

RECEIVED

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

APPLICATION FOR PERMIT- May 2010 Edition

MAY 01 2012

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT****SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**

This Section must be completed for all projects.

ORIGINAL

12-044

Facility/Project Identification

Facility Name: Mercer County Hospital		
Street Address: 409 NW Ninth Avenue		
City and Zip Code: Aledo 61231		
County: Mercer	Health Service Area 10	Health Planning Area: C-05

Applicant /Co-Applicant Identification

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

Exact Legal Name: County of Mercer Hospital d/b/a Mercer County Hospital
Address: 409 NW Ninth Avenue
Name of Registered Agent: Not applicable (governmental entity)
Name of Chief Executive Officer: Edward Rogalski
CEO Address: 409 NW Ninth Ave., Aledo, Illinois 61231
Telephone Number: (309) 582-3700

Type of Ownership of Applicant/Co-Applicant Please see Attachment -1.

☐ Non-profit Corporation	☐ Partnership
☐ For-profit Corporation	☒ Governmental
☐ Limited Liability Company	☐ Sole Proprietorship
☐ 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: Sam Vinson
Title: Attorney
Company Name: Ungaretti & Harris, LLP
Address: 70 W. Madison, Suite 3500
Telephone Number: (312) 977-4388
E-mail Address: svinson@uhlaw.com
Fax Number: (312) 977-4405

Additional Contact

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

Name: Valerie Breslin Montague
Title: Attorney
Company Name: Ungaretti & Harris, LLP
Address: 70 W. Madison, Suite 3500
Telephone Number: (312) 977-4485
E-mail Address: vbmontague@uhlaw.com
Fax Number: (312) 977-4405

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Mercer County Hospital		
Street Address: 409 NW Ninth Avenue		
City and Zip Code: Aledo 61231		
County: Mercer	Health Service Area 10	Health Planning Area: C-05

Applicant /Co-Applicant Identification

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

Exact Legal Name: Mercer County Board	
Address: 100 Southeast 3rd Street	
Name of Registered Agent: Not applicable (governmental entity)	
Name of Chief Executive Officer: Maxine Henry	
CEO Address: 100 Southeast 3rd Street	
Telephone Number: (309) 582-2138	

Type of Ownership of Applicant/Co-Applicant Please see Attachment -1.

☐ Non-profit Corporation ☐ For-profit Corporation ☐ Limited Liability Company	☐ Partnership ☒ Governmental ☐ Sole Proprietorship
☐ Other	
- o Corporations and limited liability companies must provide an Illinois certificate of good standing. - o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.	
APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Primary Contact

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

Name: Sam Vinson
Title: Attorney
Company Name: Ungaretti & Harris, LLP
Address: 70 W. Madison, Suite 3500
Telephone Number: (312) 977-4388
E-mail Address: svinson@uhlau.com
Fax Number: (312) 977-4405

Additional Contact

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

Name: Valerie Breslin Montague
Title: Attorney
Company Name: Ungaretti & Harris, LLP
Address: 70 W. Madison, Suite 3500
Telephone Number: (312) 977-4485
E-mail Address: vbmontague@uhlau.com
Fax Number: (312) 977-4405

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: Edward Rogalski
Title: Administrator/Chief Executive Officer
Company Name: Mercer County Hospital
Address: 409 NW Ninth Ave., Aledo, Illinois 61231
Telephone Number: (309) 582-3700
E-mail Address: Rogalski@genesishhealth.com
Fax Number: (312) 977-4405

Site Ownership Please see Attachment -2.

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: County of Mercer
Address of Site Owner: 409 NW Ninth Ave., Aledo, Illinois 61231
Street Address or Legal Description of Site: 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: County of Mercer Hospital d/b/a Mercer County Hospital									
Address: 409 NW Ninth Ave., Aledo, Illinois 61231									
<table border="0"> <tr> <td>☐ Non-profit Corporation</td> <td>☐ Partnership</td> <td></td> </tr> <tr> <td>☐ For-profit Corporation</td> <td>☒ Governmental</td> <td></td> </tr> <tr> <td>☐ Limited Liability Company</td> <td>☐ Sole Proprietorship</td> <td>☐ Other</td> </tr> </table> ☐ 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. ☐ Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	☐ Non-profit Corporation	☐ Partnership		☐ For-profit Corporation	☒ Governmental		☐ Limited Liability Company	☐ Sole Proprietorship	☐ Other
☐ Non-profit Corporation	☐ Partnership								
☐ For-profit Corporation	☒ Governmental								
☐ Limited Liability Company	☐ Sole Proprietorship	☐ Other							
APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.									

Organizational Relationships Please see Attachment -4 for both applicant and co-applicant.

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.

Flood Plain Requirements Not applicable: Project does not involve construction

(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 Not applicable: Project could not affect historic resources

(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.

The Applicant is County of Mercer Hospital d/b/a Mercer County Hospital in Aledo, Illinois. Mercer County Hospital ("Hospital" or "Facility") is a 22-bed critical access hospital that is currently owned by Mercer County. The Applicant is applying for a certificate of need ("CON") to formally discontinue its 3-bed intensive care unit ("ICU") category of service and its 14-bed long term care ("LTC") category of service, pursuant to guidance from Alexis Kendrick, Compliance Manager with the Illinois Health Facilities and Services Review Board ("Board"), in correspondence to Sam Vinson dated April 6, 2012 and attached herein at Addendum 1.

As further discussed in correspondence from Sam Vinson to the Board dated April 4, 2012 and attached herein at Addendum 2, in 2008, the Hospital applied to the Board for a CON permit to modernize its facility, as well as discontinue its 3-bed ICU category of service and its 14-bed LTC category of service. The Board approved the CON permit in January 2009.

After obtaining a CON permit, the Hospital discontinued its ICU and LTC categories of service. The Hospital stopped staffing these beds, stopped purchasing necessary equipment and supplies for these ICU and LTC services, and engaged in all of the other actions customary when terminating lines of service. For example, with respect to the ICU category of service, the former ICU space, which was outdated at the time of discontinuance, was remodeled and converted to office space for a podiatrist, as well as space for nuclear studies. The unit's "headwalls," which delivered the oxygen, suction and gasses, are no longer operational. The monitoring equipment, which also was dated at the time of discontinuance, was sold to an equipment company. The former ICU beds, equipment, and furniture were donated. ICU staff retired or left the Hospital and the Hospital no longer maintains the level of nursing required for ICU services.

In addition, following discontinuation, the former LTC space was converted in part into offices for the county's home health agency. Three rooms are being used as a Sleep Center and the remainder are being used as medical-surgical beds. Upon approval of the discontinuation of the LTC category of service, the Hospital donated all of the beds and furniture. The staff from the former LTC unit was reassigned or left the Hospital.

As outlined in the Hospital's CON application in 2008, operating a small LTC unit of 14 beds was neither efficient nor cost effective, particularly given that Mercer County operates an adjacent skilled nursing facility known as Mercer County Nursing Home. With respect to the ICU category of service, the Hospital stated in its 2008 CON application that it was an inefficient use of resources required for the same as a critical access hospital.

Following permit approval, the modernization of the Hospital proceeded with due diligence. However, the Hospital ultimately was unable to secure the necessary financing for the modernization. When the Hospital experienced difficulty obtaining funding for the project through financing from the United States Department of Agriculture ("USDA"), it applied to the Board for an extension of the project's obligation. On June 24, 2010, the Board's Acting Chairman approved a 12-month extension. A copy of the Extension of Obligation Letter is attached herein at Addendum 2.

The Hospital was ultimately unable to obtain funding from the USDA or private commercial banks and abandoned its modernization project, notifying Board of the same on June 6, 2011. A copy of this letter is enclosed at Addendum 2. While this letter states that the Hospital abandoned both the modernization portion of the CON project, as well as the discontinuation of the ICU and LTC categories of services, the Hospital did not realize that the two projects included in the CON application were linked, such that abandoning one would require the abandonment (after the completion of the discontinuation) of the other. If the Hospital realized that it could not abandon the modernization project without simultaneously abandoning the discontinuation of the ICU and LTC categories of service, the Hospital instead would have applied to the Board to alter the permit or for some other relief.

As stated above, the ICU and LTC categories of service had been discontinued for two and a half years at the time the Hospital received the June 15, 2011 letter from the Board. To reinstate these two categories of service two and a half years after discontinuing them would not be feasible from both a financial and an operational standpoint. In June 2011, the Hospital did not possess the staff, equipment, supplies, or other resources necessary to reinstate either the ICU or LTC categories of service nor did it have the capital to acquire the same. Per the Board's request, the Applicant is submitting this CON application so that it may formally discontinue the 14 LTC beds and 3 ICU beds at the Hospital.

As a project to discontinue a category of service, this project is non-substantive per Section 1110.40(b) of the Board's Rules.

Project Costs and Sources of Funds Not applicable: No cost is associated with the project

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			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)			
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS			
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS			
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: \$ Not applicable
Fair Market Value: \$ Not applicable

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 \$ Not applicable.

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): Not applicable

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140): Not applicable: There are no project expenditures or obligations

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

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

State Agency Submittals

Are the following submittals up to date as applicable:

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

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

Cost Space Requirements Not applicable

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 <u>ATTACHMENT-8</u> , 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: Mercer County Hospital			CITY: Aledo, Illinois		
REPORTING PERIOD DATES: From: 1/1/2010 to: 12/31/2010					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	22	235	686	0	22
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify) Swing Beds		84	794		
TOTALS:	22	319	1,480	0	22

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 manager 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 County of Mercer Hospital d/b/a Mercer County Hospital 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.

Edward J. Regalski
SIGNATURE

EDWARD J. REGALSKI
PRINTED NAME

ADMINISTRATOR
PRINTED TITLE

Donald L. Johnson
SIGNATURE

Donald L. Johnson
PRINTED NAME

Governing Board Chairman
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 2nd day of April

Jean M. Kiddoo
Signature of Notary

Seal

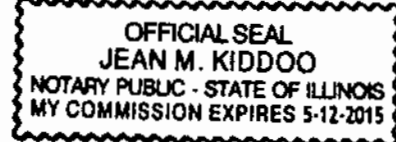


*Insert EXA

Notarization:
Subscribed and sworn to before me
this 2nd day of April

Jean M. Kiddoo
Signature of Notary

Seal



CERTIFICATION

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

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

This Application for Permit is filed on the behalf of Mercer County Board 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.

