$ (4,328,684)	\$ 1,477,147	\$ (5,723)	\$ -	\$ (2,857,260)

TOUCETTE REGIONAL HOSPITAL, INC.

COMBINING STATEMENTS OF OPERATIONS - Continued
Year ended December 31, 2008

	Combining Information				Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Archview Health Support, Inc.	Reclassifications and Eliminations	
Unrestricted revenues, gains and other support					
Net patient service revenue	\$ 29,870,592	\$ 38,003,823	\$ -	\$ -	\$ 67,874,415
Other operating revenue	1,531,300	1,238,637	-	-	2,769,937
Total unrestricted revenues, gains, and other support	31,401,892	39,242,460	-	-	70,644,352
Operating expense					
Salaries	14,384,706	16,457,543	-	-	30,842,249
Employee benefits	3,192,903	3,259,538	-	-	6,452,441
Physician fees	2,181,358	2,355,565	-	-	4,536,923
Supplies and other	8,093,667	10,179,305	2,068	-	18,275,040
Insurance and liability claims	858,446	870,991	-	-	1,729,437
Provision for bad debts	4,166,097	3,743,025	-	-	7,909,122
Depreciation and amortization	1,047,786	1,118,748	-	-	2,166,534
Hospital provider assessment	1,487,940	1,476,295	-	-	2,964,235
Interest	43,850	262,202	-	-	306,052
Total operating expense	35,456,753	39,723,212	2,068	-	75,182,033
Loss from operations	(4,054,861)	(480,752)	(2,068)	-	(4,537,681)
Other income	33,732	282,667	28	-	316,427
Deficiency of revenues over expenses	(4,021,129)	(198,085)	(2,040)	-	(4,221,254)
Other changes					
Transfer (to) from affiliate	862,860	(936,300)	73,440	-	-
INCREASE (DECREASE) IN NET ASSETS	\$ (3,158,269)	\$ (1,134,385)	\$ 71,400	\$ -	\$ (4,221,254)

TOUCHETTE REGIONAL HOSPITAL, INC.

COMBINING STATEMENTS OF CHANGES IN NET ASSETS

Year ended December 31, 2009

	Combining Information				Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Archview Health Support, Inc.	Reclassifications and Eliminations	
Unrestricted net assets					
Deficiency of revenues over expenses	\$ (2,662,426)	\$ (189,111)	\$ (5,723)	\$ -	\$ (2,857,260)
Other changes	(1,666,258)	1,666,258	-	-	-
Increase (decrease) in unrestricted net assets	(4,328,684)	1,477,147	(5,723)	-	(2,857,260)
Permanently restricted net assets					
Change in value of beneficial interest in charitable trust	-	(144,561)	-	-	(144,561)
Decrease in permanently restricted net assets	-	(144,561)	-	-	(144,561)
Increase (decrease) in net assets	(4,328,684)	1,332,586	(5,723)	-	(3,001,821)
Net assets, January 1, 2009	4,328,684	16,289,247	71,400	-	20,689,331
Net assets, December 31, 2009	\$ -	\$ 17,621,833	\$ 65,677	\$ -	\$ 17,687,510

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TOUCHETTE REGIONAL HOSPITAL, INC.

COMBINING STATEMENTS OF CHANGES IN NET ASSETS - Continued
 Year ended December 31, 2008

	Combining Information				Combined Total
	Kenneth Hill Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Archview Health Support, Inc.	Reclassifications and Eliminations	
Unrestricted net assets					
Deficiency of revenues over expenses	\$ (4,021,129)	\$ (198,085)	\$ (2,040)	\$ -	\$ (4,221,254)
Other changes	862,860	(936,300)	73,440	-	-
Increase (decrease) in unrestricted net assets	(3,158,269)	(1,134,385)	71,400	-	(4,221,254)
Permanently restricted net assets					
Change in value of beneficial interest in charitable trust	-	232,531	-	-	232,531
Increase in permanently restricted net assets	-	232,531	-	-	232,531
Increase (decrease) in net assets	(3,158,269)	(901,854)	71,400	-	(3,988,723)
Net assets, January 1, 2008	7,486,953	17,191,101	-	-	24,678,054
Net assets, December 31, 2008	\$ 4,328,684	\$ 16,289,247	\$ 71,400	\$ -	\$ 20,689,331

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TOUCETTE REGIONAL HOSPITAL, INC.

COMBINING STATEMENTS OF CASH FLOWS

Year ended December 31, 2009

	Combining Information				Combined Total
	Kenneth Heil Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Archview Health Support, Inc.	Reclassifications and Eliminations	
Cash flows from operating activities and gains					
Change in net assets	\$ (4,328,684)	\$ 1,332,586	\$ (5,723)	\$ -	\$ (3,001,821)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities and gains					
Depreciation and amortization	456,047	1,889,077	-	-	2,345,124
Provision for bad debts	1,317,394	3,680,732	-	-	4,998,126
(Increase) decrease in assets					
Accounts receivable	(987,696)	(2,455,871)	-	-	(3,443,567)
Provider assessment receivable	3,062,070	468,365	-	-	3,530,435
Other assets	835,755	568,568	-	-	1,404,323
Increase (decrease) in liabilities					
Accounts payable, accrued and other liabilities	(838,259)	41,615	-	-	(796,644)
Deferred revenue	-	(2,000,956)	-	-	(2,000,956)
Provider assessment liability	(1,055,978)	(1,038,091)	-	-	(2,094,069)
Estimated liability claims payable	-	(393,000)	-	-	(393,000)
Total adjustments	2,789,333	760,439	-	-	3,549,772
Net cash provided by (used in) operating activities and gains	(1,539,351)	2,093,025	(5,723)	-	547,951
Cash flows from investing activities					
Capital expenditures	-	(384,064)	-	-	(384,064)
Net transfers to/(from)	1,012,324	(1,012,324)	-	-	-
Net withdrawal of funds limited as to use	-	1,715,414	-	-	1,715,414
Purchase of investments	-	(500,000)	-	-	(500,000)
Net cash provided by (used in) investing activities	1,012,324	(180,974)	-	-	831,350
Cash flows from financing activities					
Net short-term borrowings	(54,366)	52,890	-	-	(1,476)
Principal payments on long-term obligations	(193,125)	(2,258,275)	-	-	(2,451,400)
Net cash used in financing activities	(247,491)	(2,205,385)	-	-	(2,452,876)
Net decrease in cash and cash equivalents	(774,518)	(293,334)	(5,723)	-	(1,073,575)
Cash and cash equivalents, January 1, 2009	774,518	2,163,157	71,400	-	3,009,075
Cash and cash equivalents, December 31, 2009	-	\$ 1,869,823	\$ 65,677	\$ -	\$ 1,935,500
Non-cash investing and financing activities:					
Capital lease obligations entered into in exchange for equipment	-	\$ 1,201,771	\$ -	\$ -	\$ 1,201,771

TOUCHETTE REGIONAL HOSPITAL, INC.

