

ORIGINAL

11-106

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

RECEIVED

This Section must be completed for all projects.

NOV 22 2011

Facility/Project Identification

HEALTH FACILITIES &

SERVICES REVIEW BOARD

| | | | |
|--------------------|--|---------------------|------------------------------|
| Facility Name: | St. Joseph's Hospital Medical Office Building | | |
| Street Address: | Southeast corner of Illinois Route 160 and Troxler Avenue – see legal description on hand-stamped Page 3 | | |
| City and Zip Code: | Highland 62249 | | |
| County: | Madison | Health Service Area | 5 Health Planning Area: F-01 |

Applicant /Co-Applicant Identification

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

| | | | |
|----------------------------------|---|--|--|
| Exact Legal Name: | St. Joseph's Hospital of the Hospital Sisters of the Third Order of St. Francis | | |
| Address: | 1515 Main Street Highland, Illinois 62249 | | |
| Name of Registered Agent: | Mr. William H. Roach, Jr. | | |
| Name of Chief Executive Officer: | Ms. Peggy A. Sebastian, President and Chief Executive Officer | | |
| CEO Address: | 1515 Main Street Highland, Illinois 62249 | | |
| Telephone Number: | 618-651-2531 | | |

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 |

Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
 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: | Mr. Dennis Hutchison |
| Title: | Director of Business Development and System Responsibility |
| Company Name: | St. Joseph's Hospital |
| Address: | 1515 Main Street Highland, Illinois 62249-1698 |
| Telephone Number: | 618-651-2820 |
| E-mail Address: | dhutchis@sjh.hshs.org |
| Fax Number: | 618-651-2533 |

Additional Contact

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

| | |
|-------------------|--|
| Name: | Ms. Andrea R. Rozran |
| Title: | Principal |
| Company Name: | Diversified Health Resources, Inc. |
| Address: | 65 E. Scott Street Suite 9A Chicago, Illinois 60610-5274 |
| Telephone Number: | 312-266-0466 |
| E-mail Address: | arozran@diversifiedhealth.net |
| Fax Number: | 312-266-0715 |

Additional Applicant Identification

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

| | |
|----------------------------------|---|
| Exact Legal Name: | Hospital Sisters Services, Inc. |
| Address: | 4936 LaVerna Road Springfield, Illinois 62707 |
| Name of Registered Agent: | Mr. William H. Roach, Jr. |
| Name of Chief Executive Officer: | Ms. Mary Starmann-Harrison, President and CEO |
| CEO Address: | 4936 LaVerna Road Springfield, Illinois 62707 |
| Telephone Number: | 217-492-5860 |

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

Type of Ownership

| | | |
|--|--|--------------------------------|
| <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.

Additional Applicant Identification

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

| | |
|----------------------------------|---|
| Exact Legal Name: | Hospital Sisters Health System |
| Address: | 4936 LaVerna Road Springfield, Illinois 62707 |
| Name of Registered Agent: | Mr. William H. Roach, Jr. |
| Name of Chief Executive Officer: | Ms. Mary Starmann-Harrison, President and CEO |
| CEO Address: | 4936 LaVerna Road Springfield, Illinois 62707 |
| Telephone Number: | 217-492-5860 |

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

Type of Ownership

| | | |
|--|--|--------------------------------|
| <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.

A tract of land being part of the North Half of the Northwest Quarter of Section 33, Township 4 North, Range 5 West of the Third Principal Meridian, County of Madison, State of Illinois and being more particularly described as follows:

Commencing at an aluminum disc at the northwest corner of said Section 32; thence North 89 degrees 12 minutes 34 seconds East, on the north line of said Section 32, a distance of 69.79 feet; thence South 01 degree 12 minutes 59 seconds East, 85.00 feet to the southerly right of way line of Troxler Lane as described in Deed Book 4384 on page 662 and being the Point of Beginning.

From said Point of Beginning; thence on said southerly right of way line of Troxler Lane, the following four (4) courses and distances; 1.) North 89 degrees 12 minutes 34 seconds East, 1,257.34 feet; 2.) northeasterly 656.55 feet on a curve to the left having a radius of 7,700.66 feet, the chord of said curve bears North 86 degrees 46 minutes 01 second East, 656.35 feet; 3.) northeasterly 646.15 feet on a curve to the right having a radius of 7,578.66 feet, the chord of said curve bears North 86 degrees 46 minutes 01 second East, 645.96 feet; 4.) North 89 degrees 12 minutes 34 seconds East, 27.90 feet to the east line of said Northwest Quarter of Section 33; thence South 01 degree 35 minutes 06 seconds East, on said east line of the Northwest Quarter of Section 33, a distance of 85.01 feet to the northerly line of a tract of land described in the Madison County Recorder's Office in Document Number 2011R02912; thence on the northerly and westerly lines of said tract of land described in Document Number 2011R02912 the following five (5) courses and distances; 1.) South 89 degrees 12 minutes 34 seconds West, 85.00 feet southerly of and parallel with said southerly right of way line of Troxler Lane, 29.08 feet; 2.) westerly 441.04 feet on a non-tangential curve to the left, 85.00 feet southerly of and concentric with said southerly right of way line of Troxler Lane, having a radius of 7493.66 feet, the chord of said curve bears South 87 degrees 31 minutes 24 seconds West, a distance of 440.98 feet; 3.) South 01 degree 35 minutes 06 seconds East, 869.80 feet; 4.) southeasterly 177.01 feet on a curve to the left having a radius of 212.00 feet, the chord of said curve bears South 25 degrees 30 minutes 16 seconds East, 171.91 feet; 5.) South 49 degrees 25 minutes 26 seconds East, 85.32 feet to the northwesterly right of way line of United States Route 40 (a.k.a. Illinois Route 143); thence southwesterly 164.19 feet on said northwesterly right of way line of United States Route 40, being a non-tangential curve to the right having a radius of 3,744.83 feet, the chord of said curve bears South 42 degrees 28 minutes 37 seconds West, 164.17 feet to the south line of said North Half of the Northwest Quarter of Section 33; thence South 89 degrees 11 minutes 01 second West, on said south line of the North Half of the Northwest Quarter of Section 33, a distance of 2,153.86 feet to the easterly right of way line of Illinois Route 160, as described in Deed Book 1774 on Page 228; thence on said easterly right of way line of Illinois Route 160, described in Deed Book 1774 on page 228 and Deed Book 4384 on page 658 the following three (3) courses and distances; 1.) North 01 degree 12 minutes 59 seconds West, 634.38 feet; 2.) North 88 degrees 49 minutes 06 seconds East, 10.00 feet; 3.) North 01 degree 12 minutes 59 seconds West, 610.83 feet to the Point of Beginning.

Said tract contains 62.40 acres, more or less.

Subject to easements, conditions and restrictions of record.

Additional Contact

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

| | |
|-------------------|--|
| Name: | Ms. Peggy A. Sebastian |
| Title: | President and Chief Executive Officer |
| Company Name: | St. Joseph's Hospital |
| Address: | 1515 Main Street Highland, Illinois 62249-1698 |
| Telephone Number: | 618-651-2531 |
| E-mail Address: | psebastian@sjh.hshs.org |
| Fax Number: | 618-651-2533 |

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: | Mr. Dennis L. Hutchison |
| Title: | Director of Business Development and System Responsibility |
| Company Name: | St. Joseph's Hospital |
| Address: | 1515 Main Street Highland, Illinois 62249-1698 |
| Telephone Number: | 618-651-2820 |
| E-mail Address: | dhutchis@sjh.hshs.org |
| Fax Number: | 618-651-2533 |

Site Ownership

[Provide this information for each applicable site]

| | |
|--|--|
| Exact Legal Name of Site Owner: | St. Joseph's Hospital of the Hospital Sisters of the Third Order of St. Francis |
| Address of Site Owner: | 1515 Main Street Highland, Illinois 62249-1698 |
| Street Address or Legal Description of Site: | Southeast corner of Illinois Route 160 and Troxler Avenue – see Legal Description of Site on the next page |
| 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: | Highland Healthcare Investors, LLC |
| Address: | 7101 W. 78 th Street Suite #100 Minneapolis, Minnesota 55439 |
| <input type="checkbox"/> Non-profit Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental |
| <input checked="" 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. |

A tract of land being part of the North Half of the Northwest Quarter of Section 33, Township 4 North, Range 5 West of the Third Principal Meridian, County of Madison, State of Illinois and being more particularly described as follows:

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From said Point of Beginning; thence on said southerly right of way line of Troxler Lane, the following four (4) courses and distances; 1.) North 89 degrees 12 minutes 34 seconds East, 1,257.34 feet; 2.) northeasterly 656.55 feet on a curve to the left having a radius of 7,700.66 feet, the chord of said curve bears North 86 degrees 46 minutes 01 second East, 656.35 feet; 3.) northeasterly 646.15 feet on a curve to the right having a radius of 7,578.66 feet, the chord of said curve bears North 86 degrees 46 minutes 01 second East, 645.96 feet; 4.) North 89 degrees 12 minutes 34 seconds East, 27.90 feet to the east line of said Northwest Quarter of Section 33; thence South 01 degree 35 minutes 06 seconds East, on said east line of the Northwest Quarter of Section 33, a distance of 85.01 feet to the northerly line of a tract of land described in the Madison County Recorder's Office in Document Number 2011R02912; thence on the northerly and westerly lines of said tract of land described in Document Number 2011R02912 the following five (5) courses and distances; 1.) South 89 degrees 12 minutes 34 seconds West, 85.00 feet southerly of and parallel with said southerly right of way line of Troxler Lane, 29.08 feet; 2.) westerly 441.04 feet on a non-tangential curve to the left, 85.00 feet southerly of and concentric with said southerly right of way line of Troxler Lane, having a radius of 7493.66 feet, the chord of said curve bears South 87 degrees 31 minutes 24 seconds West, a distance of 440.98 feet; 3.) South 01 degree 35 minutes 06 seconds East, 869.80 feet; 4.) southeasterly 177.01 feet on a curve to the left having a radius of 212.00 feet, the chord of said curve bears South 25 degrees 30 minutes 16 seconds East, 171.91 feet; 5.) South 49 degrees 25 minutes 26 seconds East, 85.32 feet to the northwesterly right of way line of United States Route 40 (a.k.a. Illinois Route 143); thence southwesterly 164.19 feet on said northwesterly right of way line of United States Route 40, being a non-tangential curve to the right having a radius of 3,744.83 feet, the chord of said curve bears South 42 degrees 28 minutes 37 seconds West, 164.17 feet to the south line of said North Half of the Northwest Quarter of Section 33; thence South 89 degrees 11 minutes 01 second West, on said south line of the North Half of the Northwest Quarter of Section 33, a distance of 2,153.86 feet to the easterly right of way line of Illinois Route 160, as described in Deed Book 1774 on Page 228; thence on said easterly right of way line of Illinois Route 160, described in Deed Book 1774 on page 228 and Deed Book 4384 on page 658 the following three (3) courses and distances; 1.) North 01 degree 12 minutes 59 seconds West, 634.38 feet; 2.) North 88 degrees 49 minutes 06 seconds East, 10.00 feet; 3.) North 01 degree 12 minutes 59 seconds West, 610.83 feet to the Point of Beginning.

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Flood Plain Requirements

[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.

This project proposes the construction of a three-story Medical Office Building (MOB) in Highland that will be owned by Highland Healthcare Investors, LLC, a limited liability company (LLC) that is unrelated to any health care facility. The MOB, which will be named the St. Joseph's Hospital Medical Office Building, will be located contiguous with and connected to the replacement St. Joseph's Hospital building. In a separate CON application being submitted at the same time as this CON application, St. Joseph's Hospital is proposing to replace its existing hospital on a different site that is approximately 1.2 miles away from its current location in Highland. St. Joseph's Hospital has been designated as a Critical Access Hospital and a necessary provider of health services by the federal Centers for Medicare and Medicaid Services (CMS) and by the State of Illinois.

St. Joseph's Hospital is a co-applicant for this project because (1) it will lease a portion of the MOB in which it will provide both clinical and non-clinical services and (2) it owns the site on which the MOB will be constructed. Hospital Sisters Services, Inc., (HSSI) is a co-applicant because it is the sole corporate member of St. Joseph's Hospital. St. Joseph's Hospital is part of the HSSI obligated group. Debt financing for the project will be issued on behalf of HSSI. Hospital Sisters Health System is a co-applicant because it is the sole corporate member of HSSI.

Highland is located within Planning Area F-01 in the same planning area as St. Joseph's Hospital. Highland constitutes St. Joseph's Hospital's primary service area for both outpatient and inpatient care.

St. Joseph's Hospital will provide the following clinical services in the MOB.

- Diagnostic Imaging (Ultrasound, Mammography, Bone Density Testing);
- Clinical Laboratories;
- Clinical Reference Laboratory Offices;
- Outpatient Rehabilitation (Physical Therapy, Occupational Therapy, Speech, Language Pathology);
- Audiology;
- Cardiac Rehabilitation;
- Geriatric Adult Day Psychiatric Program;
- Neuro-Diagnostics.

St. Joseph's Hospital will also provide the following non-clinical services in the MOB.

- Medical Records/Health Information Systems;
- Administration, Volunteer Services;
- Education/Conference Rooms;
- Information Systems.

Additional space in the MOB will be leased to physicians for the private practice of medicine.

The MOB is anticipated to become operational during the third quarter of CY2013 (during the hospital's FY2013-2014), which is when the replacement hospital is anticipated to become operational.

Since the site for the St. Joseph's Hospital Medical Office Building and the replacement St. Joseph's Hospital does not yet have an address, a site description is provided following this Narrative Description.

The MOB will not be a "healthcare facility," as defined in 20 ILCS 3960. Since an MOB does not have any beds, this project will not include any change in bed capacity.

This is a "non-substantive" Category B project in accordance with 77 Ill. Adm. Code 1110.40.b) because it is "solely and entirely limited in scope" to "outpatient clinical service areas" and non-clinical service areas.

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Said tract contains 62.40 acres, more or less.

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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. Note, the use and sources of funds must equal.

| Project Costs and Sources of Funds | | | |
|---|--------------------|--------------------|---------------------|
| USE OF FUNDS | CLINICAL | NONCLINICAL | TOTAL |
| Preplanning Costs | \$0 | \$0 | \$0 |
| Site Survey and Soil Investigation | \$7,770 | \$27,230 | \$35,000 |
| Site Preparation | \$32,719 | \$114,664 | \$147,383 |
| Off Site Work | \$147,859 | \$518,172 | \$666,031 |
| New Construction Contracts | \$3,224,443 | \$7,165,703 | \$10,390,146 |
| Modernization Contracts | \$0 | \$0 | \$0 |
| Contingencies | \$174,390 | \$451,579 | \$625,969 |
| Architectural/Engineering Fees | \$83,655 | \$293,169 | \$376,824 |
| Consulting and Other Fees | \$139,679 | \$489,504 | \$629,183 |
| Movable or Other Equipment (not in construction contracts) | \$991,935 | \$472,867 | \$1,464,802 |
| Bond Issuance Expense (project related) | \$0 | \$0 | \$0 |
| Net Interest Expense During Construction (project related) | \$74,944 | \$262,642 | \$337,586 |
| Fair Market Value of Leased Space or Equipment | \$0 | \$0 | \$0 |
| Other Costs To Be Capitalized | \$28,939 | \$101,419 | \$130,358 |
| Acquisition of Building or Other Property (excluding land) | \$0 | \$0 | \$0 |
| TOTAL USES OF FUNDS | \$4,906,333 | \$9,896,949 | \$14,803,282 |
| SOURCE OF FUNDS | CLINICAL | NONCLINICAL | TOTAL |
| Cash and Securities | \$778,980 | \$1,890,002 | \$2,668,982 |
| Pledges | \$0 | \$0 | \$0 |
| Gifts and Bequests | \$0 | \$0 | \$0 |
| Bond Issues (project related) | \$4,127,353 | \$0 | \$4,127,353 |
| Mortgages | \$0 | \$8,006,947 | \$8,006,947 |
| Leases (fair market value) | 0 | \$0 | \$0 |
| Governmental Appropriations | \$0 | \$0 | \$0 |
| Grants | \$0 | \$0 | \$0 |
| Other Funds and Sources | \$0 | \$0 | \$0 |
| TOTAL SOURCES OF FUNDS | \$4,906,333 | \$9,896,949 | \$14,803,282 |

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 N/A.

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 30, 2014

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 – see St. Anthony's Hospital's and St. Francis Hospital's policy for compliance on the Following pages
 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.

ST. ANTHONY'S MEMORIAL HOSPITAL
EFFINGHAM, ILLINOIS

OB/PEDS DEPARTMENT GUIDELINE

TITLE: Adverse Pregnancy Outcomes Reporting System (APORS)

PURPOSE: To refer high-risk infants for follow-up services and public health surveillance of birth defects and other adverse pregnancy outcomes. APORS also aids in the reporting of statistics, policy development, and research.

NARRATIVE: APORS was established in 1986 and is a statewide system mandated by the Illinois Health and Hazardous Substances Registry Act.

1. Hospitals must report infants who meet APORS case criteria during newborn hospitalization or within seven days of discharge.
2. Nurses completing the newborn admission exam are responsible for initiating the APORS referral form once appropriate criteria has been identified. The appropriate form must be completed and mailed to the address on the envelope provided. These forms and envelopes are stored in the nursery.
3. Upon discharge, Nursing is responsible for completing the APORS referral form and ensuring its accuracy.
4. APORS case criteria- these are also further defined in the APORS Instruction Manual, located in the nursery.
 - Birth defects
 - Prenatal exposure to controlled substances
 - Very low birth weights
 - Serious infections, disorders and conditions
 - Neonatal death.
5. Families of infants reported to APORS are eligible for follow-up services from their local ~~health department and other programs.~~
6. APORS works with the Illinois perinatal networks to improve birth outcomes and reduce infant mortality and morbidity.
7. APORS data is confidential.

APPROVED BY: *Stephan Eller* 8-1-11 1500
Department Manager Date Time

Kelly Jagerme 8/1/11 1500
Director of Patient Services Date Time

St. Francis Hospital
Litchfield, Illinois

Procedure No: OB-11-01

Nursing Service Procedure

Nursing Units: OB

Effective Date: July 2011

**TITLE: Adverse Pregnancy Outcome
Reporting System (APORS)**

Last Review Date:

By:

Replaces Procedure Titled:

Dated:

Page Number: 1 of 1

Approved by NS: *Teresa J. Johnson, RN*

Approved by (if another dept involved): *Carol Jones*

DEFINITION:

Reporting of a condition of abnormal development related to body structure, body function, body metabolism, or error of body chemistry that is identified during pregnancy or at birth.

PURPOSE:

To assist IDPH, CDC and local health departments in collecting data needed to monitor the health of Illinois infants. To comply with the Illinois Health & Hazardous Substance Registry Act Standards.

PROCEDURE:

1. APORS reporting book and forms are available at Maternity Nurses Desk.
2. List of reportable condition are posted in Nursery.
3. An APORS sticker will be put on the baby's chart when a reportable condition is noted.
4. When the birth certificate is completed, the APORS Infant Discharge report will also be completed and faxed/mailed to Division of Epidemiologic Studies at IDPH within 72 hours of completion.
5. A copy of the APORS report will be placed on the infant's Medical Record.
6. The report will also be fax or mailed to the appropriate County Health Department and a copy given to the Primary Care Physician.
7. The infant's mother will be given a card informing her that she will be contact for a home follow-up by the Health dept.
8. At discharge, RN will verify that APORS report was completed.
9. The Director of Maternal Services will continue reporting infants that screen positive for drugs . A copy of each APORS report will be kept by the Director.
10. Reports will be faxed or mailed by the seventh day from discharge to Division of Epidemiologic Studies at IDPH.

REFERENCE

IDPH-Rules and Regulations 77-0840
St. Francis Maternity and Newborn Service Plan

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: St. Joseph's Hospital | | CITY: Highland | | | |
|---|-----------------|----------------|----------------------------|-------------|---------------|
| REPORTING PERIOD DATES: From: January 1, 2010 to: December 31, 2010 | | | | | |
| Category of Service | Authorized Beds | Admissions | Patient Days Incl. Observ. | Bed Changes | Proposed Beds |
| Medical/Surgical | 21 | 687 | 2,803* | + 4 | 25 |
| Obstetrics | 0 | 0 | 0 | 0 | 0 |
| Pediatrics | 2 | 0 | 0 | - 2 | 0 |
| Intensive Care | 4 | 40 | 96 | - 4 | 0 |
| Comprehensive Physical Rehabilitation | 0 | 0 | 0 | 0 | 0 |
| Acute/Chronic Mental Illness | 0 | 0 | 0 | 0 | 0 |
| Neonatal Intensive Care | 0 | 0 | 0 | 0 | 0 |
| General Long Term Care | 0 | 0 | 0 | 0 | 0 |
| Specialized Long Term Care | 0 | 0 | 0 | 0 | 0 |
| Long Term Acute Care | 0 | 0 | 0 | 0 | 0 |
| Other (identify) Long-Term Care Swing Beds (Medicare-Certified) | In M/S | 227 | 1,914 | 0 | In M/S |
| TOTALS: | 27 | 954 | 4,813* | - 2 | 25 |

*Patient Days include Observation Days (experienced only in the Medical/Surgical Service)

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 the behalf of St. Joseph's Hospital of the Hospital Sisters of the Third Order of St. Francis* 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.

Peggy A. Sebastian
SIGNATURE

PEGGY A. Sebastian
PRINTED NAME

President & C.E.O
PRINTED TITLE

Thomas A. Hill
SIGNATURE

THOMAS A. HILL
PRINTED NAME

Board Chairman
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 2 day of NOV 2011

Notarization:
Subscribed and sworn to before me
this 2 day of NOV 2011

Kim Kimberlin
Signature of Notary

Seal
"OFFICIAL SEAL"
KIM KIMBERLIN
Notary Public, State of Illinois
My commission expires 02/13/2013

Kim Kimberlin
Signature of Notary

Seal
"OFFICIAL SEAL"
KIM KIMBERLIN
Notary Public, State of Illinois
My commission expires 02/13/2013

*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 the behalf of Hospital Sisters Services, 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 P. Schumacher

SIGNATURE

Larry P. Schumacher

PRINTED NAME

Chief Operating Officer

PRINTED TITLE

Michael W. Cottrell

SIGNATURE

Michael W. Cottrell

PRINTED NAME

Chief Financial Officer

PRINTED TITLE

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

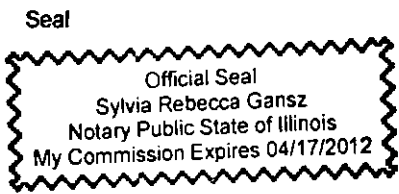
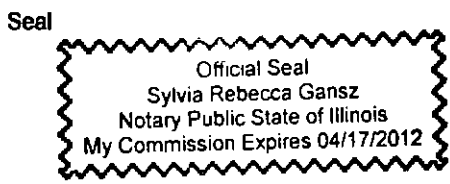
Notarization:
Subscribed and sworn to before me
this 5th day of November, 2011

Sylvia Rebecca Gansz

Signature of Notary

Sylvia Rebecca Gansz

Signature of Notary



*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 the behalf of Hospital Sisters Health System.* 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 P Schumacher

SIGNATURE

Larry P Schumacher

PRINTED NAME

COO

PRINTED TITLE

Michael W. Cottrell

SIGNATURE

Michael W. Cottrell

PRINTED NAME

CFo

PRINTED TITLE

Notarization:

Subscribed and sworn to before me this 5th day of November 2011

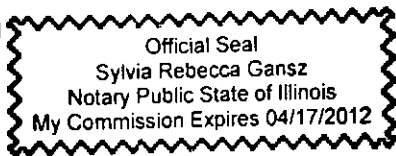
Notarization:

Subscribed and sworn to before me this 5th day of November 2011

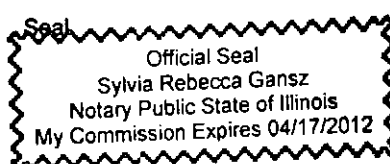
Sylvia Rebecca Gansz
Signature of Notary

Sylvia Rebecca Gansz
Signature of Notary

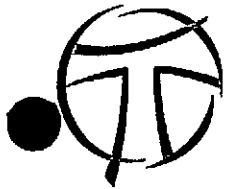
Seal



Seal



*Insert EXACT legal name of the applicant



St. Joseph's
HOSPITAL

July 1, 2011

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson
Second Floor
Springfield, Illinois 62702

Dear Ms. Avery:

I am the applicant representative of St. Joseph's Hospital of the Hospital Sisters of the Third Order of St. Francis, the owner of the site on which the Highland Medical Office Building will be located.

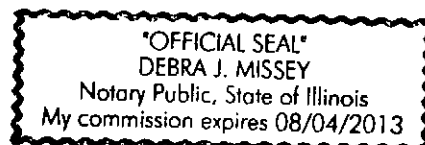
I hereby certify that St. Francis Hospital of the Hospital Sisters of the Third Order of St. Francis is the owner of the site on which the Highland Medical Office Building will be located.

Highland Healthcare Investors, LLC, will be entering into a ground lease with St. Francis Hospital of the Hospital Sisters of the Third Order of St. Francis to lease the land on which the Highland Medical Office Building will be constructed.

Sincerely,

Peggy A. Sebastian
President & CEO

witnessed by:





FRAUENSHUH

HealthCare Real Estate Solutions

A National Resource for Physicians, Hospitals, and Health System Leaders

November 11, 2011

**St. Joseph's Hospital of the Hospital Sisters
of the Third Order of St. Francis**
1515 Main Street
Highland, IL 62249

RE: Letter of Intent to enter into a proposed ground lease (the "Ground Lease") by Highland Healthcare Investors, LLC ("Developer") of a portion of the medical campus located in Highland, Illinois (the "Medical Campus") owned by St. Joseph's Hospital of the Hospital Sisters of the Third Order of St. Francis (the "Hospital") in connection with the development by Developer of a new medical office building of approximately 58,248 gross square feet, 55,332 rentable square feet (the "MOB")

This letter outlines some, but not all, of the general terms and conditions upon which Developer would be willing to enter into a Ground Lease with the Hospital in connection with the proposed development by Developer of the MOB. If the general terms and conditions outlined below are approved, this letter will lead to a definitive Ground Lease agreement to be executed by the parties that will contain all of the terms and conditions of the agreement between the parties. Some of the more significant terms and conditions to be contained in such Ground Lease are as follows:

Ground Lessor:

St. Joseph's Hospital of the Hospital Sisters of the Third Order of St. Francis, an Illinois not-for-profit corporation.

Ground Lessee:

Highland Healthcare Investors, LLC, a Delaware limited liability company.

Ground Lease Improvements:

Developer will construct a new medical office building of approximately 58,248 gross square feet (55,332 rentable square feet) and all improvements related thereto (the "Improvements"), at a location on the Medical Campus to be determined by Hospital, pursuant to the plans and specifications approved by the Hospital and Developer. Once the Improvements are completed, the MOB shall be maintained by Developer in a first class manner. Developer will own the Improvements throughout the term of the Ground Lease, subject to the terms and conditions of the Ground Lease. Upon the expiration or earlier termination of the Ground Lease, the

Improvements will revert to Hospital without charge of any kind and free of any lien or other monetary encumbrance. Developer acknowledges that included in the Improvements are certain site development improvements and costs to be constructed and paid for by Developer using approximately \$1,003,687.00 in "TIF" funds allocated to the MOB and the Developer.

Ground Leased Premises:

A portion of the Medical Campus comprising the "footprint" of the MOB plus a five foot perimeter comprising approximately .54 acres as more particularly described in the legal description attached hereto as Exhibit A.

Term:

The Ground Lease will have an initial term of fifty (50) years. Developer will have two (2) successive options to extend the term for periods of fifteen (15) years each.

Ground Lease Rent:

The rent under the Ground Lease (the "Ground Rent") shall be a sum equal to a fair market return on the appraised value of the Ground Leased Premises plus a commercially reasonable additional area attributable to the MOB for parking and access, as if the MOB were freestanding and not located on the Medical Campus, as determined by the appraiser (without taking into account the value of the Improvements), with the scope of the appraisal and the appraiser to be mutually agreed upon by the parties. The Ground Rent will commence (the "Rent Commencement Date") upon the earlier of: (a) substantial completion of the Improvements, as evidenced by Developer's receipt of a certificate of occupancy for the MOB issued by the applicable governmental authority, or (b) 12 months following commencement of construction of the Improvements. The Ground Rent shall increase periodically as set forth in the Ground Lease. In addition to the Ground Rent, Developer will pay, as additional rent, a proportionate share of the expenses attributable to the operation of the common areas on the Medical Campus, including, without limitation, security, snow removal, insurance and maintenance, repair and restoration of parking areas, driveways, landscaping and the like. Developer shall be solely responsible for all real property taxes relating to the Ground Leased Premises and the MOB and a proportionate share of real property taxes relating to the common areas on the Medical Campus.

Right of First Offer to Purchase:

Hospital will have a continuing right of first offer to purchase the MOB if Developer desires to sell, assign, convey or otherwise transfer its ownership interest in the MOB on such terms as are mutually agreed upon by the parties.

Right of First Offer to Lease:

Hospital will have a continuing right of first offer to lease any space in the MOB that becomes available for leasing following the date that is twelve (12) months after the opening of the MOB on the same terms then being offered to the prospective third party tenant.

St. Joseph's Hospital of the Hospital Sisters
of the Third Order of St. Francis
November 11, 2011
Page 3 of 4

Use Restrictions:

Use of the MOB will be subject to certain prohibitions and restrictions as mutually agreed upon by the parties.

Purchase Option:

Hospital will have an exclusive and irrevocable option to purchase the MOB on the ten (10) year anniversary of the Rent Commencement Date and on each subsequent anniversary of such anniversary date thereafter for the remainder of the Term of the Ground Lease on such other terms as mutually agreed upon by the parties.

Construction Contingencies:

The parties hereto acknowledge and agree that each party's obligation to enter into the Ground Lease remain subject to the satisfaction of the construction contingencies set forth in that certain Project Development Agreement dated March 1, 2011 entered into by and between the Hospital and Fraucnshuh HealthCare Real Estate Solutions, LLC and to the rights and obligations of each of the parties as set forth therein.

Confidentiality:

Notwithstanding anything in this letter to the contrary, both parties agree that information of this transaction will not be released to any individual or entity, other than a party's attorneys, accountants and other consultants and advisors, without the prior written consent of the other party.

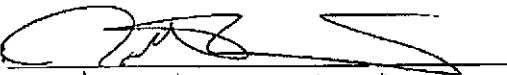
This letter of intent is intended to describe some, but not all, of the general terms and conditions of the proposed Ground Lease and is expressly subject to the execution of a final lease agreement which shall include other terms that are material to and necessary for the final lease transaction between the parties. Each party to this letter agrees and affirmatively represents to the other that neither this letter nor any communications relating to the subject matter of this letter creates any rights or interest, which may be enforced by either party except that the Section captioned "Confidentiality" and the obligation to negotiate in good faith shall continue to be binding obligations of each party.

St. Joseph's Hospital of the Hospital Sisters
of the Third Order of St. Francis
November 11, 2011
Page 4 of 4

If you are in agreement with the general principles outlined in this letter, please sign both originals of this letter and return one fully executed letter to the undersigned.

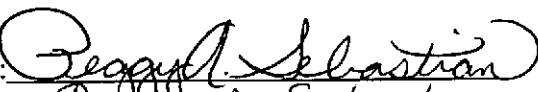
Sincerely,

HIGHLAND HEALTHCARE INVESTORS, LLC,
a Delaware limited liability company

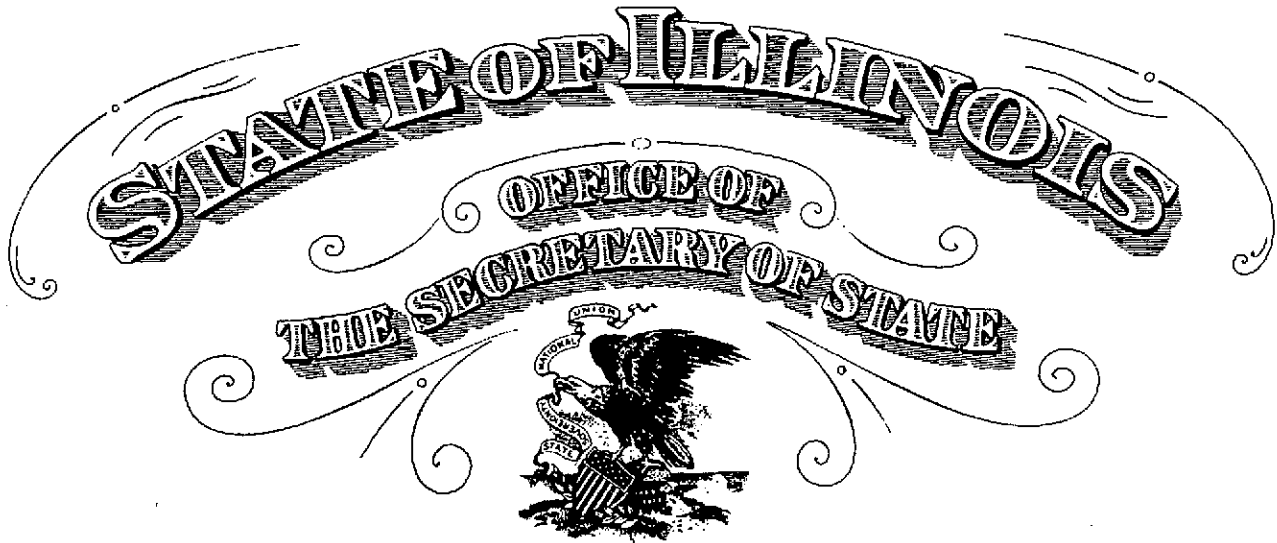
By: 
Name: Jonathan P. Lewin
Title: Senior Vice President, Frauenshuh
HealthCare Real Estate Solutions, LLC

Consented and agreed to by:

**ST. JOSEPH'S HOSPITAL OF THE HOSPITAL
SISTERS OF THE THIRD ORDER OF ST. FRANCIS,**
an Illinois not-for-profit corporation

By: 
Name: Peggy A. Sebastian
Title: President & C.E.O.