Maxine Henry
SIGNATURE

Maxine Henry
PRINTED NAME

Mercer County Board, Chair
PRINTED TITLE

Phyllis Bewley
SIGNATURE

Phyllis Bewley
PRINTED NAME

Mercer County Clerk
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 26th day of April 2012

Sandra S. Long
Signature of Notary

Seal

OFFICIAL SEAL
SANDRA S. LONG
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 12-22-2013
*Insert EX-301 file in name of the applicant

Notarization:

Subscribed and sworn to before me
this 26th day of April 2012

Sandra S. Long
Signature of Notary

Seal

OFFICIAL SEAL
SANDRA S. LONG
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 12-22-2013

SECTION II. DISCONTINUATION Please see Attachment -10.

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

Criterion 1110.130 - Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any that is to be discontinued.
2. Identify all of the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued, and the length of time the records will be maintained.
6. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 60 days following the date of discontinuation.

REASONS FOR DISCONTINUATION

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

IMPACT ON ACCESS

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

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

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

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

XI. Safety Net Impact Statement Please see Attachment -43.

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

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

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

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

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

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

Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

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

XII. Charity Care Information Please see Attachment -44.

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

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

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

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

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

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

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

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



April 20, 2012

Mr. Michael Constantino
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Mercer County Hospital CON Application

Dear Mr. Constantino:

Please find the following information identifying the applicant for the CON application we are submitting for the discontinuation of our ICU and LTC categories of service. I have also enclosed a copy of the Mercer County Hospital Governing Board Bylaws detailing their authority. The following questions refer to Mercer County Hospital and its subsidiaries, Medical Associates Clinic, Mercer County Hospital Home Care and Serenity Hospice.

1. Who has the right or power to approve and remove a controlling portion of the governing body of Mercer County Hospital?

The Mercer County Board has the authority to approve and remove a controlling portion of the governing board of Mercer County Hospital.

2. Who has the right or power to approve the use of funds or assets of Mercer County Hospital?

The Mercer County Hospital Governing Board is responsible for the financial oversight of Mercer County Hospital and its subsidiaries. Monthly, the Mercer County Board receives the Hospital Board minutes and financial reports detailing the operations, planning and any action taken by the Mercer County Hospital Governing Board. The Hospital Governing Board functions independently and controls the use of funds and assets for the hospital within certain thresholds detailed in the attached Bylaws.

The Administrator has financial authority up to \$5,000.00. Expenditures over this threshold are considered capital expenditures and require approval by the Mercer County Hospital Governing Board.

409 NW Ninth Ave.
Aledo, Illinois 61231

309.582.5301
fax: 309.582.3737

3. Who has the right or power to approve, amend, or modify by-laws or other rules of governance?

The Mercer County Hospital Governing Board has the right or power to approve, amend or modify by-laws or other rules of governance. Any amendments or modifications are submitted to the Mercer County Board for final approval.

4. Who will be financially responsible for guaranteeing of making payments on any debt related to the project?

The Mercer County Hospital Governing Board is responsible for the financial oversight of the hospital and its subsidiaries. Monthly, the Mercer County Board receives the Hospital Board minutes and financial reports detailing the operations, planning and any action taken by the Mercer County Hospital Governing Board. The Hospital Governing Board functions independently and controls the use of funds and assets for the hospital within certain thresholds detailed in the attached Bylaws.

Operationally, the Chief Executive Officer and Chief Financial Officer are responsible for ensuring timely payments of debt and financial responsibilities.

5. Who will be involved in the operation or provision of care and control the use of equipment or other capital assets that are components of the project?

The Mercer County Hospital Governing Board and Chief Executive Officer will be involved in the operation/provision of care and control the use of equipment or other capital assets that are components of the project.

The above is true and accurate to the best of my knowledge.

Sincerely,



Edward J. Rogalski, FACHE
Administrator

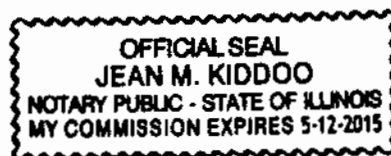


Donald L. Johnson
Mercer County Hospital Governing Board Chairman

Subscribed and sworn to me
This 26th day of April, 2012



Notary Public



**MERCER COUNTY HOSPITAL
ALED0, ILLINOIS**

BYLAWS

of

MERCER COUNTY HOSPITAL GOVERNING BOARD

The following constitutes the Bylaws for the Governing Board of Mercer County Hospital which is located in the City of Aledo, County of Mercer, State of Illinois, hereinafter referred to as the "Hospital", a public nonsectarian hospital organized under laws of the State of Illinois. Every time the term "Governing Board" is used, it refers to the Mercer County Hospital Governing Board unless stated otherwise.

ARTICLE I

The Purposes

The purpose of the Hospital shall be as follows:

1. To be a community leader by delivering superior healthcare through a team of dedicated professionals in a friendly, compassionate and growing environment.
2. To serve as a public community hospital with affiliated health care facilities and programs that provides quality health care and promotes wellness.
3. To promote and conduct appropriate research and educational activities relating to the provision of quality patient care.
4. To participate in programs and activities which promote the general health of the residents of Mercer County.

ARTICLE II

Responsibility and Authority

The Mercer County Board (the "County Board") extends to the Governing Board all its authority and responsibility for the operation of the Hospital and specifically authorizes the Governing Board to manage the property, business and affairs of the Hospital (including, but not limited to the authority to enter into contracts and agreements and authorize expenditures) provided, however, that the following actions shall not be authorized or implemented until approved by the County Board:

- (a) the interpretation of or any change in a statement of mission, philosophy, role, or purpose of the Hospital;
- (b) the adoption of amendments to these Bylaws;
- (c) the acquisition, sale, lease, transfer, encumbrance, or other alienation of property of the Hospital, other than in the usual and regular course of business, when such acquisition, sale lease, transfer, encumbrance, or other alienation is above \$500,000;
- (d) the adoption or authorization of annual capital and operating budgets of the Hospital or the making of non-budgeted expenditures in excess of \$500,000;
- (e) the incurrence of debt or the guarantee of the debt of another by the Hospital which is in excess of \$1,000,000;
- (h) the adoption of a plan of distribution or disposition of the assets of the Hospital;
- (i) the appointment of members of the Governing Board as nominated or recommended by the Governing Board; and
- (j) The authorization of any new physician hiring which would materially increase the contribution required of the County to the Illinois Municipal Retirement Fund.

Members of the Governing Board shall be paid a per-diem payment in an amount determined by the Governing Board within parameters established by the County Board for attending scheduled and called meetings as well as committee meetings deemed necessary by the Chairperson. Mileage reimbursement at the published IRS rates will be paid to members of the Governing Board for travel to and from all meetings.

ARTICLE III

Name, Membership, Responsibility and Authority

Section 1. Name

The name of this body shall be the Mercer County Hospital Governing Board.

Section 2. Appointment of Members

The Board shall consist of twelve (12) members to be selected as follows:

- a) The Mercer County Hospital Governing Board shall nominate persons for each vacancy that needs to be filled for nine (9) Board positions. The Mercer County Board of Supervisors will approve all positions that are filled.

At least one (1) Board member shall be from each of the five (5) political districts as defined on June 2000.

Each member selected by the Mercer County Governing Board shall be for a period of three (3) years. (On occasion circumstances may present a vacancy on the Board prior to a members' term ending. New members fulfilling such positions shall complete the previous members term for the period of the appointment.) The terms of these board members shall be staggered so that the terms of one third of the members shall expire each year.

- b) The Chief of the Medical Staff (or the Vice-Chief of Staff as the designated representative) of the Mercer County Hospital shall serve as a member of the Governing Board and shall have full voting rights. The length of this term shall coincide with the term of office of Chief or Vice-Chief of Medical Staff.
- c) Two (2) members from the County Board shall also serve as members of the Governing Board. These members will be appointed and replaced by the Chairperson of the County Board. These board members shall have full voting rights.

Section 3. Responsibility and Authority.

The Mercer County Hospital Governing Board shall have responsibility for the management, control and operation of the affairs and properties of Mercer County Hospital. The Mercer County Board shall be the supreme authority of the Hospital, except as extended to the Governing Board and the Chief Executive Officer/Administrator.

Duties of the Governing Board include, but are not limited to:

- a) To determine the policies of the Hospital with relation to community needs, with particular reference to the extent and quality of service.
- b) To see that the proper professional standards are maintained on the care of the sick and injured.
- c) To coordinate the professional interests of the Hospital regarding administrative, financial and community needs.
- d) To appoint an Administrator/Chief Executive Officer to carry out Board policies.
- e) To provide adequate financing, to secure sufficient income, and to assure business-like control of expenditures.
- f) To appoint all members of the Medical Staff, but only upon the written recommendations of the Active Medical Staff.

- g) To assure only those patients recommended by a member of the Medical Staff are admitted for treatment.
- h) To function as defined within the Guiding Principles and Values, the Board Member Responsibilities, and the Board Member Job Descriptions.

Essentially, the function of the Governing Board is that of policy making. Board members share in the responsibilities of selecting the Chief Executive Officer; attends meetings; monitoring progress in the institution; ensuring that quality care is given to the patients; and management of the Hospital's funds and property.

The Boards first obligation is to the patients and the care they receive. The Board has a moral and legal responsibility to exercise "care and diligence" in the appointment of the medical staff and for the enforcement of such rules and regulations as may be deemed necessary for the safety of the patients cared for in the Hospital.

Board members must limit such duties as may be given him or her by the official action for the Governing Board. At no time shall any one member of the Governing Board, unless so directed by the Governing Board, encroach upon the prerogatives of any of the personnel of the Hospital organization by presumptuously attempting to dictate or direct activities within the Hospital.

Section 4. Resignation or Removal

Any member of the Governing Board may resign at any time by tendering his or her resignation in writing to the Chairman or Vice-Chairman of the Governing Board. The resignation becomes effective immediately upon receipt. A member may be removed with cause by a majority vote of the Governing Board at any meeting of the Governing Board subject to a confirming vote of the Mercer County Board at a subsequent County Board meeting.

Section 5. Vacancies.

Any vacancy because of death, resignation, or removal shall be filled for the remaining term in the same manner as the original appointment.

Section 6. Fiscal Year and Audit

The fiscal year for the Hospital shall begin on July 1 and end June 30 of the subsequent year. An independent audit shall be performed by a qualified audit firm approved by the Governing Board within 90 days of the end of the fiscal year with the results presented to the Board.

Section 7. Conflict of Interest

Any duality of interest or possible conflict of interest on the part of any Governing Board member should be disclosed to the other members of the Board and made a matter of record. A

Board member with such duality or conflict of interest on any matter should not vote or use his or her personal influence on the matter.