COMBINING STATEMENTS OF CASH FLOWS - Continued
 Year ended December 31, 2008

	Combining Information				Reclassifications and Eliminations	Combined Total
	Keoneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Archview Health Support, Inc.			
Cash flows from operating activities and gains						
Change in net assets	\$ (3,158,269)	\$ (901,854)	\$ 71,400	\$ -	\$ -	\$ (3,988,723)
Adjustments to reconcile change in net assets to net cash provided by operating activities and gains						
Depreciation and amortization	1,047,786	1,118,748	-	-	-	2,166,534
Provision for bad debts	4,166,097	3,743,025	-	-	-	7,909,122
Gain on the disposal of assets	-	(7,000)	-	-	-	(7,000)
(Increase) decrease in assets						
Accounts receivable	(1,196,588)	(5,784,044)	-	560,005	-	(6,420,627)
Provider assessment receivable	(1,212,412)	1,553,638	-	-	-	341,226
Other assets	649,535	(1,689,964)	-	-	-	(1,040,429)
Increase (decrease) in liabilities						
Accounts payable, accrued and other liabilities	(240,700)	(510,895)	-	(560,005)	-	(1,311,600)
Deferred revenue	-	2,000,956	-	-	-	2,000,956
Provider assessment liability	624,016	551,495	-	-	-	1,175,511
Estimated liability claims payable	150,000	61,667	-	-	-	211,667
Total adjustments	3,987,734	1,037,626	71,400	-	-	5,025,360
Net cash provided by operating activities and gains	829,465	135,772	71,400	-	-	1,036,637
Cash flows from investing activities						
Proceeds from sale of property and equipment	-	7,000	-	-	-	7,000
Capital expenditures	(27,644)	(3,062,928)	-	-	-	(3,090,572)
Net deposit of funds limited as to use	-	(1,778,129)	-	-	-	(1,778,129)
Net cash used in investing activities	(27,644)	(4,834,057)	-	-	-	(4,861,701)
Cash flows from financing activities						
Net short-term borrowings	54,366	55,781	-	-	-	110,147
Principal payments on long-term obligations	(282,210)	(703,253)	-	-	-	(985,463)
Net cash provided by used in financing activities	(227,844)	(647,472)	-	-	-	(875,316)
Net increase (decrease) in cash and cash equivalents	573,977	(5,345,757)	71,400	-	-	(4,700,380)
Cash and cash equivalents, January 1, 2008	200,541	7,508,914	-	-	-	7,709,455
Cash and cash equivalents, December 31, 2008	\$ 774,518	\$ 2,163,157	\$ 71,400	\$ -	\$ -	\$ 3,009,075
Non-cash investing and financing activities:						
Capital lease obligations entered into in exchange for equipment	-	\$ 721,000	\$ -	\$ -	\$ -	\$ 721,000

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**COMBINED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT**

**KENNETH HALL REGIONAL HOSPITAL, INC.
AND TOUCHETTE REGIONAL HOSPITAL, INC.**

December 31, 2008 and 2007

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

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Kerber, Eck & Braeckel LLP

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Independent Auditors' Report

Board of Directors
Kenneth Hall Regional Hospital, Inc.
Touchette Regional Hospital, Inc.

We have audited the accompanying combined balance sheets of Kenneth Hall Regional Hospital, Inc. and Touchette Regional Hospital, Inc. (Illinois not-for-profit corporations) as of December 31, 2008 and 2007, and the related combined statements of operations, changes in net assets, and cash flows for the years then ended. These combined financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Kenneth Hall Regional Hospital, Inc. and Touchette Regional Hospital, Inc. as of December 31, 2008 and 2007, and the results of their operations, changes in net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
April 28, 2009

Other Locations

Belleville, IL • Carbondale, IL • Springfield, IL • Jacksonville, IL • Cape Girardeau, MO • Milwaukee, WI

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KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHEFFE REGIONAL HOSPITAL, INC.

COMBINED BALANCE SHEETS

December 31,

ASSETS	2008	2007	LIABILITIES AND NET ASSETS	2008	2007
Current assets			Current liabilities		
Cash and cash equivalents	\$ 3,009,075	\$ 7,709,455	Current maturities of long-term obligations	\$ 2,471,528	\$ 862,322
Accounts receivable			Short-term notes	110,147	-
Patients, less estimated uncollectibles of			Accounts payable	2,467,688	2,596,078
\$5,823,000 in 2008 and \$6,397,000 in 2007	6,754,654	8,246,367	Deferred revenue	2,000,956	-
Other	219,607	216,389	Accrued liabilities		
Assets limited as to use	1,700,000	-	Payroll and payroll taxes	1,841,107	2,813,588
Provider assessment receivable	5,536,428	5,877,654	Provider assessment payable	2,094,069	918,558
Third party payor settlements	1,952,919	1,103,899	Other	691,833	848,323
Inventories, prepaid and other	914,148	953,270	Third party payor settlements	144,262	198,500
Total current assets	20,086,831	24,109,034	Total current liabilities	11,821,590	8,237,369
Assets limited as to use			Long-term obligations, less current		
By board for capital improvements	5,801	102,672	maturities	717,669	2,591,338
Held by bank for collateral	1,700,000	-	Other liabilities		
Held by bank for insurance guarantee	2,175,000	2,000,000	Asset retirement obligations	1,841,555	1,751,826
	3,880,801	2,102,672	Estimated liability claims payable, less current portion	3,010,000	2,798,333
Less amount required to meet	(1,700,000)	-	Total other liabilities	4,851,555	4,550,159
current obligations	2,180,801	2,102,672	Total liabilities	17,390,814	15,378,866
Property and equipment - net	15,244,104	13,509,336	Net assets		
			Unrestricted	20,069,834	24,291,088
Other assets			Temporarily restricted	51,088	51,088
Beneficial interest in charitable trust	568,409	335,878	Permanently restricted	568,409	335,878
			Total net assets	20,689,331	24,678,054
Total assets	\$ 38,080,145	\$ 40,056,920	Total liabilities and net assets	\$ 38,080,145	\$ 40,056,920

The accompanying notes are an integral part of these statements.