1158514v4



To all to whom these Presents Shall Come, Greeting:

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

HIGHLAND HEALTHCARE INVESTORS, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON JUNE 10, 2011, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY, ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



Authentication #: 1131501312

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

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 11TH day of NOVEMBER A.D. 2011

Jesse White

SECRETARY OF STATE

ATTACHMENT-3

I.
Organizational Relationships

This project has 3 co-applicants: St. Joseph's Hospital, Hospital Sisters Services, Inc. (HSSI), and Hospital Sisters Health System.

As will be seen on the Organization Chart that appears on the following page and as discussed in Attachment 10, HSSI is the sole corporate member of St. Joseph's Hospital, and Hospital Sisters Health System is the sole corporate member of HSSI.

The St. Joseph Hospital Medical Office Building will be owned and operated by Highland Healthcare Investors, LLC, a third party developer that is unrelated to any health care facility. An Organization Chart for Highland Healthcare Investors, LLC, will be found on Page 3 of this Attachment.

St. Joseph's Hospital will lease space in the St. Joseph Hospital Medical Office Building for both clinical and non-clinical services.

This project will be funded with both equity and debt.

Highland Healthcare Investors, LLC, will provide all of the equity funding for this project (\$2,668,982) and will be responsible for a portion of the debt financing of the project. It will borrow \$8,006,947 from Health Care REIT, Inc.

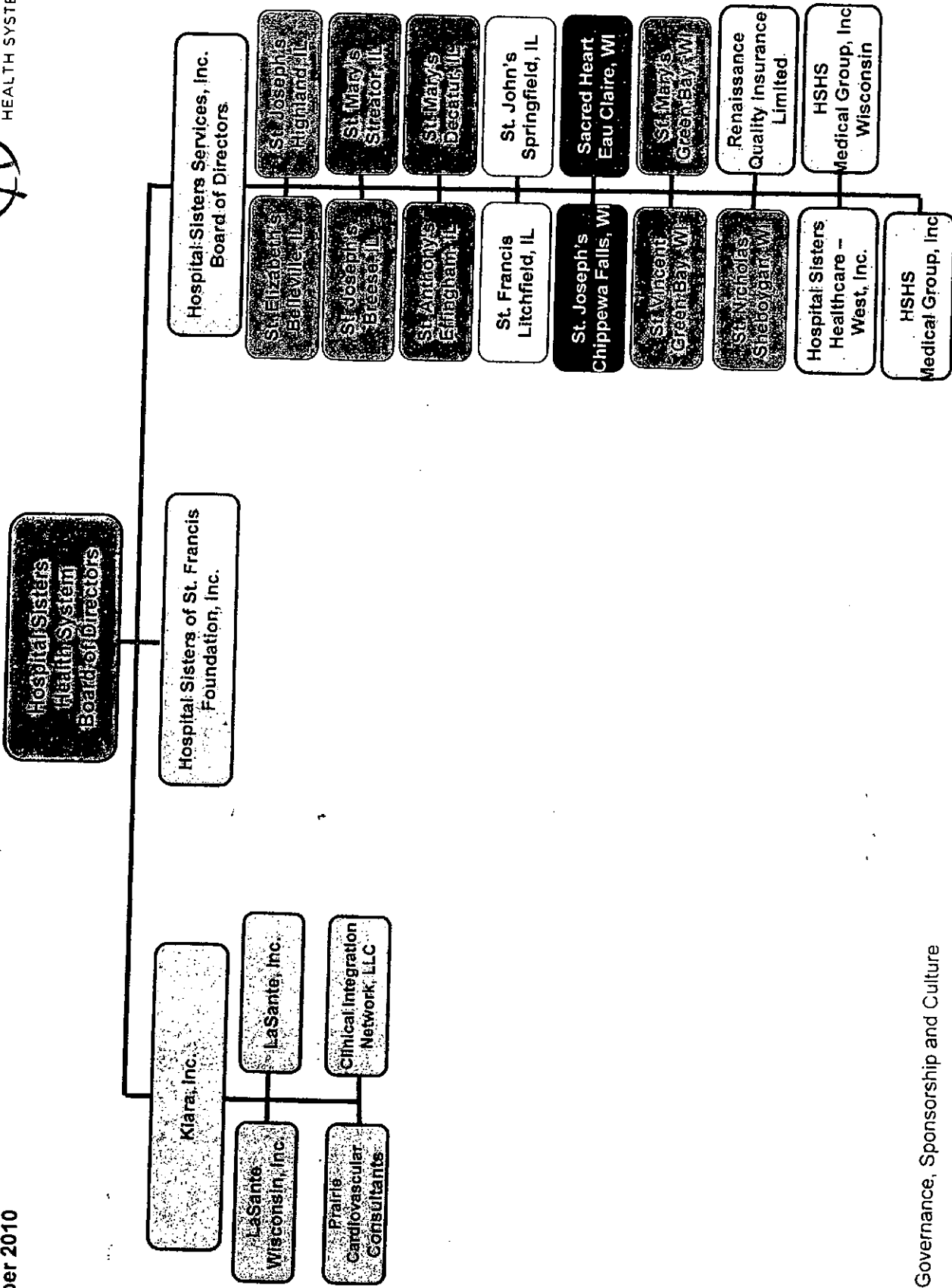
St. Joseph's Hospital will use debt financing in the amount of \$4,127,353 for this project. St. Joseph's Hospital is part of the HSSI obligated group. Debt financing for the project will be issued on behalf of HSSI.

Governance Organization Chart

November 2010

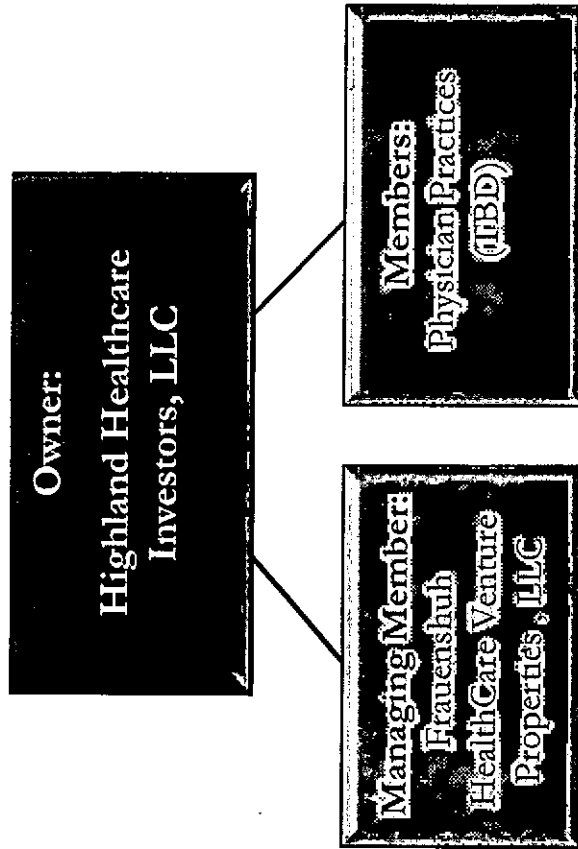


Hospital Sisters
HEALTH SYSTEM



Governance, Sponsorship and Culture

MOB Ownership Structure



I.
Flood Plain Requirements

The following pages of this Attachment document that the proposed construction of the St. Joseph's Hospital Medical Office Building complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas.

The project site is split between two Flood Insurance Rate Maps (FIRMs), issued by the National Flood Insurance Program of the Federal Emergency Management Agency (FEMA): Community-Panel Numbers 170436 0015 B and 170436 0035 B.

These two FIRMs have been combined and placed on one map on the next page to demonstrate that the project site is located in Zone C and not in a flood plain area.

A statement from Peggy A. Sebastian, President and CEO of St. Joseph's Hospital, the owner of the site on which the St. Joseph's Hospital Medical Office Building will be constructed, attesting to the project's compliance with the requirements of Illinois Executive Order #2006-5, Construction Activities in Special Flood Hazard Areas, is found on Page 3 of this Attachment.

THOUVENOT,
WADE &
MIDERCHEN, INC.
ENGINEERS • SURVEYORS • PLANNERS



□ CORPORATE OFFICE
4240 O.D. COLLSVILLE RD.
SPRINGDALE, ALABAMA 35228
TEL (205) 834-8800
FAX (205) 834-8818
comp@twm-inc.com

□ WATERLOO OFFICE
113 SOUTH MAIN STREET
WATERLOO, MISSOURI 65235
TEL (314) 832-2020
FAX (314) 832-2028
comp@twm-inc.com

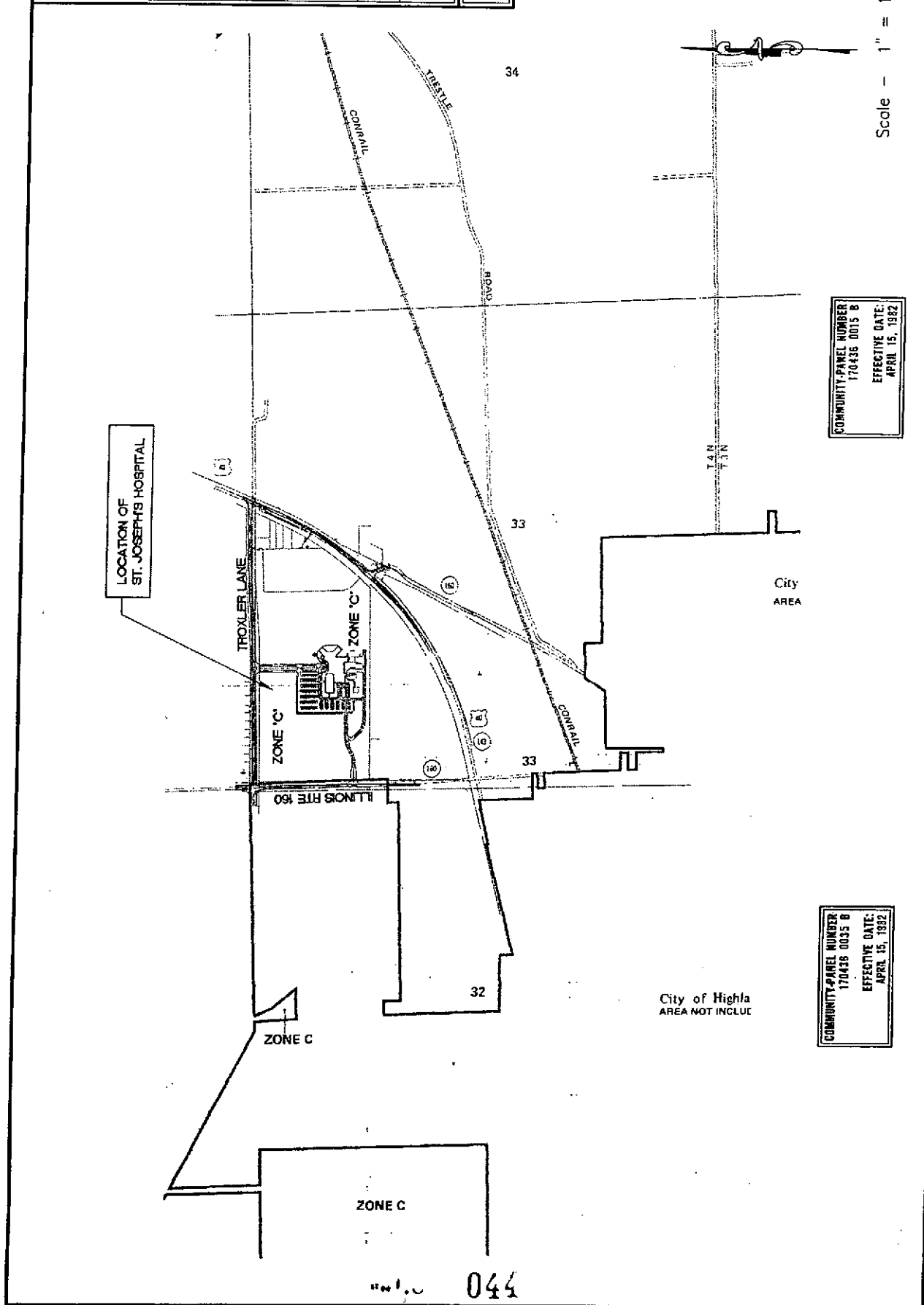
□ MOBILE OFFICE
1001 W. GARDNER
MOBILE, ALABAMA 36688
TEL (334) 834-4740
FAX (334) 834-4743
comp@twm-inc.com

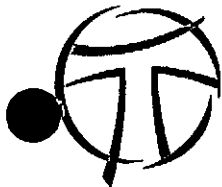
□ ST. CHARLES OFFICE
400 N. 5TH STREET, SUITE 100
ST. CHARLES, MISSOURI 63301
TEL (636) 724-4300
FAX (636) 724-4301
twa@twm-inc.com

FEMA MAP
EXHIBIT

ST. JOSEPH'S
HOSPITAL
HIGHLAND, IL

1





St. Joseph's
HOSPITAL

July 1, 2011

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson
Second Floor
Springfield, Illinois 62702

Re: Compliance with Requirements of Illinois Executive Order #2006-5
Regarding Construction Activities in Special Flood Hazard Areas

Dear Ms. Avery:

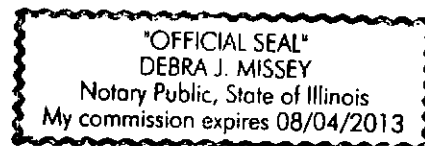
I am the applicant representative of St. Joseph's Hospital of the Hospital Sisters of the Third Order of St. Francis, the owner of the site on which the Highland Medical Office Building will be located.

I hereby attest that this site is not located on a flood plain, as identified by the most recent FEMA Flood Insurance Rate Map for this location, and that this location complies with the Flood Plain Rule and the requirements stated under Illinois Executive Order #2006-5, "Construction Activities in the Special Flood Hazard Areas."

Sincerely,

Peggy A. Sebastian
President & CEO

Witnessed by:



I.
Historic Resources Preservation Act Requirements

The letter on the next page of this Attachment documents the proposed construction of the St. Joseph's Hospital Medical Office Building complies with the requirements of the Historic Resources Preservation Act.

The letter from Anne E. Haaker, Deputy State Historic Preservation Officer, documents that the site on which the proposed Medical Office Building will be located has been found to be in compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.).



Illinois Historic Preservation Agency

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • www.illinois-history.gov

Madison County
Highland

PLEASE REFER TO: IHPA LOG #003061710

13054 U.S. Highway 40, Section:33-Township:4N-Range:5W, 11Ms2373
TWM-D03-10-0294
72.52-acre Medical Campus/St. Joseph's Critical Access Hospital

October 27, 2010

Dana L. Link
Thouvenot, Wade & Moerchen, Inc.
4940 Old Collinsville Road
Swansea, IL 62228

Dear Dana Link:

Acre(s): 76 Site(s): 1
Archaeological Contractor:

Thank you for submitting the results of the archaeological reconnaissance. The Illinois Historic Preservation Agency is required by the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420, as amended, 17 IAC 4180) to review all state funded, permitted or licensed undertakings for their effect on cultural resources.

Our staff has reviewed the archaeological Phase I reconnaissance report performed for the project referenced above. The Phase I survey and assessment of the archaeological resources appear to be adequate. Accordingly, we have determined, based upon this report, that no significant historic, architectural, and archaeological resources are located in the surveyed area.

According to the information you have provided concerning your proposed project, apparently there is no federal involvement in your project. However, please note that the state law is less restrictive than the federal cultural resource laws concerning archaeology, therefore if your project will use federal loans or grants, need federal agency permits, use federal property, or involve the assistance of federal agencies then your project must be reviewed under the National Historic Preservation Act of 1966, as amended.

Please retain this letter in your files as evidence of compliance with the Illinois State Agency Historic Resources Preservation Act.

Sincerely,

Anne E. Haaker
Deputy State Historic
Preservation Officer

047

ITEMIZATION OF PROJECT COSTS BY LINE ITEM

ATTACHMENT-7

St. Joseph's Hospital Medical Office Building Itemized Project Costs

| USE OF FUNDS | Clinical Service Areas | Non-Clinical Service Areas | TOTAL |
|---|-------------------------------|-----------------------------------|---------------------|
| Site Survey and Soil Investigation | | | |
| Geotechnical Investigation | \$1,665 | \$5,835 | \$7,500 |
| Site Survey | \$1,665 | \$5,835 | \$7,500 |
| Environmental Assessment/Appraisal | \$4,440 | \$15,560 | \$20,000 |
| Total Site Survey and Soil Investigation | \$7,770 | \$27,230 | \$35,000 |
| Site Preparation | \$32,719 | \$114,664 | \$147,383 |
| Off-Site Work | \$147,859 | \$518,172 | \$666,031 |
| New Construction Contracts | \$3,224,443 | \$7,165,703 | \$10,390,146 |
| Contingencies | \$174,390 | \$451,579 | \$625,969 |
| Architectural/Engineering Fees | \$83,655 | \$293,169 | \$376,824 |
| Consulting and Other Fees: | | | |
| Architecture Reimbursables | \$17,760 | \$62,240 | \$80,000 |
| Program Management | \$71,895 | \$251,956 | \$323,851 |
| Legal Fees | \$15,540 | \$54,460 | \$70,000 |
| CON Planning and Consultation | \$11,100 | \$38,900 | \$50,000 |
| CON Application Processing Fee | \$11,100 | \$38,900 | \$50,000 |
| Leasing & Recruiting Expense | \$12,284 | \$43,048 | \$55,332 |
| Total Consulting and Other Fees | \$139,679 | \$489,504 | \$629,183 |
| Movable or Other Equipment (not in Construction Contracts): | | | |
| Medical Equipment | \$716,804 | \$0 | \$716,804 |
| Furniture/Furnishings | \$114,986 | \$335,600 | \$450,586 |
| Telecom. Equipment | \$142,755 | \$105,963 | \$248,718 |
| TVs | \$17,390 | \$31,304 | \$48,694 |
| Total Movable or Other Equipment | \$991,935 | \$472,867 | \$1,464,802 |
| Net Interest Expense During Construction | \$74,944 | \$262,642 | \$337,586 |
| Other Costs to be Capitalized: | | | |
| Development Reimbursable Expense | \$14,430 | \$50,570 | \$65,000 |
| Title Fees and Closing | \$14,509 | \$50,849 | \$65,358 |
| Total Other Costs to be Capitalized | \$28,939 | \$101,419 | \$130,358 |

049

**MEDICAL EQUIPMENT TO BE ACQUIRED
ST. JOSEPH'S HOSPITAL MEDICAL OFFICE BUILDING**

| Clinical Services | | | | | |
|--|--|-------------|--------|-------------|---------------------------------|
| Department/Service | Item | Unit Cost | Number | Total Cost | Total for Department/Service |
| Physical Therapy/Occupational Therapy: Outpatient PT/OT | | | | | \$139,266.69 |
| Speech/Language Pathology | FLOWMETER, OXYGEN | \$53.25 | 2 | \$106.49 | |
| | EXERCISE UNIT | \$2,780.23 | 1 | \$2,780.23 | |
| | TEACHING RESOURCES | \$111.21 | 1 | \$111.21 | |
| | EXERCISE UNIT, ERGOMETER, ARM | \$4,448.36 | 1 | \$4,448.36 | |
| | EXERCISE UNIT, ERGOMETER | \$5,004.41 | 1 | \$5,004.41 | |
| | TABLE, MAT, MOTORIZED | \$6,116.50 | 2 | \$12,232.99 | |
| | EXERCISE UNIT, RACK | \$1,413.74 | 1 | \$1,413.74 | |
| | TABLE, OVERBED | \$545.55 | 3 | \$1,636.64 | |
| | EXERCISE UNIT, PULLEY, WALL | \$2,663.46 | 1 | \$2,663.46 | |
| | EXERCISE UNIT, STAIRCASE LADDER | \$6,671.43 | 1 | \$6,671.43 | |
| | EXERCISE UNIT | \$3,886.76 | 1 | \$3,886.76 | |
| | WASTE RECEPTACLE | \$1,668.14 | 1 | \$1,668.14 | |
| | REHABILITATION AID | \$55.50 | 1 | \$55.50 | |
| | ICE MAKER | \$911.86 | 1 | \$911.86 | |
| | IMAGING, ULTRASOUND SCANNER | \$4,070.25 | 1 | \$4,070.25 | |
| | STIMULATOR, NERVE | \$8,785.51 | 1 | \$8,785.51 | |
| | STIMULATOR | \$1,106.53 | 7 | \$7,745.71 | |
| | WARMER, FLUID | \$27,802.26 | 1 | \$27,802.26 | |
| | DISPENSER, GLOVE | \$276.91 | 1 | \$276.91 | |
| | CART, LINEN | \$32.20 | 1 | \$32.20 | |
| | HAMPER, LINEN | \$569.95 | 1 | \$569.95 | |
| | WASTE RECEPTACLE, STEP- ON | \$206.85 | 3 | \$620.55 | |
| | STIMULATOR | \$116.93 | 2 | \$233.85 | |
| | TABLE, TREATMENT | \$6,155.42 | 5 | \$30,777.10 | |
| | CHAIR, RECLINER | \$555.28 | 3 | \$1,665.83 | |
| | DESK, WALL MOUNT, FOLD-UP | \$1,479.08 | 1 | \$1,479.08 | |
| | WARMER, FLUID | \$1,690.38 | 5 | \$8,451.89 | |
| | HAMPER, LINEN | \$276.91 | 5 | \$1,384.55 | |
| | DISPENSER, GLOVE | \$206.85 | 5 | \$1,034.24 | |
| | WASTE RECEPTACLE, STEP- ON | \$32.20 | 5 | \$160.98 | |
| | | \$116.93 | 5 | \$584.63 | |
| Audiology | | | | | \$2,125.16 |
| | SCOPE | \$490.39 | 1 | \$490.39 | |
| | STORAGE | \$556.05 | 1 | \$556.05 | |
| | BIN, ACCESSORY, PANEL, LOUVERED | \$42.26 | 1 | \$42.26 | |
| | TABLE, WORK, REHABILITATION | \$995.32 | 1 | \$995.32 | |
| | DISPENSER, GLOVE | \$41.15 | 1 | \$41.15 | |
| Cardiac Rehabilitation | | | | | \$49,558.33 |
| | MONITORING, TELEMETRY | \$13,322.54 | 1 | \$13,322.54 | |
| | CART, PROCEDURE | \$1,736.53 | 1 | \$1,736.53 | |
| | MONITOR, VITAL SIGNS | \$4,225.94 | 2 | \$8,451.89 | |
| | TELEVISION | \$1,373.10 | 1 | \$1,373.10 | |
| | TELEVISION ACCESSORY, BRACKET, WALL MOUNTED | \$624.99 | 1 | \$624.99 | |
| | REFRIGERATOR, UNDERCOUNTER | \$200.17 | 1 | \$200.17 | |
| | EXERCISE UNIT, BICYCLE | \$3,001.53 | 1 | \$3,001.53 | |
| | EXERCISE UNIT, ERGOMETER | \$4,003.53 | 1 | \$4,003.53 | |
| | TREADMILL, ELECTRIC | \$5,671.66 | 1 | \$5,671.66 | |
| | EXERCISE UNIT, CROSS TRAINER, ELLIPTICAL | \$5,832.91 | 1 | \$5,832.91 | |
| | FLOWMETER, OXYGEN | \$53.25 | 4 | \$212.99 | |
| | SCALE, STAND-ON | \$2,660.12 | 1 | \$2,660.12 | |
| | CART | \$1,663.97 | 1 | \$1,663.97 | |
| | CART, HOUSEKEEPING | \$649.24 | 1 | \$649.24 | |
| | DISPENSER, GLOVE | \$41.15 | 1 | \$41.15 | |
| | WASTE RECEPTACLE | \$112.02 | 1 | \$112.02 | |
| Neuro-Diagnostics | | | | | \$70,983.29 |
| | REFRIGERATOR, UNDERCOUNTER | \$2,874.53 | 1 | \$2,874.53 | |
| | OVEN, MICROWAVE | \$119.10 | 1 | \$119.10 | |
| | WASTE RECEPTACLE | \$96.26 | 1 | \$96.26 | |
| | CART, UTILITY | \$170.89 | 1 | \$170.89 | |
| | ALLOWANCE | \$55,604.52 | 1 | \$55,604.52 | |
| | BED | \$3,336.27 | 1 | \$3,336.27 | |

| | | | | |
|--|---|-------------|---|---------------------|
| | TABLE, OVERBED | \$545.55 | 2 | \$1,091.09 |
| | FLOWMETER, OXYGEN | \$53.25 | 2 | \$106.49 |
| | CART, PROCEDURE | \$920.48 | 1 | \$920.48 |
| | MONITOR, AIRWAY PRESSURE | \$6,663.65 | 1 | \$6,663.65 |
| Clinical Laboratory including Morgue | | | | \$265,785.54 |
| | BIN, ACCESSORY, PANEL, LOUVERED | \$1,112.09 | 1 | \$1,112.09 |
| | ALLOWANCE, STORAGE | \$556.05 | 1 | \$556.05 |
| | TABLE, INFANT, FOLDING | \$431.49 | 1 | \$431.49 |
| | DISPENSER, GLOVE | \$41.15 | 2 | \$82.29 |
| | WASTE RECEPTACLE, STEP-ON | \$93.42 | 2 | \$186.83 |
| | WASTE RECEPTACLE | \$95.26 | 2 | \$192.53 |
| | REFRIGERATOR, UNDERCOUNTER | \$2,874.53 | 1 | \$2,874.53 |
| | LAB ANALYZER, CHEMISTRY, MANUAL | \$11,348.88 | 1 | \$11,348.88 |
| | REFRIGERATOR, BLOOD BANK | \$4,531.66 | 1 | \$4,531.66 |
| | LAB CENTRIFUGE, COUNTER TOP | \$3,058.36 | 1 | \$3,058.36 |
| | WASTE RECEPTACLE, STEP-ON | \$114.79 | 1 | \$114.79 |
| | WASTE RECEPTACLE, STEP-ON | \$93.42 | 1 | \$93.42 |
| | REFRIGERATOR/FREEZER, UPRIGHT | \$12,833.52 | 1 | \$12,833.52 |
| | LAB MICROSCOPE | \$16,681.35 | 1 | \$16,681.35 |
| | WASTE RECEPTACLE | \$61.81 | 1 | \$61.81 |
| | REFRIGERATOR/FREEZER, UPRIGHT | \$11,120.90 | 1 | \$11,120.90 |
| | LAB ANALYZER, BACTERIA | \$49,943.98 | 1 | \$49,943.98 |
| | LAB INCUBATOR, FLOOR MODEL | \$15,547.02 | 1 | \$15,547.02 |
| | SHELVING, WIRE | \$342.52 | 4 | \$1,370.10 |
| | LAB ANALYZER, COAGULATION, AUTOMATED | \$95,634.21 | 1 | \$95,634.21 |
| | LAB ANALYZER, SEDIMENTATION RATE | \$1,668.14 | 1 | \$1,668.14 |
| | CART, UTILITY | \$346.42 | 2 | \$692.83 |
| | ALLOWANCE, RELOCATION OF EXISTING EQUIPMENT | \$33,362.71 | 1 | \$33,362.71 |
| | WASTE RECEPTACLE, STEP-ON | \$114.79 | 1 | \$114.79 |
| | CABINET, SAFETY, ACID STORAGE | \$1,392.11 | 1 | \$1,392.11 |
| | CART, HOUSEKEEPING | \$649.24 | 1 | \$649.24 |
| | DISPENSER, GLOVE | \$41.15 | 1 | \$41.15 |
| | WASTE RECEPTACLE | \$88.97 | 1 | \$88.97 |
| Geriatric Adult Day Psychiatric Program | | | | \$3,829.32 |
| | LAB ANALYZER, GLUCOSE | \$695.06 | 1 | \$695.06 |
| | THERMOMETER, ELECTRONIC | \$145.96 | 1 | \$145.96 |
| | REFRIGERATOR/FREEZER, UPRIGHT | \$1,551.37 | 1 | \$1,551.37 |
| | COFFEE BREWER | \$706.18 | 1 | \$706.18 |
| | TOASTER, COMMERCIAL | \$365.88 | 1 | \$365.88 |
| | OVEN, MICROWAVE | \$119.10 | 1 | \$119.10 |
| | FLOWMETER, OXYGEN | \$53.25 | 1 | \$53.25 |
| | WASTE RECEPTACLE | \$96.26 | 2 | \$192.53 |
| Diagnostic Imaging | | | | \$185,256.20 |
| | REFRIGERATOR, UNDERCOUNTER | \$200.17 | 1 | \$200.17 |
| | COFFEE BREWER | \$706.18 | 1 | \$706.18 |
| | OVEN, MICROWAVE | \$119.10 | 1 | \$119.10 |
| | WASTE RECEPTACLE | \$96.26 | 1 | \$96.26 |
| | STOOL, FOOT, WITH HANDRAIL | \$65.89 | 1 | \$65.89 |
| | DISPENSER, GLOVE | \$41.15 | 1 | \$41.15 |
| | WASTE RECEPTACLE, STEP-ON | \$114.79 | 1 | \$114.79 |
| | HAMPER, LINEN | \$206.85 | 2 | \$413.70 |
| | IMAGING, TABLE, ULTRASOUND | \$6,666.98 | 1 | \$6,666.98 |
| | CART, PROCEDURE | \$2,268.66 | 1 | \$2,268.66 |
| | FLOWMETER, OXYGEN | \$53.25 | 1 | \$53.25 |
| | REGULATOR, SUCTION, CONTINUOUS & INTERMITTENT | \$470.41 | 1 | \$470.41 |
| | WARMER, FLUID | \$276.91 | 1 | \$276.91 |
| | DISINFECTOR | \$772.90 | 1 | \$772.90 |
| | STOOL, FOOT, WITH HANDRAIL | \$157.17 | 1 | \$157.17 |
| | DISPENSER, GLOVE | \$41.15 | 1 | \$41.15 |
| | HAMPER, LINEN | \$206.85 | 1 | \$206.85 |

| | | | | |
|--|---|--------------|---|--------------|
| | WASTE RECEPTACLE, STEP-ON | \$116.77 | 1 | \$116.77 |
| | WASTE RECEPTACLE, STEP-ON | \$93.42 | 1 | \$93.42 |
| | IMAGING, MAMMOGRAPHY, STEREOTACTIC | \$4,448.36 | 1 | \$4,448.36 |
| | IMAGING ACCESSORY | \$27,802.26 | 1 | \$27,802.26 |
| | IMAGING ACCESSORY | \$100,088.13 | 1 | \$100,088.13 |
| | IMAGING, PACS, WORKSTATION, READ | \$33,362.71 | 1 | \$33,362.71 |
| | SHIELD, LEAD, BARRIER | \$2,691.26 | 2 | \$5,382.52 |
| | FLOWMETER, OXYGEN | \$44.48 | 2 | \$88.97 |
| | REGULATOR, SUCTION, CONTINUOUS & INTERMITTENT | \$444.84 | 2 | \$889.67 |
| | DISPENSER, GLOVE | \$41.15 | 2 | \$82.29 |
| | WASTE RECEPTACLE, STEP-ON | \$114.79 | 2 | \$229.58 |

ST. JOSEPH'S HOSPITAL MEDICAL OFFICE BUILDING

FURNITURE

CLINICAL SERVICE AREAS

| <u>Department/Service</u> | <u>Furniture/Furnishings</u> | <u>Escalation</u> | <u>Taxes/Freight/Union Installation</u> | <u>Total</u> |
|---|------------------------------|-------------------|---|--------------|
| Diagnostic Radiology | \$21,100 | \$1,728 | \$4,220 | \$27,048 |
| Clinical Laboratories | \$23,200 | \$1,900 | \$4,640 | \$29,740 |
| Clinical Reference Laboratory | \$4,750 | \$389 | \$950 | \$6,089 |
| Outpatient Rehabilitation (PT, OT, Speech, Language Pathology) | \$18,500 | \$1,515 | \$3,700 | \$23,715 |
| Audiology | \$3,600 | \$295 | \$720 | \$4,615 |
| Cardiac Rehabilitation | \$8,550 | \$700 | \$1,710 | \$10,960 |
| Geriatric Adult Day Psychiatric Program | \$3,400 | \$278 | \$680 | \$4,358 |
| Neuro-Diagnostics | \$6,600 | \$541 | \$1,320 | \$8,461 |
| SUB-TOTAL, CLINICAL SERVICE AREAS | \$89,700 | \$7,346 | \$17,940 | \$114,986 |

NON-CLINICAL SERVICE AREAS

| <u>Department/Service</u> | <u>Furniture/Furnishings</u> | <u>Escalation</u> | <u>Taxes/Freight/Union Installation</u> | <u>Total</u> |
|--|------------------------------|-------------------|---|--------------|
| Medical Records/Health Information Systems | \$29,300 | \$2,400 | \$5,860 | \$37,560 |
| Administration | \$74,700 | \$6,118 | \$14,940 | \$95,758 |
| Administration - additional | | | | \$3,344 |
| Volunteer Services | \$1,300 | \$106 | \$260 | \$1,666 |
| Education/Conference Rooms | \$87,800 | \$7,191 | \$17,560 | \$112,551 |
| Additional Education/Conference Furniture | \$23,752 | \$1,946 | \$4,750 | \$30,448 |
| Information Systems | \$30,200 | \$2,473 | \$6,040 | \$38,713 |
| Entrances, Lobbies and Public Space | \$12,140 | \$992 | \$2,428 | \$15,560 |
| SUB-TOTAL, NON-CLINICAL SERVICE AREAS | \$259,192 | \$21,226 | \$51,838 | \$335,600 |

1.