ARTICLE IV

Officers and Committees

Section 1. Officers

At the December meeting of the Governing Board, during the even years, the Board shall elect for a two-year period one member as Chairman, one as Vice-Chairman, one as Secretary-Treasurer, and such other officers as they deem necessary.

The officers shall be nominated by another member of the Board by another member. An affirmative vote of the majority of the members shall elect. The order of election shall be as follows:

- Chairman
 - Vice-Chairman
 - Secretary-Treasurer
 - Others, if deemed necessary
- a) Chairman shall call and preside at all meetings of this Governing Board, and shall take interest in all affairs of the Hospital.
 - b) Vice-Chairman shall act as Chairman in his or her absence, and when so acting shall have the power and authority of the Chairman.
 - c) Secretary-Treasurer with the assistance of the Recording Secretary shall see that notices of all regular and special meetings are made, shall receive and attend to all correspondence of the said Governing Board, shall see that accurate and complete minutes of all meetings are kept and shall perform such other duties as usually pertain to the office of Secretary-Treasurer.

Section 2. Committees

The committees of the Governing Board shall be standing and special. All special shall be specifically designated as such. Standing committees shall include the following:

- a) The Executive Committee shall consist of the Chairman, Vice-Chairman and the Secretary-Treasurer. It shall have the power to transact all regular and routine business of the Hospital during the interim between the meetings of the Governing Board provided that any action which it may take shall not conflict with the policies and expressed wishes of the Governing Board, and that it shall refer all matters of major importance to the Governing Board.

- b) The Governance and Nominating Committee shall consist of three Board members, and the Chairman as an ex-officio member. It shall assist the Board to fulfill its responsibilities to maintain high levels of governance performance; to appoint and/or reappoint members; and to identify educational opportunities for member development and overall governance knowledge.
- c) The Finance and Audit Committee shall consist of three Board members, and the Chairman as an ex-officio member. It shall assist the board to fulfill its responsibility to maintain financial health and integrity.
- d) The Executive Performance and Compensation Committee shall consist of three Board members, and the Chairman as an ex-officio member. It shall assist the Board to fulfill its responsibility to ensure high levels of executive performance and fair executive compensation.
- e) The Joint Advisory Committee shall consist of a minimum of two members of the Governing Board and two members of the Active Medical Staff, the Administrator/CEO and Chief Nursing Officer who shall both be ex-officio members of the Committee. It shall assist the Board with matters relating to the general operating policies of the Hospital with regards to Medical Staff or medical issues, as a forum and exchange of ideas. (See Mercer County Hospital Medical Staff Bylaws.) The Committee shall meet as needed upon the request of the Chairman of the Governing Board or upon the request of the Chief of Medical Staff.

ARTICLE V

Meetings

The meetings of the Governing Board shall be of two types, namely: Monthly and Called.

Section 1. Monthly Meeting

The monthly meeting shall be held regularly at a time and place determined by the Governing Board. The Administrator/CEO shall attend these meetings and present such reports as the Governing Board may desire to keep it properly informed as to the operation of the Hospital. The Administrator/CEO shall act in a liaison capacity between the Governing Board and the rest of the Hospital departments in all matters.

Section 2. Called Meetings

Called meetings of the Governing Board may be called at any time by the Chairman of the board or the Administrator/CEO or upon written request of any two (2) or more members of the Governing Board members delivered to the Administrator/CEO. Such special meetings shall

be convened within ten (10) days of receipt of said request. The notice of such special meetings shall state the purpose(s) of the meeting and the time and place of the meeting.

Section 3. Closed Meetings

If, in any of the meetings set out in Sections 1 or 2 of this article, a matter arises that should be considered and/or acted upon by the Governing Board which meets the criteria for a Closed Meeting according to the Illinois Open Meetings Act, the Board may discuss the issue in Closed Session. However, all decisions acted on will be voted on in Open Session.

Section 4. Quorum

A quorum at any meeting shall be a majority of the total membership.

Section 5. Notice of Meetings and Posting of Minutes

Notice of the schedule of regular meetings will be posted in the Hospital at the beginning of each calendar year. An agenda for each meeting will be posted in the hospital 48 hours in advance of such meetings. Notice of the schedule of regular and called meetings, and minutes of the meetings will be posted on the hospital website as defined under the Illinois Open Meeting Act.

ARTICLE VI

Administrator/Chief Executive Officer

Section 1.

Recognizing that the supreme requisite for good hospital administration is leadership, the Governing Board shall exert every reasonable effort to have in its employ a competent and experienced Administrator/CEO who shall be the direct representative of the Governing Board in the management of the Hospital, and the liaison between the Governing Board and the rest of the Hospital organization. The Administrator/CEO must receive from the Governing Board all necessary authority to carry out the responsibilities designated to him or her.

Any and all matters requiring the attention of the Governing Board shall be presented to the Administrator/CEO as the administrative agent of the Board who shall refer such matters to the said Board at its next regular meeting. If any such matters should be of an emergency nature, the Administrator/CEO shall follow the guidelines of Article V, Section 2 Called Meetings.

Section 2.

Too much must not be expected of one individual; therefore, this Governing Board shall expect the Administrator/CEO to delegate such responsibilities as are practicable to subordinates, but with the definite understanding that the Governing Board shall hold him or her responsible

for the results. The Administrator/CEO shall develop an intimate knowledge of interdepartmental workings and relationships. He or she shall have a voice in the formulating of matters of overall planning and policy making.

ARTICLE VII

Medical Staff

Section 1.

The Governing Board is responsible for the appointments to the Medical Staff. The Medical Staff shall be answerable to the Governing Board for the proper discharge of its professional duties with relation to the quality of health care, including examination, diagnosis, treatment, rehabilitation and prevention. This relationship naturally presupposes complete cooperation of all professional staff members in fulfilling the regulation established by the Governing Board and recognition and observance of established professional ethics.

Any applicant for membership on the Medical Staff of this Hospital shall hold a license to practice in the State of Illinois.

Section 2.

The Medical Staff shall be self-governing, having its own Bylaws and officers and an organization chart approved and sustained by the Governing Board. This is essential in providing a united approach to professional problems and to assure its own self-discipline.

Section 3.

When no such staff exists, with the best professional advice obtainable, the Governing Board shall appoint a Medical Staff composed of physicians holding a license to practice in the State of Illinois, and shall see that they are organized in such a manner as to secure the best results.

In the professional care of the patient, the attending physicians, who have been appointed to the Medical Staff, shall have authority of patient care subject only to the policies stated by the Governing Board. In administrative matters, the Medical Staff, as an organized body, shall act in an advisory capacity to the Governing Board which retains authority over medical privileges and scope of practice.

Section 4.

All approvals for membership on the Medical Staff shall be for a two year period. No applicant can become a member of the Medical Staff until recommended by the Active Medical Staff and approved by the Governing Board.

ARTICLE VIII

Auxiliary and Volunteer Organizations and Foundation

Section 1. Auxiliary and Volunteer Organizations

The Governing Board may authorize the Mercer County Hospital Auxiliary or volunteer organizations to assist the Hospital in fulfilling its purposes. Each such organization shall delineate its purposes and functions in Bylaws and Rules and Regulations which shall not be inconsistent with these Bylaws, the Medical Staff Bylaws, or the Hospitals Policies, Procedures, Rules and Regulations. Amendments to the Auxiliary Bylaws shall become effective upon the approval of the Governing Board of the Hospital.

Section 2. Mercer Foundation for Health

The Mercer Foundation for Health was organized to provide Mercer County Hospital with additional financial support through hosting a variety of fundraising projects. The Foundation is governed by its own Board and Bylaws. Amendments to Bylaws shall become effective upon the approval of the Governing Board of the Hospital. The Mercer County Hospital Governing Board will approve all Board member positions that are filled.

ARTICLE IX

Amendments

These Bylaws may be amended after notice at any regular meeting of the Governing Board. Such notice is to contain a full statement of the proposed amendment and is to be published in full in the notice calling the meeting. When the notice is first presented, it shall be placed on the table until the next regular meeting. At the next meeting the amendment may be adopted by a 2/3 majority vote of the Governing Board subject to a confirming vote of the Mercer County Board at a subsequent County Board Meeting.

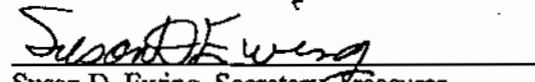
ARTICLE X

Adoption of Bylaws

We the duly appointed Mercer County Hospital Governing Board, located in the City of Aledo, County of Mercer, State of Illinois, hereby adopt the following Bylaws for Mercer County Hospital.

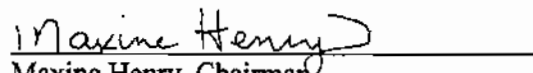
These Bylaws were adopted at the Mercer County Hospital Governing Board meeting on October 18, 2010.

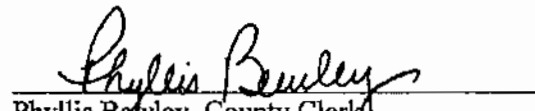

Donald L. Johnson, Chairman
Mercer County Hospital Governing Board


Susan D. Ewing, Secretary/Treasurer
Mercer County Hospital Governing Board

We the duly elected Board of Mercer County, located in the City of Aledo, County of Mercer, State of Illinois, hereby adopt the following Bylaws for Mercer County Hospital.

These Bylaws were adopted at the Mercer County Board meeting on November 4, 2010.


Maxine Henry, Chairman
Mercer County Board


Phyllis Bewley, County Clerk
Mercer County

Proof of Site Ownership

I, Maxine Henry, an authorized official of the County of Mercer hereby attest that the County of Mercer owns the real property located at 409 NW Ninth Avenue in Aledo, Illinois 61231.

Maxine Henry
Signature

Maxine Henry
Print Name

Mercer County Board, Chair
Title

Notarized:

STATE OF ILLINOIS)

)

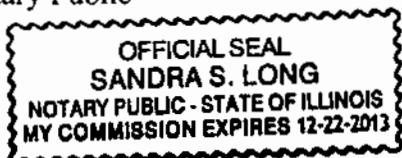
COUNTY OF MERCER)

On this 26th day of April in the year 2012, before me, the undersigned notary public, personally appeared MAXINE HENRY, known to me to be the person(s) whose name(s) is/are subscribed to within the instrument and acknowledged that he/she/they executed the same for the purposes therein contained.