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

COMBINED STATEMENTS OF OPERATIONS
Year ended December 31,

	<u>2008</u>	<u>2007</u>
Unrestricted revenues, gains and other support		
Net patient service revenue	\$ 67,874,415	\$ 74,641,947
Other operating revenue	<u>2,769,937</u>	<u>2,003,036</u>
Total unrestricted revenues, gains and other support	70,644,352	76,644,983
Operating expense		
Salaries	30,842,249	31,032,634
Employee benefits	6,452,441	6,753,550
Physician fees	4,536,923	4,826,835
Supplies and other	18,275,040	19,480,195
Insurance and liability claims	1,729,437	1,895,494
Provision for bad debts	7,909,122	9,728,149
Depreciation and amortization	2,166,534	2,115,981
Hospital provider assessment	2,964,235	1,837,118
Interest	<u>306,052</u>	<u>246,063</u>
Total operating expense	<u>75,182,033</u>	<u>77,916,019</u>
Loss from operations	(4,537,681)	(1,271,036)
Other income	<u>316,427</u>	<u>518,386</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (4,221,254)</u>	<u>\$ (752,650)</u>

The accompanying notes are an integral part of these statements.

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

**COMBINED STATEMENTS OF CHANGES IN NET ASSETS
Year ended December 31,**

	<u>2008</u>	<u>2007</u>
Unrestricted net assets		
Deficiency of revenues over expenses	\$ (4,221,254)	\$ (752,650)
Decrease in unrestricted net assets	(4,221,254)	(752,650)
Permanently restricted net assets		
Change in value of beneficial interest in charitable trust	232,531	-
Increase in permanently restricted net assets	232,531	-
Decrease in net assets	(3,988,723)	(752,650)
Net assets, beginning of year	<u>24,678,054</u>	<u>25,430,704</u>
Net assets, end of year	<u>\$ 20,689,331</u>	<u>\$ 24,678,054</u>

The accompanying notes are an integral part of these statements.

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

COMBINED STATEMENTS OF CASH FLOWS
Year ended December 31,

	<u>2008</u>	<u>2007</u>
Increase (decrease) in cash and cash equivalents		
Cash flows from operating activities and gains		
Change in net assets	\$ (3,988,723)	\$ (752,650)
Adjustments to reconcile change in net assets to net cash provided by operating activities and gains		
Depreciation and amortization	2,166,534	2,115,981
Provision for bad debts	7,909,122	9,728,149
Gain on disposal of assets	(7,000)	-
(Increase) decrease in assets		
Accounts receivable	(6,420,627)	(10,162,764)
Provider assessment receivable	341,226	11,755,307
Other assets	(1,040,429)	(967,762)
Increase (decrease) in liabilities		
Accounts payable, accrued and other liabilities	(1,311,600)	(4,059,380)
Deferred revenue	2,000,956	-
Provider assessment liability	1,175,511	(1,837,120)
Estimated liability claims payable	211,667	933,333
Total adjustments	<u>5,025,360</u>	<u>7,505,744</u>
Net cash provided by operating activities and gains	1,036,637	6,753,094
Cash flows from investing activities		
Proceeds from sale of property and equipment	7,000	-
Capital expenditures	(3,090,572)	(3,521,250)
Net (deposits) withdrawals of funds whose use is limited	<u>(1,778,129)</u>	<u>1,302,491</u>
Net cash used in investing activities	(4,861,701)	(2,218,759)
Cash flows from financing activities		
Net short-term borrowings	110,147	-
Proceeds from long-term debt	-	1,700,000
Principal payments on long-term obligations	<u>(985,463)</u>	<u>(747,127)</u>
Net cash provided by (used in) financing activities	(875,316)	952,873
Net increase (decrease) in cash and cash equivalents	(4,700,380)	5,487,208
Cash and cash equivalents, beginning of year	7,709,455	2,222,247
Cash and cash equivalents, end of year	<u>\$ 3,009,075</u>	<u>\$ 7,709,455</u>
Non-cash investing and financing activities:		
Capital lease obligations entered into in exchange for equipment	<u>\$ 721,000</u>	<u>\$ 316,715</u>
Accounts payable for property and equipment	<u>\$ -</u>	<u>\$ 284,170</u>

The accompanying notes are an integral part of these statements.

KENNETH HALL REGIONAL HOSPITAL, INC. AND TOUCHETTE REGIONAL HOSPITAL, INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2008 and 2007

NOTE A – NATURE OF ENTITY AND SUMMARY OF ACCOUNTING POLICIES

The financial statements include the accounts of Kenneth Hall Regional Hospital, Inc., East St. Louis, Illinois (KHRH), Touchette Regional Hospital, Inc., Centreville, Illinois (TRH), and Archview Health Support, Inc., East St. Louis, Illinois (Archview). All significant intercompany transactions and accounts are eliminated.

A summary of the significant accounting policies of KHRH and TRH consistently applied in the preparation of the accompanying combined financial statements follows.

1. Nature of Entity

KHRH and TRH were organized to provide comprehensive healthcare and health-related services to residents of the Hospital's service area. This area includes East St. Louis, Centreville Township, as well as the surrounding communities. KHRH is a 169 bed general acute care service provider, and TRH is a 111 bed general acute care service provider.

KHRH and TRH are controlled affiliates of Southern Illinois Healthcare Foundation, Inc. (SIHF). SIHF is an Illinois not-for-profit corporation organized under Section 501(c)(3) of the Internal Revenue Code. Membership of KHRH and TRH consists of the Board of Directors for SIHF, which appoints the Board of Directors of KHRH and TRH. KHRH and TRH intend to merge prior to December 31, 2009.

Archview was organized to be operated for charitable purposes exclusively for the benefit of KHRH and TRH. Archview is a controlled affiliate of KHRH and TRH.

2. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Cash and Cash Equivalents

KHRH and TRH consider all highly liquid debt instruments with maturities of three months or less at the date of acquisition and not limited as to their use to be cash equivalents.

4. Assets Limited as to Use

Resources which are set aside for board-designated or other restricted purposes are considered to be assets whose use is limited. Assets whose use is limited that are required for obligations classified as current liabilities are reported as current assets. Such assets are reported at fair value.

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007**

**NOTE A – NATURE OF ENTITY AND SUMMARY OF ACCOUNTING POLICIES -
Continued**

5. Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out method.

6. Property and Equipment

Property and equipment is stated at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, on a straight-line basis. Leased property under capital leases is amortized over the lives of the respective leases, or over the service lives of the assets for those leases which substantially transfer ownership.

7. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by KHRH and TRH have been limited by donors to a specific purpose or time periods. Permanently restricted net assets have been restricted by donors to be maintained by KHRH and TRH in perpetuity.