Cost Space Requirements

| <u>Department</u> | <u>Gross Square Feet</u> | | <u>Amount of Proposed Total GSF That Is:</u> | | | | |
|---|--------------------------|-----------------|--|-------------------|--------------|----------------------|---------------|
| | <u>Existing</u> | <u>Proposed</u> | <u>New Const.</u> | <u>Modernized</u> | <u>As Is</u> | <u>Vacated Space</u> | |
| <u>Clinical Service Areas:</u> | | | | | | | |
| Diagnostic Imaging (these modalities) | \$757,951 | 359 | 1,450 | 1,450 | 0 | 0 | 359 |
| Clinical Laboratories | \$1,054,889 | 2,755* | 2,209 | 2,209 | 0 | 0 | 2,755* |
| Clinical Reference Laboratory | \$134,998 | 219* | 379 | 379 | 0 | 0 | 219* |
| Outpatient Rehabilitation (PT, OT, Speech, Language Path) | \$1,464,076 | 3,940 | 4,162 | 4,162 | 0 | 0 | 3,940 |
| Audiology | \$153,803 | 391 | 463 | 463 | 0 | 0 | 391 |
| Cardiac Rehabilitation | \$427,253 | 588 | 1,128 | 1,128 | 0 | 0 | 588 |
| Geriatric Adult Day Psychiatric Program | \$504,573 | 2,509* | 2,067 | 2,067 | 0 | 0 | 2,509* |
| Neuro-Diagnostics | \$408,790 | 683* | 1,013 | 1,013 | 0 | 0 | 683* |
| Sub-Total: Clinical Service Areas | \$4,906,333 | 11,444 | 12,871 | 12,871 | 0 | 0 | 11,444 |
| <u>Non-Clinical Service Areas:</u> | | | | | | | |
| Medical Records/Health Information Systems | \$264,371 | 1,968* | 1,032 | 1,032 | 0 | 0 | 1968* |
| Administration | \$1,154,036 | 6,280* | 4,800 | 4,800 | 0 | 0 | 6280* |
| Volunteer Services | \$68,478 | 484* | 304 | 304 | 0 | 0 | 484* |
| Education/Conference Rooms | \$724,020 | 1,366* | 2,555 | 2,555 | 0 | 0 | 1,366* |
| Information Systems | \$201,756 | 0 | 721 | 721 | 0 | 0 | 0 |
| Environmental Services, including Housekeeping | \$20,644 | 56 | 142 | 142 | 0 | 0 | 56 |
| Leased Physicians' Offices | \$5,577,151 | 8,982 | 24,663 | 24,663 | 0 | 0 | 8,982 |
| Entrances, Lobbies, and Public Space | \$705,879 | 1,156 | 3,672 | 3,672 | 0 | 0 | 1,156 |
| Corridors | \$439,566 | 1,116 | 2,420 | 2,420 | 0 | 0 | 1,116 |
| Connector Corridor to Hospital | \$243,642 | 0 | 1,296 | 1,296 | 0 | 0 | 0 |
| Mechanical Space and Penthouse | \$144,156 | N/A | 1,032 | 1,032 | 0 | 0 | 0 |
| Mechanical and Electrical Ducts and Shafts | \$56,014 | N/A | 401 | 401 | 0 | 0 | 0 |
| Elevator Shafts | \$82,679 | 228 | 525 | 525 | 0 | 0 | 228 |
| Stairwells | \$214,557 | 362 | 1,536 | 1,536 | 0 | 0 | 362 |
| Sub-Total: Non-Clinical Service Areas | \$9,896,949 | 21,770 | 45,099 | 45,099 | 0 | 0 | 21,770 |
| TOTAL PROJECT | | 33,214 | 57,970 | 57,970 | 0 | 0 | 33,214 |

*This department is currently located in the hospital. It will be constructed in the MOB on the new campus.

III.
Criterion 1110.230 - Background of Applicant

1. Hospital Sisters Health System is the sole corporate member of Hospital Sisters Services, Inc. (HSSI), the sole corporate member of St. Joseph's Hospital.

HSSI or an affiliate of HSSI also are the sole corporate members of the following Illinois health care facilities, as defined under the Illinois Health Facilities Planning Act (20 ILCS 3960/3).

The identification numbers of each of these health care facilities is shown below, along with their names and locations.

| <u>Name and Location of Facility</u> | <u>Identification Numbers</u> |
|---|---|
| St. Joseph's Hospital, Highland | Illinois License ID #0002543 Joint Commission ID #2825 |
| St. Anthony's Memorial Hospital, Effingham | Illinois License ID #0002279 Joint Commission ID #7335 |
| St. Elizabeth's Hospital, Belleville | Illinois License ID #0002345 Joint Commission ID #7242 |
| St. Francis Hospital, Litchfield | Illinois License ID #0002386 Joint Commission ID #7374 |
| St. John's Hospital, Springfield | Illinois License ID #0002451 Joint Commission ID #7432 |
| St. Joseph's Hospital, Breese | Illinois License ID #0002527 Joint Commission ID #7250 |
| St. Mary's Hospital, Decatur | Illinois License ID #0002592 Joint Commission ID #4605 |
| St. Mary's Hospital, Streator | Illinois License ID #0002659 Joint Commission ID #7436 |
| Prairie Diagnostic Center at St. John's Hospital, Springfield | Illinois License ID #7003157 Joint Commission ID #495818 |

Proof of the current licensure and accreditation of each of the facilities identified above will be found on the following pages of this Attachment.

- 2, 3. A letter from Hospital Sisters Health System certifying that St. Joseph's Hospital and the other hospitals that are affiliated with HSSI have not had any adverse action taken against them during the past three years and authorizing the Illinois Health Facilities and Services Review Board and Illinois Department of Public Health to access any documents necessary to verify the information submitted in response to this subsection will be found on the final page of this Attachment.
4. This item is not applicable to this application.

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2035999
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations, and is hereby authorized to engage in the activity as indicated below.

DAMON I. ARNOLD, M.D.
DIRECTOR

Issued under the authority of
The State of Illinois
Department of Public Health

| | | |
|-----------------|----------|-----------|
| EXPIRATION DATE | CATEGORY | ID NUMBER |
| 06/30/12 | BGBD | 0002543 |

FULL LICENSE

CRITICAL ACCESS HOSP

EFFECTIVE: 07/01/11

BUSINESS ADDRESS

ST. JOSEPH'S HOSPITAL
1515 MAIN STREET

HIGHLAND
This field of this license has a colored background printed by authority of the State of Illinois 4/97

State of Illinois 2035999
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

ST. JOSEPH'S HOSPITAL

| | | |
|-----------------|----------|-----------|
| EXPIRATION DATE | CATEGORY | ID NUMBER |
| 06/30/12 | BGBD | 0002543 |

FULL LICENSE

CRITICAL ACCESS HOSP

EFFECTIVE: 07/01/11

05/07/11

ST. JOSEPH'S HOSPITAL
1515 MAIN STREET

HIGHLAND
IL 62249

FEE RECEIPT NO.



July 1, 2011

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

Joint Commission ID #: 2825
Program: Critical Access Hospital
Accreditation
Accreditation Activity: Measure of Success
Accreditation Activity Completed: 07/01/2011

Dear Ms. Sebastian:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Accreditation Manual for Critical Access Hospitals

This accreditation cycle is effective beginning June 17, 2009. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin RN, PhD

Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations



St. Joseph's Hospital
1515 Main Street
Highland, IL 62249

Organization Identification Number: 2825

Measure of Success Submitted: 6/30/2011

Program(s)

Critical Access Hospital Accreditation

Executive Summary

**Critical Access Hospital
Accreditation :**

As a result of the accreditation activity conducted on the above date(s), there were no Requirements for Improvement identified.

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

The Joint Commiission
Summary of Compliance

| Program | Standard | Level of Compliance |
|---------|-------------|---------------------|
| CAH | PC.01.02.03 | Compliant |



September 14, 2009

Joint Commission ID#: 2825
CCN: 14-1336
Program: Critical Access Hospital
Accreditation Expiration Date: September 17, 2012

Dennis Hutchison
Interim CEO
St. Joseph's Hospital
1515 Main Street
Highland, Illinois 62249

Dear Mr. Hutchison:

This letter confirms that your June 15-16, 2009 unannounced full survey was conducted for the purposes of assessing compliance with the Medicare conditions for critical access hospitals through The Joint Commission's deemed status survey process.

Based upon the submission of your evidence of standards compliance on September 8, 2009, the Joint Commission is granting your organization an accreditation decision of Accredited with an effective date of June 17, 2009.

The Joint Commission is also recommending your organization for Medicare certification. Please note that the Centers for Medicare and Medicaid Services (CMS) Regional Office (RO) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13.

This recommendation also applies to the following location(s):

- St. Joseph's Family Practice Clinic
- St. Joseph's Hospital

We direct your attention to some important Joint Commission policies. First, your Medicare report is publicly accessible as required by the Joint Commission's agreement with the Centers for Medicare and Medicaid Services. Second, Joint Commission policy requires that you inform us of any changes in the name or ownership of your organization, or health care services you provide.

Sincerely,

Ann Scott Blouin RN, Ph.D.

Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations

cc: CMS/Central Office/Survey & Certification Group/Division of Acute Care Services
CMS/Regional Office V /Survey and Certification Staff

www.jointcommission.org

Headquarters
One Renaissance Boulevard
Oak Brook, Illinois 60110
630 792 5000 ext.

061



September 14, 2009

Dennis Hutchison, BS, MBA
Interim CEO
St. Joseph's Hospital
1515 Main Street
Highland, IL 62249

Joint Commission ID #: 2825
Program: Critical Access Hospital
Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed: 09/10/2009

Dear Mr. Hutchison:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Accreditation Manual for Critical Access Hospitals

This accreditation cycle is effective beginning June 17, 2009. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 39 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin RN, PhD

Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations



St. Joseph's Hospital
1515 Main Street
Highland, IL 62249

Organization Identification Number: 2825

Evidence of Standards Compliance (60 Day) Submitted: 9/8/2009

Program(s)
Critical Access Hospital Accreditation

Executive Summary

Critical Access Hospital Accreditation : As a result of the accreditation activity conducted on the above date(s), there were no Requirements for Improvement identified.

If you have any questions, please do not hesitate to contact your Account Representative.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

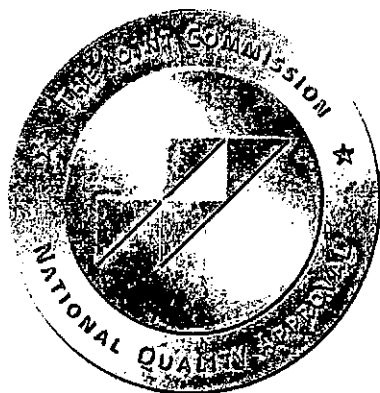
The Joint Commission
Summary of Compliance

| Program | Standard | Level of Compliance |
|---------|-------------|---------------------|
| CAH | EC.02.03.01 | Compliant |
| CAH | EM.02.02.13 | Compliant |
| CAH | IC.03.01.01 | Compliant |
| CAH | LS.02.01.10 | Compliant |
| CAH | LS.02.01.20 | Compliant |
| CAH | MS.08.01.01 | Compliant |
| CAH | RI.01.05.01 | Compliant |

St. Joseph's Hospital

Highland, IL

has been Accredited by



The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the
Critical Access Hospital Accreditation Program

June 17, 2009

Accreditation is customarily valid for up to 39 months.

David L. Nahrwold

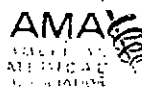
David L. Nahrwold, M.D.
Chairman of the Board

Organization ID #2825
Print/Reprint Date: 9/23/09

Mark Chassin

Mark Chassin, M.D.
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.





State of Illinois 2009503
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

DAMON T. ARNOLD, M.D.
DIRECTOR

Issued under the authority of
 The State of Illinois
 Department of Public Health

| | | |
|------------------------------------|-------------------------|-------------------------------|
| EXPIRATION DATE 12/31/11 | CATEGORY B6BD | I.D. NUMBER 0002279 |
| FULL LICENSE | | |
| GENERAL HOSPITAL | | |
| EFFECTIVE: 01/01/11 | | |

BUSINESS ADDRESS

ST. ANTHONY'S MEMORIAL HOSPITAL
503 NORTH MAPLE STREET

EFFINGHAM IL 62401

The face of this license has a colored background. Printed by Authority of the State of Illinois • 4/97 •

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2009503
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

ST. ANTHONY'S MEMORIAL HOSPITAL

| | | |
|------------------------------------|-------------------------|-------------------------------|
| EXPIRATION DATE 12/31/11 | CATEGORY B6BD | I.D. NUMBER 0002279 |
|------------------------------------|-------------------------|-------------------------------|

FULL LICENSE

GENERAL HOSPITAL

EFFECTIVE: 01/01/11

11/06/10

ST. ANTHONY'S MEMORIAL HOSPITAL
503 NORTH MAPLE STREET

EFFINGHAM IL 62401

FEE RECEIPT NO.

390



February 3, 2009

Daniel J. Woods
Executive Vice President/Administrator
St. Anthony's Memorial Hospital
503 North Maple Street
Effingham, IL 62401

Joint Commission ID #: 7335
Accreditation Activity: Measure of Success
Accreditation Activity Completed: 2/3/2009

Dear Mr. Woods:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- Comprehensive Accreditation Manual for Home Care
- Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning August 23, 2008. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 39 months.

Please visit Quality Check® on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin RN, PhD

Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION



State of Illinois 2009505
Department of Public Health

LICENSE: PERMIT, CERTIFICATION, REGISTRATION

The person, firm, or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

DAMON I. ARNOLD, M.D.
DIRECTOR
Issued under the authority of
The State of Illinois
Department of Public Health

| | | |
|-----------------|----------|------------|
| EXPIRATION DATE | CATEGORY | ID. NUMBER |
| 12/31/11 | B680 | 0002345 |

FULL LICENSE
GENERAL HOSPITAL
EFFECTIVE: 01/01/11

BUSINESS ADDRESS

ST. ELIZABETH'S HOSPITAL
211 SOUTH 3RD STREET
BELLEVILLE IL 62221

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State of Illinois 2009505
Department of Public Health
LICENSE: PERMIT, CERTIFICATION, REGISTRATION
ST. ELIZABETH'S HOSPITAL
EXPIRATION DATE: 12/31/11
CATEGORY: B680
ID. NUMBER: 0002345
FULL LICENSE
GENERAL HOSPITAL
EFFECTIVE: 01/01/11

11/06/10

ST. ELIZABETH'S HOSPITAL
211 SOUTH 3RD STREET
BELLEVILLE IL 62221

FEE RECEIPT NO.



March 22, 2011

Maryann Reese
Chief Executive Officer
St. Elizabeth's Hospital
211 South Third Street
Belleville, IL 62220

Joint Commission ID #: 7242
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed: 03/22/2011

Dear Mrs. Recse:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning December 18, 2010. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin RN, PhD

Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations



State of Illinois 2009506

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

DANON T. ARNOLD, M.D.
DIRECTOR

Issued under the authority of
The State of Illinois
Department of Public Health

| EXPIRATION DATE | CATEGORY | I.D. NUMBER |
|--|----------|-------------|
| 12/31/11 | 8680 | 0002386 |
| FULL LICENSE CRITICAL ACCESS HOSP EFFECTIVE: 01/01/11 | | |

BUSINESS ADDRESS

ST. FRANCIS HOSPITAL
P. O. BOX 1215
1215 FRANCISCAN DR.

LITCHFIELD IL 62056

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February 13, 2009

Daniel Perryman
CEO
St. Francis Hospital of the Hospital Sisters
1215 Franciscan Drive
Litchfield, IL 62556

Joint Commission ID #: 7374
Accreditation Activity: Evidence of Standards
Compliance
Accreditation Activity Completed: 2/11/2009

Dear Mr. Perryman:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Accreditation Manual for Critical Access Hospitals

This accreditation cycle is effective beginning February 11, 2009. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 39 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin RN, Ph.D.

Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2035997

Department of Public Health
LICENSE, PERMIT, CERTIFICATION, REGISTRATION

| | | | |
|---------------------|-----------------|----------|------------|
| ST. JOHN'S HOSPITAL | EXPIRATION DATE | CATEGORY | ID. NUMBER |
| | 06/30/12 | BGBD | 0002451 |

FULL LICENSE
GENERAL HOSPITAL

EFFECTIVE: 07/01/11

05/07/11

ST. JOHN'S HOSPITAL
800 EAST CARPENTER

SPRINGFIELD IL 62769

FEE RECEIPT NO.

State of Illinois 2035997

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

GANDY I. ARNOLD, M.D.
DIRECTOR
The State of Illinois
Department of Public Health

issued under the authority of
The State of Illinois
Department of Public Health

| | | | |
|---------------------|-----------------|----------|------------|
| ST. JOHN'S HOSPITAL | EXPIRATION DATE | CATEGORY | ID. NUMBER |
| | 06/30/12 | BGBD | 0002451 |

FULL LICENSE
GENERAL HOSPITAL

EFFECTIVE: 07/01/11

BUSINESS ADDRESS

ST. JOHN'S HOSPITAL
800 EAST CARPENTER

SPRINGFIELD IL 62769

The face of this license has a color background. Printed by authority of the State of Illinois, 4/87.



February 14, 2011

Robert Ritz
President and CEO
St. John's Hospital
800 East Carpenter Street
Springfield, IL 62769

Joint Commission ID #: 7432
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed: 02/14/2011

Dear Mr. Ritz:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning November 20, 2010. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin RN, PhD

Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations

St. John's Hospital Springfield, IL

has been Accredited by



The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the
Hospital Accreditation Program

November 20, 2010

Accreditation is customarily valid for up to 36 months.

This award excludes skilled nursing and nursing home services.


Isabel V. Hoverman, MD, MACP
Chair, Board of Commissioners

Organization ID #7432
Print/Reprint Date: 3/3/11


Mark R. Chassin, MD, FACP, MPP, MPH
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.



AMA
AMERICAN
MEDICAL
ASSOCIATION



DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

DARREN T. ARNOLD, M.D.
DIRECTOR

Issued under the authority of
The State of Illinois
Department of Public Health

| | | |
|---|------------------|----------------------|
| EXPIRATION DATE 06/30/12 | CATEGORY 9999 | ID NUMBER 0002527 |
| FULL LICENSE GENERAL HOSPITAL EFFECTIVE: 07/01/11 | | |

BUSINESS ADDRESS

ST. JOSEPH'S HOSPITAL
9515 HOLY CROSS LANE

CHICAGO, ILL. 60623-0000

The face of this license has a colored background printed by authority of the State of Illinois - 4/97 -

State of Illinois 2035998

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

ST. JOSEPH'S HOSPITAL

| | | |
|-----------------------------|------------------|----------------------|
| EXPIRATION DATE 06/30/12 | CATEGORY 9999 | ID NUMBER 0002527 |
|-----------------------------|------------------|----------------------|

FULL LICENSE

GENERAL HOSPITAL

EFFECTIVE: 07/01/11

05/07/11

ST. JOSEPH'S HOSPITAL
JANESTOWN ROAD

BREES ILL 62230

FEE RECEIPT NO.



May 13, 2011

Mark Klosterman
President/CEO
St. Joseph's Hospital
9515 Holy Cross Lane
Breese, IL 62230

Joint Commission ID #: 7250
Program: Hospital Accreditation
Accreditation Activity: Measure of Success
Accreditation Activity Completed: 05/13/2011

Dear Mr. Klosterman:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning November 12, 2010. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin RN, PhD

Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations

State of Illinois 2036000
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

DANON M. ARVILE, M.D.
 DIRECTOR

Issued under the authority of the State of Illinois Department of Public Health

| | | |
|-----------------|----------|------------|
| EXPIRATION DATE | CATEGORY | ID. NUMBER |
| 06/30/12 | BSMD | 0002592 |

FULL LICENSE
 GENERAL HOSPITAL

EFFECTIVE: 07/01/11

BUSINESS ADDRESS

ST. MARY'S HOSPITAL
 1808 EAST LAKE SHORE DRIVE
 DECATUR IL 62521 3883

This certificate has a colored background. Printed by Authority of the State of Illinois. 2/07.

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2036000
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

ST. MARY'S HOSPITAL

| | | |
|-----------------|----------|------------|
| EXPIRATION DATE | CATEGORY | ID. NUMBER |
| 06/30/12 | BSMD | 0002592 |

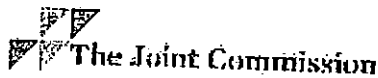
FULL LICENSE
 GENERAL HOSPITAL

EFFECTIVE: 07/01/11

BUSINESS ADDRESS

ST. MARY'S HOSPITAL
 1808 EAST LAKE SHORE DRIVE
 DECATUR IL 62521 3883

FEE RECEIPT NO.



September 17, 2009

Joint Commission ID:# 4605

CCN: 14-0166

Program: Hospital

Accreditation Expiration Date: September 4, 2012

Kevin Kast
Administrator/CEO
St. Mary's Hospital
1800 East Lake Shore Drive
Decatur, Illinois 62521-3883

Dear Mr. Kast:

This letter confirms that your June 2-4, 2009 unannounced full survey was conducted for the purposes of assessing compliance with the Medicare conditions for hospitals through The Joint Commission's deemed status survey process. The services at your hospital were found to be in substantial compliance with the Medicare Conditions.

Based upon the submission of your evidence of standards compliance on September 3, 2009, The Joint Commission is granting your organization an accreditation decision of Accredited with an effective date of June 5, 2009.

The Joint Commission is also recommending your organization for Medicare certification. Please note that the Centers for Medicare and Medicaid Services (CMS) Regional Office (RO) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13.

This recommendation applies to the following locations:

- St. Mary's Hospital, 1800 E Lake Shore Drive, Decatur, IL, 62521-3883
- Lake Shore Urology at St. Mary's, 1770 East Lake Shore Drive, Suite 202, Decatur, IL, 62521
- Neurosurgical Specialists/Ortho at St. Mary's, 1750 East Lake Shore Drive, Decatur, IL, 62521
- Sports Medicine Clinic at St. Mary's 1900 East Lake Shore Drive, Suite 200, Decatur, IL, 62521
- St. Mary's Cancer Care Center, 1990 East Lake Shore Drive, Decatur, IL, 62521
- St. Mary's Health Center - Arthur, 525 N. Vine Street, Arthur, IL, 61911
- St. Mary's Health Center - Blue Mound, 113 E. Seiberling, Blue Mound, IL, 62513
- St. Mary's Health Center - Forsyth Commons, 133 Barnett Ave., Suite 4, Forsyth, IL, 62535
- St. Mary's Health Center - North Decatur, 2981 North Main Street, Forsyth, IL, 62535
- St. Mary's Neuropsychology Department, 1900 East Lake Shore Drive, Suite 200, Decatur, IL, 62521

We direct your attention to some important Joint Commission policies. First, your Medicare report is publicly accessible as required by the Joint Commission's agreement with the Centers for Medicare and Medicaid Services. Second, Joint Commission policy requires that you inform us of any changes in the name or ownership of your organization, or health care services you provide.

Sincerely,

Ann Scott Blouin RN, Ph.D

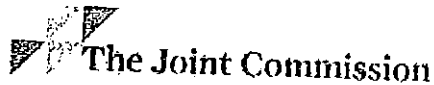
Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations

cc: CMS/Central Office/Survey & Certification Group/Division of Acute Care Services
CMS/Regional Office 5 /Survey and Certification Staff

www.jointcommission.org

Headquarters
One Renaissance Boulevard
Oakbrook Terrace, IL 60181
630 292 5936 voice

078



September 17, 2009

Kevin Kast
Administrator/CEO
St. Mary's Hospital
1800 East Lake Shore Drive
Decatur, IL 62521-3883

Joint Commission ID #: 4605
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed: 09/17/2009

Dear Mr. Kast:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning June 05, 2009. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 39 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin RN, PhD

Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations



St. Mary's Hospital
1800 East Lake Shore Drive
Decatur, IL 62521-3883

Organization Identification Number: 4605

Evidence of Standards Compliance (60 Day) Submitted: 9/3/2009

Program(s)
Hospital Accreditation

Executive Summary

Hospital Accreditation : As a result of the accreditation activity conducted on the above date(s), there were no Requirements for Improvement identified.

You will have follow-up in the area(s) indicated below:

- Measure of Success (MOS) – A follow-up Measure of Success will occur in four (4) months.

If you have any questions, please do not hesitate to contact your Account Representative.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

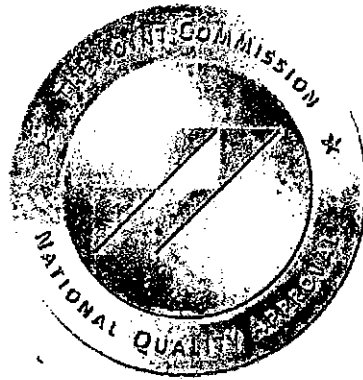
The Joint Commission
Summary of Compliance

| Program | Standard | Level of Compliance |
|---------|-------------|---------------------|
| HAP | HR.01.02.05 | Compliant |
| HAP | IC.01.03.01 | Compliant |
| HAP | LD.04.03.09 | Compliant |
| HAP | LS.02.01.10 | Compliant |
| HAP | LS.02.01.20 | Compliant |
| HAP | MM.03.01.01 | Compliant |
| HAP | MS.08.01.03 | Compliant |
| HAP | PC.02.01.05 | Compliant |
| HAP | PC.02.03.01 | Compliant |

St. Mary's Hospital

Decatur, IL

has been Accredited by



The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the
Hospital Accreditation Program

June 5, 2009

Accreditation is customarily valid for up to 39 months.

David L. Nahrwold

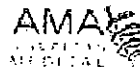
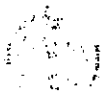
David L. Nahrwold, M.D.
Chairman of the Board

Organization ID #4605
Print/Reprint Date: 9/23/09

Mark Chassin

Mark Chassin, M.D.
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.



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REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

ISSUED UNDER THE AUTHORITY OF THE STATE OF ILLINOIS DEPARTMENT OF PUBLIC HEALTH

DANON T. ARNOLD, M.D. DIRECTOR

| | | |
|---------------------|----------|-----------|
| EXPIRATION DATE | CATEGORY | ID NUMBER |
| 06/30/12 | 858L | 0002659 |
| FULL LICENSE | | |
| GENERAL HOSPITAL | | |
| EFFECTIVE: 07/01/11 | | |

BUSINESS ADDRESS

ST. MARY'S HOSPITAL
111 SPRING STREET
STREATOR IL 61364

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State of Illinois 2036001
Department of Public Health

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ST. MARY'S HOSPITAL

| | | |
|-----------------|----------|-----------|
| EXPIRATION DATE | CATEGORY | ID NUMBER |
| 06/30/12 | 858L | 0002659 |

FULL LICENSE
GENERAL HOSPITAL

EFFECTIVE: 07/01/11

05/07/11

ST. MARY'S HOSPITAL
111 SPRING STREET

STREATOR IL 61364

FEE RECEIPT NO.



April 29, 2011

Joanne Fenton, FACHE
CEO/President
St. Mary's Hospital
111 Spring Street
Streator, IL 61364

Joint Commission ID #: 7436
Program: Hospital Accreditation
Accreditation Activity: Measure of Success
Accreditation Activity Completed: 04/29/2011

Dear Ms. Fenton:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning August 21, 2010. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit Quality Check® on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin RN, PhD

Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations



State of Illinois 1406936
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Business and/or notes and regulations and is hereby authorized to engage in the activity as indicated below.

DANIEL I. ARNOLD, M.D.
 DIRECTOR

Issued under the authority of
 The State of Illinois
 Department of Public Health

| | | |
|--|-------------------------|-----------------------------|
| EXPIRATION DATE 06/30/12 | CATEGORY EGRD | ID NUMBER 7003157 |
| FULL LICENSE AMBULATORY SURGICAL TRMT CTR EFFECTIVE: 07/01/11 | | |

BUSINESS ADDRESS
 Prairie Diagnostic Center at St. John's Hospital
 401 East Carpenter Street
 Springfield, IL 62702

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REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION →

State of Illinois 1406936
 Department of Public Health
 LICENSE, PERMIT, CERTIFICATION, REGISTRATION
 Prairie Diagnostic Center at St. John's Hosp

| | | |
|------------------------------------|-------------------------|-----------------------------|
| EXPIRATION DATE 06/30/12 | CATEGORY EGRD | ID NUMBER 7003157 |
|------------------------------------|-------------------------|-----------------------------|

FULL LICENSE
AMBULATORY SURGICAL TRMT CTR

EFFECTIVE: 07/01/11

Prairie Diagnostic Center at St. John's Hosp
 401 East Carpenter Street
 Springfield, IL 62702

FEE RECEIPT NO.



January 27, 2011

James P. Zito
Chief Executive Officer
Prairie Diagnostic Center, LLC
401 E Carpenter Street
Springfield, IL 62702

Joint Commission ID #: 495818
Program: Ambulatory Health Care
Accreditation
Accreditation Activity: Measure of Success
Accreditation Activity Completed: 01/27/2011

Dear Mr. Zito:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Ambulatory Health Care

This accreditation cycle is effective beginning August 25, 2010. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

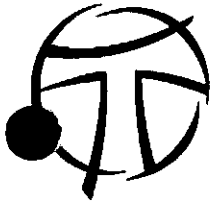
We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin RN, PhD

Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations



Hospital Sisters
HEALTH SYSTEM

October 19, 2011

Belleville, IL
St. Elizabeth's Hospital

Breese, IL
St. Joseph's Hospital

Decatur, IL
St. Mary's Hospital

Effingham, IL
St. Anthony's
Memorial Hospital

Highland, IL
St. Joseph's Hospital

Litchfield, IL
St. Francis Hospital

Springfield, IL
St. John's Hospital

Streator, IL
Mary's Hospital

Chippewa Falls, WI
St. Joseph's Hospital

Eau Claire, WI
Sacred Heart Hospital

Green Bay, WI
St. Mary's Hospital
Medical Center
St. Vincent Hospital

Sheboygan, WI
St. Nicholas Hospital

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson St. Second Floor
Springfield, IL 62702

Dear Ms. Avery:

St. Joseph's Hospital of the Hospital Sisters of the Third Order of St. Francis is a licensed, JCAHO-accredited hospital in Highland. Its sole corporate member is Hospital Sisters Services, Inc., a not-for-profit corporation ("HSSI"). Hospital Sisters Health System is the sole corporate member of HSSI.

HSSI or an affiliate of HSSI also are the sole corporate members of the following Illinois health care facilities, as define under the Illinois Health Facilities Planning Act (20 ILCS 3960/3).

St. Anthony's Memorial Hospital, Effingham
St. Elizabeth's Hospital, Belleville
St. Francis Hospital, Litchfield
St. John's Hospital, Springfield
St. Joseph's Hospital, Breese
St. Mary's Hospital, Decatur
St. Mary's Hospital, Streator
Prairie Diagnostic Center at St. John's Hospital, Springfield

We hereby certify that there has been no adverse action taken against any Illinois health care facility owned and/or operated by Hospital Sisters Health System during the three years prior to the filing of this application.

This letter is also sent to authorize the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) to access any documents necessary to verify the information submitted, including but not limited to the following: official records of IDPH or other state agencies; the licensing or certification records of other states, where applicable; and the records of nationally recognized accreditation organizations, as identified in the requirements specified in 77 Ill. Adm. Code 1110.230.a).

Sincerely,

Larry Schumacher, RN, MSN, FAAN
Chief Operating Officer
Hospital Sisters Health System

P.O. Box 19456
Springfield, Illinois
62794-9456
P: 217-523-4747
F: 217-523-0542
www.hshs.org

Sponsored by the
Hospital Sisters
of St. Francis

III.

Criterion 1110.230 - Purpose of Project

1. This project will improve the health care and well-being of St. Joseph's Hospital's market area by leasing space within a Medical Office Building (MOB) that will be constructed by a third party developer unrelated to a health care facility. The St. Joseph's Hospital Medical Office Building will be constructed on the St. Joseph's Hospital campus on land that is adjacent to the replacement hospital.

St. Joseph's Hospital is an existing Critical Access Hospital that is submitting a CON application to replace its existing hospital building at the same time as it is submitting this CON application.

Both the replacement hospital and the St. Joseph's Hospital Medical Office Building will be constructed on a site that is 1.2 miles away from the current hospital in Highland.

St. Joseph's Hospital will lease space in the St. Joseph's Hospital Medical Office Building for a number of Clinical Service Areas for outpatient care and Laboratory processing as well as for Non-Clinical Service Areas for hospital support services. Some of the space being leased in the MOB will be used for departments required for hospital licensure, as specified in 77 Ill. Adm. Code 250.

St. Joseph's Hospital has served Highland and nearby communities for more than 130 years since it was established in 1878.

The hospital was founded in 1878, just 3 years after the Hospital Sisters of the Third Order of St. Francis arrived in Illinois. The Sisters initially provided care in private homes and later built hospitals in small, rural communities. Under the Sisters' sponsorship, this system developed into the Hospital Sisters Health System (HSHS), a multi-institutional healthcare system headquartered in Springfield, Illinois. HSHS owns and operates 8 hospitals in Illinois and 5 in Wisconsin. The primary mission of HSHS is to provide a structure and the means for the Hospital Sisters of the Third Order of St. Francis to continue their healing mission. Hospitals and other institutionally based programs are the primary means for the Sisters to respond to those in need. The service provided is regarded as a ministry of healing which exemplifies the Gospel values of compassion, justice, and reverence for life throughout its continuum.