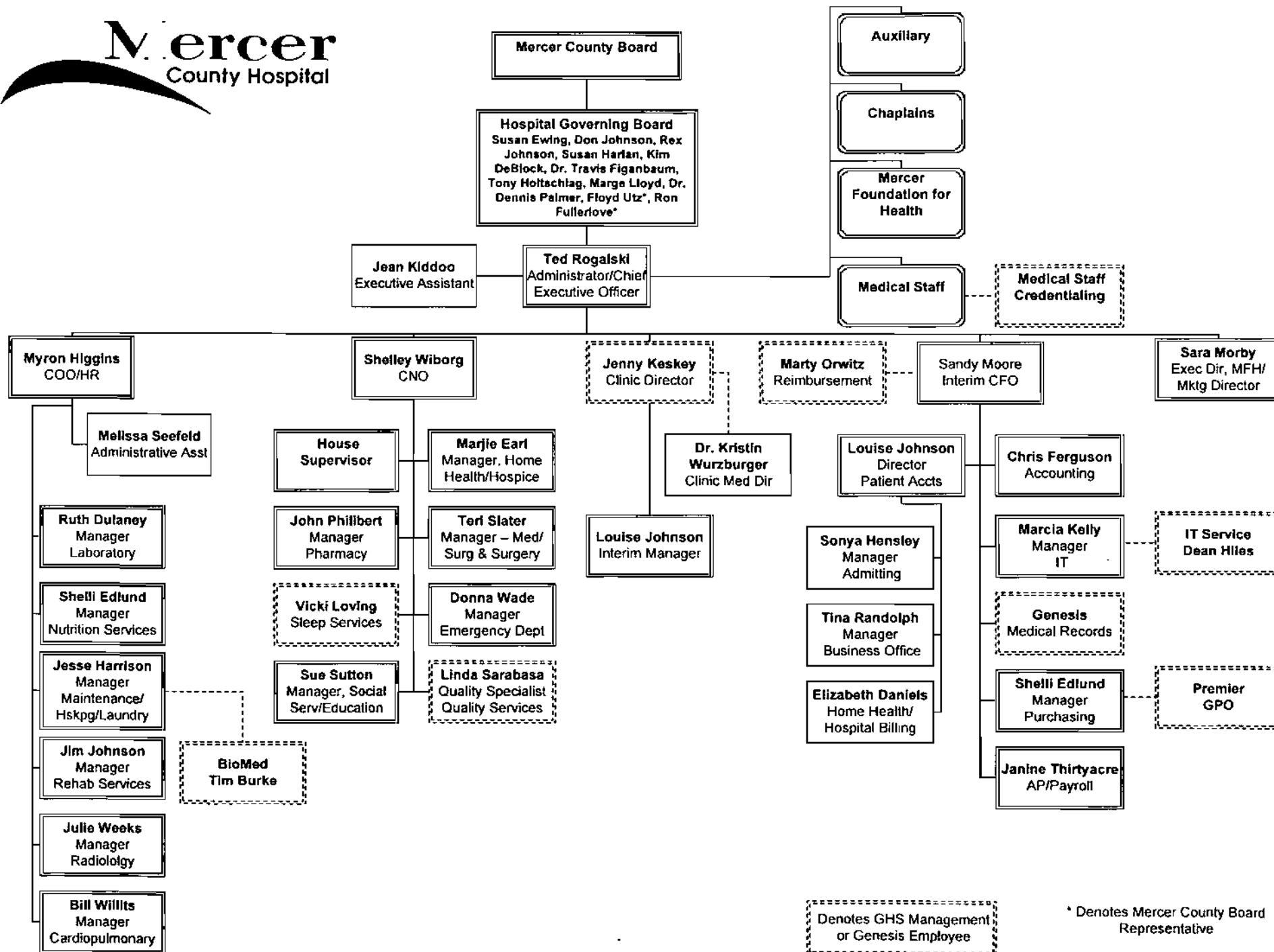
In witness whereof, I hereunto set my hand and official seal.

Sandra S. Long

Notary Public



ATTACHMENT 2



Criterion 1110.130 – Discontinuation

As outlined in the Narrative Description, the County of Mercer Hospital d/b/a Mercer County Hospital ("Applicant") is applying for a certificate of need ("CON") to formally discontinue categories of service and beds at Mercer County Hospital ("Hospital") that the Hospital discontinued upon approval of Project #08-056 in January 2009. Please refer to the Project #08-056 CON application narrative, attached herein at Addendum 3, for additional description of the discontinuation project.

General Information Requirements

1. Categories of service and number of beds, if any that are to be discontinued:

As outlined in the Narrative Description, the Applicant applied to discontinue fourteen long term care ("LTC") and three intensive care unit ("ICU") beds in 2008, receiving approval for same from the Illinois Health Facilities and Services Review Board ("Board") in January 2009.

2. Identify all other clinical services that are to be discontinued.

No other clinical services are to be discontinued.

3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.

Upon receiving approval from the Board in January 2009, the Applicant provided appropriate notice to its long-term care residents and their family members that the LTC unit was closing and provided assistance in finding facilities to meet residents' needs. The Applicant discontinued the ICU beds immediately upon the approval of the 2008 CON application by the Board.

4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.

As outlined in the Narrative Description, the former ICU space has been remodeled and converted to office space for a podiatrist, as well as space for nuclear studies. The former LTC space was converted in part into offices for the County's home health agency. Three rooms are being used as a Sleep Center, and the remaining rooms are being used as medical-surgical beds. The Applicant sold certain monitoring equipment and donated other equipment and furniture.

5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued, and the length of time the records will be maintained.

Any medical records pertaining to the discontinued services are being housed within the Hospital's facilities and will be maintained for a period of ten years in accordance with

Hospital policies.

6. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH will be provided through the date of discontinuation, and that the required information will be submitted no later than 60 days following the date of discontinuation.

This item is not applicable, because the Hospital has discontinued the LTC and ICU beds.

Reasons for Discontinuation

In the 2008 CON application, attached herein at Addendum 3, the Applicant outlines the reasons for discontinuation of the LTC and ICU beds. The Applicant asserted that the fourteen LTC beds should be discontinued due to inefficiencies, decreased reimbursement, and functionality, patient care, and patient privacy issues. The Hospital is attached to Mercer County Nursing Home ("Nursing Home"), a separately owned and operated health care facility under Mercer County. The Applicant asserted that having two separate and distinct skilled nursing units in separate but connected facilities with duplicative administrations, staff, and services was not efficient. Additionally, the small, 14-bed LTC unit at the Hospital had an estimated financial impact of approximately \$254,000 in fiscal year 2006 and \$274,000 in fiscal year 2007 in reduced reimbursement. Finally, given the proximity of the Nursing Home, the Applicant preferred discontinuation of the LTC unit to modernization of the LTC unit and conversion of the LTC rooms to comply with HIPAA restrictions. The Board approved the discontinuation of the 14-bed LTC unit in January 2009.

Similarly, the Board approved the discontinuation of the 3-bed ICU unit in January 2009. The Applicant asserted that Hospital should discontinue the three ICU beds due to the challenges of maintaining the staff and resources necessary to appropriately provide services for ICU patients. As a small critical access hospital, the Hospital transferred many patients needing higher levels of care through effective transportation arrangements with other facilities. The Hospital asserted that providing ICU services was an inefficient use of resources for the critical access facility.

Impact on Access

This section is not applicable, because the Hospital discontinued its LTC and ICU services in 2009. Please see Addendum 3 for impact statements included with the 2008 CON application.

Safety Net Impact Statement

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.

As stated in the Narrative Description, the project will not have any material impact on essential safety net services in the Mercer County community, because the fourteen long-term care ("LTC") beds and three intensive care unit ("ICU") beds have been discontinued since 2009.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.

As previously indicated, the project will not have any impact on the ability of another provider or health care system to cross-subsidize safety net services, because the LTC beds and ICU beds have been discontinued for approximately three years.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

The project will not have any impact on the remaining safety net providers in the Mercer County community, because the LTC beds and ICU beds have been discontinued for approximately three years.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of Patients)	Year – 2010	Year – 2009	Year –2008
Inpatient	10	12	5
Outpatient	155	827	100
Total	165	839	105
Charity (cost in dollars)			
Inpatient	\$33,299	\$24,657	\$25,256
Outpatient	\$228,712	\$386,294	\$144,225
Total	\$262,011	\$410,951	\$169,481
MEDICAID			
Medicaid (# of Patients)			
Inpatient	15	16	25
Outpatient	2508	2698	2543
Total	2523	2714	2568
Medicaid (revenue)			
Inpatient	\$34,703	\$64,229	\$21,194
Outpatient	\$448,988	\$508,265	\$478,615
Total	\$483,691	\$572,494	\$499,809

Charity Care Information

CHARITY CARE			
	2010	2009	2008
Net Patient Revenue	\$12,257,810	\$11,334,379	\$11,240,223
Amount of Charity Care (Charges)	\$422,522	\$410,951	\$169,481
Cost of Charity Care	\$262,011	\$277,824*	\$115,076*

*Mercer County Hospital is working with IDPH to amend the cost of charity care reported for 2008 and 2009.



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3518 • FAX: (217) 785-4144

April 6, 2012

via Certified Mail

Sam Vinson
Ungaretti & Harris, LLP
70 W. Madison, Ste. 3500
Chicago, Illinois 60602

Re: Mercer County Hospital Discontinuation of Categories of Service

Dear Mr. Vinson:

On behalf of the Health Facilities and Services Review Board ("HFSRB"), thank you for your correspondence dated April 4, 2012 regarding the discontinuation of services at Mercer County Hospital. The HFSRB staff have determined that Mercer County Hospital will need to apply for a certificate of need ("CON") to discontinue its 3-bed Intensive Care ("ICU") category of service and its 14-bed Long Term Care ("LTC") category of service. This determination was based on an evaluation of the written information submitted on April 4, 2012 and the terms of the Abandonment Letter dated June 15, 2011 for Project #08-056. It is our determination that since June 9, 2011, Mercer County Hospital has discontinued categories of service without first obtaining a CON. As you know, discontinuing a category of service without first obtaining a permit is a potential compliance matter. However, the HFSRB has not yet made that determination.

In your letter, you asked HFSRB to allow Mercer County Hospital to temporarily suspend the LTC and ICU categories of service pursuant to 77 Ill. Adm. Code 1130.240(d). This provision is not applicable to your set of facts because you did not file notice within 30 days after the suspension of the services and, based on the representations in your April 4, 2012 letter, Mercer County Hospital does not find it feasible to re-open the services. For these reasons, 77 Ill. Adm. Code 1130.240(d) is not appropriate for addressing the discontinuation of services at Mercer County Hospital.