8. Net Patient Service Revenue and Receivables

Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors and others for services rendered. Also included in net patient service revenue are estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined. Net patient receivables are recorded net of an allowance for uncollectible accounts based on various factors including historical performance, the aging of receivables and existing economic conditions.

9. Charity Care

KHRH and TRH provide care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because KHRH and TRH do not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007**

**NOTE A – NATURE OF ENTITY AND SUMMARY OF ACCOUNTING POLICIES -
Continued**

10. Excess of Revenues Over Expenses

The statement of operations includes excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for purposes of acquiring such assets). Excluded items included permanent transfers of assets to and from affiliates in 2008. There were no excluded items in 2007.

11. Donor Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value when received. Unrestricted contributions and donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements. Donor-restricted contributions whose restrictions are not met at year end are reported as either temporarily or permanently restricted support until such assets are released from restrictions.

12. Income Taxes

KHRH and TRH are not-for-profit organizations under Section 501(c)(3) of the Internal Revenue Code and are exempt from income taxes on related income under Section 501(a) of the Code.

As permitted by FASB Staff Position FIN 48-3, "Effective Date of FASB Interpretation No. 48 for certain Nonpublic Enterprises," issued in December 2008, the Hospitals have elected to defer the application of the provisions of FIN 48 until the Hospitals' first fiscal year beginning after December 15, 2008. The Hospitals evaluate all tax provisions and make a determination regarding their likelihood of being upheld under review. The Hospitals evaluate their tax positions using the provisions of FASB Statement 5, *Accounting for Contingencies*. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated.

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007**

**NOTE A – NATURE OF ENTITY AND SUMMARY OF ACCOUNTING POLICIES -
Continued**

13. Asset Retirement Obligation

Under the provisions of FASB Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations* (FIN 47), KHRH and TRH record a liability and capitalized costs for the fair value of conditional asset retirement obligations when incurred if the fair value of the liability can be reasonably estimated.

NOTE B – NET PATIENT SERVICE REVENUE

KHRH and TRH have agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. These payment arrangements include:

Medicare – Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. The Hospitals are reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Hospitals and audits thereof by the Medicare fiscal intermediary.

Medicaid – Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Outpatient services rendered to Medicaid program beneficiaries are reimbursed based on prospectively determined fee schedules. The Hospitals are also eligible for additional payments based on the volume of services provided to Medicaid program beneficiaries.

In December 2006, the Hospital Assessment Program (“Program”) was approved for the period July 2005 through June 2008. In December 2008, the Centers for Medicare and Medicaid Services (CMS) approved the State of Illinois Hospital Assessment Program through June 2013. This Program increases the amount of federal funding for the Illinois Medicaid program by \$640 million per year. For the years ended December 31, 2008 and 2007, respectively, the Hospitals recorded a receivable from the Program of \$5,536,428 and \$5,877,654 and an assessment payable in connection with the Program of \$2,094,069 and \$918,558.

Approximately 68% and 66% of net patient service revenues are from participation in the Medicare and state sponsored Medicaid programs for the years ended December 31, 2008 and 2007, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that actual results may differ from recorded estimates.

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007**

NOTE B – NET PATIENT SERVICE REVENUE - Continued

KHRH and TRH have also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payments to KHRH and TRH under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

NOTE C - CONCENTRATION OF CREDIT RISK

The Hospitals maintain their cash and investments in various financial institutions. Certain such cash and investments are either not insured or the balances may, at times, exceed the federally insured limits. The Hospitals have not experienced any losses in such accounts and believe they are not exposed to any significant credit risk on their cash and investments.

KHRH and TRH grant credit without collateral to their patients most of whom are local residents and some of which are insured under third-party payor agreements. The mix of receivables from patients and third-party payors is as follows at December 31,:

	<u>2008</u>	<u>2007</u>
Medicaid	22 %	17 %
Medicare	13	12
Other third-party payors	18	20
Self-pay	<u>47</u>	<u>51</u>
	<u>100 %</u>	<u>100 %</u>

NOTE D – FAIR VALUE MEASUREMENT

Effective January 1, 2008, the Hospitals adopted SFAS No. 157, *Fair Value Measurements*, (SFAS 157) for financial assets and financial liabilities. In accordance with FSP No. 157-2, *Effective Date of FASB Statement No. 157*, the Hospitals will delay application of SFAS 157 for non-financial assets and non-financial liabilities until January 1, 2009. SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosure about fair value measurements.

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007**

NOTE D – FAIR VALUE MEASUREMENT – Continued

The provisions of SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*, (SFAS 159) which permit an entity to choose to measure eligible financial instruments and other items at fair value also became effective January 1, 2008. The Hospitals have not made any fair value elections under SFAS 159 as of December 31, 2008.

The definition of fair value is clarified by SFAS 157 to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 established a three-level hierarchy for fair value measurements based upon the inputs to the valuation of an asset or liability.

Level 1 – Valuation is based on quoted prices in active markets for identical assets and liabilities.

Level 2 – Valuation is determined from quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar instruments in markets that are not active or by model-based techniques whose significant inputs are observable in the market.

Level 3 – Valuation is derived from model-based techniques in which at least one significant input is unobservable and based on the Company's own estimates about the assumptions that market participants would use to value the asset or liability.

The beneficial interest in a perpetual trust is valued using present value techniques based on observable inputs. Inputs include the applicable federal interest rate and the estimated annual income distribution. This asset is included in Level 2.

NOTE E - ASSETS LIMITED AS TO USE

Assets limited as to use consist of amounts designated by the Board of Directors to be used for plant expansion or equipment acquisition. Also included are amounts that are being held by a bank to guarantee certain obligations under letters of credit and amounts pledged as collateral for a mortgage loan payable.

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007**

NOTE E - ASSETS LIMITED AS TO USE - Continued

Assets limited as to use consist of the following at December 31,:

	<u>2008</u>	<u>2007</u>
By board for capital improvements		
Money market	\$ 5,801	\$ 102,672
Held by bank for collateral		
Certificates of deposit	1,700,000	-
Held by bank for insurance guarantee		
Certificates of deposit	<u>2,175,000</u>	<u>2,000,000</u>
	<u>\$ 3,880,801</u>	<u>\$ 2,102,672</u>

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31,:

	<u>2008</u>	<u>2007</u>
Land improvements	\$ 1,122,806	\$ 1,115,360
Buildings and permanent fixtures	36,685,815	32,335,322
Furniture and equipment	<u>24,839,019</u>	<u>23,972,418</u>
	62,647,640	57,423,100
Less accumulated depreciation and amortization	<u>50,306,240</u>	<u>48,269,397</u>
	12,341,400	9,153,703
Construction in progress	710,056	2,162,985
Land	<u>2,192,648</u>	<u>2,192,648</u>
	<u>\$ 15,244,104</u>	<u>\$ 13,509,336</u>

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007**

NOTE G -- SELF INSURANCE

KHRH, TRH and SIHF maintain one self-administered health benefits program for employees and their dependents. The Hospitals self-insure amounts up to a lifetime maximum of \$1,000,000 per individual with certain exceptions. Claim amounts exceeding \$150,000 per covered participant are covered under a stop-loss policy. Claims expense for the Hospitals for 2008 and 2007 were \$2,905,632 and \$2,938,353, respectively.