St. Joseph's Hospital was designated as a Critical Access Hospital by the federal government in 2004, as indicated in the letter from Michael Sullivan, Program

Representative, Non Long Term Care Branch of the Centers for Medicare & Medicaid Services of the U.S. Department of Health and Human Services, that is appended to this Attachment.

A letter from Damon T. Arnold, M.D., M.P.H., Director of the Illinois Department of Public Health, documenting that St. Joseph's Hospital has been designated as a Critical Access Hospital, as a necessary provider of health services, and as a rural hospital, is also appended to this Attachment.

The new hospital building, which is being constructed as a necessary replacement and expansion of existing services at St. Joseph's Hospital, as discussed in the CON application for that project, will not include all of the Clinical Service Areas that serve outpatients or all of the support services for the hospital. In addition, the replacement hospital will not include the hospital's Clinical Laboratories. These Clinical and Non-Clinical Service Areas will be located in space that St. Joseph's Hospital will lease in the Medical Office Building that will be constructed contiguous with the hospital building.

Thus, the purpose of this project is to lease space that will accommodate Clinical Service Areas and Non-Clinical Service Areas that are necessary to provide medical care to patients served by St. Joseph's Hospital and to operate the hospital, but which do not have to be located within the hospital building. Since the purpose of the replacement of the existing hospital is to correct deficiencies that exist in that obsolescent hospital building, which was not originally designed as a Critical Access Hospital and to replace the existing hospital with a new facility that is appropriately sized and configured to provide care to both inpatients and outpatients receiving care at this hospital, this project has the same purpose of correcting deficiencies in the current hospital and enabling St. Joseph's Hospital to deliver accessible, quality medical care in contemporary facilities to the population it currently serves.

This project will provide health services that improve the health care of the market area population to be served, which is defined in Item 2 of this Attachment, because it will enable St. Joseph's Hospital to continue to meet the needs of the patients it serves in the Clinical Service Areas that will be located in the Medical Office Building and to do so in contemporary facilities that are adjacent to the replacement hospital building.

The need for this project is based upon the following.

- This project will provide Laboratory services and a number of outpatient Clinical Services to patients of St. Joseph's Hospital, and it will provide support services for the hospital.

St. Joseph's Hospital was designated as a Critical Access Hospital by the

federal government, effective on June 1, 2004, which makes it a necessary provider of health services in Madison County.

As noted earlier in this Attachment, a copy of the letter notifying St. Joseph's Hospital of this designation is appended to this Attachment.

- St. Joseph's Hospital was designated as a "necessary provider of health services" by the Illinois Department of Public Health on September 18, 2003, "as determined by its location in a rural census tract of a Metropolitan Statistical Area and current classification as a rural facility."

This designation was reaffirmed on July 15, 2011.

As noted earlier in this Attachment, a copy of the letter reaffirming this designation is appended to this Attachment.

- St. Joseph's Hospital meets the "necessary provider" location requirements for a Critical Access Hospital, as determined by its location in a rural census tract of a Metropolitan Statistical Area and its current classification as a "rural facility."
- Madison County, the county in which St. Joseph's Hospital is located, had a larger proportion (14.0%) of residents 65 years of age and older than the state's proportion (12.1%) of residents of that same age group in 2009.
- Many of the outpatients that are served at St. Joseph's Hospital are low-income and otherwise vulnerable, as documented by their residing in Health Professional Shortage Areas.

There are a number of federally-designated Health Professional Shortage Areas in St. Joseph's Hospital's Primary and Secondary Service Areas, as identified below.

Health Professional Shortage Areas are designated by the federal government because they have a shortage of primary medical care, dental, or mental health providers (<http://bhpr.hrsa.gov/shortage/> Health Resources and Services Administration, U.S. Department of Health and Human Services).

- The federal government designated Madison County as a low income population Health Professional Shortage Area in 2003, and the county continues to be a low income population Health Professional Shortage Area for Primary Medical Care.

Documentation of this designation is appended to this Attachment.

- The federal government has designated the Highland Service Area in Madison County, the county in which St. Joseph's Hospital is located, as a Health Professional Shortage Area (HPSA) for Primary Medical Care.

Documentation of this designation is appended to this Attachment.

There is currently a need for additional primary medical care health professionals in the Highland Service Area, which includes Saline and Helvetia Townships, the townships in which St. Joseph's Hospital and the town of Highland are located. Although the replacement hospital will be located only 1.2 miles from the existing hospital, the 2 hospital sites are located in different townships. The site of the replacement hospital is in Saline Township, while the existing hospital is located in Helvetia Township.

Documentation of these Health Manpower Shortage Areas by township is appended to this Attachment.

- The federal government has identified Saline and Helvetia Townships in the Highland Service Area as HPSAs that qualify for Medicare Physician bonus payments.

This designation means that Medicare makes bonus payments to physicians who provide medical care services in the Highland Service Area.

Documentation of this designation and eligibility is appended to this Attachment.

- The federal government has designated all of Clinton County as a Health Professional Shortage Area (HPSA). Clinton County includes a number of townships that are located in the same Planning Area as St. Joseph's Hospital and includes 2 zip codes in St. Joseph's Hospital's Secondary Service Area.

There is currently a need for additional primary medical care health professionals in Clinton County.

Documentation of this designation is appended to this Attachment.

- This project will have a positive impact on essential safety net services in Planning Area F-01 and the market area for St. Joseph's Hospital's outpatients because these patients, a

significant percentage of whom are elderly and/or low-income, uninsured, and otherwise vulnerable, will be able to receive care in new facilities that are designed to meet their needs.

- The facilities being leased for Clinical Service Areas must address the standards found in the Illinois Health Care Facilities Plan, 77 Ill. Adm. Code 1100.310(a), 1100.360, 1100.370, 1100.380, 1100.390, 1100.400, 1100.410, 1100.420, 1100.430, 1110.230, 1110.234(a-c), 1110.420, 1110.3030, 1110.APPENDIX B State Guidelines - Square Footage and Utilization, and 1120.140.

Leasing space in the St. Joseph's Hospital Medical Office Building for the identified services will provide modern facilities for this "necessary provider."

Leasing space in the St. Joseph's Hospital Medical Office Building for the identified Clinical Service Areas will provide services that improve the health care of St. Joseph's Hospital's market area for the following reasons as discussed below and on the following pages.

- This project will include only services currently provided at the existing hospital.
- When this project is completed, the services that will be located in the Medical Office Building will provide care to the same patients currently receiving care at St. Joseph's Hospital.
- This project will be sized to accommodate St. Joseph's Hospital's projected utilization in each of the included services during the second full fiscal year of operation of the St. Joseph's Hospital Medical Office Building.

Population statistics for the zip codes that constitute St. Joseph's Hospital's market area were reviewed to identify recent and projected population trends. Claritas is the source of these population statistics.

This review of population statistics produced the following conclusions.

- The population in St. Joseph's Hospital's Primary Service Area (zip code 62249, Highland) is projected to increase by 4.5% from 2010 to 2015 (2010 population: 15,223; 2015 population: 15,906), having increased by 13.0% from 2000 to 2010 (2000 population: 13,469; 2010 population: 15,223).

- The population in St. Joseph's Hospital's Secondary Service Area (composed of the following zip codes: 62001; 62061; 62074; 62216; 62273; 62275; 62281; 62293) is projected to increase by 3.0% from 2010 to 2015 (2010 population: 17,403; 2015 population: 17,925), having increased by 8.5% from 2000 to 2010 (2000 population: 16,033; 2010 population: 17,403).
 - The population in St. Joseph's Hospital's Market Area, which is composed of its Primary and Secondary Service Areas, is projected to increase by 3.7% from 2010 to 2015 (2010 population: 32,626; 2015 population: 33,831), having increased by 10.6% from 2000 to 2010 (2000 population: 29,502; 2010 population: 32,626).
 - The population in St. Joseph's Hospital's Market Area that is 65 years and older is aging rapidly and is projected to increase by 11.2% during the 5-year period from 2010 to 2015 (2010 population 65 years of age and older: 4,920; 2015 population: 65 years of age and older: 5,471), having increased by 14.0% during the preceding 10-year period from 2000 to 2010 (2000 population 65 years of age and older: 4,314; 2010 population 65 years of age and older: 4,920).
 - The population in St. Joseph's Hospital's Market Area that is 65 years and older is increasing as a percentage of the total population. The population aged 65 years and older is projected to increase to 16.2% of the total population in the Market Area by 2015 from 14.6% in 2000 and 15.1% in 2010.
 - Madison County, the county in which St. Joseph's Hospital is located, has a higher proportion of residents 65 years of age and older (14.0% in 2009) than the state's proportion of residents for that same age group (12.1% in 2009).
2. St. Joseph's Hospital is located in state-designated Planning Area F-01, which is comprised of Madison and St. Clair Counties, 12 townships in Clinton County, and 14 precincts in Monroe County.

Patient origin data for St. Joseph's Hospital's outpatients during CY2010 are found on Pages 24 through 26 of this Attachment.

These data are presented by planning area on Page 25 of this Attachment, demonstrating that nearly 87% of St. Joseph's Hospital's outpatients reside in Planning Area F-1, the planning area in which both the St. Joseph's Hospital Medical Office Building and the replacement hospital will be located, indicating that the hospital will continue to serve these patients.

The patient origin data on Page 26 of this Attachment demonstrate that the market area for St. Joseph's Hospital's outpatients consists of Highland, the town in which the proposed St. Joseph's Hospital Medical Office Building and the replacement hospital are both located, as well as nearby towns that are located in Planning Area F-01 and adjacent Planning Areas.

St. Joseph's Hospital's market area consists of the following zip codes, which constitute St. Joseph's Hospital's primary and secondary service areas.

Primary Service Area

62249 Highland

Highland is the town in which the existing and replacement hospitals are located in which 64% of St. Joseph's Hospital's CY2010 outpatients reside. It is within the State-Designated Planning Area F-01.

Secondary Service Area

62275 Pocahontas
62001 Alhambra
62293 Trenton
62061 Marine
62281 Saint Jacob
62273 Pierron
62246 Greenville
62230 Breese
62294 Troy
62074 New Douglas

An additional 27% of St. Joseph's Hospital's CY2010 outpatients (9,449 patients) reside in the zip codes consisting the secondary service area. The majority of these patients (5,527 outpatients, 58%) reside in Planning Area F-01.

During CY2010, 92% of St. Joseph's Hospital's outpatients resided within St. Joseph's Hospital's market area, with more than 80% of the residents of St. Joseph's Hospital's primary and secondary service areas residing in Planning Area F-01, the state-designated planning area in which the hospital is located.

3. This project is associated with the needed replacement of a hospital that has been designated as "a necessary provider of health services" by both the federal

government (Centers for Medicare and Medicaid Services [CMS] of the U.S. Department of Health and Human Services [HHS]) and the State of Illinois (i.e., Illinois Department of Public Health). The justification for the replacement of St. Joseph's Hospital is found in the CON application for that project.

In addition, this project will address the following problems.

- The Clinical Service Areas included in this project do not meet contemporary standards, in some cases because they are located in facilities that were designed for inpatient care.

As a result, the facilities for these Clinical Service Areas need to be replaced with facilities that are appropriately designed and configured to serve a largely outpatient population.

- The Clinical Service Areas included in this project are all currently located in the existing hospital, which has site deficiencies that result in difficult access to the hospital, inadequate parking, poor location of entrances, and limited accessibility and wayfinding within the hospital.

4. The sources of information provided as documentation are the following:

- a. Hospital records regarding the age of hospital buildings;
- b. Illinois Hospital Licensing Requirements (77 Ill. Adm. Code 250);
- c. Standards for Accessible Design: ADA Accessibility Guidelines for Buildings and Facilities, 28 Code of Federal Regulations, 36.406.ADAAG (Americans with Disabilities Act [ADA]);
- d. National Fire Protection Association, NFPA 101: Life Safety Code (2000 Edition);
- e. The Facilities Guidelines Institute and The American Institute of Architects Academy of Architecture for Health with assistance from the U.S. Department of Health and Human Services, 2006 Guidelines for Design and Construction of Health Care Facilities;
- f. Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS), Health Professional Shortage Areas by State and County, <http://hpsafind.hrsa.gov/HPSASearch.aspx> for Madison and Clinton Counties in Illinois (representing townships in Planning Area F-01 that are in St. Joseph's Hospital's market area);

- g. Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS), Medically Underserved Areas and Populations by State and County, <http://muafind.hrsa.gov/index.aspx> for Madison and Clinton Counties in Illinois (representing townships in Planning Area F-01 that are in St. Joseph's Hospital's market area).
5. This project will address and improve the health care and well-being of residents of St. Joseph's Hospital's Market Area, Planning Area F-01, and - in particular - outpatients served by this Critical Access Hospital because it will replace obsolescent and outmoded Clinical Service Areas located at St. Joseph's Hospital with new facilities that are appropriately designed, sized, and configured for outpatient care.

This project is a needed replacement of services related to a hospital that has been designated as "a necessary provider of health services" by both the federal government (Centers for Medicare and Medicaid Services [CMS] of the U.S. Department of Health and Human Services [HHS]) and the State of Illinois (i.e., Illinois Department of Public Health).

6. St. Joseph's Hospital's goal is to continue providing quality health care to residents of its market area. It will do this by providing appropriate facilities for the services provided to its patients and by recruiting additional physicians to meet the medical needs of its market area.

The space that will be leased in the St. Joseph's Hospital Medical Office Building will be able to meet these goals by providing contemporary facilities that are appropriately designed, sized, and configured for the outpatients served by this facility and for the support services of a Critical Access Hospital.

St. Joseph's Hospital will lease space in the medical office building for several of its outpatient clinical services as well as for some non-clinical services. The medical office building will also have leased physicians' offices for the private practice of medicine.

Midwestern Consortium
Division of Survey and Certification



June 7, 2004

Claudio Fort, CEO
St. Joseph's Hospital
1515 Main Street
Highland, IL 62249

Dear Mr. Fort:

We are pleased to notify you St. Joseph's Hospital meets the requirements at 42 Code of Federal Regulations (CFR), Part 485, for participation in the Medicare Program as a Critical Access Hospital (CAH). This certification is based on the acceptable Plan of Correction for the Life Safety Code deficiencies that were cited in the initial CAH survey conducted by the Illinois Department of Public Health on October 22, 2003. The Illinois Department of Public Health will conduct follow-up surveys to insure that the hospital is complying with the Plan of Correction. The effective date of this approval is June 1, 2004.

Effective with this approval St. Joseph's Hospital's participation as an acute care hospital under the provider number 14-0168 has been canceled, effective June 1, 2004. Your new provider number for your CAH is 14-1336. This provider number should be used on all correspondence and billing for the Medicare program starting June 1, 2004.

The change in status of St. Joseph's Hospital will require that limited services begin no later than June 1, 2004. As of that date, you may operate no more than 25 beds.

Your fiscal intermediary is AdminaStar Federal, Inc. You should direct any questions concerning billing and other fiscal matters to them. If you have questions related to the Conditions of Participation, you should direct them to your state agency.

We welcome your participation and look forward to working with you in the administration of the Medicare program. If you have any questions, please contact Doris Johnson in the Chicago Office at (312) 353-5194.

Sincerely,

Michael Sullivan
Program Representative
Non Long Term Care Branch

cc: Illinois Department of Public Health
Mirek Wlodowski
Patricia Schou
Illinois Foundation for Quality Health Care

233 North Michigan Avenue
Suite 600
Chicago, Illinois 60601-3519

Richard Bolling Federal Building
601 East 12th Street, Room 235
Kansas City, Missouri 64106-2808



Pat Quinn, Governor

Damon T. Arnold, M.D., M.P.H., Director

525-536 West Jefferson Street • Springfield, Illinois 62761-0001 • www.idph.state.il.us

July 15, 2011

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

Dear Ms. Sebastian:

The purpose of this letter is to document that **St. Joseph's Hospital, located at 1515 Main Street, City of Highland, Madison County, State of Illinois** was designated as a necessary provider of health services as authorized by the Illinois Rural Health Plan and in accordance with the eligibility requirements defined in Part 6: Implementation of the Critical Access Hospital Program. On September 18, 2003, St. Joseph's Hospital met the criteria to be designated as a necessary provider of health services and was approved. St. Joseph's Hospital was later certified as a critical access hospital effective June 1, 2004. The original necessary provider eligibility requirement statements have been verified and are documented below:

Necessary Provider Eligibility Requirements met by St. Joseph's Hospital at new replacement site

- *Madison County continues to have a larger proportion (14.0%) of residents 65 years of age and over than the state's proportion (12.1%) of residents for that same age group in 2009. Madison County had a larger proportion (14.3%) of residents 65 of age and over than the state's proportion (12.1%) of residents in 2000.*
- *Madison County was designated as a low income population Health Professional Shortage Area in 2003 and continues to be a low income population Health Professional Shortage Area as determined in 2009.*

098

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- St. Joseph's Hospital meets the necessary provider location requirements as determined by its location in a rural census tract of a Metropolitan Statistical Area and current classification as a rural facility based on its initial reclassification as a rural facility on November 16, 2005.
- St. Joseph's Hospital maintains a current Illinois license as an acute care hospital.

The Department of Public Health's Center for Rural Health (Department) and its designees appreciate the efforts of the administration and the Board of St. Joseph's Hospital to work closely with the Department to begin the regulatory process of building a replacement facility. The Department understands that St. Joseph's Hospital is a not-for-profit entity which is operated by its Board of Trustees. The Department also understands that St. Joseph's Hospital Board of Trustees plans to construct a new hospital approximately 1.2 miles north of its current site which will be the southeast corner of Troxler Avenue and Illinois Route 160. There is no street number because the land is a vacant area at this time.

The Department understands that the Hospital's Board and administration consider this to be a positive step in improving both access and quality of health care services to the Illinois residents served by St. Joseph's Hospital. The Hospital will soon begin its application for certificate-of-need for the new facility. The anticipated discontinuation of the current hospital will occur simultaneously with the opening of the proposed new replacement hospital in August 2013.

If you need any further assistance, please do not hesitate to contact Bill Dart, Acting Chief of the Center for Rural Health at 217-785-2040, e-mail at bill.dart@illinois.gov or TTY (hearing impaired use only) at 800-547-0466.

Sincerely,


Damon Arnold, M.D., M.P.H.
Director

DA/bd



U.S. Department of Health and Human Services
Health Resources and Services Administration



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Find Shortage Areas: HPSA by State & County

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- [HPSA & MUA/P by Address](#)
- [HPSA Eligible for the Medicare Physician Bonus Payment](#)
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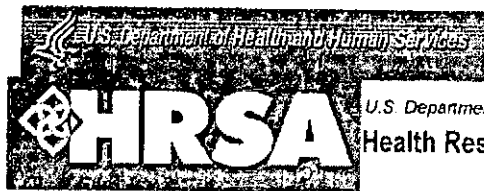
| Criteria: | | | | | | |
|--|------------|-----------------------------|-----|----------------------------------|-------|--|
| State: Illinois | | County: Madison County | | Discipline: Primary Medical Care | | |
| Date of Last Update: All Dates | | HPSA Score (lower limit): 0 | | Metro: All | | |
| | | | | Status: Designated | | |
| | | | | Type: All | | |
| Results: 28 records found. | | | | | | |
| (Satellite sites of Comprehensive Health Centers automatically assume the HPSA score of the affiliated grantee. They are not listed separately.) | | | | | | |
| HPSA Name | ID | Type | FTE | # Short | Score | |
| 119 - Madison County | | | | | | |
| Low Income - Alton/Wood River | | | | | | |
| C.T. 4010.00 | 1179991781 | Population Group | 2 | 1 | 14 | |
| C.T. 4011.00 | | Census Tract | | | | |
| C.T. 4012.00 | | Census Tract | | | | |
| C.T. 4013.00 | | Census Tract | | | | |
| C.T. 4014.00 | | Census Tract | | | | |
| C.T. 4015.00 | | Census Tract | | | | |
| C.T. 4017.01 | | Census Tract | | | | |
| C.T. 4020.00 | | Census Tract | | | | |
| C.T. 4021.00 | | Census Tract | | | | |
| C.T. 4022.00 | | Census Tract | | | | |
| C.T. 4023.00 | | Census Tract | | | | |
| C.T. 4024.00 | | Census Tract | | | | |
| C.T. 4025.00 | | Census Tract | | | | |
| C.T. 4026.00 | | Census Tract | | | | |
| Highland Service Area | | | | | | |
| Ahambra Township | 1179991785 | Geographical Area | 8 | 4 | 11 | |
| Hamel Township | | Minor Civil Division | | | | |
| Helvetia Township | | Minor Civil Division | | | | |
| Jarvis Township | | Minor Civil Division | | | | |
| Leef Township | | Minor Civil Division | | | | |
| Marine Township | | Minor Civil Division | | | | |
| New Douglas Township | | Minor Civil Division | | | | |
| Olive Township | | Minor Civil Division | | | | |
| Omphghent Township | | Minor Civil Division | | | | |
| Pin Oak Township | | Minor Civil Division | | | | |
| Saline Township | | Minor Civil Division | | | | |
| St. Jacob Township | | Minor Civil Division | | | | |

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Find Shortage Areas: MUA/P by State and County

- [Shortage Designation Home](#)
- [Find Shortage Areas](#)
- [HPSA & MUA/P by Address](#)
- [HPSA by State & County](#)
- [HPSA Eligible for the Medicare Physician Bonus Payment](#)

Criteria:
 State: Illinois
 County: Madison County
 ID #: All

Results: 7 records found.

| Name | ID# | Type | Score | Designation Date | Update Date |
|---|-------|---------|-------|------------------|-------------|
| Madison County | | | | | |
| Low Inc - Alton/Wood River Service Area | 00821 | GOV MUP | 0.00 | 1993/07/21 | 1994/01/31 |
| MCD (01127) Alton township | | | | | |
| MCD (83284) Wood River township | | | | | |
| Madison Service Area | 00923 | MUA | 62.00 | 1994/05/20 | |
| CT 4005.00 | | | | | |
| Madison Service Area | 00924 | MUA | 59.60 | 1994/05/20 | |
| CT 4007.00 | | | | | |



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Find Shortage Areas: HPSA & MUA/P by Address

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- Find Shortage Areas**
- [HPSA by State & County](#)
- [HPSAs Eligible for the Medicare Physician Bonus Payment](#)
- [MUA/P by State & County](#)

Reported location: 12806 Troxler Ave, Highland, IL, 62249
 (--- Input location: 12806 Troxler, Highland, Illinois 62249)

[Start over with a new query by address](#)



| | |
|---|------------------------------------|
| In a Primary Care Health Professional Shortage Area: Yes | |
| Primary Care HPSA Name: | Highland Service Area |
| Primary Care HPSA ID: | 117999179S |
| Primary Care HPSA Status: | Designated |
| Primary Care HPSA Score: | 11 |
| Primary Care HPSA Designation Date: | 12/23/2008 |
| Primary Care HPSA Designation Last Update Date: | --- |
| In a Mental Health Professional Shortage Area: Yes | |
| Mental Health HPSA Name: | Catchment Area 04-01-01 |
| Mental Health HPSA ID: | 7179991746 |
| Mental Health HPSA Status: | Designated |
| Mental Health HPSA Score: | 11 |
| Mental Health HPSA Designation Date: | 06/29/2001 |
| Mental Health HPSA Designation Last Update Date: | 02/27/2006 |
| In a Dental Care Health Professional Shortage Area: Yes [Restrictions apply] | |
| Dental Health HPSA Name: | Medicaid Eligible - Madison County |
| Dental Health HPSA ID: | 6179991757 |
| Dental Health HPSA Status: | Proposed Withdrawal |
| Dental Health HPSA Score: | --- |
| Dental Health HPSA Designation Date: | 04/27/2001 |
| Dental Health HPSA Designation Last Update Date: | 03/08/2006 |
| In a Medically Underserved Area/Population: No | |
| State Name: Illinois | |
| County Name: Madison | |
| County Subdivision Name (2000): Saline township | |
| Census Tract Number (2000): 4036.01 | |
| ZIP Code: 62249 | |
| Post Office Name: HIGHLAND | |
| Congressional District Name: Illinois District 19 | |
| Congressional District Representative Name: John Shimkus | |
| FIPS Code (State + County + Minor Civil Division) (2000): 1711967275 | |
| FIPS Code (State + County + Tract number) (2000): 17119403601 | |

Click the image and check the detailed neighborhood on a map:

Note: The address you entered is geocoded and then compared against the HPSA and MUA data (as of 7/18/2011) in the HRSA Geospatial Data Warehouse. Due to geoprocessing limitations, the designation result provided may be inaccurate and does not constitute an official determination. If you feel the result is in error, please refer to <http://answers.hrsa.gov>.

Health Professional Shortage Areas (HPSAs) are designated by HRSA as having shortages of primary medical care, dental or mental health providers and may be geographic (a county or service area), demographic (low income population) or institutional (comprehensive health center, federally qualified health center or other public facility). Medically Underserved Areas/Populations are areas or populations designated by HRSA as having: too few primary care providers, high infant mortality, high poverty and/or high elderly population. [More about shortage areas](#)

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Find Shortage Areas: HPSA & MUA/P by Address

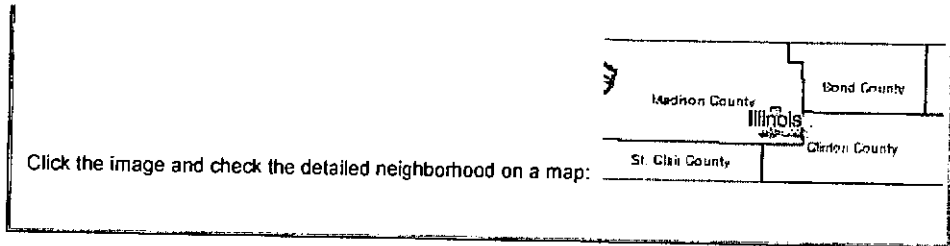
- [Shortage Designation Home](#)
- [Find Shortage Areas](#)
- [HPSA by State & County](#)
- [HPSAs Eligible for the Medicare Physician Bonus Payment](#)
- [MUA/P by State & County](#)

Reported location: 1515 Main St, Highland, IL, 62249
 (--- Input location: 1515 Main Street, Highland, Illinois 62249)

[Start over with a new query by address](#)



| | |
|---|------------------------------------|
| In a Primary Care Health Professional Shortage Area: Yes | |
| Primary Care HPSA Name: | Highland Service Area |
| Primary Care HPSA ID: | 117999179S |
| Primary Care HPSA Status: | Designated |
| Primary Care HPSA Score: | 11 |
| Primary Care HPSA Designation Date: | 12/23/2008 |
| Primary Care HPSA Designation Last Update Date: | --- |
| In a Mental Health Professional Shortage Area: Yes | |
| Mental Health HPSA Name: | Catchment Area 04-01-01 |
| Mental Health HPSA ID: | 7179991746 |
| Mental Health HPSA Status: | Designated |
| Mental Health HPSA Score: | 11 |
| Mental Health HPSA Designation Date: | 06/29/2001 |
| Mental Health HPSA Designation Last Update Date: | 02/27/2006 |
| In a Dental Care Health Professional Shortage Area: Yes [Restrictions apply] | |
| Dental Health HPSA Name: | Medicaid Eligible - Madison County |
| Dental Health HPSA ID: | 6179991757 |
| Dental Health HPSA Status: | Proposed Withdrawal |
| Dental Health HPSA Score: | --- |
| Dental Health HPSA Designation Date: | 04/27/2001 |
| Dental Health HPSA Designation Last Update Date: | 03/08/2006 |
| In a Medically Underserved Area/Population: No | |
| State Name: | Illinois |
| County Name: | Madison |
| County Subdivision Name (2000): | Helvetia township |
| Census Tract Number (2000): | 4036.02 |
| ZIP Code: | 62249 |
| Post Office Name: | HIGHLAND |
| Congressional District Name: | Illinois District 19 |
| Congressional District Representative Name: | John Shimkus |



Note: The address you entered is geocoded and then compared against the HPSA and MUA data (as of 7/18/2011) in the HRSA Geospatial Data Warehouse. Due to geoprocessing limitations, the designation result provided may be inaccurate and does not constitute an official determination. If you feel the result is in error, please refer to <http://answers.hrsa.gov>.

Health Professional Shortage Areas (HPSAs) are designated by HRSA as having shortages of primary medical care, dental or mental health providers and may be geographic (a county or service area), demographic (low income population) or institutional (comprehensive health center, federally qualified health center or other public facility). Medically Underserved Areas/Populations are areas or populations designated by HRSA as having: too few primary care providers, high infant mortality, high poverty and/or high elderly population. [More about shortage areas](#)

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Reported location: 12826 Troxler Ave, Highland, IL, 62249
 (--- **Input location:** 12826 Troxter Avenue, Highland, Illinois 62249)

[Start over with a new query by address](#) **Print**

| | |
|--|-------------------------|
| Is this location in a Health Professional Shortage Area (HPSA) that qualifies for Medicare HPSA bonus payments? Yes | |
| In a Geographic Primary Care HPSA: Yes | |
| Primary Care HPSA Name: | Highland Service Area |
| Primary Care HPSA ID: | 117999179S |
| Primary Care HPSA Status: | Designated |
| Primary Care HPSA Designation Date: | 12/23/2008 |
| Primary Care HPSA Designation Last Update Date: | --- |
| Primary Care HPSA has had a break in designation status: | No |
| In a Geographic Mental Health HPSA: Yes | |
| Mental Health HPSA Name: | Catchment Area 04-01-01 |
| Mental Health HPSA ID: | 7179991746 |
| Mental Health HPSA Status: | Designated |
| Mental Health HPSA Designation Date: | 06/29/2001 |
| Mental Health HPSA Designation Last Update Date: | 02/27/2006 |
| Mental Health HPSA has had a break in designation status: | No |
| State Name: Illinois | |
| County Name: Madison | |
| County Subdivision Name (2000): Saline township | |
| Census Tract Number (2000): 4036.01 | |
| ZIP Code: 62249 | |
| | |
| Click the image and check the detailed neighborhood on a map: | |

Note: The address you entered is geocoded and then compared against the HPSA data (as of 9/6/2011) in the HRSA Geospatial Data Warehouse. Due to geoprocessing limitations, the eligibility result provided may be inaccurate and does not constitute an official determination. If you feel the result is in error, please contact the Centers for Medicare and Medicaid Services (CMS).

Medicare makes bonus payments to physicians who provide medical care services in geographic areas that are HRSA-designated as primary medical care Health Professional Shortage Areas (HPSAs) and to psychiatrists who provide services in HRSA-designated mental health HPSAs.

Effective for claims with dates of service on or after January 1, 2009, only services furnished in areas that are designated as geographic HPSAs as of December 31 of the prior year are eligible for the HPSA bonus payment.

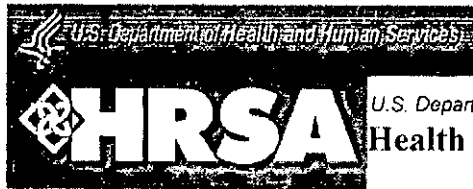
Services furnished in areas that are designated at any time during the current year will not be eligible for the HPSA bonus payment until the following year, provided they are still designated on December 31.

See <http://www.cms.hhs.gov/mlnmattersarticles/downloads/MM6106.pdf>. This is MLN Matters Article #MM6106, CMS Change Request #6106.

Only the Centers for Medicare and Medicaid Services can provide more information on the physician bonus. For more information:

- [Centers for Medicare and Medicaid Services PSA/HPSA Physician Bonuses](#)

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Reported location: 1515 Main St, Highland, IL, 62249
 (--- Input location: 1515 Main Street, Highland, Illinois 62249)

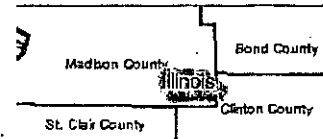
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Is this location in a Health Professional Shortage Area (HPSA) that qualifies for Medicare HPSA bonus payments? Yes

| | |
|---|-------------------------|
| In a Geographic Primary Care HPSA: Yes | |
| Primary Care HPSA Name: | Highland Service Area |
| Primary Care HPSA ID: | 117999179S |
| Primary Care HPSA Status: | Designated |
| Primary Care HPSA Designation Date: | 12/23/2008 |
| Primary Care HPSA Designation Last Update Date: | --- |
| Primary Care HPSA has had a break in designation status: | No |
| In a Geographic Mental Health HPSA: Yes | |
| Mental Health HPSA Name: | Catchment Area 04-01-01 |
| Mental Health HPSA ID: | 7179991746 |
| Mental Health HPSA Status: | Designated |
| Mental Health HPSA Designation Date: | 06/29/2001 |
| Mental Health HPSA Designation Last Update Date: | 02/27/2006 |
| Mental Health HPSA has had a break in designation status: | No |

| | |
|---------------------------------|-------------------|
| State Name: | Illinois |
| County Name: | Madison |
| County Subdivision Name (2000): | Helvetia township |
| Census Tract Number (2000): | 4036.02 |
| ZIP Code: | 62249 |



Click the image and check the detailed neighborhood on a map:

Note: The address you entered is geocoded and then compared against the HPSA data (as of 9/6/2011) in the HRSA Geospatial Data Warehouse. Due to geocoding limitations, the eligibility result provided may be inaccurate and does not constitute an official determination. If you feel the result is in error, please contact the Centers for Medicare and Medicaid Services (CMS).

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Effective for claims with dates of service on or after January 1, 2009, only services furnished in areas that are designated as geographic HPSAs as of December 31 of the prior year are eligible for the HPSA bonus payment.

Services furnished in areas that are designated at any time during the current year will not be eligible for the HPSA bonus payment until the following year, provided they are still designated on December 31.

See <http://www.cms.hhs.gov/mlnmattersarticles/downloads/MM6106.pdf>. This is MLN Matters Article #MM6106, CMS Change Request #6106.