This opinion is based upon our understanding of the Illinois Health Facilities Planning Act (20 ILCS 3960) and the relevant sections of the Administrative Code. This is a HFSRB staff advisory opinion and does not constitute a determination. Should you wish to obtain a determination by HFSRB, you may request a declaratory ruling pursuant to the provisions contained in 77 Ill. Adm. Code 1130.810, "Declaratory Rulings." Declaratory ruling requests must be made in writing and should be addressed to the Illinois Health Facilities and Services Review Board, 525 West Jefferson 2nd Floor, Springfield, Illinois 62761.



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3546 • FAX: (217) 785-4111

This opinion relates solely to the applicability of certificate of need requirements and is based upon the applicable statutory requirements, rules and regulations in effect as of this date. In addition you are advised that this opinion does not address the applicability of or need to comply with any other regulations or requirements of other programs or agencies, such as licensing or certification.

Sincerely,

Alexis Kendrick, Compliance Manager
Illinois Health Facilities and Services Review Board

cc: Dale Galassie, Chairman Illinois Health Facilities and Services Review Board
Don Williams
Juan Morado, Jr.
Frank Urso

UNGARETTI & HARRIS

Three First National Plaza
70 West Madison - Suite 3500
Chicago, Illinois 60602-4224
Telephone: 312.977.4400
Fax: 312.977.4405
www.uhlaw.com

UNGARETTI & HARRIS LLP
CHICAGO, ILLINOIS
SPRINGFIELD, ILLINOIS
WASHINGTON, D.C.

SAM VINSON
312.977.4388
svinson@uhlaw.com

April 4, 2012

VIA EMAIL AND FEDERAL EXPRESS

Illinois Health Facilities and Services Review Board
Attention: Michael Constantino
525 West Jefferson Street
2nd Floor
Springfield, Illinois 62761

Re: Mercer County Hospital Discontinuation of Categories of Service

Dear Mr. Constantino:

I am writing to request guidance from the Illinois Health Facilities and Services Review Board (the "Board") on an issue recently brought to light by Mercer County Hospital, a critical access hospital in Aledo, Illinois (the "Hospital").

In 2008, the Hospital applied to the Board for a certificate of need ("CON") permit to modernize its facility, as well as to discontinue its 3-bed Intensive Care ("ICU") category of service and its 14-bed Long Term Care ("LTC") category of service. The Board approved the CON permit in January 2009. A copy of the permit is enclosed herein for your reference.

The Hospital discontinued its ICU and LTC categories of service. The Hospital stopped staffing these beds, stopped purchasing necessary equipment and supplies for these ICU and LTC services, and engaged in all of the other actions customary when terminating lines of service. For example, with respect to the ICU category of service, the former ICU space, which was outdated at the time of discontinuance, was remodeled and converted to office space for a podiatrist, as well as space for nuclear studies. The unit's "headwalls," which delivered the oxygen, suction and gasses, are no longer operational. The monitoring equipment, which also was dated at the time of discontinuance, was sold to an equipment company. The former ICU beds, equipment and furniture were donated. ICU staff retired or left the Hospital and the Hospital no longer maintains the level of nursing required for ICU services.

In addition, following discontinuation, the former LTC space was converted in part into offices for the County's home health agency. Three rooms are being used as a Sleep Center and the remainder are being used as medical-surgical beds. Upon approval of the discontinuation of the

UNGARETTI
& HARRIS

Michael Constantino

April 4, 2012

Page 2

LTC category of service, the Hospital donated all of the beds and furniture. The staff from the former LTC unit was reassigned or left the Hospital.

Following permit approval, the modernization of the Hospital proceeded with due diligence. However, the Hospital ultimately was unable to secure the necessary financing for the modernization. The Hospital intended to fund the project through financing from the United States Department of Agriculture ("USDA"). When the Hospital experienced difficulty with obtaining this funding in a timely manner, it applied to the Board for an extension of the project's obligation. On June 24, 2010, the Board's Acting Chairman approved a 12-month extension. A copy of the Extension of Obligation letter is enclosed herein for your reference.

Following the extension of the project's obligation, the Hospital continued to pursue both USDA and commercial bank financing for the modernization. Enclosed herein are two letters from lenders contacted by the Hospital, US Bank and Quad City Bank & Trust, both of which describe the respective lender's inability to loan funds to the Hospital for its renovation. As it was unable to obtain financing from either the USDA or commercial lenders, by letter dated June 6, 2011, prior to the expiration of the obligation date on July 28, 2011, the Hospital notified the Board of its intent to abandon the CON permit for the modernization of the Hospital. A copy of this letter is enclosed herein for your reference.

Following notification to the Board of the Hospital's intent to abandon its modernization project, the Board sent a letter to the Hospital on June 15, 2011, a copy of which is enclosed herein for your reference. Acknowledging that this letter states that the Hospital abandoned both the modernization portion of the CON project, as well as the discontinuation of the ICU and LTC categories of service, the Hospital did not realize that the two projects included in the CON application, the discontinuation of the ICU and LTC categories of service and the modernization of the Hospital, were linked, such that abandoning one would require the abandonment (after the completion of the discontinuation) of the other. If the Hospital realized that it could not abandon the modernization project without simultaneously abandoning the discontinuation of the ICU and LTC categories of service, the Hospital instead would have applied to the Board to alter the permit or for some other relief.

As stated above, the ICU and LTC categories of service had been discontinued pursuant to Board approval for two and a half years at the time the Hospital received the June 15, 2011 letter from the Board. To re-institute these two categories of service seems contrary to the purposes of the Illinois Health Facilities Planning Act (the "Act"). One of the purposes of the Act is to require a person constructing or modifying a health care facility (defined within the Act to include discontinuation by a health care facility) "to have the qualifications, background, character and

UNGARETTI
& HARRIS

Michael Constantino
April 4, 2012
Page 3

financial resources to adequately provide a proper service for the community."¹ As discussed in the Hospital's CON application in 2008, operating a small LTC unit of 14 beds was neither efficient nor cost effective, particularly given that Mercer County operates an adjacent skilled nursing facility. With respect to the ICU category of service, the Hospital stated in its CON application that it was an inefficient use of its resources to maintain and staff a small ICU unit and to keep up with the staffing and resources required for the same as a critical access hospital. To reinstate these two categories of service two and a half years after discontinuing them would not be feasible from both a financial and an operational standpoint. In June 2011, the Hospital did not possess the staff, equipment, supplies or other resources necessary to reinstate either the ICU or LTC categories of service, nor did it have the capital to acquire the same.

In addition to monitoring the financial and other qualifications of facilities who propose to provide or discontinue health care services, another purpose of the Act is to avoid unnecessary duplication of health care facilities.² Currently, there is an excess of 5 ICU beds in the Hospital's Planning Area and an excess of 149 LTC beds in the Hospital's Health Service Area. Requiring the Hospital to reestablish its ICU and LTC categories of service would provide unnecessary duplication within the Hospital's Planning Area/Health Service Area contrary to the purpose of the Act.

Given the inadvertent error by the Hospital in not realizing that the Board views abandonment of a portion of an approved project to be the abandonment of other projects previously approved with the same CON permit, the Hospital respectfully requests guidance as to how best to address the LTC and ICU categories of service at issue, as it is not feasible for the Hospital to reinstate these categories of service over three years after discontinuance. In particular, we would like to formally request that IDPH and the Board allow the Hospital to temporarily suspend the LTC and ICU categories of service pursuant to Section 1130.240(d) of the Board rules.

¹ 20 ILCS 3960/2; 20 ILCS 3960/3.

² 20 ILCS 3960/2.

UNGARETTI
& HARRIS

Michael Constantino
April 4, 2012
Page 4

Please do not hesitate to contact me to discuss or if the Board requires any additional information on this issue.

Sincerely,


Sam Vinson

Enclosures

cc: Judy Mondello, Vice President, Legal Affairs, Genesis Health System
Ted Rogalski, Administrator, Mercer County Hospital
Claudette P. Miller, Esq.
Lynn Gordon, Esq.

UHDOCS 2150261



STATE OF ILLINOIS

HEALTH FACILITIES PLANNING BOARD

525 WEST JEFFERSON STREET • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516

Received 2/13/09

January 31, 2009

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

Charles H. Foley, Health Care Consultant
Charles H. Foley & Associates Inc.
1638 South MacArthur Blvd.
Springfield, Illinois 62704

RE: PERMIT: Illinois Health Facilities Planning Act 20 ILCS 3960

Dear Mr. Foley:

On January 27, 2009, the Illinois Health Facilities Planning Board approved the application for permit for the referenced project based upon the project's substantial conformance with the applicable standards and criteria of Part 1110 and 1120. In arriving at a decision, the State Board considered the findings contained in the State Agency Report, the application material, and any testimony made before the State Board.

- PROJECT #08-056 - Mercer County Hospital - The applicant is approved to discontinue a 14-bed long term care category of service and a 3-bed Intensive Care category of service, and modernize the hospital for the remaining hospital services. The bed complement will decrease from 25 to 22 beds.
- PERMIT HOLDERS: The applicant is the County of Mercer Hospital d/b/a Mercer County Hospital, 409 NW Ninth Avenue, Alton, Illinois. The owner of the site and the operating entity/ licensee is County of Mercer Hospital d/b/a Mercer County Hospital.
- PERMIT AMOUNT: \$51,725.94
- PROJECT OBLIGATED BY: July 27, 2010
- PROJECT COMPLETION DATE: December 31, 2010

This permit is valid only for the defined construction or modification, site, amount and the named permit holder and is not transferable or assignable.

OFFICE OF THE EXECUTIVE SECRETARY

In accordance with the Planning Act, the permit is valid until such time as the project has been completed, provided that all post permit requirements have been fulfilled, pursuant to the requirements of 77 Ill. Adm. Code 1130. The permit holder is responsible for complying with the following requirements in order to maintain a valid permit. Failure to comply with the requirements may result in expiration of the permit or in State Board action to revoke the permit.

1. OBLIGATION PART 1130.720

The project must be obligated prior to the Project Obligation Date, unless the permit holder obtains an "Extension of the Obligation Period" as provided in 77 Ill. Adm. Code 1130.730.

2. ANNUAL PROGRESS REPORT PART 1130.760

An annual progress report must be submitted to IDPH every 12-month from the permit issuance date until such time as the project is completed.

3. PROJECT COMPLETION REQUIREMENTS PART 1130.770

The permit holder must submit a written notice of project completion as defined in Section 1130.140. Each permit holder shall notify RHPB within 30 days following the project completion date and provide supporting documentation within 90 days following the completion date and must contain the information required by Section 1130.770.

This permit does not exempt the project or permit holder from licensing and certification requirements, including approval of applicable architectural plans and specifications prior to construction. Should you have any questions regarding the permit requirements, please contact Mike Constantino.