NOTE H -- OPERATING LEASES

KHRH and TRH have entered into noncancelable operating leases for various equipment items and office space. These operating leases range from two to ten years in length. Some of the leases provide that the Hospitals pay for property insurance and maintenance. Total rent and other operating leases expense for 2008 and 2007 was \$590,411 and \$566,219, respectively.

The minimum commitments under the operating leases are as follows at December 31,:

2009	\$ 347,506
2010	295,937
2011	156,313
2012	123,438
2013	125,907
Thereafter	<u>259,418</u>
Total minimum payments required	<u>\$ 1,308,519</u>

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007**

NOTE I - LONG-TERM OBLIGATIONS

A summary of long-term debt and capital lease obligations are as follows at December 31,:

	<u>2008</u>	<u>2007</u>
Mortgage loan payable to Bank of America, N.A., principal maturing June 30, 2009, interest at British Bankers Association LIBOR rate plus 1.5 percent, collateralized by a \$1.7 million certificate of deposit	\$ 1,700,000	\$ 1,700,000
Capital lease obligations for purchase and installation of financial and clinical information systems and other equipment, payable at varying monthly amounts and at varying rates of imputed interest from 7.7% to 8.7%, collateralized by leased equipment	<u>1,489,197</u>	<u>1,753,660</u>
	3,189,197	3,453,660
Less current portion	<u>(2,471,528)</u>	<u>(862,322)</u>
Long-term portion	<u>\$ 717,669</u>	<u>\$ 2,591,338</u>

The cost of equipment under capital leases included in the Combined Balance Sheets was \$5,994,573 and \$5,096,007 and accumulated depreciation was \$2,333,132 and \$1,530,918 at December 31, 2008 and 2007, respectively.

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007**

NOTE I - LONG-TERM OBLIGATIONS - Continued

Scheduled principal repayments on long-term debt and payments on capital lease obligations are as follows:

Year ended December 31,	<u>Long-term debt</u>	<u>Capital lease obligations</u>	<u>Total</u>
2009	\$ 1,700,000	\$ 827,104	\$ 2,527,104
2010	-	368,467	368,467
2011	-	243,654	243,654
2012	-	186,274	186,274
2013	-	7,177	7,177
Total	<u>1,700,000</u>	<u>1,632,676</u>	<u>3,332,676</u>
Amount representing interest	-	(143,479)	(143,479)
Long-term obligations	<u>\$ 1,700,000</u>	<u>\$ 1,489,197</u>	<u>\$ 3,189,197</u>

Total interest expense incurred was \$306,052 and \$246,063 for the years ended December 31, 2008 and 2007, respectively. Cash paid for interest was \$306,052 and \$246,063 for the years ended December 31, 2008 and 2007, respectively. No interest was capitalized in 2008 or 2007.

NOTE J - ESTIMATED LIABILITY CLAIMS PAYABLE

Through March 2, 2008, KHRH and TRH were insured for medical professional liability under a combined insurance policy which was purchased from a commercial insurance carrier on a claims-made basis. General liability insurance was also purchased on an occurrence basis. KHRH and TRH have paid the minimum premium due under the policy. Additional premiums of \$2,500,000 may be required based on claims experience. See Note P. Prior to the effective dates of the commercial insurance coverage, TRH was insured by a commercial insurance carrier that subsequently became insolvent. Potential claims incurred during this period of insurance are covered by the Illinois Insurance Guaranty Fund with limits of \$300,000 per occurrence.

Effective March 3, 2008, the Hospitals purchased medical professional liability and general liability insurance from a commercial carrier on a claims made basis. The primary insurance coverage is subject to per occurrence and aggregate limits. Excess liability coverage insures against losses in excess of the primary coverage.

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007**

NOTE J - ESTIMATED LIABILITY CLAIMS PAYABLE - Continued

KHRH and TRH are involved in litigation arising in the ordinary course of business. Medical professional and general liability claims have been asserted against the Hospitals and are currently in various stages of litigation.

The accrual for professional liability claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported. Estimated liability claims payable at December 31, 2008 and 2007 was approximately \$3,280,000 and \$3,069,000, respectively

NOTE K - UNCOMPENSATED CARE

In line with their missions, KHRH and TRH are designated as Disproportionate Share Hospitals which provide a safety net for the communities served to access much needed health care by offering some services to patients without regard to their ability to pay for those services. For some of their patient services, the Hospitals receive no payment or payment that is less than the full cost of providing the services.

The Hospitals voluntarily provide free care to patients who are unable to pay for all or part of their health care expenses as determined by the Hospital's criteria for financial assistance.

In some cases, the Hospitals do not receive the amount billed for patient services even though it did not receive information necessary to determine if the patients met the criteria for financial assistance. Bad debts expense is the estimated amount of patient revenue that the Hospitals will not collect.

The estimated cost of charity care and the cost of bad debts for 2008 and 2007 are as follows. Costs are calculated using the ratio of the Hospital's costs of providing patient care to its charges.

	<u>2008</u>	<u>2007</u>
Cost of charity care	\$ 5,138,006	\$ 5,789,171
Cost of bad debts	<u>4,946,331</u>	<u>5,927,794</u>
	<u>\$ 10,084,337</u>	<u>\$ 11,716,965</u>

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007**

NOTE K - UNCOMPENSATED CARE - Continued

The Hospitals also participate in government sponsored healthcare programs such as Medicaid, Medicare, Champus and Tricare. Payment from such programs for services provided may not cover costs.

The Hospitals also commit significant time and resources to activities and services that meet unmet community needs. Many of these activities are sponsored with the knowledge that they will not be self-supporting or financially viable. Such programs include health screenings and assessments, prenatal education and care, support for vital community services, trauma care, specialty physicians, community educational services and various support groups.

NOTE L - PENSION

KHRH and TRH adopted defined contribution 401(k) plans for the benefit of their employees. On January 1, 2007, the KHRH and TRH plans merged with the SIHF defined contribution 401(k) plan (Plan). The Hospitals match participants' contributions to the Plan dollar for dollar up to 4% of the employee's salary. Substantially all employees are covered under the Plan after six months of service and are eligible for matching contributions after one year of service. Plan participants are 100% vested in all contributions to their participant account after six years of credited service.