Only the Centers for Medicare and Medicaid Services can provide more information on the physician bonus. For more information:

- [Centers for Medicare and Medicaid Services PSA/HPSA Physician Bonuses](#)

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- [HPSA & MUAP by Address](#)
- [HPSA Eligible for the Medicare Physician Bonus Payment](#)
- [MUAP by State & County](#)

| Criteria: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|------------|----------------------------------|---|---------|-------|--|-----------|----|------|-----|---------|-------|-----------------------------|--|--|--|--|--|--|---------|--------|---------------|---|---|---|-------------------------------|------------|-----------------------|---|----|--|
| State: Illinois | | Discipline: Primary Medical Care | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| County: Clinton County | | Metro: All | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Date of Last Update: All Dates | | Status: Designated | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HPSA Score (lower limit): 0 | | Type: All | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Results: 2 records found. (Satellite sites of Comprehensive Health Centers automatically assume the HPSA score of the affiliated grantee. They are not listed separately.) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>HPSA Name</th> <th>ID</th> <th>Type</th> <th>FTE</th> <th># Short</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td colspan="7">027 - Clinton County</td> </tr> <tr> <td>Clinton</td> <td>117027</td> <td>Single County</td> <td>9</td> <td>1</td> <td>6</td> </tr> <tr> <td>Centralia Correctional Center</td> <td>117899172H</td> <td>Correctional Facility</td> <td>2</td> <td>21</td> <td></td> </tr> </tbody> </table> | | | | | | | HPSA Name | ID | Type | FTE | # Short | Score | 027 - Clinton County | | | | | | | Clinton | 117027 | Single County | 9 | 1 | 6 | Centralia Correctional Center | 117899172H | Correctional Facility | 2 | 21 | |
| HPSA Name | ID | Type | FTE | # Short | Score | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 027 - Clinton County | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Clinton | 117027 | Single County | 9 | 1 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Centralia Correctional Center | 117899172H | Correctional Facility | 2 | 21 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="button" value="NEW SEARCH"/> | | | <input type="button" value="MODIFY SEARCH CRITERIA"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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ST. JOSEPH'S HOSPITAL
Calendar Year 2010 Patient Origin
Outpatients Served, Including Primary and Secondary Service Areas

| <u>Community</u> | <u>Zip Code</u> | <u>CY 2010 Cases*</u> | <u>% of Total Cases</u> | <u>Cumulative %</u> |
|------------------------------|-----------------|-----------------------|-------------------------|---------------------|
| Highland | 62249 | 22,282 | 64.45% | 64.45% |
| Pocahontas | 62275 | 2,467 | 7.14% | 71.59% |
| Alhambra | 62001 | 1,197 | 3.46% | 75.05% |
| Trenton | 62293 | 1,132 | 3.27% | 78.33% |
| Marine | 62061 | 965 | 2.79% | 81.12% |
| Saint Jacob | 62281 | 776 | 2.24% | 83.36% |
| Pierron | 62273 | 756 | 2.19% | 85.55% |
| Greenville | 62246 | 699 | 2.02% | 87.57% |
| Breese | 62230 | 572 | 1.65% | 89.23% |
| Troy | 62294 | 547 | 1.58% | 90.81% |
| New Douglas | 62074 | 338 | 0.98% | 91.79% |
| Carlyle | 62231 | 290 | 0.84% | 92.62% |
| Edwardsville | 62025 | 283 | 0.82% | 93.44% |
| Aviston | 62216 | 256 | 0.74% | 94.18% |
| New Baden | 62265 | 225 | 0.65% | 94.83% |
| Sorento | 62086 | 220 | 0.64% | 95.47% |
| Collinsville | 62234 | 168 | 0.49% | 95.96% |
| Staunton | 62088 | 154 | 0.45% | 96.40% |
| Granite City | 62040 | 149 | 0.43% | 96.83% |
| Koyesport | 62253 | 108 | 0.31% | 97.15% |
| Lebanon | 62254 | 94 | 0.27% | 97.42% |
| Worden | 62097 | 92 | 0.27% | 97.68% |
| Mulberry Grove | 62262 | 86 | 0.25% | 97.93% |
| Vandalla | 62471 | 79 | 0.23% | 98.16% |
| Livingston | 62058 | 74 | 0.21% | 98.37% |
| Glen Carbon | 62034 | 62 | 0.18% | 98.55% |
| O'Fallon | 62269 | 60 | 0.17% | 98.73% |
| Maryville | 62062 | 54 | 0.16% | 98.88% |
| Beckemeyer | 62219 | 51 | 0.15% | 99.03% |
| Albers | 62215 | 49 | 0.14% | 99.17% |
| Germantown | 62245 | 48 | 0.14% | 99.31% |
| Bartelso | 62218 | 45 | 0.13% | 99.44% |
| Mascoutah | 62258 | 39 | 0.11% | 99.55% |
| Belleville | 62221 | 34 | 0.10% | 99.65% |
| Donnelson | 62019 | 31 | 0.09% | 99.74% |
| Godfrey | 62035 | 27 | 0.08% | 99.82% |
| Alton | 62002 | 21 | 0.06% | 99.88% |
| Fairview Heights | 62208 | 21 | 0.06% | 99.94% |
| Okawville | 62271 | 20 | 0.06% | 100.00% |
| Total, These Patients | | 34,571 | 100.00% | |

*Source: Hospital Records

ST. JOSEPH'S HOSPITAL
Calendar Year 2010 Patient Origin
Outpatients Served, including Primary and Secondary Service Areas

| <u>Community</u> | <u>County/State</u> | <u>Zip Code</u> | <u>CY 2010 Cases*</u> | <u>% of Total Cases</u> | <u>Cumulative %</u> |
|-----------------------------|--------------------------|-----------------|-----------------------|-------------------------|---------------------|
| Planning Area F-1 | | | | | |
| Highland | Madison | 62249 | 22,282 | 64.42% | 64.42% |
| Alhambra | Madison | 62001 | 1,197 | 3.46% | 67.88% |
| Trenton | Clinton-Sugar Creek | 62293 | 1,132 | 3.27% | 71.15% |
| Marine | Madison | 62061 | 965 | 2.79% | 73.94% |
| Saint Jacob | Madison | 62281 | 776 | 2.24% | 76.18% |
| Breese | Clinton-Breese, St. Rose | 62230 | 572 | 1.65% | 77.84% |
| Troy | Madison | 62294 | 547 | 1.58% | 79.42% |
| New Douglas | Madison | 62074 | 338 | 0.98% | 80.39% |
| Carlyle | Clinton-multiple F1 | 62231 | 290 | 0.84% | 81.23% |
| Edwardsville | Madison | 62025 | 283 | 0.82% | 82.05% |
| Aviston | Clinton-Sugar Creek | 62216 | 256 | 0.74% | 82.79% |
| New Baden | Clinton-Lookingglass | 62265 | 225 | 0.65% | 83.44% |
| Collinsville | Madison | 62234 | 168 | 0.49% | 83.93% |
| Granite City | Madison | 62040 | 149 | 0.43% | 84.36% |
| Lebanon | St. Clair | 62254 | 94 | 0.27% | 84.63% |
| Worden | Madison | 62097 | 92 | 0.27% | 84.89% |
| Livingston | Madison | 62058 | 74 | 0.21% | 85.11% |
| Glen Carbon | Madison | 62034 | 62 | 0.18% | 85.29% |
| O'Fallon | St. Clair | 62269 | 60 | 0.17% | 85.46% |
| Maryville | Madison | 62062 | 54 | 0.16% | 85.62% |
| Beckemeyer | Clinton-Wade | 62219 | 51 | 0.15% | 85.77% |
| Albers | Clinton-Lookingglass | 62215 | 49 | 0.14% | 85.91% |
| Germantown | Clinton-Germantown | 62245 | 48 | 0.14% | 86.05% |
| Bartelso | Clinton | 62218 | 45 | 0.13% | 86.18% |
| Mascoutah | St. Clair | 62258 | 39 | 0.11% | 86.29% |
| Belleville | St. Clair | 62221 | 34 | 0.10% | 86.39% |
| Godfrey | Madison | 62035 | 27 | 0.08% | 86.46% |
| Aiton | Madison | 62024 | 21 | 0.06% | 86.53% |
| Fairview Heights | St. Clair | 62208 | 21 | 0.06% | 86.59% |
| Wood River | Madison | 62095 | 20 | 0.06% | 86.64% |
| Sub-Total | | | 29,971 | 86.64% | |
| Other Planning Areas | | | | | |
| Pocahontas | Bond | 62275 | 2,467 | 7.13% | 7.13% |
| Pierron | Bond border Madison | 62273 | 756 | 2.19% | 9.32% |
| Greenville | Bond | 62246 | 699 | 2.02% | 11.34% |
| Sorento | Bond | 62086 | 220 | 0.64% | 11.97% |
| Staunton | Macoupin | 62088 | 154 | 0.45% | 12.42% |
| Keyesport | Bond | 62253 | 108 | 0.31% | 12.73% |
| Mulberry Grove | Bond | 62262 | 86 | 0.25% | 12.98% |
| Vandalia | Fayette | 62471 | 79 | 0.23% | 13.21% |
| Donnelson | Montgomery | 62019 | 31 | 0.09% | 13.30% |
| Okawville | Washington | 62271 | 20 | 0.06% | 13.36% |
| Sub-Total | | | 4,620 | 13.36% | |
| TOTAL | | | 34,591 | 100.00% | |

*Source: Hospital Records

ST. JOSEPH'S HOSPITAL MARKET AREA
Based on Calendar Year 2010 Patient Origin
Outpatients Served

| Community and Planning Area | County | Zip Code | CY 2010 Cases* | % of Total Cases |
|---|--------------------------|----------|----------------|------------------|
| Primary Service Area | | | | |
| Planning Area F-1 | | | | |
| Highland | Madison | 62249 | 22,282 | 64.42% |
| Sub-Total Primary Service Area | | | 22,282 | 64.42% |
| Secondary Service Area | | | | |
| Planning Area F-1 | | | | |
| Alhambra | Madison | 62001 | 1,197 | 3.46% |
| Trenton | Clinton-Sugar Creek | 62293 | 965 | 2.79% |
| Marne | Madison | 62061 | 965 | 2.79% |
| Saint Jacob | Madison | 62281 | 776 | 2.24% |
| Breese | Clinton-Breese, St. Rose | 62230 | 572 | 1.65% |
| Troy | Madison | 62294 | 547 | 1.58% |
| New Douglas | Madison | 62074 | 338 | 0.98% |
| Sub-Total - Planning Area F-1 | | | 5,360 | 15.50% |
| Other Planning Areas | | | | |
| Pocahontas | Bond | 62275 | 2,467 | 7.13% |
| Pierron | Bond border Madison | 62273 | 756 | 2.19% |
| Greenville | Bond | 62246 | 699 | 2.02% |
| Sub-Total - Planning Area F-2 | | | 3,922 | 11.34% |
| Sub-Total Secondary Service Area | | | 9,282 | 26.83% |
| Total Primary and Secondary Service Area | | | 31,564 | 91.25% |
| Total Outpatients | | | 34,591 | |

*Source: Hospital Records

III.

Criterion 1110.230 - Alternatives

1. The following alternatives to the proposed project were considered and found to be infeasible.

- a. Once the replacement hospital building for St. Joseph's Hospital is completed and operational, convert that building to a Medical Office Building.
- b. Construct the Medical Office Building solely with leased physicians' offices and increase the size of the replacement St. Joseph's Hospital to include all of the hospital space (clinical and non-clinical service areas) that St. Joseph's Hospital intends to lease in the Medical Office Building.
- c. Construct the project as proposed, but with St. Joseph's Hospital as its owner and operator.

2. Each of these alternatives was found to be infeasible for the following reasons.

- a. Once the replacement hospital building for St. Joseph's Hospital is completed and operational, convert that building to a Medical Office Building.

Capital Costs: \$24,572,826

This alternative was determined to be infeasible for the following reasons.

- 1) Remodeling the existing hospital building into a Medical Office Building and Ambulatory Care Center would be very expensive and require a great deal of time once St. Joseph's Hospital vacates its existing hospital.
 - a) The existing hospital has serious infrastructure problems and does not meet the requirements of the Americans with Disabilities Act. Correction of these deficiencies would be very costly.
 - b) The resulting building would still be an old building with high operating costs.
 - c) The very nature of an old hospital building makes it very difficult to use this building for a non-hospital purpose.

- (1) The rooms are small.
 - (2) The rooms have gas piping.
 - (3) The rooms are difficult to modernize.
 - (4) The configuration of the hospital building, with long corridors and limited vertical transportation systems, prevents it from being efficiently converted to physicians' offices.
 - (5) Many of the rooms in the hospital building (e.g., operating rooms, laboratories) do not lend themselves to conversion to physicians' office suites.
- d) The hospital's outpatient departments and physician tenants would need to be relocated outside of this building during construction, which would disrupt the operation of the hospital departments as well as of medical practices.
- 2) The replacement hospital will be more than 1 mile from the existing hospital building, which would make this location undesirable for the hospital's ambulatory care and administrative services as well as for physician tenants.
 - a) Physician tenants prefer to have medical offices located contiguous with the hospital.
 - b) The existing hospital building lacks adequate parking for the physicians and patients who would be using this building.
- b. Construct the Medical Office Building solely with leased physicians' offices and increase the size of the replacement St. Joseph's Hospital to include all of the hospital space (clinical and non-clinical service areas) that St. Joseph's Hospital intends to lease in the Medical Office Building.

Capital Costs: \$27,667,275

This alternative was determined to be infeasible for the following reasons.

- 1) This project would be nearly twice as expensive as the alternative that was selected.

That is because it would necessitate the construction of all of the hospital space within the hospital building, which would increase

the cost of constructing these departments since they would need to be constructed to hospital codes (at a project cost of \$13,390,755 for the portions of this project (22,425 BGSF for these departments) as well as the construction of the MOB solely for leased physicians' offices (35,545 BGSF for this space).

- 2) In addition, the selection of this alternative would not permit St. Joseph's Hospital and Hospital Sisters Services, Inc., to have a third party own the portions of the hospital that do not need to be within the hospital building. It was determined that it was a more prudent decision to have a third party own the portions of the hospital that do not need to be within the licensed hospital building in order for Hospital Sisters Services, Inc., to retain its equity for this portion of the hospital replacement project and to maintain its current debt capacity.

c Construct the project as proposed, but with St. Joseph's Hospital as its owner and operator.

Capital Costs: \$14,80030,282, the same as the estimated project costs for the selected project

This alternative was determined to be infeasible for the following reasons.

Constructing this project as proposed with St. Joseph's Hospital as its owner and operator was determined to be infeasible for the following reasons.

- 1) In the current economy, St. Joseph's Hospital and Hospital Sisters Services, Inc., a not-for-profit health care system, determined that it was a more prudent decision to have a third party own the proposed Medical Office Building, which would permit Hospital Sisters Services, Inc., to maintain its current debt capacity.
- 2) The decision for St. Joseph's Hospital to lease space in a Medical Office Building (MOB) owned and operated by a third party would not result in any additional project costs while permitting its sole corporate member, Hospital Sisters Services, Inc., to retain its equity and maintain its current debt capacity.
- 3) Hospital Sisters Services, Inc., has determined that it would be advantageous to work with an experienced real estate partner for the development and operation of this MOB.

St. Joseph's Hospital, Hospital Sisters Services, Inc., and Hospital Sisters Health System are experienced in the provision of health care services, rather than real estate services. Because of this, these co-applicants have determined that the construction and operation of this MOB would benefit from the experience of a well-qualified partner who has experience in the development and operation of medical office buildings.

3. This item is not applicable to this project.

The purpose of this project is to provide St. Joseph's Hospital's existing services for outpatients as well as a number of its non-clinical service areas and physicians' offices in an accessible location adjacent to its replacement hospital.

The clinical services provided in the Medical Office Building will be used by the hospital's outpatients as well as by patients of the physicians who have offices in the MOB and are referred for these diagnostic tests following visits to their physicians.

This project does not propose to establish new categories of service or a new health care facility, although it will be located adjacent to the replacement St. Joseph's Hospital.

IV.

Criterion 1110.234 - Project Scope, Utilization:
Size of Project

This project, which proposes to construct a Medical Office Building (MOB) contiguous with and connected to the replacement St. Joseph's Hospital, includes both Clinical and Non-Clinical Service Areas.

St. Joseph's Hospital will lease approximately 26,696 rentable gross square feet in the MOB for a number of Clinical Service Areas for outpatient care and Non-Clinical Service Areas for hospital support services, as indicated in the Letter of Intent which is appended to this Attachment. Some of the space being leased in the MOB will be used for departments required for hospital licensure, as specified in 77 Ill. Adm. Code 250.

The St. Joseph's Hospital Medical Office Building will include the following Clinical Service Areas that will be located in space that St. Joseph's Hospital will lease.

- Diagnostic Imaging (Ultrasound, Mammography, Bone Density Testing)
- Clinical Laboratories
- Clinical Reference Laboratory Offices
- Outpatient Rehabilitation (Physical Therapy, Occupational Therapy, Speech Therapy, Language Pathology)
- Audiology
- Cardiac Rehabilitation
- Geriatric Adult Day Psychiatric Program
- Neuro-Diagnostics

The St. Joseph's Hospital Medical Office Building will also include the following Non-Clinical Service Areas that will be leased by St. Joseph's Hospital, as indicated in the same Letter of Intent to lease space.

- Medical Records/Health Information Systems
- Administration
- Volunteer Services
- Education/Conference Rooms
- Information Systems

The balance of the space in the St. Joseph's Hospital Medical Office Building will consist of Non-Clinical Service Areas leased to 5 physician groups for their medical offices and support space for the building (i.e., Environmental Services, including Housekeeping; Entrances, Lobbies and Public Space; Interdepartmental Corridors and a Connector Corridor to St. Joseph's Hospital; Mechanical Space and Penthouse; Mechanical and Electrical Ducts and Shafts; Elevator Shafts; Stairwells).

The Letters of Intent represent 94% of the total rentable space in this MOB (52,125 gross square feet), as shown on the next page, based upon the Letter of Intent with St. Joseph's Hospital for 26,696 rentable square feet and the 5 letters of Intent with physician groups for a total of 25,429 rentable square feet.

| | |
|---|---------|
| Gross Square Footage of St. Joseph's Hospital Medical Office Building: | 57,970 |
| - Total Rentable Space: | - 2,638 |
| Total Rentable Square Footage | 55,332 |

Included in Letters of Intent to lease space: 52,125 Gross Square Feet
 Total Rentable Space: 55,332 Gross Square Feet
 Percentage of Rentable Space Included in Letters of Intent to lease space: 94%

1. The only Clinical Service Area included in this project for which the Illinois certificate of need (CON) Rules include State Guidelines (77 Ill. Adm. Code 1110.APPENDIX B) is Diagnostic Imaging, and there are State Guidelines for the Ultrasound and Mammography modalities, but not for Bone Density Testing.

There are no State guidelines (77 Ill. Adm. Code 1110.APPENDIX B) for the balance of the Clinical Service Areas that are included in this project. These Clinical Service Areas are listed below.

Clinical Laboratories
 Clinical Reference Laboratory Offices
 Outpatient Rehabilitation (Physical Therapy, Occupational Therapy,
 Speech Therapy, Language Pathology)
 Audiology
 Cardiac Rehabilitation
 Geriatric Adult Day Psychiatric Program
 Neuro-Diagnostics

An analysis of the proposed gross square footage of the Diagnostic Imaging Clinical Service Area at the St. Joseph's Hospital Medical Office Building is found on the next page.

This analysis is based upon the following.

- Historic utilization for St. Joseph's Hospital during CY2010.
- Projected utilization for St. Joseph's Hospital for its first 2 full years of operation (FY2015, FY2016) for the Ultrasound and Mammography modalities of the Diagnostic Imaging Service for which the approvable number of imaging units is based upon utilization.

The projected utilization for these modalities and the rationale supporting these projections will be found in Attachment 15.

- Total proposed key rooms and total departmental gross square footage (DGSF) for these modalities in the proposed new MOB.

The chart that follows identifies the State Guidelines for each of the modalities in the Diagnostic Imaging Clinical Service Area for which State Guidelines exist.

| <u>Service</u> | <u>State Guideline units/room</u> | <u>CY2010 Utilization</u> | <u>FY2016 Volume (2nd full year of operation)</u> | <u>Total Rooms Justified</u> | <u>Total Proposed Rooms</u> |
|--------------------------|-----------------------------------|--------------------------------|--|------------------------------|-----------------------------|
| Diagnostic Imaging | | | | | |
| Ultrasound | 3,100 Visits/Unit | 1,819 outpatient Exams/ Visits | 2,320 outpatient Exams/Visits | 1 | 1 |
| Mammography | 5,000 Visits/Unit | 1,725 Exams/ Visits | 1,884 Exams/Visits | 1 | 1 |
| Bone Density Testing | N/A | 306 Exams/ Visits | 332 Exams/Visits | N/A | 1 |
| TOTAL Diagnostic Imaging | | | | | 3 |

*N/A refers to there being no State Guideline for number of rooms. The State Guideline for approvable DGSF will be found in the next chart.

The proposed number of pieces of equipment for all Clinical Service Areas included in this project is within the State Guidelines (77 Ill. Adm. Code 1110.APPENDIX B) or not applicable.

The square footage proposed for Diagnostic Imaging, which is the only Clinical Service Area for which State Guidelines exist, is shown on the next page.

| <u>Service</u> | <u>State Guideline DGSF/room or unit</u> | <u>Total DGSF Justified per program</u> | <u>Total Proposed DGSF</u> |
|---------------------------|--|---|----------------------------|
| <u>Diagnostic Imaging</u> | | | |
| Ultrasound | 900 DGSF/Unit | 900 | |
| Mammography | 900 DGSF/ Unit | 900 | |
| Bone Density Testing | N/A | N/A | N/A |
| TOTAL Diagnostic Imaging | | 1,800 for 2 Units + 3 rd Unit not subject to Guideline | 1,450 for 3 Units |

The following published data and studies identify the scope of services, hospital licensing requirements, and contemporary standards of care that St. Joseph's

Hospital addressed in developing the space needed for the departments that it will be leasing in the St. Joseph's Hospital Medical Office Building.

- Illinois Hospital Licensing Requirements (77 Ill. Adm. Code 250.2440);
- Standards for Accessible Design: ADA Accessibility Guidelines for Buildings and Facilities (28 Code of Federal Regulations, 36.406 ADAAG, Sections 4.1 through 4.35 and 6.1 through 6.4);
- The Facilities Guidelines Institute and The American Institute of Architects Academy of Architecture for Health with assistance from the U.S. Department of Health and Human Services, 2006 Guidelines for Design and Construction of Healthcare Facilities. 2006: American Institute of Architects.

2. The chart that follows indicates that the proposed square footage for the Diagnostic Imaging modalities included in this project that are subject to State Guidelines is within the State Guidelines found in 77 Ill. Adm. Code 1110. APPENDIX B.

| <u>CLINICAL SERVICE AREA</u> | <u>PROPOSED DGSF</u> | <u>STATE GUIDELINE</u> | <u>DIFFERENCE</u> | <u>MET GUIDELINE?</u> |
|------------------------------|----------------------|---|---|-----------------------|
| <u>Diagnostic Imaging</u> | | | | |
| Ultrasound | | 900 for 1 Unit | | |
| Mammography | | 900 for 1 Unit | | |
| Bone Density Testing | | N/A | | |
| TOTAL Diagnostic Imaging | 1,450 for 3 Units | 1,800 for 2 Units + 3 rd Unit not subject to Guideline | under by 350 even considering all 3 Units | Yes |

Appended to this Attachment is the following document that was used to determine the appropriate floor area for the departments that St. Joseph's Hospital will be leasing in the St. Joseph's Hospital Medical Office Building in addition to the Illinois Hospital Licensing Requirements (77 Ill. Adm. Code 250) and the ADA Accessibility Guidelines for Buildings and Facilities (28 Code of Federal Regulations, 36.406.ADAAG):

- The Facilities Guidelines Institute and The American Institute of Architects Academy of Architecture for Health with assistance from the U.S. Department of Health and Human Services, 2006 Guidelines for Design and Construction of Healthcare Facilities. 2006: American Institute of Architects.



FRAUENSHUH
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November 10, 2011

St. Joseph's Hospital of the Hospital Sisters of the Third Order of St. Francis
Peggy Sebastian
President and CEO
1515 West Main Street
Highland, IL 62249

**RE: Letter of Intent to Lease Medical Office Space
St. Joseph's Hospital Medical Office Building
Highland, IL**

The St. Joseph's Hospital Medical Office Building (the "MOB") is being developed by Highland Healthcare Investors, LLC ("Landlord"), an affiliate of Frauenshuh HealthCare Real Estate Solutions, LLC ("Frauenshuh"), under a long-term land lease on land owned by St. Joseph's Hospital of the Hospital Sisters of the Third Order of St. Francis. This letter outlines the general terms and conditions upon which Frauenshuh would be willing to enter into a lease agreement with you for space in the MOB. If the general terms and conditions outlined below are accepted, this letter will lead to a definitive lease agreement to be executed by the parties. This letter will not be binding except as explicitly set forth below. Some of the more significant terms and conditions to be contained in such lease agreement are as follows:

Project:

The Class "A" MOB is a 57,970 square foot multi-tenant medical office building for hospital services, private physician practices and other health care related services. The MOB will be directly connected to the new St. Joseph's Hospital.

Landlord:

Highland Healthcare Investors, LLC, an affiliate of Frauenshuh

Tenant:

St. Joseph's Hospital of the Hospital Sisters of the Third Order of St. Francis

Occupancy:

The project schedule currently targets occupancy in the MOB for July, 2013.

Premises:

Tenant will occupy approximately 26,696 rentable square feet.

Net Rental Rate and Tenant Improvement Allowance:

The annual Net Rent and Tenant Improvement Allowance options for the Premises are currently:

1. Annual Net Rent of \$12.60 per rentable square foot increased by an inflationary factor not to exceed 2% per year thereafter. The Landlord will provide a tenant improvement allowance of \$0.00 per usable square foot.
2. Annual Net Rent of \$16.85 per rentable square foot increased by an inflationary factor not to exceed 2% per year thereafter. The Landlord will provide a tenant improvement allowance of \$50.00 per usable square foot.

Operating Expenses & Real Estate Taxes:

Tenant will be responsible for its proportionate share of operating expenses (including such items as, cleaning expenses for the building common areas, electrical repair and maintenance, HVAC maintenance, elevator expenses, general building expenses, administrative expenses, utilities, real estate taxes, land lease expenses and common area maintenance) for the MOB. The preliminary first year projected operating costs excluding ground rent and property taxes are estimated to be \$5.74 per rentable square foot. Tenant will receive the benefit from any property tax exemption relating to Tenant's charitable use or status.

Hospital Premiums and Reimbursement:

Tenant will be responsible for payment to the Landlord for the amount of certain hospital required building premiums currently estimated to be \$139,678. (the "Tenant Enhancement Cost"). These costs include, but are not limited to, additional HVAC equipment, emergency power panels, and fireproofing that is necessary for Tenant's intended use of the Premises and the pro-rata share of Landlord's carrying costs allocated to the hospital required building premiums. The Tenant Enhancement Cost will be reviewed and finalized based on the General Contractor's GMP cost estimate. The final Tenant Enhancement Cost will be paid by Tenant within ten (10) days of completion of all or any part of such work and delivery of an invoice therefore, which invoice may be made periodically by Landlord as the work proceeds.

Tenant Improvements:

Tenant will be responsible for coordination and implementation of the design and construction of the improvements to the Premises. Tenant will have complete control of the budget, design and schedule for such improvements. Please see the attached Exhibit A titled St. Joseph's Hospital MOB Base Building Shell Definition for an outline of the base building improvements provided by the Landlord.

Term:

The initial term will be ten (10) years.

Renewal Option:

Landlord will provide Tenant with four (4) renewal options for periods of five (5) years each.

Parking:

Parking for patients, visitors and staff is provided adjacent to the MOB.

Signage:

Landlord will provide a standardized building directory and individual suite signage.

Tenant Qualifications:

Tenants must maintain appropriate professional licenses, be covered by malpractice insurance and be members of the active medical staff of St. Joseph's Hospital or otherwise qualified as clinical participants.

Confidentiality:

Notwithstanding anything in this letter to the contrary, both prospective Tenant and Landlord agree that all documentation and knowledge regarding this transaction shall remain confidential. Both parties agree that information of this transaction will not be released to any individual or entity, other than a party's attorneys, accountants and other consultants and advisors, without the prior written consent of the other party.

This letter of intent is intended to describe some, but not all, of the general terms and conditions of a proposed lease and is expressly subject to (a) the execution of a final lease agreement which shall include other terms that are material to and necessary for the final lease transaction between the parties, and (b) the satisfaction of the "Construction Contingencies" set forth in Section 5 of the Project Development Agreement by and between Frauenshuh and Tenant dated March 1, 2011. Each party to this letter agrees and affirmatively represents to the other that neither this letter nor any prior communications relating to the subject matter of this letter creates any rights or interest, which may be enforced by either party except that the Section captioned "Confidentiality" and the obligation to negotiate in good faith shall continue to be binding obligations of each party. In addition, the parties acknowledge and agree that the figures being proposed in this letter, including the estimates of project operating expenses and real estate taxes, are based upon current project estimates and upon the past performance of similar buildings in other communities and that Landlord is making no representation or guarantee regarding the assumptions, accuracy or completeness of any of such estimates or projections.

If you are in agreement with the general principles outlined in this letter, please sign both originals of this letter and return one fully executed letter to the undersigned.

Sincerely,

HIGHLAND HEALTHCARE INVESTORS, LLC,

a Delaware limited liability company

By: 

Name: Ronald J. Smith

Title: Manager, Frauenshuh HealthCare Development, LLC

Consented and agreed to by:

**ST. JOSEPH'S HOSPITAL OF THE HOSPITAL
SISTERS OF THE THIRD ORDER OF ST. FRANCIS,**
an Illinois not-for-profit corporation

By: 

Name: Peggy A. Sebastian

Title: President & CEO

EXHIBIT A

ST. JOSEPH'S HOSPITAL MOB BASE BUILDING SHELL DEFINITION

At no cost to Tenant, Landlord will provide the following items to the Tenant as part of the standard shell building:

- a) Building Shell. Building shell, including finished public entry and corridors, ventilation shafts, mechanical room, electrical equipment room, and janitor and communications closets. Building shell will include elevators and stairways, with finished elevator lobby and public corridors on multi-tenant floors.
- b) Floors. Concrete floor with troweled finish.
- c) Doors. Finished doors complete with frame, trim and hardware, installed on base Building toilet rooms, mechanical rooms, stairwells, electrical equipment rooms, and janitor and communications closets.
- d) Toilet Rooms. One men's and one women's handicapped-accessible toilet room on multi-tenant floors as may be required to satisfy code requirements for Building occupancy, with finished floors, walls and ceilings, plumbing fixtures, lights, accessories, and connection to mechanical services.
- e) Power. Panel for distribution of 120/208 volt electric power located on each floor at such location or locations as Landlord may determine, with the number of circuit breaker slots designated for the Premises and other spaces being prorated on the basis of the Usable Areas of such spaces. Any additional panel capacity as may be required for Tenant's electrical connections will be at Tenant's expense and will be charged against any Tenant Construction Allowance.
- f) Heating, Cooling and Ventilation. Heating, cooling and ventilation system for the Building, with air distribution ductwork stubbed onto each floor at such location or locations as Landlord may determine. Primary air distribution ductwork may be installed by Landlord to serve certain floors or portions thereof for an open, unfinished floor plan. If such primary air distribution ductwork serves the Premises, the cost of such ductwork will be allocated among the spaces served by such ductwork on the basis of the Usable Area of such spaces. The cost of the primary air distribution ductwork allocated to the Premises will be at Tenant's expense and will be charged against any Tenant Construction Allowance. If primary air distribution ductwork is not installed by Landlord to serve the Premises or any portion thereof, Tenant will be responsible for the installation of such primary air distribution ductwork as part of the Premises Work. The heating, cooling, air distribution, ventilation and exhaust systems installed as part of the Base Building Work will be designed for normal medical office use and equipment. Any additional capacity as may be required for Tenant's specialized use or equipment will be at Tenant's expense and will be charged against any Tenant Construction Allowance.
- g) Fire Protection. Fire detection and fire warning systems installed within the Premises for an open, unfinished floor plan, and fire extinguisher with cabinet located on each floor at such location or locations as Landlord may determine.
- h) Sprinklers. Code-approved sprinkler system, with upright brass pendant sprinkler heads installed within the Premises for an open, unfinished floor plan.
- i) Water and Drainage. Domestic cold water, drainage and vent systems on each floor at such location or locations as Landlord may determine.
- j) Window Coverings. Venetian blinds with attachment hardware for all exterior windows, stockpiled on the floor for installation by Tenant at Tenant's expense.

2006

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3.4 Freestanding Outpatient Diagnostic and Treatment Facilities

Appendix material, which appears in shaded boxes at the bottom of the page, is advisory only.

1 Applicability

*1.1 Facility Type

This section applies to the outpatient diagnostic and treatment facility that is separate from the acute care hospital. This facility is a new and emerging form of outpatient center that is capable of accommodating a wide array of outpatient diagnostic services and minimally invasive procedures.

1.2 Standards

The general standards for outpatient facilities set forth in Sections 1 through 5 of Chapter 3.1 (General Considerations, Diagnostic and Treatment Locations, Service Areas, Administrative and Public Areas, and Construction Standards) shall be met for the free-standing outpatient diagnostic and treatment facility, with two modifications:

1.2.1 For those facilities performing diagnostic imaging and minimally invasive interventional procedures, all provisions of Sections 2.1-5.4 and 5.5 shall also apply, except that adjacencies to emergency, surgery, cystoscopy, and outpatient clinics are not required.

1.2.2 For those facilities performing nuclear medicine procedures, all provisions of Section 2.1-5.6 shall also apply, except that support services such as radiology, pathology, emergency department, and outpatient clinics are not required.