Sincerely,



Jeffrey S. Mark
Executive Secretary

cc: William Bell
Karen Senger
Jody Gudek
Project 88-



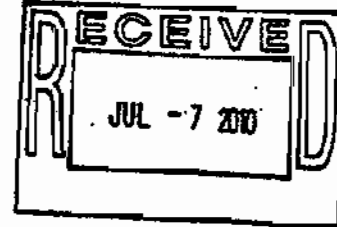
STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62781 • (217) 782-3518

June 24, 2010

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Myron Higgins, CEO
Mercer County Hospital
409 NW Ninth Avenue
Aledo, Illinois 61231



RE: EXTENSION OF OBLIGATION
Project #08-056 - Mercer County Hospital
Permit Holder: Mercer County Hospital, Aledo

Dear Mr. Higgins:

On June 24, 2010 the Acting Chairman of the Illinois Health Facilities and Services Review Board approved an "Extension of the Obligation Period" for the above-captioned project. The approval was for a 12-month extension from July 27, 2010 to July 27, 2011. Therefore, this project must be obligated in accordance with the State Board Rule at 77 IAC 1130.720, no later than July 28, 2011.

PLEASE NOTE THAT 77 IAC 1130.730 ALLOWS ONLY ONE TWELVE-MONTH EXTENSION OF THE OBLIGATION PERIOD FOR EACH PROJECT. THEREFORE, THIS IS THE ONLY EXTENSION ALLOWABLE FOR THIS PROJECT.

Failure to meet the requirements for permit obligation will result in the permit being considered expired and the project abandoned.

The permit holder is also reminded of other post-permit requirements contained in "Subpart G" of Part 1130. Adherence to these requirements is essential in maintaining a valid permit and is the responsibility of the permit holder.

Should you have any questions, please contact our office at (217) 782-3516.

Sincerely,

Dale W. Galassie
Acting Chairman Illinois Health Facilities and
Services Review Board



All of us serving you

COMMERCIAL BANKING

201 West Second Street, 3rd Floor
Davenport, IA 52801
563.328.3500
563.324.2338 Fax

March 8, 2012

Ted Rogalski
Mercer County Hospital
Aledo, IL

Re: \$13.5 million loan request

Dear Sir:

In March of 2011 US Bank N.A. (USB) reviewed information for a loan request of \$13.5 million to improve the Mercer County Hospital. At that time we did not feel we could accommodate that request for the following reasons:

- Inadequate proven cash flow to repay the debt.
- Inability to cover annual maintenance capital spending needs
- Inadequate growth in total and unrestricted net assets
- High debt leverage
- Year over year operating losses for years ending 6/30/09 and 6/30/10

If Genesis Health Systems were to offer needed financial support USB would have been very interested in completing a transaction.

Please feel free to call me with any questions.

Kindest Regards

Robert B. Carroll
Vice President
563-328-3039

usbank.com



www.qcibt.com

Member FDIC
March 8, 2012

Mr. Ted Rogalski
Chief Executive Officer
Mercer County Hospital
409 NW 9th Avenue,
Aledo, IL 61231

Dear Ted:

Mercer County Hospital's loan request to finance the renovation and modernization of the Hospital in 2011 with a total project cost of \$11,700,000 was reviewed by Quad City Bank and Trust. The Bank determined in the underwriting process that we would be unable to provide financing without the support of a qualified guarantor for the following reasons:

- Limited equity injection in the Project and Hospital's tight liquidity;
- Inability of the Bank to have a perfected lien on Hospital property; and
- Volatility of Historical cash flow.

I can be reached at 563-468-6402 if you have any questions.

Sincerely,

Eileen Roethler
Vice President, Commercial Banking

4500 North Brady Street
Davenport, IA 52806
Phone: 563.368.4780
Fax: 563.368.4780

1700 Division Street
Davenport, IA 52804
Phone: 563.323.5950
Fax: 563.323.5895

3118 Middle Road
Bettendorf, IA 52722
Phone: 563.344.0600
Fax: 563.344.0610

5405 Iowa Ridge Road
Davenport, IA 52807
Phone: 563.459.0100
Fax: 563.468.4490

353 7th Street
Moline, IL 61265
Phone: 309.736.2580
Fax: 309.743.7705



June 6, 2011

Mr. Mike Constantino
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, IL 62761

Project: #08-056 Mercer County Hospital

Dear Mr. Constantino:

Please accept this letter as official notification of our intention to abandon our Certificate of Need permit for the renovation and upgrade of our facility. This action is necessary because we can not meet our obligation deadline of July 27, 2011 due to the inability to secure financing for this project. Our preferred method of financing was through USDA funding, however, without a federal budget they are unable to move forward with any projects this year. We also tried to pursue conventional financing of the project, however, the banks have determined that this is not an option given that Mercer County Hospital, as a county owned facility, can not be "mortgaged".

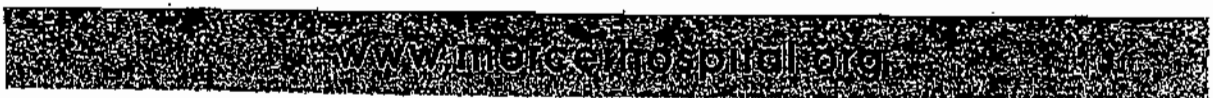
If you have any questions, please let me know.

Sincerely,

Ted Rogalski
Administrator
Mercer County Hospital

409 NW Ninth Ave.
Aledo, Illinois 61231

309.582.5301
Fax: 309.582.3737





STATE OF ILLINOIS

HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3518 • FAX: (217) 785-4131

June 15, 2011

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

Ted Rogalski, Administrator
Mercer County Hospital
409 NW Ninth Avenue
Aledo, Illinois 61231

RE: **PERMIT ABANDONMENT**

Project #08-056 - Mercer County Hospital
Permit Holder: Mercer County Hospital

Dear Mr. Rogalski:

This is to acknowledge receipt of your June 5, 2011 letter in which you indicated that the permit holder abandoned the above-referenced project, #08-056. As part of the abandonment of Project #08-056 the discontinuation of the 3 bed intensive care category of service and the 14 bed long term care category of service is no longer effective. These categories of service will be incorporated in the Inventory of Health Care Facilities and Services and Need Determinations maintained by the Illinois Department of Public Health for Mercer County Hospital.

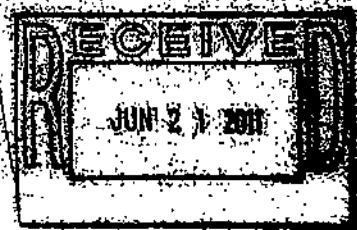
Project #08-056 is considered abandoned as of June 9, 2011 the date of receipt of your letter, and we have removed it from our inventory of health care facilities. If at some future date you desire to proceed with the project, it may be necessary to obtain a new certificate of need permit if applicable under the rules of the State Board in effect at that time.

If you should have any questions, please contact our office at (217) 782-3516.

Sincerely,

Courtney R. Avery

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



SECTION II. DISCONTINUATION (DISC)

Criterion 1110.130, Discontinuation

A. The reasons for the discontinuation:

The discontinuation of the Applicant's long-term care service cannot be considered separate from the entire project. As part of the over all project, there are several reasons for the discontinuation of this service. Adjacent and connected to the Hospital is Mercer County Nursing Home, a separately owned and operated health care facility under the governmental entity Mercer County, i.e., Mercer County Board. Therefore, it appears that having two separate and distinct units in separate but connected facilities with duplicative administrations, staff, and services is not efficient. Additionally, a fourteen bed skilled nursing unit is not efficient. Elimination of this service will assist with improving the hospital's Critical Access Hospital Reimbursement. Please refer to the letter submitted as ATTACHMENT DISC-1 as further documentation for the enclosed rationale. Having the small long-term care unit has an estimated financial impact of approximately \$254,000 in fiscal year 2006 and estimated \$274,000 in fiscal year 2007 in reduced reimbursement. These estimates do not include fiscal impact from changes prorated expenses of all department areas between the hospital and the long-term care unit. More importantly, the fourteen bed unit is a duplication of already existing services. On the hospital site is Mercer County Nursing Home a 95-bed freestanding and separately licensed under the Nursing Home Care Act and adjacent to the Applicant's hospital. The discontinuation allows the Applicant to have all private rooms in the hospital which allows the hospital to have a state-of-the-art hospital which will best serve the acute care needs of this Critical Access Hospital.

SECTION II. DISCONTINUATION (DISC)

Criterion 1110.130, Discontinuation (Continued ii)

More pressing in consideration of the discontinuation of the Long-term nursing care unit is the functionality, patient care, and patient privacy issues. Converting all beds to private rooms addresses a myriad of issues including having a single succinct service with a single nurses station, infection control, and compliance with the increased HIPPA restrictions. Therefore, in order for the Hospital to best serve the people of the County as a Critical Access Hospital, the Long-term care unit must be discontinued as part of the overall modernization goals.

The reason for the discontinuation of the Intensive Care Unit is similar in terms of this critical access hospital having the ability of maintaining the staff and resources needed to appropriately provide services for this type of patient. The Applicant has started the practice of transferring out those patients needing the higher level of care. This small CAH has an effective transfer arrangement with other facilities and can move patients either by ambulance or by helicopter depending on the status or situation of the patient. Additionally, through the medical/surgical department, the Applicant has rooms equipped with specialized monitoring systems to include a fulltime video feed. With this ability and with the transfer arrangements in place, continuing to provide this service is inefficient use of hospital resources.

The anticipated or actual date of discontinuation, or the date the last person was or will be discharged or treated, as applicable;

The anticipated date of the discontinuation of the long-term nursing care unit will be upon project approval by the Illinois Health Facilities Planning Board. Upon receiving approval from the Planning Board, Mercer County Hospital will give appropriate notice to the

SECTION II. DISCONTINUATION (DISC)

Criterion 1110.130, Discontinuation (Continued iii)

long-term care residents and their family members that the unit will be closing and provide assistance in finding a facility to meet the residents' needs.

Due to the special observation abilities of the medical/surgical department, the Applicant has been utilizing that department for ICU patients. When patients need a higher level of care the Applicant follows the policy of stabilizing the patient and transferring the ICU residents to a more major hospital facility. Therefore, the anticipated date of discontinuation will be immediately upon the approval of this application by the Health Facilities Planning Board.