Combined pension expense was \$777,918 and \$598,011 for the years ended December 31, 2008 and 2007, respectively.

NOTE M - RELATED-PARTY TRANSACTIONS

During 2008 and 2007, respectively, KHRH and TRH had \$789,897 and \$220,248 in other operating revenue from SIHF. These transactions were primarily for management and marketing services, security, maintenance, housekeeping and rent. KHRH and TRH incurred \$660,925 and \$127,546 in operating expenses to SIHF during 2008 and 2007, respectively. Amounts due (to)/from SIHF reflected in the accompanying Combined Balance Sheets were \$2,262 and \$(172,309) at December 31, 2008 and 2007, respectively.

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007**

NOTE N - FUNCTIONAL EXPENSES

KHRH and TRH provide general inpatient and outpatient health care services within their geographic locations. Expenses related to providing these services are as follows at December 31,:

	<u>2008</u>	<u>2007</u>
Health care services	\$ 65,981,501	\$ 68,251,535
General and administrative	<u>9,200,532</u>	<u>9,664,484</u>
	<u>\$ 75,182,033</u>	<u>\$ 77,916,019</u>

NOTE O - PERPETUAL TRUST

A donor established an irrevocable perpetual trust naming TRH as a beneficiary. Under terms of the trust, TRH will receive 75% of the trust's annual taxable income. Based upon an estimated return on assets of 3.4% and 7.5%, the present value of future benefits expected to be received by TRH was estimated to be \$568,409 and \$335,878 at December 31, 2008 and 2007, respectively.

NOTE P - LETTERS OF CREDIT

At December 31, 2008, TRH had outstanding letters of credit in the amount of \$2,175,000. The letters of credit act as a guarantee of payment to certain third parties providing professional, general liability and worker's compensation insurance coverage in accordance with specified terms and conditions. The letters of credit are secured by the assignment of \$2,175,000 in certificates of deposit.

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007**

NOTE Q -- ASSET RETIREMENT OBLIGATIONS

KHRH and TRH have recorded conditional asset retirement obligations and capitalized costs related to the estimated cost of removing asbestos from its facilities. Federal and state regulations require the removal of asbestos when a building is demolished or, at a minimum, encapsulation of the asbestos when it would be exposed during renovation. The obligation is included in other liabilities, and the capitalized costs are included in property and equipment. The following summarizes the asset retirement obligations.

	<u>2008</u>	<u>2007</u>
Balance at December 31,	\$ 1,751,826	\$ 1,666,469
Accretion expense	<u>89,729</u>	<u>85,357</u>
Balance at December 31,	<u>\$ 1,841,555</u>	<u>\$ 1,751,826</u>

SUPPLEMENTARY INFORMATION



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**Independent Auditors' Report
on Supplementary Information**

Board of Directors
Kenneth Hall Regional Hospital, Inc.
Touchette Regional Hospital, Inc.

Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole of Kenneth Hall Regional Hospital, Inc. and Touchette Regional Hospital, Inc. as of and for the years ended December 31, 2008 and 2007, which are presented in the preceding section of this report. The supplementary information presented hereinafter is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information has been subjected to the auditing procedures applied in the audits of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
April 28, 2009

Other Locations

Belleville, IL • Carbondale, IL • Springfield, IL • Jacksonville, IL • Cape Girardeau, MO • Milwaukee, WI

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**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHEPPE REGIONAL HOSPITAL, INC.**

**COMBINING BALANCE SHEETS
December 31, 2008**

ASSETS	Combining Information				Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchepe Regional Hospital, Inc.	Archview Health Support, Inc.	Reclassifications and Eliminations	
Current assets					
Cash and cash equivalents	\$ 774,518	\$ 2,163,157	\$ 71,400	\$ -	\$ 3,009,075
Accounts receivable					
Patients, less estimated uncollectibles of \$5,823,000	1,772,279	4,982,375	-	-	6,754,654
Other	56,158	3,259,315	-	(3,095,866)	219,607
Assets limited as to use	-	1,700,000	-	-	1,700,000
Provider assessment receivable	3,062,070	2,474,358	-	-	5,536,428
Third party payor settlements	769,359	1,183,560	-	-	1,952,919
Inventories, prepaid and other	266,536	647,612	-	-	914,148
Total current assets	6,700,920	16,410,377	71,400	(3,095,866)	20,086,831
Assets limited as to use					
By board for capital improvements	-	5,801	-	-	5,801
Held by bank for collateral	-	1,700,000	-	-	1,700,000
Held by bank for insurance guarantee	-	2,175,000	-	-	2,175,000
Less amount required to meet current obligations	-	(1,700,000)	-	-	(1,700,000)
	-	2,180,801	-	-	2,180,801
Property and equipment - net	5,754,271	9,489,833	-	-	15,244,104
Other assets					
Beneficial interest in charitable trust	-	568,409	-	-	568,409
Total assets	\$ 12,455,191	\$ 28,649,420	\$ 71,400	\$ (3,095,866)	\$ 38,080,145

KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.

COMBINING BALANCE SHEETS - Continued
December 31, 2008

LIABILITIES AND NET ASSETS	Combining Information				Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Archview Health Support, Inc.	Reclassifications and Eliminations	
Current liabilities					
Current maturities of long-term obligations	\$ 212,447	\$ 2,259,081	\$ -	\$ -	\$ 2,471,528
Short-term notes	54,366	55,781	-	-	110,147
Accounts payable	4,022,282	1,541,272	-	(3,095,866)	2,467,688
Deferred revenue	-	2,000,956	-	-	2,000,956
Accrued liabilities					
Payroll and payroll taxes	891,466	949,641	-	-	1,841,107
Provider assessment payable	1,055,978	1,038,091	-	-	2,094,069
Other	321,271	370,562	-	-	691,833
Third party payor settlements	-	144,262	-	-	144,262
Total current liabilities	6,557,810	8,359,646	-	(3,095,866)	11,821,590
Long-term obligations, less current maturities	32,832	684,837	-	-	717,669
Other liabilities					
Asset retirement obligations	1,010,865	830,690	-	-	1,841,555
Estimated liability claims payable, less current portion	525,000	2,485,000	-	-	3,010,000
Total other liabilities	1,535,865	3,315,690	-	-	4,851,555
Total liabilities	8,126,507	12,360,173	-	(3,095,866)	17,390,814
Net assets					
Unrestricted	4,277,596	15,720,838	71,400	-	20,069,834
Temporarily restricted	51,088	-	-	-	51,088
Permanently restricted	-	568,409	-	-	568,409
Total net assets	4,328,684	16,289,247	71,400	-	20,689,331
Total liabilities and net assets	\$ 12,455,191	\$ 28,649,420	\$ 71,400	\$ (3,095,866)	\$ 38,080,145