3.1 Outpatient Facilities

Appendix material, which appears in shaded boxes at the bottom of the page, is advisory only.

1 General Considerations

1.1 Applicability

1.1.1 This part of the Guidelines applies to the outpatient unit in a hospital, a freestanding facility, or an outpatient facility in a multiple-use building containing an ambulatory health care facility as defined in the NFPA 101 Life Safety Code occupancy chapters.

*1.1.2 The general standards set forth in Sections 1 through 5 of this chapter (General Considerations, Diagnostic and Treatment Locations, Service Areas, Administrative and Public Areas, and Construction Standards) shall apply to each of the facility types below. Additions and/or modifications shall be made as described in this chapter and in the chapters for the specific facility types. Consideration shall be given to the special needs of anticipated patient groups/demographics as determined by the functional program.

- Primary Care Outpatient Centers (Chapter 3.2)
- Small Primary (Neighborhood) Outpatient Facilities (Chapter 3.3)
- Freestanding Outpatient Diagnostic and Treatment Facilities (Chapter 3.4)
- Freestanding Urgent Care Facilities (Chapter 3.5)
- Freestanding Birthing Centers (Chapter 3.6)
- Ambulatory Surgical Facilities (Chapter 3.7)
- Gastrointestinal Endoscopy Facilities (Chapter 3.9)
- Renal Dialysis (Acute and Chronic) Centers (Chapter 3.10)
- Psychiatric Outpatient Centers (Chapter 3.11)

1.1.3 Specialty facilities not identified above may have needs that are not addressed in this chapter. Development of such specialty facilities shall rely on a detailed and specific functional program to establish physical environment requirements beyond the general requirements identified in this chapter.

1.2 Outpatient Facility Classification

1.2.1 The outpatient facilities described in this part of

the Guidelines are used primarily by patients capable of traveling into, around, and out of the facility unassisted. This group includes the disabled confined to wheelchairs. Occasional facility use by stretcher patients shall not be used as a basis for more restrictive institutional occupancy classifications.

1.2.2 Where patients are rendered incapable of self-preservation due to the care process, facilities shall comply with the Ambulatory Health Care Occupancies section of NFPA 101 in addition to details herein. The Business Occupancy section of NFPA 101 applies to other types of outpatient facilities. Outpatient units that are part of another facility may be subject to the additional requirements of the other occupancy.

1.2.3 References are made to Chapter 2.1, General Hospitals, for certain service spaces. Those references are intended only for the specific areas indicated.

1.3 Functional Program

Each project sponsor shall provide a functional program for the facility. (See Section 1.2-2.)

1.4 Environment of Care

1.4.1 Patient Privacy

Each facility design shall ensure appropriate levels of patient acoustical and visual privacy and dignity throughout the care process, consistent with needs established in the functional program. See Sections 1.1-6 and 1.2-2.1.2.5 (4).

1.5 Shared/Purchased Services

When services are shared or purchased, modification or elimination of space and equipment to avoid unnecessary duplication shall be permitted.



3.1 OUTPATIENT FACILITIES

1.6 Facility Access

1.6.1 Where the outpatient occupancy is part of another facility, separation and access shall be maintained as described in NFPA 101.

1.6.2 Building entrances used to reach the outpatient services shall be at grade level, clearly marked, and located so patients need not go through other activity areas. (Lobbies of multi-occupancy buildings may be shared.)

1.6.3 Design shall preclude unrelated traffic within the unit.

1.7 Site

*1.7.1 Location

1.7.2 Parking

1.7.2.1 In the absence of a formal parking study, parking for outpatient facilities shall be provided at the rate noted for each type of unit.

1.7.2.2 On-street parking, if available and acceptable to local authorities having jurisdiction, may satisfy part of this requirement unless described otherwise.

1.7.2.3 If the facility is located in a densely populated area where a large percentage of patients arrive as pedestrians, or if adequate public parking is available nearby, or if the facility is conveniently accessible via public transportation, adjustments to this standard may be made with approval of the appropriate authorities.

2 Diagnostic and Treatment Locations

Clinical and support areas shall be provided to support the functional program. The following spaces are common to most outpatient facilities:

APPENDIX

2.1 Examination and Treatment Rooms

*2.1.1 General Purpose Examination Room(s)

2.1.1.1 Space requirements

(1) Area. Rooms for medical, obstetrical, and similar examinations, if provided, shall have a minimum floor area of 80 net square feet (7.43 square meters) excluding vestibules, toilets, closets, and fixed casework.

(2) Clearances. Room arrangement shall permit a minimum clearance of 2 feet 8 inches (81.28 centimeters) at each side and at the foot of the examination table.

2.1.1.2 Hand-washing station. A hand-washing station shall be provided.

2.1.1.3 Documentation space. A counter or shelf space for writing shall be provided.

*2.1.2 Special Purpose Examination Rooms

2.1.2.1 Space requirements

(1) Area. Rooms for special clinics such as eye, ear, nose, and throat examinations, if provided, shall have a minimum floor area of 80 net square feet (7.43 square meters). This square footage shall exclude vestibules, toilets, closets, and fixed casework.

(2) Clearances. Room arrangement shall permit a minimum clearance of 2 feet 8 inches (81.28 centimeters) at each side and at the foot of the examination table, bed, or chair.

2.1.2.2 Hand-washing station. A hand-washing station shall be provided.

2.1.2.3 Documentation space. A counter or shelf space for writing shall be provided.

*2.1.3 Treatment Room(s)

2.1.3.1 Space requirements

(1) Area. Rooms for minor surgical and cast procedures, if provided, shall have a minimum floor area of 120 square feet (11.15 square meters). This square footage shall exclude vestibule, toilet,

closets, and fixed casework. The minimum room dimension shall be 10 feet (3.05 meters).

- (2) Clearance. Room arrangement shall permit a minimum clearance of 3 feet (91.44 centimeters) at each side and at the foot of the bed.

2.1.3.2 Hand-washing station. A hand-washing station shall be provided.

2.1.3.3 Documentation space. A counter or shelf for writing shall be provided.

2.1.4 Observation Room(s)

*2.1.4.1 Location. The room shall be convenient to a nurse or control station.

2.1.4.2 Space requirements. If provided, observation rooms for the isolation of suspect or disturbed patients shall have a minimum floor area of 80 square feet (7.43 square meters). This square footage shall exclude vestibule, toilet, closets, and fixed casework.

2.1.5 Airborne Infection Isolation Rooms

2.1.5.1 Applicability. In facilities with a functional program that includes treatment of patients with known infectious disease, the need for and number of such rooms shall be determined by an infection control risk assessment (ICRA).

2.1.5.2 Standards. Where airborne infection isolation room(s) are required, they shall comply with the general requirements of Section 2.1-3.2.2, except that a shower or tub shall not be required.

2.1.6 Protective Environment Rooms

2.1.6.1 Applicability. The need for and number of required protective environment rooms shall be determined by an infection control risk assessment.

2.1.6.2 Standards. When required, the protective environment room(s) shall comply with the general requirements of Section 2.1-3.2.3, except that a toilet, bathtub, or shower shall not be required.

2.1.7 Support Areas for Examination and Treatment Rooms

2.1.7.1 Nurse station(s). A work counter, communication system, space for supplies, and provisions for charting shall be provided.

2.1.7.2 Drug distribution station. This may be a part of the nurses station and shall include a work counter, sink, refrigerator, and locked storage for biologicals and drugs.

2.1.7.3 Sterilizing facilities. A system for sterilizing equipment and supplies shall be provided. Sterilizing procedures may be done on- or off-site, or disposables may be used to satisfy functional needs.

2.1.7.4 Clean storage. A separate room or closet for storing clean and sterile supplies shall be provided. This storage shall be in addition to that of cabinets and shelves.

2.1.7.5 Soiled holding. Provisions shall be made for separate collection, storage, and disposal of soiled materials.

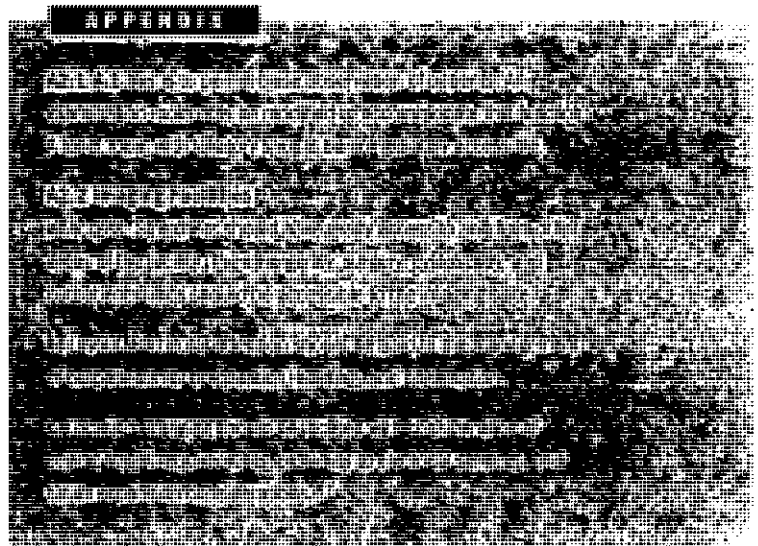
2.1.7.6 Wheelchair storage space. Such storage shall be out of the direct line of traffic.

2.1.8 Support Areas for Patients

2.1.8.1 Toilet(s) for patient use. These shall be provided separate from public use toilet(s) and located to permit access from patient care areas without passing through publicly accessible areas.

*2.2 Imaging Facilities

Basic diagnostic procedures (these may be part of the outpatient service, off-site, shared, by contract, or by referral) shall be provided and shall include the following:



3.1 OUTPATIENT FACILITIES

2.2.1 Access

2.2.2 Radiographic Room(s)

See Section 2.1-5.5 for special requirements.

2.2.3 Support Areas for Imaging Facilities

2.2.3.1 Viewing and administrative areas(s)

2.2.3.2 Film and media processing facilities. These shall be provided as indicated in the functional program and as technology requires.

2.2.3.3 Storage facilities for exposed film. These shall be provided as indicated in the functional program and as technology requires.

2.2.4 Support Areas for Patients

2.2.4.1 Dressing rooms or booths. These shall be provided as required by the functional program, with convenient toilet access.

2.2.4.2 Toilet rooms. Toilet rooms with hand-washing stations shall be accessible to procedure room(s) if procedures provided may result in the need for immediate access to patient toilet facilities.

2.3 Laboratory

Facilities shall be provided within the outpatient department, or through an effective contract arrangement with a nearby hospital or laboratory service, for hematology, clinical chemistry, urinalysis, cytology, pathology, and bacteriology. If these services are provided on contract, the following laboratory facilities shall also be provided in (or be immediately accessible to) the outpatient facility:

2.3.1 Laboratory Work Counter(s)

These shall have sink, vacuum, gas, and electric services.

2.3.2 Hand-washing Station(s)

Hand-washing stations or counter sink(s) equipped for hand washing shall be provided.

2.3.3 Support Areas for the Laboratory

2.3.3.1 Storage cabinet(s) or closet(s)

2.3.3.2 Specimen collection facilities

(1) These shall have a water closet and lavatory.

(2) Blood collection facilities shall have seating space, a work counter, and hand-washing station.

3 Service Areas

3.1 Environmental Services

3.1.1 Housekeeping Room(s)

3.1.1.1 Number. At least one housekeeping room per floor shall be provided.

3.1.1.2 Facility requirements. Each housekeeping room shall contain a service sink and storage for housekeeping supplies and equipment.

3.2 Engineering Services and Maintenance

The following shall be provided (sharing of these with other services shall be permitted provided capacity is appropriate for overall use):

3.2.1 Equipment Rooms

Equipment room(s) for boilers, mechanical equipment, and electrical equipment shall be provided.

3.2.2 Equipment and Supply Storage

Storage room(s) for supplies and equipment shall be provided.

3.3 Materials Management

3.3.1 Waste Management

For information on treatment or disposal of waste, see Section 3.1-6.3.

3.3.1.1 Collection and storage

(1) Space and facilities shall be provided for the sanitary storage of waste in accordance with the functional program.

(2) These facilities shall use techniques acceptable to the appropriate health and environmental authorities.

3.3.1.2 Trash chutes. The design and construction of trash chutes shall comply with NFPA 82.

4 Administrative and Public Areas

4.1 Public Areas

The following shall be provided:

4.1.1 Entrance

This shall be located at grade level and be able to accommodate wheelchairs.

4.1.2 Reception. A reception and information counter or desk shall be provided.

***4.1.3 Waiting Space(s)**

4.1.4 Public Toilets

Toilet(s) for public use shall be conveniently accessible from the waiting area without passing through patient care or staff work areas or suites.

4.1.5 Public Telephones

Conveniently accessible public telephone(s) shall be provided.

4.1.6 Provisions for Drinking Water

Conveniently accessible provisions for drinking water shall be provided.

4.1.7 Wheelchair Storage

Conveniently accessible wheelchair storage shall be provided.

***4.2 Administrative Areas**

4.2.1 Interview Space(s)

Space(s) shall be provided for private interviews related to social service, credit, etc.

4.2.2 General or Individual Office(s)

Space providing adequate work area for business transactions, records storage, and administrative and professional staffs shall be provided.

4.2.3 Medical Records

Provisions shall be made for securing medical records.

4.2.4 Equipment and Supply Storage

General storage facilities for supplies and equipment shall be provided as identified in the functional program.

4.2.5 Support Areas for Staff

Special storage for staff personal effects with locking drawers or cabinets (may be individual desks or cabinets) shall be provided. Such storage shall be convenient to individual workstations and shall be staff controlled.

5 Construction Standards

5.1 Design and Construction, including Fire-Resistant Standards

5.1.1 Building Codes

5.1.1.1 Construction and structural elements of free-standing outpatient facilities shall comply with recognized building code requirements for offices (business occupancies) and the standards contained herein.

5.1.1.2 Outpatient facilities that are an integral part of a hospital or that share common areas and functions with a hospital shall comply with the construction standards for general hospitals. See applicable sections of Chapter 2.1.

5.1.2 Provision for Disasters

5.1.2.1 Earthquakes. Seismic force resistance of new construction for outpatient facilities shall comply with Section 1.1-5 and shall be given an importance factor of one. Where the outpatient facility is part of an existing building, that facility shall comply with applicable local codes.

5.1.2.2 Other natural disasters. Special design provisions shall be made for buildings in regions that have sustained loss of life or damage to buildings from hurricanes, tornadoes, floods, or other natural disasters.



3.1 OUTPATIENT FACILITIES

5.2 General Standards for Details and Finishes

5.2.1 Details

Details shall comply with the following standards:

5.2.1.1 Corridor width

- (1) Minimum public corridor width shall be 5 feet (1.52 meters). Staff-only corridors shall be permitted to be 3 feet 8 inches (1.12 meters) wide.
- (2) Items such as provisions for drinking water, telephone booths, vending machines, etc., shall not restrict corridor traffic or reduce the corridor width below the required minimum.
- (3) Out-of-traffic storage space for portable equipment shall be provided.

5.2.1.2 Ceiling height. The minimum ceiling height shall be 7 feet 10 inches (2.39 meters), with the following exceptions:

- (1) Corridors, storage rooms, toilet rooms, etc. Ceiling height in corridors, storage rooms, toilet rooms, and other minor rooms shall not be less than 7 feet 8 inches (2.34 meters).
- (2) Rooms with ceiling-mounted equipment/light fixtures. Radiographic and other rooms containing ceiling-mounted equipment shall have ceilings of sufficient height to accommodate the equipment and/or fixtures.
- (3) Boiler rooms. Boiler rooms shall have ceiling clearances not less than 2 feet 6 inches (76.20 centimeters) above the main boiler header and connecting piping.
- (4) Clearances. Tracks, rails, and pipes suspended along the path of normal traffic shall be not less than 6 feet 8 inches (2.03 meters) above the floor.

5.2.1.3 Exits

- (1) Each building shall have at least two exits that are remote from each other.
- (2) Other details relating to exits and fire safety shall

comply with NFPA 101 and the standards outlined herein.

5.2.1.4 Door width

- (1) The minimum nominal door width for patient use shall be 3 feet (0.91 meter).
- (2) If the outpatient facility serves hospital inpatients, the minimum nominal width of doors to rooms used by hospital inpatients transported in beds shall be 3 feet 8 inches (1.12 meters).

5.2.1.5 Glazing materials

- (1) Doors, sidelights, borrowed lights, and windows glazed to within 18 inches (45.72 centimeters) of the floor shall be constructed of safety glass, wired glass, or plastic glazing material that resists breakage and creates no dangerous cutting edges when broken.
- (2) Similar materials shall be used in wall openings of playrooms and exercise rooms unless otherwise required for fire safety.
- (3) Glazing materials used for shower doors and bath enclosures shall be safety glass or plastic.

5.2.1.6 Hand-washing stations

- (1) Hand-washing stations shall be located and arranged to permit proper use and operation.
- (2) Particular care shall be taken to provide the required clearance for operation of blade-type handles.
- (3) Provisions for hand drying shall be included at all hand-washing stations except scrub sinks.

5.2.1.7 Thresholds and joints. Threshold and expansion joint covers shall be flush with the floor surface to facilitate use of wheelchairs and carts.

5.2.1.8 Radiation protection. Radiation protection for x-ray and gamma ray installations shall comply with Section 2.1-5.5.

5.2.1.9 Protection from heat-producing equipment. Rooms containing heat-producing equipment (such as boiler or heater rooms) shall be insulated and ventilated to prevent occupied adjacent floor or wall surfaces from exceeding a temperature 10°F above the ambient room temperature.

5.2.2 Finishes

Finishes shall comply with the following standards:

5.2.2.1 Fire-retardant materials

- (1) Cubicle curtains and draperies shall be noncombustible or flame-retardant and shall pass both the large- and small-scale tests required by NFPA 701.
- (2) The flame-spread and smoke-developed ratings of finishes shall comply with Section 2.1-8.1. Where possible, the use of materials known to produce large amounts of noxious gases shall be avoided.

5.2.2.2 Floors

- (1) Floor materials shall be readily cleanable and appropriately wear-resistant.
- (2) In all areas subject to wet cleaning, floor materials shall not be physically affected by liquid germicidal and cleaning solutions.
- (3) Floors subject to traffic while wet, including showers and bath areas, shall have a nonslip surface.
- (4) Wall bases in areas frequently subject to wet cleaning shall be monolithic and covered with the floor, tightly sealed to the wall, and constructed without voids.

5.2.2.3 Walls. Wall finishes shall be washable and, in the proximity of plumbing fixtures, shall be smooth and moisture resistant.

5.2.2.4 Penetrations. Floor and wall areas penetrated by pipes, ducts, and conduits shall be tightly sealed to minimize entry of rodents and insects. Joints of structural elements shall be similarly sealed.

6 Special Systems

6.1 General

6.1.1 Applicability

As required by the functional program, special systems shall be installed in accordance with the following standards:

6.1.2 Testing

6.1.2.1 Prior to acceptance of the facility, all special systems shall be tested and operated to demonstrate to the owner or its designated representative that the installation and performance of these systems conform to design intent.

6.1.2.2 Test results. Test results shall be documented for maintenance files.

6.1.3 Documentation

6.1.3.1 Upon completion of the special systems equipment installation contract, the owner shall be furnished with a complete set of manufacturers' operating, maintenance, and preventive maintenance instructions, a parts lists, and complete procurement information, including equipment numbers and descriptions.

6.1.3.2 Operating staff persons shall also be provided with instructions for proper operation of systems and equipment. Required information shall include all safety or code ratings as needed.

6.1.4 Insulation

Insulation shall be provided surrounding special system equipment to conserve energy, protect personnel, and reduce noise.

6.2 Elevators

6.2.1 Dimensions

Cars shall have a minimum inside floor dimension of not less than 5 feet (1.52 meters).

6.2.2 Leveling Device

Elevators shall be equipped with a two-way automatic level-maintaining device with an accuracy of $\pm 1/2$ inch (± 12.7 millimeters).

3.1 OUTPATIENT FACILITIES

6.2.3 Elevator Controls

6.2.3.1 Elevator call buttons and controls shall not be activated by heat or smoke. Light beams, if used for operating door reopening devices without touch, shall be used in combination with door-edge safety devices and shall be interconnected with a system of smoke detectors. This is so the light control feature will be overridden or disengaged should it encounter smoke at any landing.

6.2.3.2 Elevator controls, alarm buttons, and telephones shall be accessible to wheelchair occupants and usable by the blind.

6.2.4 Installation and Testing

6.2.4.1 Standards. Installation and testing of elevators shall comply with ANSI/ASME A17.1 for new construction and ANSI/ASME A17.3 for existing facilities. (See ASCE/SEI 7 for seismic design and control system requirements for elevators.)

6.2.4.2 Documentation. Field inspections and tests shall be made and the owner shall be furnished with written certification stating that the installation meets the requirements set forth in this section as well as all applicable safety regulations and codes.

6.3 Waste Processing

Space and facilities shall be provided for the treatment or disposal of waste.

Note: For information on collection and storage of waste, see Section 3.1-3.3.1, Waste Management.

6.3.1 General

6.3.1.1 The functional program shall stipulate the categories and volumes of waste for disposal and shall stipulate the methods of disposal for each.

6.3.1.2 These facilities shall use techniques acceptable to the appropriate health and environmental authorities.

6.3.2 Medical Waste Disposal

6.3.2.1 General

(1) Medical waste shall be disposed of by incineration or other approved technologies. Two or more institutions shall be permitted to share incinerators or other major disposal equipment.

(2) Use of incinerators or other major disposal equipment to dispose of other medical waste shall be permitted where local regulations permit.

6.3.2.2 Space requirements

(1) Incinerators with capacities of 50 pounds per hour or more shall be in a separate room or outdoors; those with lesser capacities shall be permitted to be in a separate area within the facility boiler room.

(2) Rooms and areas containing incinerators shall have adequate space and facilities for charging and cleaning incinerators, as well as necessary clearances for work and maintenance.

(3) Provisions shall be made for operation, temporary storage, and disposal of materials so that odors and fumes do not drift back into occupied areas.

(4) Existing approved incinerator installations that are not in separate rooms or outdoors may remain unchanged provided they meet the above criteria.

6.3.2.3 Equipment

(1) Incinerators or other major disposal equipment shall be designed for the actual quantity and type of waste to be destroyed.

(2) Equipment shall meet all applicable regulations.

(3) The design and construction of incinerators, if used, shall comply with NFPA 82 and conform to the standards prescribed by area air pollution regulations.

Note: For information about refuse chutes, see Section 3.1-3.3.1.2.

*6.3.2.4 Recovery of waste heat

APPENDIX

6.3.2.5 Environmental/health risk assessments

6.3.3 Nuclear Waste Disposal

See Code of Federal Regulations, title X, parts 20 and 35, concerning the handling and disposal of nuclear materials in health care facilities.

7 Building Systems

7.1 Plumbing

7.1.1 General

7.1.1.1 Applicability. These requirements do not apply to small primary (neighborhood) outpatient facilities or outpatient facilities that do not perform invasive applications or procedures. See Section 3.3-6.1 for requirements for small primary (neighborhood) outpatient facilities.

7.1.1.2 Standards. Unless otherwise specified herein, all plumbing systems shall be designed and installed in accordance with the International Plumbing Code.

7.1.2 Plumbing and Other Piping Systems

7.1.2.1 General piping and valves

- (1) All piping, except control-line tubing, shall be identified.
- (2) All valves shall be tagged, and a valve schedule shall be provided to the facility owner for permanent record and reference.
- (3) No plumbing piping shall be exposed overhead or exposed on walls where possible accumulation of dust or soil may create a cleaning problem or where leaks would create a potential for food contamination.

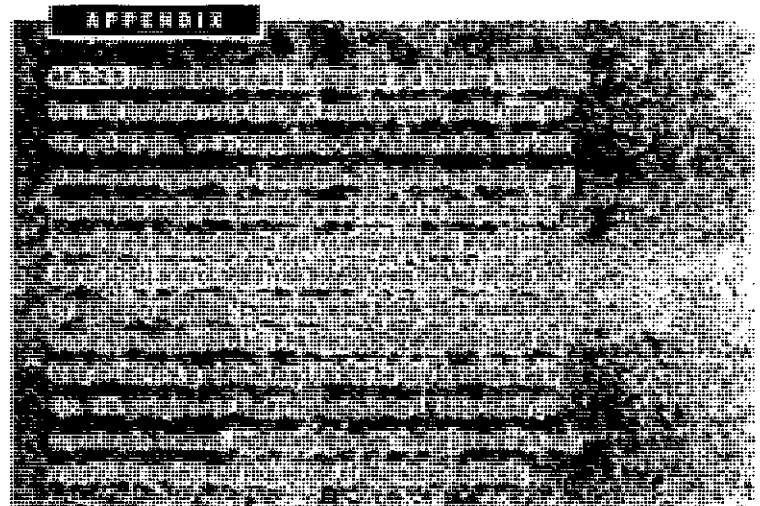
7.1.2.2 Hemodialysis piping

- (1) Where the functional program includes hemodialysis, continuously circulated filtered cold water shall be provided. Piping shall be in accordance with AAMI RD62.
- (2) In new construction and renovation where hemodialysis or hemoperfusion are routinely

performed, a separate water supply and drainage facility that does not interfere with hand-washing shall be provided.

7.1.2.3 Potable water supply systems. The following standards shall apply to potable water supply systems:

- (1) Capacity. Systems shall be designed to supply water at sufficient pressure to operate all fixtures and equipment during maximum demand. Supply capacity for hot- and cold-water piping shall be determined on the basis of fixture units, using recognized engineering standards. Where the ratio of plumbing fixtures to occupants is proportionally more than required by the building occupancy and is in excess of 1,000 plumbing fixture units, a diversity factor is permitted.
- (2) Valves. Each water service main, branch main, riser, and branch to a group of fixtures shall have valves.
 - (a) Stop valves shall be provided for each fixture.
 - (b) Appropriate panels for access shall be provided at all valves where required.
- (3) Backflow prevention
 - (a) Systems shall be protected against cross-connection in accordance with American Water Works Association (AWWA) *Recommended Practice for Backflow Prevention and Cross-connection Control*.



3.1 OUTPATIENT FACILITIES

- (b) Vacuum breakers or backflow prevention devices shall be installed on hose bibs and supply nozzles used for connection of hoses or tubing in laboratories, housekeeping sinks, etc.

- (4) Potable water storage vessels (hot and cold) not intended for constant use shall not be installed.

- (5) Emergency eyewash and showers shall comply with ANSI Z358.1.

7.1.2.4 Hot water systems. See Section 1.6-2.2.1.

7.1.2.5 Drainage systems. The following standards shall apply to drainage systems:

(1) Piping

- (a) Drain lines from sinks used for acid waste disposal shall be made of acid-resistant material.
- (b) Drain lines serving some types of automatic blood-cell counters shall be of carefully selected material that will eliminate the potential for undesirable chemical reactions (and/or explosions) between sodium azide wastes and copper, lead, brass, solder, etc.
- (c) Insofar as possible, drainage piping shall not be installed within the ceiling or exposed in operating and delivery rooms, nurseries, food preparation centers, food-serving facilities, food storage areas, central services, electronic data processing areas, electric closets, and other sensitive areas.

Where exposed overhead drain piping in these areas is unavoidable, special provisions shall be made to protect the space below from leakage, condensation, or dust particles.

(2) Floor drains

- (a) Floor drains shall not be installed in operating and delivery rooms.

* (b) If a floor drain is installed in cystoscopy, it shall contain a nonsplash, horizontal-flow flushing bowl beneath the drain plate.

(c) Dietary area floor drains and/or floor sinks

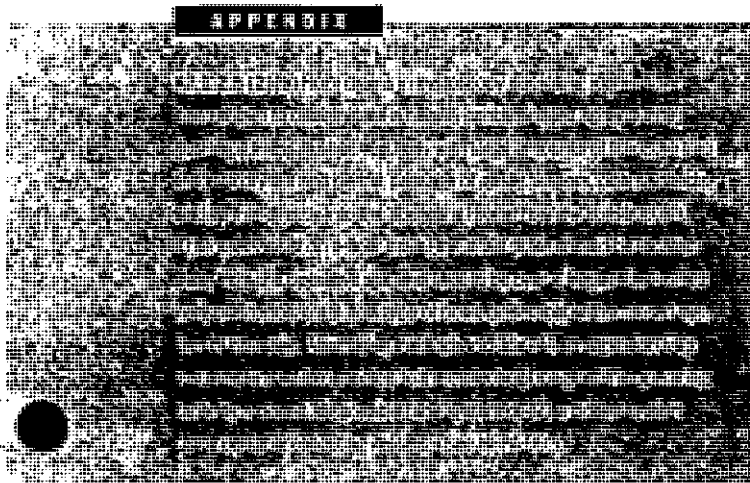
- (i) Type. These shall be of a type that can be easily cleaned by removing the cover. Removable stainless steel mesh shall be provided in addition to grilled drain covers to prevent entry of large particles of waste that might cause stoppages.

(ii) Location. Floor drains or floor sinks shall be provided at all "wet" equipment (as ice machines) and as required for wet cleaning of floors. Location of floor drains and floor sinks shall be coordinated to avoid conditions where locations of equipment make removal of covers for cleaning difficult.

- (3) Sewers. Building sewers shall discharge into community sewerage. Where such a system is not available, the facility shall treat its sewage in accordance with local and state regulations.

(4) Kitchen grease traps

- (a) Grease traps shall be of capacity required.
- (b) These shall be located and arranged to permit easy access without the need to enter food preparation or storage areas.
- (c) These shall be accessible from outside the building without need to interrupt any services.



- (5) Plaster traps. Where plaster traps are used, provisions shall be made for appropriate access and cleaning.

7.1.2.6 Condensate drains. See Section 1.6-2.1.2.2.

7.1.3 Plumbing Fixtures

In addition to the requirements of Section 1.6-2.1.3, the following standards shall apply to plumbing fixtures in outpatient facilities:

7.1.3.1 Clinical sinks

- (1) Handles on clinical sinks shall be at least 6 inches (15.24 centimeters) long.
- (2) Clinical sinks shall have an integral trap wherein the upper portion of the water trap provides a visible seal.

7.1.3.2 Scrub sinks. Freestanding scrub sinks and lavatories used for scrubbing in procedure rooms shall be trimmed with foot, knee, or ultrasonic controls; single-lever wrist blades shall not be permitted.

7.1.4 Medical Gas and Vacuum Systems

7.1.4.1 Medical gas systems. If piped medical gas is used, the installation, testing, and certification of non-flammable medical gas and air systems shall comply with the requirements of NFPA 99. Station outlets shall be provided consistent with need established by the functional program. (See also Table 3.1-2.)

7.1.4.2 Vacuum systems. Central vacuum systems. Where the functional program requires, central clinical vacuum system installations shall be in accordance with NFPA 99.

7.2 Heating, Ventilating, and Air-Conditioning (HVAC) Systems

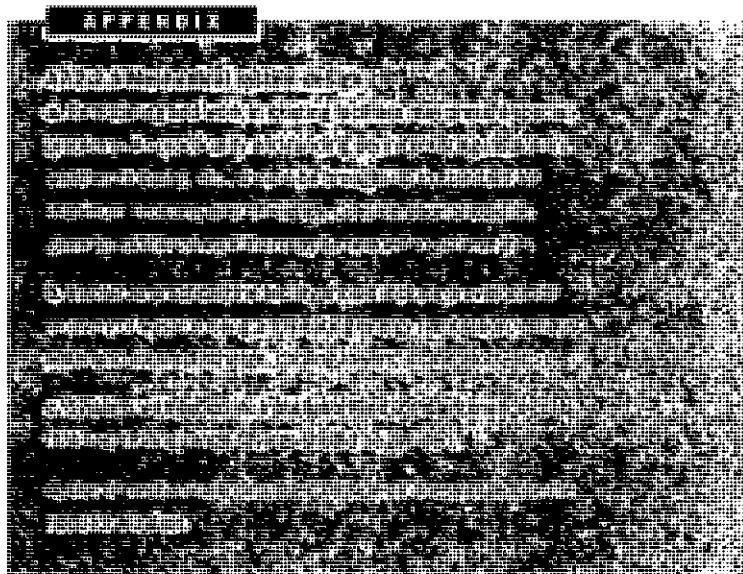
7.2.1 Applicability

These requirements do not apply to small primary (neighborhood) outpatient facilities or outpatient facilities that do not perform invasive applications or procedures. See Section 3.3-6.2 for requirements for small primary (neighborhood) outpatient facilities.

7.2.2 General

*7.2.2.1 Mechanical system design

- (1) Efficiency. The mechanical system shall be designed for overall efficiency and life-cycle costing. Details for cost-effective implementation of design features are interrelated and too numerous (as well as too basic) to list individually.
 - (a) Recognized engineering procedures shall be followed for the most economical and effective results. A well-designed system can generally achieve energy efficiency at minimal additional cost and simultaneously provide improved patient comfort.
 - (b) Different geographic areas may have climatic and use conditions that favor one system over another in terms of overall cost and efficiency.
 - (c) In no case shall patient care or safety be sacrificed for conservation.
 - (d) Facility design features such as site, building mass, orientation, configuration, fenestration, and other features relative to passive and active energy systems shall be considered.
 - (e) Use of recognized energy-saving mechanisms such as variable-air-volume (VAV) systems, load shedding, programmed controls for unoccupied periods (nights and weekends, etc.), and use of natural ventilation shall be considered, site and climatic conditions permitting.



3.1 OUTPATIENT FACILITIES

(2) Air-handling systems

*(a) Air-handling systems shall be designed with an economizer cycle where appropriate to use outside air.

(b) VAV systems. The energy-saving potential of VAV systems is recognized, and the standards herein are intended to maximize appropriate use of such systems. Any system used for occupied areas shall include provisions to avoid air stagnation in interior spaces where thermostat demands are met by temperatures of surrounding areas.