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**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

COMBINING BALANCE SHEETS - Continued
December 31, 2007

ASSETS	Combining Information			Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Reclassifications and Eliminations	
Current assets				
Cash and cash equivalents	\$ 200,541	\$ 7,508,914	\$ -	\$ 7,709,455
Accounts receivable				
Patients, less estimated uncollectibles of \$6,397,000	4,482,544	3,763,823	-	8,246,367
Other	315,402	2,436,848	(2,535,861)	216,389
Provider assessment receivable	1,849,658	4,027,996	-	5,877,654
Third party payor settlements	1,103,899	-	-	1,103,899
Inventories, prepaid and other	581,531	373,739	-	955,270
Total current assets	8,533,575	18,111,320	(2,535,861)	24,109,034
Assets limited as to use				
By board for capital improvements	-	102,672	-	102,672
Held by bank for insurance guarantee	-	2,000,000	-	2,000,000
	-	2,102,672	-	2,102,672
Property and equipment - net	6,725,158	6,784,178	-	13,509,336
Other assets				
Beneficial interest in charitable trust	-	335,878	-	335,878
Total assets	\$ 15,258,733	\$ 27,334,048	\$ (2,535,861)	\$ 40,056,920

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**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

COMBINING BALANCE SHEETS - Continued
December 31, 2007

	Combining Information			Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Reclassifications and Eliminations	
LIABILITIES AND NET ASSETS				
Current liabilities				
Current maturities of long-term obligations	\$ 276,372	\$ 585,950	\$ -	\$ 862,322
Accounts payable	3,517,593	1,614,346	(2,535,861)	2,596,078
Accrued liabilities				
Payroll and payroll taxes	1,620,638	1,192,950	-	2,813,588
Provider assessment payable	431,962	486,596	-	918,558
Other	337,487	510,836	-	848,323
Third party payor settlements	-	198,500	-	198,500
Total current liabilities	6,184,052	4,589,178	(2,535,861)	8,237,369
Long-term obligations, less current maturities	251,117	2,340,221	-	2,591,338
Other liabilities				
Asset retirement obligations	961,611	790,215	-	1,751,826
Estimated liability claims payable, less current portion	375,000	2,423,333	-	2,798,333
Total other liabilities	1,336,611	3,213,548	-	4,550,159
Total liabilities	7,771,780	10,142,947	(2,535,861)	15,378,866
Net assets				
Unrestricted	7,435,865	16,855,223	-	24,291,088
Temporarily restricted	51,088	-	-	51,088
Permanently restricted	-	335,878	-	335,878
Total net assets	7,486,953	17,191,101	-	24,678,054
Total liabilities and net assets	\$ 15,258,733	\$ 27,334,048	\$ (2,535,861)	\$ 40,056,920

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

**COMBINING STATEMENTS OF OPERATIONS
Year ended December 31, 2008**

	Combining Information				Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Archview Health Support, Inc.	Reclassifications and Eliminations	
Unrestricted revenues, gains and other support					
Net patient service revenue	\$ 29,870,592	\$ 38,003,823	\$ -	\$ -	\$ 67,874,415
Other operating revenue	1,531,300	1,238,637	-	-	2,769,937
Total unrestricted revenues, gains and other support	31,401,892	39,242,460	-	-	70,644,352
Operating expense					
Salaries	14,384,706	16,457,543	-	-	30,842,249
Employee benefits	3,192,903	3,259,538	-	-	6,452,441
Physician fees	2,181,358	2,355,565	-	-	4,536,923
Supplies and other	8,093,667	10,179,305	2,068	-	18,275,040
Insurance and liability claims	858,446	870,991	-	-	1,729,437
Provision for bad debts	4,166,097	3,743,025	-	-	7,909,122
Depreciation and amortization	1,047,786	1,118,748	-	-	2,166,534
Hospital provider assessment	1,487,940	1,476,295	-	-	2,964,235
Interest	43,850	262,202	-	-	306,052
Total operating expense	35,456,753	39,723,212	2,068	-	75,182,033
Loss from operations	(4,054,861)	(480,752)	(2,068)	-	(4,537,681)
Other income	33,732	282,667	28	-	316,427
Deficiency of revenues over expenses	(4,021,129)	(198,085)	(2,040)	-	(4,221,254)
Other changes					
Transfer (to) from affiliate	862,860	(936,300)	73,440	-	-
INCREASE (DECREASE) IN NET ASSETS	\$ (3,158,269)	\$ (1,134,385)	\$ 71,400	\$ -	\$ (4,221,254)

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**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

COMBINING STATEMENTS OF OPERATIONS - Continued
Year ended December 31, 2007

	Combining Information			Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Reclassifications and Eliminations	
Unrestricted revenues, gains and other support				
Net patient service revenue	\$ 41,041,771	\$ 33,600,176	\$ -	\$ 74,641,947
Other operating revenue	1,397,242	605,794	-	2,003,036
Total unrestricted revenues, gains and other support	42,439,013	34,205,970	-	76,644,983
Operating expense				
Salaries	18,124,890	12,907,744	-	31,032,634
Employee benefits	3,662,940	3,090,610	-	6,753,550
Physician fees	2,978,629	1,848,206	-	4,826,835
Supplies and other	11,005,018	8,475,177	-	19,480,195
Insurance and liability claims	792,522	1,102,972	-	1,895,494
Provision for bad debts	6,665,747	3,062,402	-	9,728,149
Depreciation and amortization	1,154,028	961,953	-	2,115,981
Hospital provider assessment	863,926	973,192	-	1,837,118
Interest	53,178	192,885	-	246,063
Total operating expense	45,300,878	32,615,141	-	77,916,019
Income (loss) from operations	(2,861,865)	1,590,829	-	(1,271,036)
Other income	82,055	436,331	-	518,386
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (2,779,810)	\$ 2,027,160	\$ -	\$ (752,650)

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KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHEPTE REGIONAL HOSPITAL, INC.

COMBINING STATEMENTS OF CHANGES IN NET ASSETS
Year ended December 31, 2008

	Combining Information				Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Archview Health Support, Inc.	Reclassifications and Eliminations	
Unrestricted net assets					
Deficiency of revenues over expenses	\$ (4,021,129)	\$ (198,085)	\$ (2,040)	\$ -	\$ (4,221,254)
Other changes	862,860	(936,300)	73,440	-	-
Increase (decrease) in unrestricted net assets	(3,158,269)	(1,134,385)	71,400	-	(4,221,254)
Permanently restricted net assets					
Change in value of beneficial interest in charitable trust	-	232,531	-	-	232,531
Increase in permanently restricted net assets	-	232,531	-	-	232,531
Increase (decrease) in net assets	(3,158,269)	(901,854)	71,400	-	(3,988,723)
Net assets, January 1, 2008	7,486,953	17,191,101	-	-	24,678,054
Net assets, December 31, 2008	\$ 4,328,684	\$ 16,289,247	\$ 71,400	\$ -	\$ 20,689,331

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**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.**

COMBINING STATEMENTS OF CHANGES IN NET ASSETS - Continued
Year ended December 31, 2007

	Combining Information			Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Reclassifications and Eliminations	
Unrestricted net assets				
Excess (deficiency) of revenues over expenses	\$ (2,779,810)	\$ 2,027,160	\$ -	\$ (752,650)
Increase (decrease) in net assets	(2,779,810)	2,027,160	-	(752,650)
Net assets, January 1, 2007	10,266,763	15,163,941	-	25,430,704
Net assets, December 31, 2007	\$ 7,486,953	\$ 17,191,101	\$ -	\$ 24,678,054

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KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHETTE REGIONAL HOSPITAL, INC.

COMBINING STATEMENTS OF CASH FLOWS
Year ended December 31, 2008

	Combining Information				Combined Total
	Keeneb Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Archview Health Support, Inc.	Reclassifications and Eliminations	
Increase (decrease) in cash and cash equivalents	\$ (3,158,269)	\$ (901,854)	\$ 71,400	\$ -	\$ (3,988,723)
Cash flows from operating activities and gains					
Change in net assets	1,047,786	1,118,748	-	-	2,166,534
Adjustments to reconcile change in net assets to net cash provided by operating activities and gains	4,166,097	3,743,025	-	-	7,909,122
Depreciation and amortization	-	(7,000)	-	-	(7,000)
Provision for bad debts	-	-	-	-	-
Gain on the disposal of assets	-	-	-	-	-
(Increase) decrease in assets	(1,196,588)	(5,784,044)	-	560,005	(6,420,627)
Accounts receivable	(1,212,412)	1,553,638	-	-	341,226
Provider assessment receivable	649,535	(1,689,964)	-	-	(1,040,429)
Other assets	-	-	-	-	-
Increase (decrease) in liabilities	(240,700)	(510,895)	-	(560,005)	(1,311,600)
Accounts payable, accrued and other liabilities	-	2,000,956	-	-	2,000,956
Deferred revenue	624,016	551,495	-	-	1,175,511
Provider assessment liability	150,000	61,667	-	-	211,667
Estimated liability claims payable	-	-	-	-	-
Total adjustments	3,987,734	1,037,626	-	-	5,025,360
Net cash provided by operating activities and gains	829,465	135,772	71,400	-	1,036,637
Cash flows from investing activities					
Proceeds from sale of property and equipment	-	7,000	-	-	7,000
Capital expenditures	(27,644)	(3,062,928)	-	-	(3,090,572)
Net deposit of funds limited as to use	-	(1,778,129)	-	-	(1,778,129)
Net cash used in investing activities	(27,644)	(4,834,057)	-	-	(4,861,701)
Cash flows from financing activities					
Net short-term borrowings	54,366	55,781	-	-	110,147
Principal payments on long-term obligations	(282,210)	(703,253)	-	-	(985,463)
Net cash used in financing activities	(227,844)	(647,472)	-	-	(875,316)
Net increase (decrease) in cash and cash equivalents	573,977	(5,345,757)	71,400	-	(4,700,380)
Cash and cash equivalents, January 1, 2008	200,541	7,508,914	-	-	7,709,455
Cash and cash equivalents, December 31, 2008	\$ 774,518	\$ 2,163,157	\$ 71,400	\$ -	\$ 3,009,075
Non-cash investing and financing activities:					
Capital lease obligations entered into in exchange for equipment	-	721,000	-	-	721,000

**KENNETH HALL REGIONAL HOSPITAL, INC. AND
TOUCHEFFE REGIONAL HOSPITAL, INC.**

COMBINING STATEMENTS OF CASH FLOWS - Continued
Year ended December 31, 2007

	Combining Information			Combined Total
	Kenneth Hall Regional Hospital, Inc.	Touchette Regional Hospital, Inc.	Reclassifications and Eliminations	
Increase (decrease) in cash and cash equivalents	\$ (2,779,810)	\$ 2,027,160	\$ -	\$ (752,650)
Cash flows from operating activities and gains				
Change in net assets	1,154,028	961,953	-	2,115,981
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities and gains	6,665,747	3,062,402	-	9,728,149
Depreciation and amortization	(6,737,906)	(5,809,747)	2,384,889	(10,162,764)
Provision for bad debts	3,699,315	8,055,992	-	11,755,307
(Increase) decrease in assets	(832,275)	(135,487)	-	(967,762)
Accounts receivable	(2,107,511)	433,020	(2,384,889)	(4,059,380)
Provider assessment receivable	(863,927)	(973,193)	-	(1,837,120)
Other assets	375,000	558,333	-	933,333
Increase (decrease) in liabilities				
Accounts payable, accrued and other liabilities	1,352,471	6,153,273	-	7,505,744
Provider assessment liability	(1,427,339)	8,180,433	-	6,753,094
Estimated liability claims payable	(144,596)	(3,376,654)	-	(3,521,250)
Total adjustments	(144,596)	1,302,491	-	1,302,491
Net cash provided by (used in) operating activities and gains	(144,596)	(2,074,163)	-	(2,218,759)
Cash flows from investing activities				
Capital expenditures	-	1,700,000	-	1,700,000
Net withdrawals of funds limited as to use	(234,080)	(513,047)	-	(747,127)
Net cash used in investing activities	(234,080)	1,186,953	-	952,873
Cash flows from financing activities				
Proceeds from long-term debt	(1,806,015)	7,293,223	-	5,487,208
Principal payments on long-term obligations	2,006,556	215,691	-	2,222,247
Net cash provided by (used in) financing activities	200,541	7,508,914	-	7,709,455
Net increase (decrease) in cash and cash equivalents	44,678	272,037	-	316,715
Cash and cash equivalents, January 1, 2007	-	284,170	-	284,170
Cash and cash equivalents, December 31, 2007	\$ 44,678	\$ 272,037	\$ -	\$ 316,715
Non-cash investing and financing activities:				
Capital lease obligations entered into in exchange for equipment	-	-	-	-
Accounts payable for property and equipment	-	-	-	-

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