(c) Non-central air-handling systems (i.e., individual room units used for heating and cooling purposes, such as fan-coil units, heat pump units, etc.) shall meet the following requirements: These units may be used as recirculating units only. All outdoor air requirements shall be met by a separate central air handling system with the proper filtration, as noted in Table 3.1-1.

(3) Vibration isolators. Mechanical equipment, ductwork, and piping shall be mounted on vibration isolators as required to prevent unacceptable structure-borne vibration.

(4) System valves. Supply and return mains and risers for cooling, heating, and steam systems shall be equipped with valves to isolate the various sections of each system. Each piece of equipment shall have valves at the supply and return ends.

7.2.2.2 Ventilation and space conditioning requirements. All rooms and areas used for patient care shall have provisions for ventilation.

(1) Ventilation rates. The ventilation rates shown in Table 2.1-2 shall be used only as minimum standards; they do not preclude the use of higher, more appropriate rates.

(2) Air change rates. Air supply and exhaust in rooms for which no minimum total air change rate is noted may vary down to zero in response to room load. For rooms listed in Table 2.1-2, where VAV systems are used, minimum total air change shall be within limits noted.

(3) Temperature and humidity. Space temperature and relative humidity shall be as indicated in Table 2.1-2.

(4) Air movement direction. To maintain asepsis control, airflow supply and exhaust shall be controlled to ensure general movement of air from "clean" to "less clean" areas, especially in critical areas. The ventilation systems shall be designed and balanced according to the requirements in Table 2.1-2 and in the applicable notes.

(5) Natural ventilation. Although natural window ventilation for nonsensitive and patient areas shall be permitted, mechanical ventilation shall be provided for all rooms and areas in the facility.

(6) Renovation. For renovation projects, prior to the start of construction and preferably during design, airflow and static pressure measurements shall be taken at the connection points of new ductwork to existing systems. This information shall be used by the designer to determine if existing systems have sufficient capacity for intended new purposes, and so any required modifications to the existing system can be included in the design documentation.

7.2.2.3 Testing and documentation

(1) Upon completion of the equipment installation contract, the owner shall be furnished with a complete set of manufacturers' operating, maintenance, and preventive maintenance instructions, parts lists, and complete procurement information, including equipment numbers and descriptions. Required information shall include energy ratings as needed for future conservation calculations.

(2) Operating staff persons shall also be provided with written instructions for the proper operation of systems and equipment.

APPENDIX

7.2.2.1(2)(a) It may be practical in many areas to reduce or shut down mechanical ventilation during appropriate climatic and patient care conditions and to use open windows for ventilation.

7.3 Electrical Systems

7.3.1 General

7.3.1.1 Applicable standards

- (1) All electrical material and equipment, including conductors, controls, and signaling devices, shall be installed in compliance with applicable sections of NFPA 70 and NFPA 99.
- (2) All electrical material and equipment shall be listed as complying with available standards of listing agencies or other similar established standards where such standards are required.

7.3.1.2 Testing and documentation. Electrical installations, including alarm and communication systems, shall be tested to demonstrate that equipment installation and operation is appropriate and functional. A written record of performance tests on special electrical systems and equipment shall show compliance with applicable codes and standards.

7.3.1.3 Power disturbance safeguards. Data processing and/or automated laboratory or diagnostic equipment, if provided, may require safeguards from power line disturbances.

7.3.2 Electrical Distribution and Transmission

7.3.2.1 Switchboards

- (1) Location
 - (a) Main switchboards shall be located in an area separate from plumbing and mechanical equipment and shall be accessible to authorized persons only.
 - (b) Switchboards shall be convenient for use and readily accessible for maintenance but away from traffic lanes.
 - (c) Switchboards shall be located in dry, ventilated spaces free of corrosive or explosive fumes or gases or any flammable material.
- (2) Overload protective devices. These shall operate properly in ambient room temperatures.

7.3.2.2 Panelboards

- (1) Panelboards serving normal lighting and appliance circuits shall be located on the same floor as the circuits they serve.
- (2) Panelboards serving critical branch emergency circuits shall be located on each floor that has major users.
- (3) Panelboards serving life safety emergency circuits may also serve floors above and/or below.

7.3.2.3 Ground-fault circuit interrupters

7.3.3 Power Generating and Storing Equipment

7.3.3.1 Emergency electrical service. Emergency lighting and power shall be provided for in accordance with NFPA 99, NFPA 101, and NFPA 110.

7.3.4 Lighting

7.3.4.1 General. See Section 1.6-2.3.1.1.

7.3.4.2 Lighting for specific locations in the outpatient facility

- (1) Exam/treatment/trauma rooms. A portable or fixed examination light shall be provided for examination, treatment, and trauma rooms.
- (2) Operating and delivery rooms. Operating and delivery rooms shall have general lighting in addition to special lighting units provided at surgical and obstetrical tables. General lighting and special lighting shall be on separate circuits.

7.3.4.3 Emergency lighting. See Section 1.6-2.3.1.2.

7.3.5 Receptacles (Convenience Outlets)

7.3.5.1 Duplex grounded-type receptacles (convenience outlets) shall be installed in all areas in sufficient quantities for tasks to be performed as needed.

7.3.5.2 Each examination and worktable shall have access to a minimum of two duplex receptacles.

3.1 OUTPATIENT FACILITIES

7.3.6 Equipment

7.3.6.1 X-ray equipment. Fixed and mobile x-ray equipment installations shall conform to articles 517 and 660 of NFPA 70.

7.3.6.2 Inhalation anesthetizing locations. At inhalation anesthetizing locations, all electrical equipment and devices, receptacles, and wiring shall comply with applicable sections of NFPA 99 and NFPA 70.

7.3.6.3 Special electrical equipment. Special equipment is identified in the subsections of Section 2, Diagnostic and Treatment Locations, of this chapter. These sections shall be consulted to ensure compatibility between programmatically defined equipment needs and appropriate power and other electrical connection needs.

7.4 Telecommunications and Information Systems

7.4.1 Locations for terminating telecommunications and information system devices shall be provided.

7.4.2 A space shall be provided for central equipment locations. Special air conditioning and voltage regulation shall be provided when recommended by the manufacturer.

7.5 Fire Alarm System

Any fire alarm system shall be as required by NFPA 101 and installed per NFPA 72.

3.1 OUTPATIENT FACILITIES

Table 3.1-1
Filter Efficiencies for Central Ventilation and Air Conditioning Systems in Outpatient Facilities

| Area designation | No. filter beds | Filter bed no. 1 (MERV, %) | Filter bed no. 2 ¹ (MERV, %) |
|--|-----------------|----------------------------|---|
| All areas for patient care, treatment, and/or diagnosis, and those areas providing direct service or clean supplies such as sterile and clean processing, etc. | 2 | 8 (30%) | 14 (90%) |
| Laboratories | 1 | 13 (80%) | — |
| Administrative, bulk storage, soiled holding areas, food preparation areas, and laundries | 1 | 8 (30%) | — |

¹These requirements do not apply to small primary (neighborhood) outpatient facilities or outpatient facilities that do not perform invasive applications or procedures.

Notes

1. Additional roughing or prefilters should be considered to reduce maintenance required for main filters.
2. MERV - minimum efficiency reporting value. MERVs are based on ASHRAE 52.2.
3. The filtration efficiency ratings are based on average dust spot efficiency per ASHRAE 52.1.

Table 3.1-2
Station Outlets for Oxygen, Vacuum, and Medical Air in Outpatient Facilities

| Section | Location | Oxygen | Vacuum | Medical Air |
|-----------------|--|----------------|----------------|-------------|
| 3.1-2.1.1/2.1.2 | General/special purpose examination | 0 | 0 | — |
| 3.1-2.1.3 | Treatment | 0 | 0 | — |
| 3.1-2.1.5 | Isolation | 0 ¹ | 0 ¹ | — |
| 3.6-2.1 | Birthing room | 2 | 2 | — |
| 3.7-2.2 | Examination in outpatient surgical facility | 0 ¹ | 0 ¹ | — |
| | Ambulatory operating rooms | | | |
| 3.7-2.3.1.1 | Class A—minor surgical procedure room | 1 | 1 | — |
| 3.7-2.3.1.2 | Class B—intermediate surgical procedure room | 2 | 2 | — |
| 3.7-2.3.1.3 | Class C—major surgical procedure room | 2 | 3 | — |
| 3.7-2.4.1 | Post-anesthesia recovery | 1 | 1 | — |
| 3.7-2.4.2 | Phase II recovery | 0 ¹ | 0 ¹ | — |
| — | Cysto procedure | 1 | 3 | — |
| | Urgent Care | | | |
| | Procedure room | 1 | 1 | 1 |
| — | Cast room | 0 ¹ | 0 ¹ | — |
| — | Catheterization room | 1 | 2 | 2 |
| | Endoscopy | | | |
| 3.9-2.3 | Procedure room | 1 | 3 | — |
| 3.9-2.3.2 | Holding/prep/recovery area | 0 ¹ | 0 ¹ | — |
| 3.9-3.2.2 | Decontamination area | — | — | — |

¹Portable source shall be available for the space.

- (1) Separate toilets with hand-washing stations shall be provided with direct access from each fluoroscopic room so that a patient can leave the toilet without having to reenter the fluoroscopic room.
- (2) Rooms used only occasionally for fluoroscopic procedures shall be permitted to use nearby patient toilets if they are located for immediate access.

*5.5.4.3 Mammography rooms

5.5.4.4 Shielded control alcoves

- (1) Each x-ray room shall include a shielded control alcove. This area shall be provided with a view window designed to provide full view of the examination table and the patient at all times, including full view of the patient when the table is in the tilt position or the chest x-ray is in use.
- (2) For mammography machines with built-in shielding for the operator, the alcove shall be permitted to be omitted when approved by the certified physicist or state radiation protection agency.

5.5.5 Magnetic Resonance Imaging (MRI)

5.5.5.1 Space requirements

- (1) Space shall be provided as necessary to accommodate the functional program.
- (2) The MRI room shall be permitted to range from 325 square feet (30.19 square meters) to 620 square feet (57.60 square meters), depending on the vendor and magnet strength.

5.5.5.2 Layout. When spectroscopy is provided, caution shall be exercised in locating it in relation to the magnetic fringe fields.

*5.5.5.3 Control room. A control room shall be provided with full view of the MRI.

*5.5.5.4 Patient holding area. A patient holding area shall be provided.

*5.5.5.5 Computer room. A computer room shall be provided.

*5.5.5.6 Darkroom. A darkroom shall be provided.

*5.5.5.7 Cryogen storage. Cryogen storage shall be provided.

5.5.5.8 Equipment installation requirements

*(1) Power conditioning shall be provided.

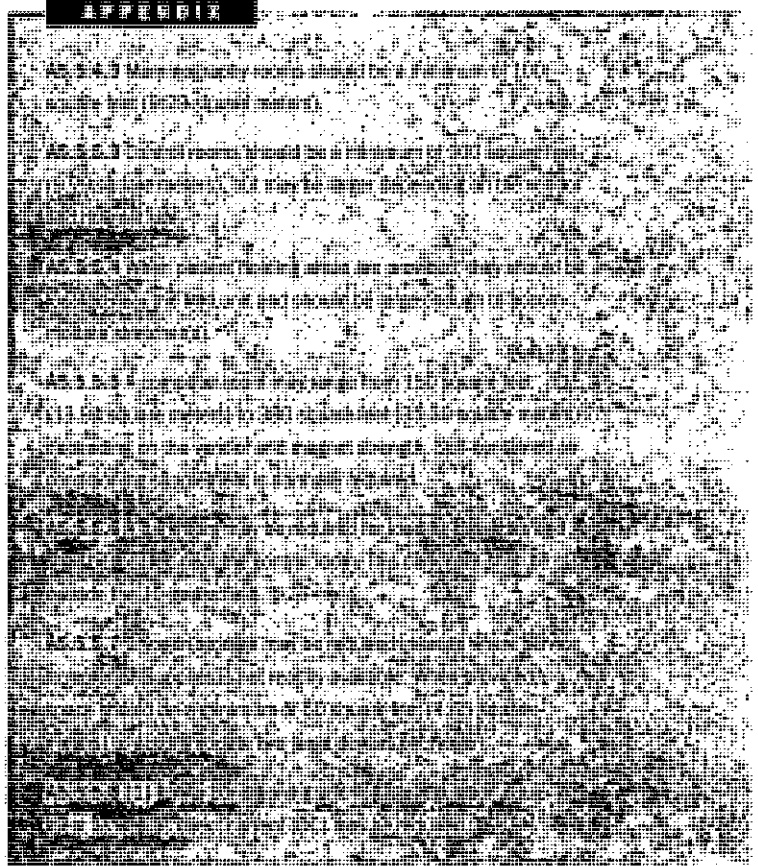
*(2) Magnetic shielding shall be provided.

- (3) For super-conducting MRI, cryogen venting and emergency exhaust must be provided in accordance with the original equipment manufacturer's specifications.

5.5.6 Ultrasound

5.5.6.1 Space requirements. Space shall be provided as necessary to accommodate the functional program.

5.5.6.2 Patient toilet. A patient toilet, accessible from the procedure room, shall be provided.



2.1 GENERAL HOSPITALS

5.5.7 Cardiac Catheterization Lab (Cardiology)

The cardiac catheterization lab is normally a separate suite (see Section 2.1-5.4.1) but location within the imaging suite shall be permitted provided the appropriate sterile environment is provided. Combination with angiography shall be permitted in low usage situations.

5.5.8 Support Areas for the Imaging Suite

The following spaces are common to the imaging department and are minimum requirements unless stated otherwise:

5.5.8.1 Control desk and reception area

5.5.8.2 Offices for radiologist(s) and assistant(s).

Offices shall include provisions for viewing, individual consultation, and charting of film.

5.5.8.3 Hand-washing stations

- (1) Hand-washing stations shall be provided within each procedure room unless the room is used only for routine screening such as chest x-rays where the patient is not physically handled by the staff.
- (2) Hand-washing stations shall be provided convenient to the MRI room, but need not be within the room.

5.5.8.4 Consultation area. An appropriate area for individual consultation with referring clinicians shall be provided.

5.5.8.5 Patient holding area. A convenient holding area under staff control shall be provided to accommodate inpatients on stretchers or beds.

5.5.8.6 Clerical offices/spaces. Office space shall be provided as necessary for the functional program.

5.5.8.7 Film processing room

- (1) If film systems are used, a darkroom shall be provided for processing film unless the processing equipment normally used does not require a darkroom for loading and transfer. When daylight processing is used, the darkroom shall be permitted to be minimal for emergency and special uses.
- (2) Film processing shall be located convenient to the procedure rooms and to the quality control area.

5.5.8.8 Quality control area. An area or room shall be provided near the processor for viewing film immediately after it is processed. All view boxes shall be illuminated to provide light of the same color value and intensity for appropriate comparison of several adjacent films.

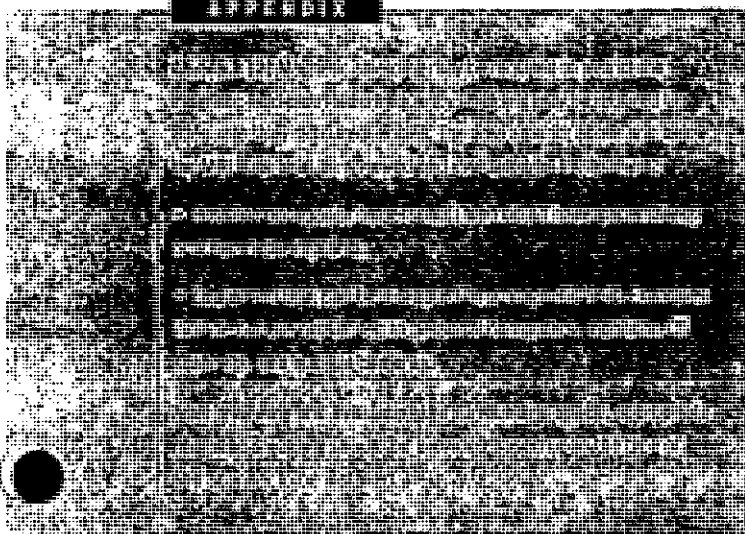
5.5.8.9 Contrast media preparation

- (1) If contrast media are used, this area shall include a sink, counter, and storage to allow for mixing of contrast media.
- (2) One preparation room, if conveniently located, shall be permitted to serve any number of rooms.
- (3) Where pre-prepared media are used, this area shall be permitted to be omitted, but storage shall be provided for the media.

5.5.8.10 Cleanup facilities. Provisions for cleanup shall be located within the suite for convenient access and use.

- (1) The facilities shall include service sink or floor receptacle as well as storage space for equipment and supplies.
- (2) If automatic film processors are used, a receptacle of adequate size with hot and cold water for cleaning the processor racks shall be provided.

APPENDIX



5.5.8.11 Clean storage. Provision shall be made for the storage of clean supplies and linens. If conveniently located, storage shall be permitted to be shared with another department.

5.5.8.12 Soiled holding. Provision shall be made for soiled holding. Separate provisions for contaminated handling and holding shall be made. Hand-washing stations shall be provided.

5.5.8.13 Film storage

- (1) Film storage (active). A room with cabinet or shelves for filing patient film for immediate retrieval shall be provided.
- (2) Film storage (inactive). A room or area for inactive film storage shall be provided. It shall be permitted to be outside the imaging suite, but must be under imaging's administrative control and properly secured to protect films against loss or damage.
- (3) Storage for unexposed film. If film systems are used, storage facilities for unexposed film shall include protection of film against exposure or damage and shall not be warmer than the air of adjacent occupied spaces.

5.5.8.14 Medication storage. Provision shall be made for locked storage of medications and drugs.

5.5.9 Support Areas for Staff

The following spaces are common to the imaging department and are minimum requirements unless stated otherwise:

5.5.9.1 Staff lounge. Staff lounge with lockers shall be permitted to be outside the suite but shall be convenient for staff use.

5.5.9.2 Staff toilets. Toilets shall be permitted to be outside the suite but shall be convenient for staff use. In suites of three or more procedure rooms, toilets internal to the suite shall be provided.

5.5.10 Support Areas for Patients

The following spaces are common to the imaging department and are minimum requirements unless stated otherwise:

5.5.10.1 Patient waiting area

- (1) The area shall be out of traffic, under staff control, and shall have seating capacity in accordance with the functional program.
- (2) If the suite is routinely used for outpatients and inpatients at the same time, separate waiting areas shall be provided with screening for visual privacy between them.
- (3) If so determined by an ICRA, the diagnostic imaging waiting area shall require special measures to reduce the risk of airborne infection transmission. These measures shall include enhanced general ventilation and air disinfection techniques similar to inpatient requirements for airborne infection isolation rooms (see Table 2.1-2). See the "CDC Guidelines for Preventing the Transmission of Mycobacterium Tuberculosis in Health Care Facilities."

5.5.10.2 Patient toilet rooms. Toilet rooms with hand-washing stations convenient to the waiting rooms and equipped with an emergency call system shall be provided.

5.5.10.3 Patient dressing rooms. Dressing rooms shall be provided convenient to the waiting areas and x-ray rooms. Each room shall include a seat or bench, mirror, and provisions for hanging patients' clothing and securing valuables.

5.6 Nuclear Medicine

5.6.1 General

*5.6.1.1 Space requirements. Space shall be provided as necessary to accommodate the functional program. Where the functional program calls for it, nuclear medicine procedure room(s) shall accommodate the equipment specified in the functional program, a stretcher, exercise equipment (treadmill and/or bicycle), and staff work space.



between the radiotherapy suite and other areas shall be permitted if required by the functional program:

- (1) Exam rooms for each treatment room. These shall be as specified by the functional program.
 - (a) Each exam room shall be a minimum of 100 square feet (9.29 square meters).
 - (b) Each exam room shall be equipped with a hand-washing station.
- (2) A stretcher hold area
 - (a) This shall be located adjacent to the treatment rooms, screened for privacy, and combined with a seating area for outpatients.
 - (b) The size of the area will be dependent on the program for outpatients and inpatients.
- (3) Patient gowning area
 - (a) Safe storage for valuables and clothing shall be provided.
 - (b) At least one space should be large enough for staff-assisted dressing.
- (4) Business office and/or reception/control area
- (5) Darkroom. This shall be convenient to the treatment room(s) and the quality control area.
 - (a) Where daylight processing is used, the darkroom may be minimal for emergency use.
 - (b) If automatic film processors are used, a receptacle of adequate size with hot and cold water for cleaning the processor racks shall be provided either in the darkroom or nearby.
- (6) Film file area
- (7) Film storage area for unprocessed film.
- (8) Housekeeping room. This shall be equipped with service sink or floor receptor and large enough for equipment or supplies storage.

5.6.5.5 Optional support areas for the radiotherapy suite. The following areas may be required by the functional program:

- (1) Offices
 - (a) Oncologist's office (may be combined with consultation room)
 - (b) Physicist's office (may be combined with treatment planning)
- (2) Treatment planning and record room
- (3) Consultation room
- (4) Quality control area. This shall have view boxes illuminated to provide light of consistent color value and intensity.
- (5) Computer control area. This is normally located just outside the entry to the treatment room(s).
- (6) Dosimetry equipment area
- (7) Hypothermia room (may be combined with an exam room)
- (8) Workstation/nutrition station

5.6.5.6 Additional support areas for linear accelerator

- (1) Mold room with exhaust hood and hand-washing station
- (2) Block room with storage. The block room may be combined with the mold room.

5.6.5.7 Additional support areas for cobalt room

- (1) Hot lab

5.7 Rehabilitation Therapy Department

5.7.1 General

Rehabilitation therapy is primarily for restoration of body functions and may contain one or several categories of services.

2.1 GENERAL HOSPITALS

5.7.1.1 If a formal rehabilitation therapy service is included in a project, the facilities and equipment shall be as necessary to accommodate the functional program.

5.7.1.2 Where two or more rehabilitation services are included, facilities and equipment may be shared as appropriate.

5.7.2 Physical Therapy

If physical therapy is part of the service, at least the following shall be provided:

5.7.2.1 Individual treatment area(s) with privacy screens or curtains. Each such space shall have not less than 70 square feet (6.51 square meters) of clear floor area.

5.7.2.2 Exercise area and facilities

5.7.2.3 Provision for additional therapies. If required by the functional program, provisions for thermotherapy, diathermy, ultrasonics, and hydrotherapy shall be made.

5.7.2.4 Hand-washing stations

- (1) Hand-washing stations for staff shall be located either within or at each treatment space.
- (2) Each treatment room shall have at least one hand-washing station.

5.7.2.5 Support areas for physical therapy

- (1) Soiled material storage. Separate storage for soiled linen, towels, and supplies shall be provided.
- (2) Equipment and supply storage
 - (a) Clean linen and towel storage
 - (b) Storage for equipment and supplies

5.7.2.6 Support areas for patients. If required by the functional program, patient dressing areas, showers, and lockers shall be provided. They shall be accessible and usable by the disabled.

5.7.3 Occupational Therapy

If occupational therapy is part of the service, at least the following shall be provided:

5.7.3.1 Work areas and counters. These shall be suitable for wheelchair access.

*5.7.3.2 Teaching area. An area for teaching daily living activities shall be provided. It shall contain an area for a bed, kitchen counter with appliances and sink, a bathroom, and a table and chair.

5.7.3.3 Hand-washing stations

5.7.3.4 Equipment and supply storage

5.7.4 Prosthetics and Orthotics

If prosthetics and orthotics are part of the service, at least the following shall be provided:

5.7.4.1 Workspace for technicians

5.7.4.2 Space for evaluation and fitting. This shall have provision for privacy.

5.7.4.3 Space for equipment, supplies, and storage

5.7.5 Speech and Hearing Services

If speech and hearing services are offered, at least the following shall be provided:

5.7.5.1 Space for evaluation and treatment

5.7.5.2 Space for equipment and storage

5.7.6 Support Areas for the Rehabilitation Therapy Department

Each rehabilitation therapy department shall include the following, which may be shared or provided as separate units for each service:

5.7.6.1 Reception and control station(s). This shall permit visual control of waiting and activities areas and may be combined with office and clerical space.

5.7.6.2 Office and clerical space. Provision shall be made for filing and retrieval of patient records.

5.7.6.3 Multipurpose room. Access to a demonstration/conference room shall be provided.

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5.7.6.4 Wheelchair and stretcher storage. Space(s) shall be provided for storing wheelchairs and stretchers out of traffic while patients are using the services. These spaces may be separate from the service area but must be conveniently located.

5.7.6.5 Housekeeping room. A conveniently accessible housekeeping room and service sink for housekeeping use shall be provided.

5.7.7 Support Areas for Staff

Each rehabilitation therapy department shall include the following, which may be shared or provided as separate units for each service:

5.7.7.1 Convenient access to toilets

5.7.7.2 Locking closets or cabinets shall be provided within the vicinity of each work area for securing staff personal effects.

5.7.8 Support Areas for Patients

Each rehabilitation therapy department shall include the following, which may be shared or provided as separate units for each service:

5.7.8.1 Patient waiting area(s). These shall be located out of traffic with provision for wheelchairs.

5.7.8.2 Patient toilets with hand-washing stations accessible to wheelchair patients.

5.8 Respiratory Therapy Service

The type and extent of respiratory therapy service in different institutions vary greatly. In some, therapy is delivered in large sophisticated units, centralized in a specific area; in others, basic services are provided only at patients' bedsides. If respiratory service is provided, the following elements shall be provided as a minimum, in addition to those elements stipulated in Sections 2.1-5.7.6.1 and 5.7.6.2 and 2.1-5.7.7.1 and 5.7.7.2:

5.8.1 Locations for Cough-Inducing and Aerosol-Generating Procedures

5.8.1.1 All cough-inducing procedures performed on patients who may have infectious *Mycobacterium tuberculosis* shall be performed in rooms using local exhaust ventilation devices (e.g., booths or special

enclosures that have discharge HEPA filters and exhaust directly to the outside).

5.8.1.2 If a ventilated booth is used, the air exchange rate within the booth shall be at least 12 air changes per hour, with a minimum exhaust flow rate of 50 cfm and differential pressure of 0.01" w.c. (2.5 Pa).

5.8.1.3 These procedures may also be performed in a room that meets the ventilation requirements for airborne infection control. See Table 2.1-2 for airborne infection isolation room ventilation requirements.

5.8.2 Outpatient Testing and Demonstration

If respiratory services such as testing and demonstration for outpatients are part of the program, additional facilities and equipment shall be provided as necessary for the appropriate function of the service, including but not limited to the following:

5.8.2.1 A reception and control station

5.8.2.2 Room(s) for patient education and demonstration

5.8.2.3 Patient waiting area with provision for wheelchairs

5.8.2.4 Patient toilets and hand-washing stations

5.8.3 Space and Utilities for Cleaning and Disinfecting Equipment

5.8.3.1 The space for receiving and cleaning soiled materials shall be physically separated from the space for storage of clean equipment and supplies.

5.8.3.2 Appropriate local exhaust ventilation shall be provided if glutaraldehyde or other noxious disinfectants are used in the cleaning process.

5.8.4 Storage for Equipment and Supplies

5.9 Renal Dialysis Unit (Acute and Chronic)

5.9.1 General

5.9.1.1 Functional program. Equipment and space shall be provided as necessary to meet the functional program, which may include treatment for acute (inpatient) and chronic cases, home treatment, and kidney dialyzer reuse facilities.

2.1 GENERAL HOSPITALS

5.11 Laboratory Suite

5.11.1 General

5.11.1.1 Type. Laboratory facilities shall be provided for the performance of tests in hematology, clinical chemistry, urinalysis, microbiology, anatomic pathology, cytology, and blood banking to meet the workload described in the functional program.

5.11.1.2 Location. Certain procedures may be performed on-site or provided through a contractual arrangement with a laboratory service acceptable to the authority having local jurisdiction.

- (1) Provisions shall be made for the following procedures to be performed on-site: blood counts, urinalysis, blood glucose, electrolytes, blood urea and nitrogen (BUN), coagulation, transfusions (type and cross-match capability), and stat gram stains.
- (2) Provisions shall be included for specimen collection and processing.

5.11.1.3 Equipment requirements. The functional program shall describe the type and location of all special equipment that is to be wired, plumbed, or plugged in, and the utilities required to operate each.

Note: Refer to NFPA code requirements applicable to hospital laboratories, including standards clarifying that hospital units do not necessarily have the same fire safety requirements as commercial chemical laboratories.

5.11.2 Facility Requirements

The following physical facilities shall be provided within the hospital:

5.11.2.1 Work areas

- (1) Laboratory work counter(s) with space for microscopes, appropriate chemical analyzer(s), incubator(s), centrifuge(s), biosafety hoods, etc. shall be provided.

- (2) Work areas shall include sinks with water and access to vacuum, gases, and air, and electrical services as needed.

5.11.2.2 Hand-washing stations. These shall be located within 25 feet (7.62 meters) of each workstation and within each room with a workstation.

5.11.2.3 Design considerations

- (1) Chemical safety provisions. These shall include emergency shower, eye-flushing devices, and appropriate storage for flammable liquids, etc.
- (2) Terminal sterilization provisions. Facilities and equipment shall be provided for terminal sterilization of contaminated specimens before transport (autoclave or electric oven). (Terminal sterilization is not required for specimens that are incinerated on-site.)
- (3) Radioactive material-handling provisions. If radioactive materials are employed, facilities for long-term storage and disposal of these materials shall be provided. No special provisions shall normally be required for body waste products from most patients receiving low-level isotope diagnostic material. Requirements of authorities having jurisdiction shall be verified.

5.11.2.4 Support areas for the laboratory suite

- (1) Administrative areas. These shall include offices as well as space for clerical work, filing, and record maintenance.
- (2) Refrigerated blood storage facilities. A refrigerator to store blood for transfusions shall be equipped with temperature-monitoring and alarm signals.
- * (3) Storage facilities for reagents, standards, supplies, and stained specimen microscope slides, etc. These shall include refrigeration. Such facilities shall conform to applicable NFPA standards.
- (4) A specimen collection facility. This facility may be located outside the laboratory suite.

APPENDIX

- (a) The blood collection area shall have a work counter, space for patient seating, and hand-washing stations.
- (b) The urine and feces collection facility shall be equipped with a water closet and hand-washing station.

5.11.2.5 Support areas for staff. Lounge, locker, and toilet facilities shall be conveniently located for male and female laboratory staff. Location of these areas outside the laboratory area and sharing of these areas with other departments shall be permitted.

5.12 Morgue

5.12.1 Location

These facilities shall be accessible through an exterior entrance and shall be located to avoid the need for transporting bodies through public areas.

*5.12.2 Autopsy Facilities

If autopsies are performed in the hospital, the following elements shall be provided:

5.12.2.1 Refrigerated facilities for body holding. Body-holding refrigerators shall be equipped with temperature-monitoring and alarm signals.

5.12.2.2 An autopsy room. This shall contain the following:

- (1) A work counter with a hand-washing station
- (2) A storage space for supplies, equipment, and specimens
- (3) An autopsy table
- (4) A deep sink for washing specimens

5.12.2.3 Housekeeping facilities. A housekeeping service sink or receptor shall be provided for cleanup and housekeeping.

5.12.3 Body-Holding Room

If autopsies are performed outside the facility, a well-ventilated, temperature-controlled body-holding room shall be provided.

6 Service Areas

6.1 Pharmacy

6.1.1 General

6.1.1.1 Functional program. The size and type of services to be provided in the pharmacy will depend upon the type of drug distribution system used, number of patients to be served, and extent of shared or purchased services. These factors shall be described in the functional program.

6.1.1.2 Location. The pharmacy room or suite shall be located for convenient access, staff control, and security.

6.1.1.3 Facility requirements

- (1) Facilities and equipment shall be as necessary to accommodate the functional program. (Satellite facilities, if provided, shall include those items required by the program.)
- (2) As a minimum, the following elements shall be provided:

6.1.2 Dispensing Facilities

6.1.2.1 A room or area for receiving, breakout, and inventory control of materials used in the pharmacy

6.1.2.2 Work counters and space for automated and manual dispensing activities

*6.1.2.3 An extemporaneous compounding area. This shall include a sink and sufficient counter space for drug preparation.

6.1.2.4 An area for reviewing and recording

6.1.2.5 An area for temporary storage, exchange, and restocking of carts

APPENDIX

A5.12.2 Autopsy rooms should be equipped with down draft local exhaust ventilation.

A6.1.2.3 Floor drainage may also be required, depending on the extent of compounding conducted.

serving the central service department, dietary facilities, and linen services. These facilities shall be permitted to be centralized or departmentalized.

6.6.2 Housekeeping Rooms

In addition to the housekeeping rooms required in certain departments, sufficient housekeeping rooms shall be provided throughout the facility to maintain a clean and sanitary environment.

6.6.2.1 Number. There shall not be fewer than one housekeeping room for each floor.

6.6.2.2 Facility requirements. Each shall contain a floor receptor or service sink and storage space for housekeeping equipment and supplies.

6.7 Engineering Services and Maintenance

6.7.1 General

Sufficient space shall be included in all mechanical and electrical equipment rooms for proper maintenance of equipment. Provisions shall also be made for removal and replacement of equipment. The following shall be provided:

6.7.2 Equipment Locations

Room(s) or separate building(s) shall be provided for boilers, mechanical, and electrical equipment, except:

6.7.2.1 Rooftop air conditioning and ventilation equipment installed in weatherproof housings

6.7.2.2 Standby generators where the engine and appropriate accessories (i.e., batteries) are properly heated and enclosed in a weatherproof housing

6.7.2.3 Cooling towers and heat rejection equipment

6.7.2.4 Electrical transformers and switchgear where required to serve the facility and where installed in a weatherproof housing

6.7.2.5 Medical gas parks and equipment

6.7.2.6 Air-cooled chillers where installed in a weatherproof housing

6.7.2.7 Trash compactors and incinerators

6.7.2.8 Site lighting, post indicator valves, and other equipment normally installed on the exterior of the building

6.7.3 Engineer's Office

This shall have file space and provisions for protected storage of facility drawings, records, manuals, etc.

6.7.4 General Maintenance Shop(s)

These shall be provided to accommodate repair and maintenance requirements.

6.7.5 Medical Equipment Shop

A separate area or room shall be provided specifically for storage, repair, and testing of electronic and other medical equipment. The amount of space and type of utilities will vary with the type of equipment involved and types of outside contracts used, as specified in the functional program.

6.7.6 Equipment and Supply Storage

6.7.6.1 Supply storage

- (1) A storage room shall be provided for building maintenance supplies.
- (2) Storage for solvents and flammable liquids shall comply with applicable NFPA codes.

6.7.6.2 Outdoor equipment storage. Yard equipment and supply storage areas shall be provided. These shall be located so that equipment may be moved directly to the exterior without interference with other work.

7 Administrative and Public Areas

7.1 Public Areas

The following shall be provided:

7.1.1 Entrance

This shall be at grade level, sheltered from inclement weather, and accessible to the disabled.

7.1.2 Lobby

This shall include:

- 7.1.2.1 A counter or desk for reception and information

IV.
Criterion 1110.234 - Project Scope, Utilization:
Project Services Utilization

This project, which proposes to construct a Medical Office Building (MOB) contiguous with and connected to the replacement St. Joseph's Hospital, includes both Clinical and Non-Clinical Service Areas.

St. Joseph's Hospital will lease space in the MOB for a number of Clinical Service Areas for outpatient care and Non-Clinical Service Areas for hospital support services.

The St. Joseph's Hospital Medical Office Building will include the following Clinical Service Areas.

- Diagnostic Imaging (Ultrasound, Mammography, Bone Density Scanning)
- Clinical Laboratories
- Clinical Reference Laboratory Offices
- Outpatient Rehabilitation (Physical Therapy, Occupational Therapy, Speech Therapy, Language Pathology)
- Audiology
- Cardiac Rehabilitation
- Geriatric Adult Day Psychiatric Program
- Neuro-Diagnostics

This project does not include any Clinical Service Areas that are Categories of Service.

The Illinois Health Facilities and Services Review Board (HFSRB) has not established utilization standards or occupancy standards for any of these Clinical Service Areas in 77 Ill. Adm. Code 1100.

The only Clinical Service Area included in this project for which the Illinois certificate of need (CON) Rules include State Guidelines (77 Ill. Adm. Code 1110.APPENDIX B) is Diagnostic Imaging, and there are State Guidelines for the Ultrasound and Mammography modalities, but not for Bone Density Testing. The projected utilization of these modalities will be presented in this Attachment as well as in Attachment 37.

There are no State Guidelines (77 Ill. Adm. Code 1110.APPENDIX B) for the balance of the Clinical Service Areas that are included in this project. These Clinical Service Areas are listed below.

- Clinical Laboratories
- Clinical Reference Laboratory Offices
- Outpatient Rehabilitation (Physical Therapy, Occupational Therapy, Speech Therapy, Language Pathology)
- Audiology
- Cardiac Rehabilitation
- Geriatric Adult Day Psychiatric Program
- Neuro-Diagnostics

The chart below identifies the State Guidelines for the Ultrasound and Mammography modalities of Diagnostic Imaging.

| <u>CLINICAL SERVICE AREA</u> | <u>STATE GUIDELINE</u> |
|------------------------------|------------------------|
| <u>Diagnostic Imaging</u> | |
| Ultrasound | 3,100 Visits per Unit |
| Mammography | 5,000 Visits per Unit |

Projected utilization for the first 2 years of operation for the modalities of the Diagnostic Imaging Clinical Service Area for which there are State Guidelines are found below.

| <u>CLINICAL SERVICE AREA</u> | <u>HISTORIC UTILIZATION</u> | <u>PROJECTED UTILIZATION</u> | | <u>STATE STANDARD</u> | <u>MET STANDARD IN YEAR 2?</u> |
|------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|--------------------------|--------------------------------|
| | <u>CY2010</u> | <u>YEAR 1 FY2015</u> | <u>YEAR 2 FY2016</u> | | |
| <u>Diagnostic Imaging</u> | | | | | |
| Ultrasound Visits | 1,819 outpatient Exams/ Visits | 2,275 outpatient Exams/Visits | 2,320 outpatient Exams/Visits | 3,100 Visits per Unit | Yes |
| Mammography | 1,725 Exams/Visits | 1,866 Exams/Visits | 1,884 Exams/Visits | 5,000 Visits per Unit | Yes |

The number of key rooms proposed for each modality of the Diagnostic Imaging Clinical Service Area for which there are State Guidelines is presented below.

| <u>CLINICAL SERVICE AREA</u> | <u>STATE GUIDELINE (UNITS/ROOM)</u> | <u>PROJECTED YEAR 2 (FY2016) VOLUME</u> | <u>TOTAL PROPOSED BEDS/ ROOMS</u> |
|------------------------------|-------------------------------------|---|-----------------------------------|
| <u>Diagnostic Imaging</u> | | | |
| Ultrasound | 3,100 Visits per Unit | 2,320 outpatient Exams/Visits | 1 |
| Mammography | 5,000 Visits per Unit | 1,884 Exams/Visits | 1 |

The assumptions underlying the projected utilization for the modalities of Diagnostic Imaging, the only Clinical Service Area for which State Guidelines regarding utilization exist, are presented below and in Attachment 37.

Diagnostic Imaging: Ultrasound

The projected number of outpatient Ultrasound exams/visits will increase from 1,819 in CY2010 to 2,275 in FY2015 and 2,320 in FY2016.

The projected number of Ultrasound exams/visits was determined based upon the following assumptions.

1. Only outpatient procedures will be able to be performed in the MOB.
2. An increased number of outpatient Ultrasound exams/visits are anticipated because of the increased number of full-time primary care physicians that will practice exclusively on St. Joseph's Hospital's medical staff.

Diagnostic Imaging: Mammography

The projected number of Mammography exams/visits will increase from 1,725 in CY2010 to 1,866 in FY2015 and 1,884 in FY2016.

The projected number of Mammography exams/visits was determined based upon the following assumptions.

1. Mammography procedures will continue to be performed only on outpatients.
2. An increased number of Mammography referrals are anticipated because of the increased number of full-time primary care physicians that will practice exclusively on St. Joseph's Hospital's medical staff.

VII.R.3.(b)

Service Specific Review Criteria: Clinical Service Areas Other than Categories of Service:

Medical Office Building

This project proposes to construct a Medical Office Building (MOB) contiguous with and connected to the replacement St. Joseph's Hospital. St. Joseph's Hospital will lease space in this MOB for a number of Clinical Service Areas for outpatient care and Laboratory processing as well as for Non-Clinical Service Areas for hospital support services. Some of the space being leased in the MOB will be used for departments required for hospital licensure, as specified in 77 Ill. Adm. Code 250.

The St. Joseph's Hospital Medical Office Building will include the following Clinical Service Areas that are not Categories of Service.

- Diagnostic Imaging (Ultrasound, Mammography, Bone Density Testing)
- Clinical Laboratories
- Clinical Reference Laboratory Offices
- Outpatient Rehabilitation (Physical Therapy, Occupational Therapy, Speech Therapy, Language Pathology)
- Audiology
- Cardiac Rehabilitation
- Geriatric Adult Day Psychiatric Program
- Neuro-Diagnostics

The only Clinical Service Area included in this project for which the Illinois certificate of need (CON) Rules include State Guidelines (77 Ill. Adm. Code 1110.APPENDIX B) is Diagnostic Imaging, and there are State Guidelines for the Ultrasound and Mammography modalities, but not for Bone Density Testing.

There are no State guidelines (77 Ill. Adm. Code 1110.APPENDIX B) for the balance of the Clinical Service Areas that are included in this project. These Clinical Service Areas are listed below.

- Clinical Laboratories
- Clinical Reference Laboratory Offices
- Outpatient Rehabilitation (Physical Therapy, Occupational Therapy, Speech Therapy, Language Pathology)
- Audiology
- Cardiac Rehabilitation
- Geriatric Adult Day Psychiatric Program
- Neuro-Diagnostics

All of these Clinical Service Areas are necessary to provide care to outpatients served by St. Joseph's Hospital.

In addition, the Clinical Laboratories as well as some of the Non-Clinical Service Areas that will be located in space that St. Joseph's Hospital will lease in the MOB are required for hospital licensure, as identified in 77 Ill. Adm. Code 250 (Illinois Hospital Licensing Requirements).

1. Criterion 1110.3030.(b)(1) - Service to the Planning Area Residents

- A. The primary purpose of this project is to serve residents of Planning Area F-01, the planning area in which St. Joseph's Hospital is currently located and the planning area in which the replacement hospital and the MOB will be located.

This will be accomplished by constructing an MOB contiguous with and connected to the replacement St. Joseph's Hospital on a site that is 1.2 miles away from its current location in Highland.

St. Joseph's Hospital has served Highland and nearby communities for more than 130 years since it was established in 1878.

This project is needed to deliver accessible, quality outpatient medical services and Laboratory processing as well as to provide support space for some of the replacement hospital's support services in contemporary facilities.

As is the case with St. Joseph's Hospital, the St. Joseph's Hospital Medical Office Building will be located in state-designated Planning Area F-01, which is comprised of Madison and St. Clair Counties, 12 townships in Clinton County, and 14 precincts in Monroe County.

Patient origin data for St. Joseph's Hospital's outpatients during CY2010 are found in Attachment 12. The chart on Page 25 of Attachment 12 demonstrates that nearly 87% of St. Joseph's Hospital's outpatients reside in Planning Area F-1, the planning area in which both the current and proposed hospitals are located, indicating that the proposed MOB will continue serving these patients.

The patient origin data on Page 26 of Attachment 12 demonstrate that the market area for St. Joseph's Hospital Medical Office Building consists of Highland, the town in which the existing and replacement hospital are both located, as well as nearby towns that are located in Planning Area F-01 and adjacent Planning Areas.

The market area for the clinical services that will be located in St. Joseph's Hospital Medical Office Building consists of the following zip

codes, which constitute St. Joseph's Hospital's primary and secondary service areas.

Primary Service Area

62249 Highland

Highland is the town in which the MOB as well as the existing and replacement hospitals are located, and 62249 is the zip code in which 64% of St. Joseph's Hospital's CY2010 outpatients reside. It is within the State-Designated Planning Area F-01.

Secondary Service Area

62275 Pocahontas
62001 Alhambra
62293 Trenton
62061 Marine
62281 Saint Jacob
62273 Pierron
62246 Greenville
62230 Breese
62294 Troy
62074 New Douglas

An additional 27% of St. Joseph's Hospital's CY2010 outpatients (9,449 patients) reside in the zip codes that comprise the secondary service area. The majority of these patients (5,527 outpatients, 58%) reside in Planning Area F-01.

During CY2010, 92% of St. Joseph's Hospital's outpatients resided within St. Joseph's Hospital's market area, with more than 80% of the residents of St. Joseph's Hospital's market area residing in Planning Area F-01, the state-designated planning area in which the hospital is located.

This project is needed to serve residents of Planning Area F-01, as discussed below and in Attachment 12.

- The federal government's designation of St. Joseph's Hospital as a Critical Access Hospital, effective on June 1, 2004, makes it a necessary provider of health services in Madison County.

The MOB will include a number of St. Joseph's Hospital's Clinical Service Areas that serve outpatients and provide Laboratory processing as well as Non-Clinical Service Areas that provide support services for the hospital.

- The Illinois Department of Public Health designated St. Joseph's Hospital as a "necessary provider of health services" on September 18, 2003, "as determined by its location in a rural census tract of a Metropolitan Statistical Area and current classification as a rural facility. That designation was reaffirmed on July 15, 2011.
- Madison County, the county in which St. Joseph's Hospital is located, which is located in Planning Area F-01, had a larger proportion (14.0%) of residents 65 years of age and older than the state's proportion (12.1%) of residents of that same age group in 2009.
- Many of the patients that are served at St. John's Hospital are low-income and otherwise vulnerable, as documented by their residing in Health Professional Shortage Areas.

There are a number of federally-designated Health Professional Shortage Areas in St. Joseph's Hospital's Primary and Secondary Service Areas with Planning Area F-01, as discussed in Attachment 12.

Health Professional Shortage Areas are designated by the federal government because they have a shortage of primary medical care, dental, or mental health providers (<http://bhpr.hrsa.gov/shortage/> Health Resources and Services Administration, U.S. Department of Health and Human Services).

The federal government designated Madison County as a low income population Health Professional Shortage Area in 2003, and the county continues to be a low income population Health Professional Shortage Area for Primary Medical Care.

The federal government has designated the Highland Service Area in Madison County, the county in which St. Joseph's Hospital is located, as a Health Professional Shortage Area (HPSA) for Primary Medical Care.

There is currently a need for additional primary medical care health professionals in the Highland Service Area, which includes Saline and Helvetia Townships, the townships in which St. Joseph's Hospital and the town of Highland are located. Although the replacement hospital will be located only 1.2 miles from the existing hospital, the 2 hospital sites

are located in different townships. The site of the replacement hospital is in Saline Township, while the existing hospital is located in Helvetia Township.

Documentation of these Health Manpower Shortage Areas by township is found in Attachment 12.

The federal government has identified Saline and Helvetia Townships in the Highland Service Area as HPSAs that qualify for Medicare Physician bonus payments.

This designation means that Medicare makes bonus payments to physicians who provide medical care services in the Highland Service Area.

Documentation of this designation and eligibility is found in Attachment 12.

The federal government has designated all of Clinton County as a Health Professional Shortage Area (HPSA), which means that there is currently a need for additional primary care health professionals in Clinton County. Clinton County includes a number of townships that are located in Planning Area F-01 and includes 2 zip codes in St. Joseph's Hospital's Secondary Service Area.

There is currently a need for additional primary medical care health professionals in Clinton County.

Documentation of this designation is found in Attachment 12.

This project will have a positive impact on essential safety net services in Planning Area F-01 and the market area for St. Joseph's Hospital because the space leased by St. Joseph's Hospital in the new MOB will enhance its ability to provide care to outpatients and to process Laboratory specimens in a contemporary environment. A significant percentage of St. Joseph's patients are elderly and/or low-income, uninsured, and otherwise vulnerable.

- B. St. Joseph's Hospital's sole purpose in leasing space in the St. Joseph's Hospital Medical Office Building is to provide space for Clinical Service Areas that serve outpatients and provide Laboratory processing as well as for Non-Clinical Service Areas that provide support services for the hospital.

Because these Service Areas do not need to be located in a hospital building, they can be constructed at less cost in a building that is designed to meet business occupancy standards.

Because the Clinical Service Areas that will be located in the MOB are currently existing departments, the projected utilization for each Clinical Service Area is based upon historic utilization and adjusted to reflect the projected population growth for the market area between 2010 and 2015 as well as the projected aging of the market area between 2010 and 2015, both of which have been estimated by Claritas in their 2010 updates.

This project proposes to replace the outpatient services and Laboratory Department in St. Joseph's Hospital's existing Clinical Service Areas because these Clinical Service Areas are needed for the diagnosis and treatment of the hospital's outpatients.

The replacement of these Clinical Service Areas is justified by St. Joseph's Hospital's designation as a Critical Access Hospital and as a "necessary provider of health services." This designation is the reason for the establishment of the replacement hospital, which is presented in a separate CON application that is being submitted at the same time as this CON application.

The replacement of St. Joseph's Hospital and the construction of the St. Joseph's Hospital Medical Office Building will provide services that improve the health care of the hospital's market area for the following reasons.

- These CON projects are solely for the purpose of replacing an existing Critical Access Hospital that will include only the services currently provided at the existing hospital, with the exception of the discontinuation of the Pediatric and Intensive Care Categories of Service.
- When these CON projects are completed, the replacement St. Joseph's Hospital and the Clinical Service Areas at the St. Joseph's Hospital Medical Office Building will provide care to the same patients currently receiving care at the hospital, including those currently receiving care in Pediatric and Intensive Care beds who will be cared for in the Medical/Surgical Unit;
- These CON projects will be sized to accommodate St. Joseph's Hospital's projected utilization in all services (including those ancillary services that are not categories of service) during the

second full fiscal year of operation of both the hospital and the MOB.

This Attachment includes projected utilization for Fiscal Years 2015 and 2016 for the Clinical Service Areas that are not Categories of Service that will be located in the MOB that are identified in 77 Ill. Adm. Code 1110.3030(a)(1). Fiscal Years 2015 and 2016 are the first two complete fiscal years of operation of the St. Joseph's Hospital Medical Office Building as well as St. Joseph's Hospital in their new location.

Ultrasound and Mammography, which are the only modalities of the sole Clinical Service that is not a Category of Service for which State Guidelines exist (77 Ill. Adm. Code 1110.APPENDIX B), are projected to meet the State Guidelines for utilization by the second complete fiscal year of operation.

2.A. Criterion 1110.3030.(b)(2)(A) Service Demand - Referrals from Inpatient Base

The proposed Clinical Service Areas are needed to provide care for their historic workloads based on historic utilization as well as to accommodate increased utilization that is expected to occur because of the projected increase in the population and the aging of St. Joseph's Hospital's market area, based on 2010 population projections issued by Claritas.

Although this Rule states that this justification of Service Demand is for the justification of Clinical Service Areas "that will serve as a support or adjunct service to existing inpatient services," this review criterion is applicable to this project. That is because, as stated above, the purpose of this project is to provide facilities for outpatients who are currently receiving care in the existing St. Joseph's Hospital by relocating these departments to the MOB. In addition, the Clinical Laboratories for the hospital will be located in the MOB.

The CY2010 volume as well as the projected volume for each of the Clinical Service Areas that are not Categories of Service that are identified in 77 Ill. Adm. Code 1110.3030(a)(1) is presented on the following page.

| <u>Service</u> | <u>State Guideline units/room</u> | <u>FY2016 Volume (2nd full year of operation)</u> | <u>Total Rooms Justified</u> | <u>Total Proposed Rooms</u> |
|--------------------------|-----------------------------------|--|---|-----------------------------|
| Diagnostic Imaging | | | | |
| Ultrasound | 3,100 Visits per Unit | 2,320 outpatient Exams/ Visits | 1 | 1 |
| Mammography | 5,000 Visits per Unit | 1,884 outpatient Exams/ Visits | 1 | 1 |
| Bone Density Testing | N/A | 332 outpatient Exams/ Visits | N/A | 1 |
| TOTAL Diagnostic Imaging | | | 2 units + 3 rd unit not subject to Guideline | 3 |
| Clinical Laboratories | N/A | 367,308 | N/A | N/A |
| Physical Therapy | N/A | 19,848 outpatients | N/A | N/A |
| Occupational Therapy | N/A | 1,776 outpatients | N/A | N/A |

*N/A refers to there being no State Norm for number of rooms

The assumptions underlying the utilization for the Ultrasound and Mammography modalities of Diagnostic Imaging, the only Clinical Service Area for which State Guidelines regarding utilization exist, are presented below and in Attachment 15.

Diagnostic Imaging: Ultrasound

The projected number of outpatient Ultrasound exams/visits will increase from 1,819 in CY2010 to 2,275 in FY2015 and 2,320 in FY2016.

The projected number of Ultrasound exams/visits was determined based upon the following assumptions.

- 1) Only outpatient procedures will be performed in the MOB.
- 2). An increased number of outpatient Ultrasound exams/visits are anticipated because of the increased number of full-time primary care physicians that will practice exclusively on St. Joseph's Hospital's medical staff.

Diagnostic Imaging: Mammography

The projected number of Mammography exams/visits will increase from 1,725 in CY2010 to 1,866 in FY2015 and 1,884 in FY2016.

The projected number of Mammography exams/visits was determined based upon the following assumptions.

- 1) Mammography procedures will continue to be performed only on outpatients.
- 2) An increased number of Mammography referrals are anticipated because of the increased number of full-time primary care physicians that will practice exclusively on St. Joseph's Hospital's medical staff.

3. Criterion 1110.3030.(b)(3) - Impact of the Proposed Project on Other Area Providers

This project will not have any impact on other area providers, regardless of whether they meet the utilization standards specified in 77 Ill. Adm. Code 1110.APPENDIX B or whether they are currently operating below the utilization standards.

That is because the sole purpose of this project is to replace a number of existing Clinical Service Areas at St. Joseph's Hospital in an MOB that will be constructed contiguous with and connected to the replacement hospital. The replacement hospital will continue to be a Critical Access Hospital, designated by the Illinois Department of Public Health as a "necessary provider of health services." The replacement St. Joseph's Hospital will still be located in Highland, within the same State-designated planning area (P.A. F-01), and it will have the same market area as it has in its current location.

Within 24 months after project completion, the Clinical Service Areas in the St. Joseph's Hospital Medical Office Building will not do either of the following.

- Lower the utilization of other area providers below the utilization standards specified in 77 Ill. Adm. Code 1100.520.(c) or 1110.Appendix B.
- Lower, to a further extent, the utilization of other area providers that are currently (during the latest 12-month period) operating below the utilization standards.

4. Utilization

The proposed number of key rooms for all Clinical Service Areas included in this project for which State Guidelines exist is within the State Guidelines (77 Ill. Adm. Code 1110.APPENDIX B).

In addition, the square footage proposed for Diagnostic Imaging, the only Clinical Service Area for which State Guidelines exist, which is shown below, is within the State Guidelines (77 Ill. Adm. Code 1110.APPENDIX B).

| <u>Service</u> | <u>State Guideline DGSF/room or unit</u> | <u>Total DGSF Justified per program</u> | <u>Total Proposed DGSF</u> |
|--------------------------|--|---|----------------------------|
| Diagnostic Imaging | | | |
| Ultrasound | 900 DGSF/Unit | 900 | |
| Mammography | 900 DGSF/Unit | 900 | |
| Bone Density Testing | N/A | N/A | |
| TOTAL Diagnostic Imaging | | 1,800 for 2 Units + 3 rd Unit not subject to Guideline | 1,450 for all 3 Units |

| <u>CLINICAL SERVICE AREAS</u> | <u>PROPOSED DGSF</u> | <u>STATE STANDARD</u> | <u>DIFFERENCE</u> | <u>MET STANDARD?</u> |
|-------------------------------|----------------------|---|------------------------------|----------------------|
| Ultrasound | See Total | 900 for 1 Unit | See Total | See Total |
| Mammography | for | 900 for 1 Unit | for | for |
| Bone Density Testing | Diagnostic Imaging | N/A | Diagnostic Imaging | Diagnostic Imaging |
| TOTAL | 1,450 for 3 Units | 1,800 for 2 Units + 3 rd Unit not subject to Guideline | under by 350 for all 3 Units | Yes |

PROOF OF "AA-" BOND RATING

ATTACHMENTS 39-41

FITCH AFFIRMS HOSPITAL SISTERS SERVICES, INC., IL'S OUTSTANDING BONDS AT 'AA-/F1+'; OUTLOOK STABLE

Fitch Ratings-Chicago-08 March 2011: As part of its ongoing surveillance review process, Fitch Ratings has affirmed the 'AA-' rating on approximately \$346.9 million Illinois Finance Authority and approximately \$205.3 million Wisconsin Health and Educational Facilities Authority revenue bonds issued on behalf of Hospital Sisters Services, Inc (HSSI). In addition, Fitch affirms the 'F1+' short-term rating on approximately \$87.3 million Wisconsin Health and Educational Facilities Authority series 2003B and series 2008B revenue bonds and approximately \$108.9 million Illinois Finance Authority series 2008A revenue bonds based on the sufficiency of internal liquidity provided by HSSI.

The Rating Outlook is Stable.

RATING RATIONALE:

--The 'AA-' rating reflects HSSI's robust liquidity position, which provides a strong financial cushion against marginal operating performance and the risks associated with its variable rate debt exposure.

--Operating profitability was depressed in fiscal 2010 and through the six-month interim period ended Dec. 31, due to the corporation's heavy investment in physician practices and physician alignment strategies.

--HSSI's light debt burden combined with investment income generated from its sizable balance sheet has allowed for solid historical debt service coverage even with modest operating profitability, however, coverage by operating EBITDA is adequate.

--The credit concerns remain HSSI's location in mid-sized markets with stagnant growth, the concentration of system revenue at St. John's, the flagship hospital in Springfield, and its reliance on its five Wisconsin hospitals to cover losses at four of its eight Illinois facilities.

KEY RATING DRIVERS:

--Maintain robust liquidity position while physician acquisitions and additions are integrated into the system.

--Realization of benefits related to its employed physician strategy and continuation of operational improvement initiatives including supply chain, labor productivity, and revenue cycle management.

SECURITY:

A pledge of gross receipts of HSSI.

CREDIT SUMMARY:

The 'AA-' rating reflects the benefits of HSSI's robust balance sheet and light debt burden, adequate historical profitability and solid debt service coverage by EBITDA. Liquidity indicators are strong and are considered a primary credit strength. At Dec. 31, 2010, HSSI's unrestricted cash and investments totaled \$1.34 billion, which translates into 269.4 days cash on hand (DCOH), a cushion ratio 38.2 times (x) and cash-to-debt of 236%; all of which well exceed Fitch's respective 'AA' category medians of 214.7 DCOH, 19.6x and 149.9%. HSSI's debt burden is modest as maximum annual debt service (MADS) represents a light 1.7% of revenue and debt to capitalization of 22.7%, which both compare favorably to Fitch's 'AA' medians of 2.6% and 34%, respectively.

Operating profitability declined in fiscal 2010 as weaker volumes and the increased costs related to HSSI's investment in physician practices weakened system financial performance. Inpatient admissions declined 4.8% in fiscal 2010 while surgical volumes were virtually flat from the prior year. During fiscal 2010, HSSI increased the number of employed physician full time equivalents (FTEs) from 63 to 156 by year end. Through the six month interim period ended Dec. 31, 2010, an additional 50 physician FTEs have been added. Along with the acquisition of established physician practices, HSSI has many newly recruited physicians, which requires start up costs. While the

investment in physicians' practices is expected to depress profitability in fiscal 2011, Fitch believes HSSI's physician alignment strategy is critical to protecting its market position in its service areas.

In fiscal 2010, HSSI produced \$42.6 million in savings from system-wide initiatives including supply chain management, labor cost management and revenue cycle initiatives and is projecting \$62.5 million in savings in fiscal 2011. Despite this, HSSI's operating and operating EBIDTA margins were 0.9% and 7.2% on total revenues of \$1.89 billion, below the 'AA' category median of 3.7% and 10.3%, respectively and down from fiscal 2009 results. In addition, without provider tax revenue (\$20 million), HSSI would have had unprofitable operations in fiscal 2010. Due to HSSI's continued physician investment, fiscal 2011 operating income is budgeted to be \$16.5 million and performance through the six months ended Dec. 31, 2010 was -\$13.7 million operating income and -1.4% operating margin.

Credit concerns continue to be HSSI's location in mid-sized markets with little projected population growth, the concentration of system revenue at one facility, and its reliance on its Wisconsin operations to cover losses at its Illinois facilities. The continued operating losses reported at St. John's-Springfield, which accounted for about 22% of total system revenues in fiscal 2010, are troubling. St. John's has recorded losses from operations over the last three years averaging about \$16.1 million per year, and is projected to lose another \$25 million in fiscal 2011. However, HSSI has an operating improvement plan currently under way at the facility, including an extensive project to rebuild surgery and four patient floors, which is expected to result in breakeven operations by fiscal 2015. The financial health of St. John's is critical to the overall operating success of the system. Historically, HSSI's more profitable Wisconsin operations have offset the weaker performance of the Illinois facilities. Any deleterious change to the Wisconsin healthcare operating environment would likely place pressure on HSSI's already low operating margins and be a negative credit factor.

The 'F1+' short-term rating reflects the sufficiency of HSSI's cash and investments available to fund the series 2008A&B and series 2003B bonds while in a unit pricing (commercial paper) mode. At Jan. 31, 2011, after assigning appropriate discounts based on underlying ratings and maturity of its holdings (per Fitch's rating criteria related to self liquidity [see Fitch's report 'Criteria for Assigning Short-Term Ratings Based on Internal Liquidity' dated Dec. 29, 2009]), HSSI had liquid cash and fixed income investments of approximately \$652.8 million. Based on Fitch's criteria, HSSI's eligible cash and investments would cover the entire cost of any un-remarketed roll over of the series 2008 A&B bonds and 2003B bonds while in a unit pricing mode by at least 3.4x, well above the required threshold of 1.25x to achieve the 'F1+' short-term rating. The system has written procedures in place to ensure payment on the series 2008A&B and 2003B bonds and provides Fitch monthly investment reports which are used to monitor its cash and investment position available for self liquidity.

The Stable Outlook reflects the system's significant balance sheet strength and the strategies in place to create sustained operating improvements, including a physician alignment strategy. Although Fitch is tolerant of the temporary decline in operating profitability due to the investment in its physician practice strategy, a prolonged period of poor operations could pressure the rating.

HSSI is composed of 13 inpatient hospitals, with eight facilities in Illinois and five facilities in Wisconsin. In fiscal 2010, the system had 2,041 beds in operation and net patient revenue of \$1.82 billion. HSSI covenants to provide bondholders with audited annual information within 120 days of fiscal year-end and unaudited quarterly statements within 45 days of quarter-end to the national recognized municipal securities information repositories and through Digital Assurance Certification, L.L.C. The content of HSSI's disclosure to-date has been excellent and includes a balance sheet, income statement, cash flow statement, utilization statistics, and management discussion and analysis.

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In addition to the sources of information identified in the U.S. Municipal Revenue-Supported Rating Criteria, this action was additionally informed by information from the Underwriter and HSSI.

Applicable Criteria and Related Research:

- 'Revenue-Supported Rating Criteria', dated Oct. 8, 2010;
- 'Nonprofit Hospitals and Health Systems Rating Criteria', dated Dec. 29, 2009;
- 'Criteria for Assigning Short-Term Ratings Based on Internal Liquidity', dated Dec. 29, 2009.

For information on Build America Bonds, visit www.fitchratings.com/BABs.

Applicable Criteria and Related Research:

Revenue-Supported Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=564565

Nonprofit Hospitals and Health Systems Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=493186

Criteria for Assigning Short-Term Ratings Based on Internal Liquidity

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=493176

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CONDITIONS OF DEBT FINANCING

ATTACHMENT-42

X.B.

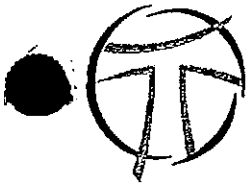
1120.140 - Economic Feasibility: Conditions of Debt Financing

This project will be owned by a third party developer unrelated to a health care facility who is not a co-applicant for this CON permit.

The co-applicants for this project are St. Joseph's Hospital, Hospital Sisters Services, Inc. (HSSI), and Hospital Sisters Health System.

St. Joseph's Hospital, which is part of the HSSI obligated group, will use debt financing of \$4,127,353 to fund its share of this project.

As noted in the certification that appears on the next page, the selected form of debt financing for this project will be selected based upon the lowest net cost available.



St. Joseph's
HOSPITAL

October 17, 2011

Re: St. Joseph's Hospital
Hospital Sisters Services, Inc.
Hospital Sisters Health System

The undersigned, as authorized representatives of St. Joseph's Hospital, Hospital Sisters Services, Inc., and Hospital Sisters Health System, in accordance with 77 Ill. Adm. Code 1120.310.b. and the requirements of Section XXVI.B. of the CON Application for Permit, hereby attest to the following:

The selected form of debt financing for this project will be an equivalent tax exempt rate via a direct loan from a tier 1 bank, an issuance of revenue bonds using a state authority providing tax exemption status, or a combination of both.

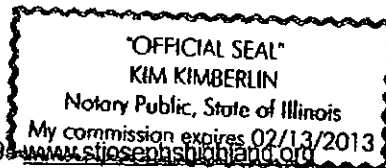
The selected forms of debt financing for this project will be at the lowest net cost available to the co-applicants, all within the AA-rated Obligated Group under its Master Trust Indenture. The co-applicants will optimize the debt structure based upon the market conditions for issuing debt as the transaction nears completion. The co-applicant currently has four proposals from tier 1 banks for a term of three years.

Signed and dated as of October 17, 2011.

St. Joseph's Hospital of the Hospital Sisters of the Third Order of St. Francis
Hospital Sisters Services, Inc.
Hospital Sisters Health System
Illinois Not-for-Profit Corporations

By: *Peggy A. Sebastian*
Its: President & CEO

Kim Kimberlin
10-17-2011



1515 Main Street · Highland, Illinois 62249-www.stjosephshospital.org

CHARITY CARE INFORMATION

ATTACHMENT-44

XII.
Charity Care Information

1. The amount of charity care for the last 3 audited fiscal years for St. Joseph's Hospital, the cost of charity care, and the ratio of that charity care cost to net patient revenue are presented below.

ST. JOSEPH'S HOSPITAL

| | FY2008 | FY2009 | FY2010 |
|---|--------------|--------------|--------------|
| Net Patient Revenue | \$21,247,127 | \$22,489,957 | \$23,730,968 |
| Amount of Charity Care (charges) | \$ 528,869 | \$ 453,247 | \$ 516,388 |
| Cost of Charity Care | \$ 262,424 | \$ 238,951 | \$259,804 |
| Ratio of Charity Care to Net Patient Revenue (Based on Charges) | 2.49% | 2.02% | 2.18% |
| Ratio of Charity Care to Net Patient Revenue (Based on Costs) | 1.24% | 1.06% | 1.09% |

2. This chart reports data for St. Joseph's Hospital, which is a member of Hospital Sisters Health System. The charity costs and patient revenue are not consolidated.
3. Because St. Joseph's Hospital is an existing facility, the data are reported for the latest three audited fiscal years.