- C. The availability of other services or facilities in the planning area that are available and willing to assume the applicant's workload without conditions, limitations, or discrimination. Documentation must include letters from such facilities attesting to such ability and willingness to accommodate the applicant's workload;

During Calendar Year 2006, the Applicant's long-term care unit had on average nine residents or an average occupancy rate of 64.6% for its 14 beds. There are two other long-term care facilities in the Mercer County Planning Area each of which are utilized at a rate under the State's optimal rate of 90 percent. Specifically Aledo Rehab and Health Care Center had a 69.8% utilization for its 80 beds and Mercer County Nursing Home had a 89.7% utilization for its 95 beds. Appended as ATTACHMENT DISC-2 are copies of the facility profiles for the Applicant's nursing beds and for both Aledo Rehab and Health Care Center and Mercer County Nursing Home illustrating utilization of each facility. The Applicant has contacted each of the long-term care facilities and each has expressed their ability to assume the

SECTION II. DISCONTINUATION (DISC)

Criterion 1110.130, Discontinuation (Continued iv)

Applicant's workload without conditions, limitations, or discrimination. Letters of support for the long-term care (nursing) unit discontinuation are appended as **ATTACHMENT DISC-3**.

It should be noted that Mercer County Nursing Home is a separately owned and operated health care facility under the governmental entity Mercer County, i.e., Mercer County Board. As a "sister" facility, the Applicant states that it (the Mercer County Nursing Home) is willing to assume the workload from the hospital. Additionally, the hospital will still have its swing beds that will be continued to be utilized. The County nursing home, based on its licensed capacity and total patient days, has approximately nine available nursing beds according to the latest 2006 Illinois Department of Public Health Long-Term Care Facility Profile where they had 3,299 patient days reported. Therefore, with the hospital's long-term care unit averaging only nine residents, it would appear that the Applicant's own facility could accommodate the Hospital's existing case load.

It should be noted that the Applicant has already accommodated the ICU patients either through its specialized observation beds in the medical/surgical unit or through transferred. Therefore, it would appear that utilizing other resources has been the most prudent option.

D. A closure plan indicating the process used to provide alternative services or facilities for the patients prior to or upon discontinuation;

As previously stated, the Applicant will initiate the closure of the long-term care unit upon approval of this application. At such time, the Applicant will notify all residents, per Licensure protocol, that the service will close within 90 days or at such time when the last residents has been discharged. Upon giving notice to the residents and their responsible

SECTION II. DISCONTINUATION (DISC)**Criterion 1110.130, Discontinuation (Continued v)**

parties, the Hospital will provide assistance in transferring its resident to include making contact with area providers if necessary. Concurrent to this closure process and upon approval of this application, the Applicant will also not accept any new placements and then through attrition the beds will be vacated.

Likewise, the Applicant will initiate the closure of the ICU category of service upon approval of this application. However, it is the Applicant's intent to continue its current policy as it relates to utilizing medical/surgical special observation beds or transferring patients to other area resources.

E. The anticipated use of the physical plant and equipment after discontinuation has occurred and the anticipated date of such use.

As outlined herein, the vacated space will be renovated as acute care private room accommodations. It is expected that any equipment not retained would be donated to the County Nursing Home or to local non-for-profit agencies.



March 19, 2008

To Whom It May Concern:

As part of the facility's renovation project, Mercer County Hospital is proposing to discontinue providing long-term care services. There are several reasons for this decision:

The existence of this unit is a duplication of services already offered within the community. Located adjacent to the hospital is The Mercer County Nursing Home, a 95-bed freestanding and separately licensed facility. Also located within the City of Aledo is another freestanding 80-bed nursing home, Aledo Rehabilitation and Healthcare Center. Each of these facilities can accommodate additional residents.

Transferring this service would allow the additional space to be used for hospital specific patient care services. With this move, Mercer County Hospital can offer the community private accommodations as they receive their healthcare needs. The private rooms will improve patient satisfaction and further assist the facility in assuring privacy in compliance with the HIPPA regulations.

Financially, the decision to move the unit is necessary. Under current Medicare regulations, the hospital loses approximately \$275,000 in additional reimbursement due to having the Extended Care Unit within the hospital. Also, the unit's operating margins continue to decline as the revenues generated by the service have been outpaced by increased costs. Cost reduction initiatives are limited due to the unit's small size. The 14 beds encompassed under the unit are not an efficient use of space or resources.

Therefore, in order for the hospital to continue to serve the area as a Critical Access Hospital, the decision to desist in providing long term care is integral to the overall modernization project of the hospital.

Sincerely,

Jodie Criswell
Chief Financial Officer

100 West Main Ave.
Aledo, Illinois 62311

309-582-5501
fax: 309-582-5737

ATTACHMENT DISC-1

2008 ELDERCARE DEPARTMENT OF PUBLIC HEALTH LONG-TERM CARE FACILITY PROFILES

MERCER COUNTY HOSPITAL

405 NW NINTH AVENUE
ALBUQUERQUE, N.M. 87102

Facility ID: 0010332
Health Services Area: 010 Planning Services Area: 131

REPORTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Private Insurance	Other	Private Care	Cherry Care	TOTALS	AVERAGE DAILY PAYMENT RATES
Nursing Care	0	0	0	0	12	0	12	SHIELD 0.00
Skilled Under 22	0	0	0	0	0	0	0	SHIELD 0.00
Intermediate DO	0	0	0	0	0	0	0	SHIELD 0.00
Skilled Care	0	0	0	0	0	0	0	SHIELD 0.00
TOTALS	0	0	0	0	12	0	12	

REPORTS BY RACIAL/ETHNICITY GROUPING

RACE	Native	Black	White	Other	Hispanic	Asian	Island	Other	TOTALS	EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Native	0	0	0	0	0	0	0	0	0	Administrators	1.00
Black	0	0	0	0	0	0	0	0	0	Physicians	0.00
White	0	0	0	0	0	0	0	0	0	Director of Nursing	1.00
Other	0	0	0	0	0	0	0	0	0	Registered Nurse	2.00
Hispanic	0	0	0	0	0	0	0	0	0	LPNs	1.00
Asian	0	0	0	0	0	0	0	0	0	Certified Aide	2.00
Island	0	0	0	0	0	0	0	0	0	Other Health Staff	1.00
Other	0	0	0	0	0	0	0	0	0	Non-Health Staff	0.00
TOTALS	0	0	0	0	0	0	0	0	0	TOTALS	13.50

REPORTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	Admission	Discharge	Transfer	Death	Other	TOTALS
Alzheimer's Disease	0	0	0	0	0	0
Stroke	0	0	0	0	0	0
Heart Disease	0	0	0	0	0	0
Diabetes	0	0	0	0	0	0
Arthritis	0	0	0	0	0	0
Chronic Obstructive Pulmonary Disease	0	0	0	0	0	0
Chronic Kidney Disease	0	0	0	0	0	0
Chronic Liver Disease	0	0	0	0	0	0
Chronic Mental Illness	0	0	0	0	0	0
Chronic Pain	0	0	0	0	0	0
Chronic Substance Abuse	0	0	0	0	0	0
Chronic Trauma	0	0	0	0	0	0
Chronic Wound	0	0	0	0	0	0
Chronic Infection	0	0	0	0	0	0
Chronic Fracture	0	0	0	0	0	0
Chronic Burns	0	0	0	0	0	0
Chronic Cancer	0	0	0	0	0	0
Chronic Organ Transplant	0	0	0	0	0	0
Chronic Autoimmune Disease	0	0	0	0	0	0
Chronic Endocrine Disease	0	0	0	0	0	0
Chronic Hematologic Disease	0	0	0	0	0	0
Chronic Immunologic Disease	0	0	0	0	0	0
Chronic Infectious Disease	0	0	0	0	0	0
Chronic Nutritional Deficiency	0	0	0	0	0	0
Chronic Toxicity	0	0	0	0	0	0
Chronic Injury	0	0	0	0	0	0
Chronic Poisoning	0	0	0	0	0	0
Chronic Overdose	0	0	0	0	0	0
Chronic Suicide	0	0	0	0	0	0
Chronic Self-Harm	0	0	0	0	0	0
Chronic Abuse	0	0	0	0	0	0
Chronic Neglect	0	0	0	0	0	0
Chronic Negligence	0	0	0	0	0	0
Chronic Malpractice	0	0	0	0	0	0
Chronic Fraud	0	0	0	0	0	0
Chronic Theft	0	0	0	0	0	0
Chronic Vandalism	0	0	0	0	0	0
Chronic Fire	0	0	0	0	0	0
Chronic Explosion	0	0	0	0	0	0
Chronic Bombing	0	0	0	0	0	0
Chronic Terrorism	0	0	0	0	0	0
Chronic War	0	0	0	0	0	0
Chronic Natural Disaster	0	0	0	0	0	0
Chronic Man-Made Disaster	0	0	0	0	0	0
Chronic Chemical Disaster	0	0	0	0	0	0
Chronic Biological Disaster	0	0	0	0	0	0
Chronic Nuclear Disaster	0	0	0	0	0	0
Chronic Radiological Disaster	0	0	0	0	0	0
Chronic Environmental Disaster	0	0	0	0	0	0
Chronic Other	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0

ADMISSIONS AND DISCHARGES - 2008

LEVEL OF CARE	Admission	Discharge	Transfer	Death	Other	TOTALS
Nursing Care	0	0	0	0	0	0
Skilled Under 22	0	0	0	0	0	0
Intermediate DO	0	0	0	0	0	0
Skilled Care	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0

FACILITY UTILIZATION - 2008

LEVEL OF CARE	Medicare	Medicaid	Private Insurance	Other	TOTAL	Peak Beds Set Up
Nursing Care	0	0	0	0	0	0
Skilled Under 22	0	0	0	0	0	0
Intermediate DO	0	0	0	0	0	0
Skilled Care	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0

REPORTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2008

AGE GROUP	Male	Female	Male	Female	Male	Female	TOTAL	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0
45 to 64	0	0	0	0	0	0	0	0
65 to 84	0	0	0	0	0	0	0	0
85 to 94	0	0	0	0	0	0	0	0
95 to 104	0	0	0	0	0	0	0	0
105 to 114	0	0	0	0	0	0	0	0
115 to 124	0	0	0	0	0	0	0	0
125 to 134	0	0	0	0	0	0	0	0
135 to 144	0	0	0	0	0	0	0	0
145 to 154	0	0	0	0	0	0	0	0
155 to 164	0	0	0	0	0	0	0	0
165 to 174	0	0	0	0	0	0	0	0
175 to 184	0	0	0	0	0	0	0	0
185 to 194	0	0	0	0	0	0	0	0
195 to 204	0	0	0	0	0	0	0	0
205 to 214	0	0	0	0	0	0	0	0
215 to 224	0	0	0	0	0	0	0	0
225 to 234	0	0	0	0	0	0	0	0
235 to 244	0	0	0	0	0	0	0	0
245 to 254	0	0	0	0	0	0	0	0
255 to 264	0	0	0	0	0	0	0	0
265 to 274	0	0	0	0	0	0	0	0
275 to 284	0	0	0	0	0	0	0	0
285 to 294	0	0	0	0	0	0	0	0
295 to 304	0	0	0	0	0	0	0	0
305 to 314	0	0	0	0	0	0	0	0
315 to 324	0	0	0	0	0	0	0	0
325 to 334	0	0	0	0	0	0	0	0
335 to 344	0	0	0	0	0	0	0	0
345 to 354	0	0	0	0	0	0	0	0
355 to 364	0	0	0	0	0	0	0	0
365 to 374	0	0	0	0	0	0	0	0
375 to 384	0	0	0	0	0	0	0	0
385 to 394	0	0	0	0	0	0	0	0
395 to 404	0	0	0	0	0	0	0	0
405 to 414	0	0	0	0	0	0	0	0
415 to 424	0	0	0	0	0	0	0	0
425 to 434	0	0	0	0	0	0	0	0
435 to 444	0	0	0	0	0	0	0	0
445 to 454	0	0	0	0	0	0	0	0
455 to 464	0	0	0	0	0	0	0	0
465 to 474	0	0	0	0	0	0	0	0
475 to 484	0	0	0	0	0	0	0	0
485 to 494	0	0	0	0	0	0	0	0
495 to 504	0	0	0	0	0	0	0	0
505 to 514	0	0	0	0	0	0	0	0
515 to 524	0	0	0	0	0	0	0	0
525 to 534	0	0	0	0	0	0	0	0
535 to 544	0	0	0	0	0	0	0	0
545 to 554	0	0	0	0	0	0	0	0
555 to 564	0	0	0	0	0	0	0	0
565 to 574	0	0	0	0	0	0	0	0
575 to 584	0	0	0	0	0	0	0	0
585 to 594	0	0	0	0	0	0	0	0
595 to 604	0	0	0	0	0	0	0	0
605 to 614	0	0	0	0	0	0	0	0
615 to 624	0	0	0	0	0	0	0	0
625 to 634	0	0	0	0	0	0	0	0
635 to 644	0	0	0	0	0	0	0	0
645 to 654	0	0	0	0	0	0	0	0
655 to 664	0	0	0	0	0	0	0	0
665 to 674	0	0	0	0	0	0	0	0
675 to 684	0	0	0	0	0	0	0	0
685 to 694	0	0	0	0	0	0	0	0
695 to 704	0	0	0	0	0	0	0	0
705 to 714	0	0	0	0	0	0	0	0
715 to 724	0	0	0	0	0	0	0	0
725 to 734	0	0	0	0	0	0	0	0
735 to 744	0	0	0	0	0	0	0	0
745 to 754	0	0	0	0	0	0	0	0
755 to 764	0	0	0	0	0	0	0	0
765 to 774	0	0	0	0	0	0	0	0
775 to 784	0	0	0	0	0	0	0	0
785 to 794	0	0	0	0	0	0	0	0
795 to 804	0	0	0	0	0	0	0	0
805 to 814	0	0	0	0	0	0	0	0
815 to 824	0	0	0	0	0	0	0	0
825 to 834	0	0	0	0	0	0	0	0
835 to 844	0	0	0	0	0	0	0	0
845 to 854	0	0	0	0	0	0	0	0
855 to 864	0	0	0	0	0	0	0	0
865 to 874	0	0	0	0	0	0	0	0
875 to 884	0	0	0	0	0	0	0	0
885 to 894	0	0	0	0	0	0	0	0
895 to 904	0	0	0	0	0	0	0	0
905 to 914	0	0	0	0	0	0	0	0
915 to 924	0	0	0	0	0	0	0	0
925 to 934	0	0	0	0	0	0	0	0
935 to 944	0	0	0	0	0	0	0	0
945 to 954	0	0	0	0	0	0	0	0
955 to 964	0	0	0	0	0	0	0	0
965 to 974	0	0	0	0	0	0	0	0
975 to 984	0	0	0	0	0	0	0	0
985 to 994	0	0	0	0	0	0	0	0
995 to 1004	0	0	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0	0	0

RESIDENTS BY FACILITY/ETHNICITY GROUPING									
AGE	Race	Nursing	Medicaid	Medicaid	CPD/O	Other	Private	Cherty	Totals
Adults		0	0	0	0	0	0	0	0
Adoles.		0	0	0	0	0	0	0	0
Adoles. Indian		0	0	0	0	0	0	0	0
Black		0	0	0	0	0	0	0	0
Hispanic/Pan. Ind.		0	0	0	0	0	0	0	0
White		48	0	0	0	0	0	49	0
Race Unknown		1	0	0	0	0	0	1	0
Total		50	0	0	0	0	0	50	0
ETHNICITY									
Hispanic		1	0	0	0	0	0	1	0
Non-Hispanic		49	0	0	0	0	0	49	0
Ethnicity Unknown		0	0	0	0	0	0	0	0
Total		50	0	0	0	0	0	50	0

LEVEL				MEDICARE BY PAYMENT SOURCE AND LEVEL OF CARE				AVERAGE DAILY PATIENT RATES			
LEVEL OF CARE	Medicare	Medicaid	Private	Medicare	Medicaid	Private	Cherty	LEVEL OF CARE	Medicare	Medicaid	Private
Nursing Care	1	33	0	0	17	0	60	Nursing Care	123	96	0
Skilled Under 22	0	0	0	0	0	0	0	Skilled Under 22	0	0	0
CPD/O	0	0	0	0	0	0	0	Intermediate DO	0	0	0
Skilled Care	0	0	0	0	0	0	0	Skilled	0	0	0
TOTALS	1	33	0	0	17	0	60				

STAFFING	
EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	8.00
Director of Nursing	1.50
Registered Nurses	2.88
LPN's	4.40
Certified Aides	19.00
Other Health Staff	6.00
Non-Health Staff	17.00
Totals	64.98

[illegible][illegible]

FACILITY UTILIZATION - 2008									
BY LEVEL OF CARE PROVIDED AND PAYMENT SOURCE									
LEVEL OF CARE	Medicare		Medicaid		Other		TOTAL	Unpaid Beds	Peak Beds Set Up
	Paid Beds	Occ. Pay.	Paid Beds	Occ. Pay.	Paid Beds	Occ. Pay.			
Skilled Care	600	2.9%	13897	48.3%	5616		20373	88.2%	88.2%
Skilled Under 22		0.0%	0	0.0%	0		0	0.0%	0.0%
Intermediate Care		0	0	0.0%	0		0	0.0%	0.0%
Residential Care					0		0	0.0%	0.0%
TOTAL	606	2.9%	13897	48.3%	5616		20373	88.2%	88.2%

AGE GROUPS	NURSING CARE		SOL UNDER 22		INTERMED. CG		DEVALUED		TOTAL		GRAND TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Under 18	0	0	5	9	0	0	0	0	0	0	0
18 to 24	0	0	0	0	0	0	0	0	0	0	0
25 to 34	0	0	0	0	0	0	0	0	0	0	0
35 to 44	2	3	0	0	0	0	0	0	2	2	2
45 to 54	2	1	0	0	0	0	0	0	2	1	3
55 to 64	2	2	0	0	0	0	0	0	2	2	2
65 to 74	2	2	0	0	0	0	0	0	2	2	2
75 to 84	2	3	0	0	0	0	0	0	2	3	11
85+	2	23	0	0	0	0	0	0	2	23	30
TOTALS	11	30	0	0	0	0	0	0	11	30	80

Source: Division of Health Systems Development,
Illinois Department of Public Health
123 West Jefferson
Springfield, Illinois Phone: 217/783-3518

Source: Division of Health Systems Development
Illinois Department of Public Health
625 West Jefferson
Springfield, Illinois Phone: 217/782-3118

2004 ILLINOIS DEPARTMENT OF PUBLIC HEALTH LONG TERM CARE FACILITY PROFILES

WISCONSIN COUNTY NURSING HOME
208 W 8TH AVENUE
ALEDO, IL 61231
Facility ID: 8000728
Health Services Area 018 Planning Services Area 131

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE			
LEVEL OF CARE	Medicaid	Private Pay	Chaffery Care
Nursing Care	0	0	0
Skilled Under 22	0	0	0
Intermediate OD	0	0	0
Skilled Care	0	0	0
TOTALS	0	0	0

AVERAGE DAILY PAYMENT RATES			
LEVEL OF CARE	SINGLE	DOUBLE	
Nursing Care	113	104	
Skilled Under 22	0	0	
Intermediate OD	0	0	
Skilled Care	0	0	

RESIDENTS BY RACE/ETHNICITY GROUPING			
RACE	Medicaid	Private Pay	Chaffery Care
Asian	0	0	0
Black	0	0	0
Hispanic	0	0	0
White	0	0	0
Other	0	0	0
TOTALS	0	0	0

STAFFING			
EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT		
Nurses	1.00		
Physicians	0.00		
Director of Nursing	1.00		
Registered Nurse	4.00		
LPN's	4.00		
Certified Aide	31.00		
Other Health Staff	4.00		
Non-Health Staff	23.00		
TOTALS	74.00		

RESIDENTS BY PHYSICIAN DISCIPLINE			
Physician Discipline	Medicaid	Private Pay	Chaffery Care
Internal Medicine	0	0	0
Neurology	0	0	0
Psychiatry	0	0	0
Geriatrics	0	0	0
Obstetrics/Gynecology	0	0	0
Pediatrics	0	0	0
Family Practice	0	0	0
Other	0	0	0
TOTALS	0	0	0

ADMISSIONS AND DISCHARGES - 2004			
LEVEL OF CARE	Admissions	Discharges	Net Change
Nursing Care	0	0	0
Skilled Under 22	0	0	0
Intermediate OD	0	0	0
Skilled Care	0	0	0
TOTALS	0	0	0

FACILITY UTILIZATION - 2004			
LEVEL OF CARE	Medicaid	Private Pay	Chaffery Care
Nursing Care	0	0	0
Skilled Under 22	0	0	0
Intermediate OD	0	0	0
Skilled Care	0	0	0
TOTALS	0	0	0

BY LEVEL OF CARE PROVIDED AND PAYMENT SOURCE			
LEVEL OF CARE	Medicaid	Private Pay	Chaffery Care
Nursing Care	0	0	0
Skilled Under 22	0	0	0
Intermediate OD	0	0	0
Skilled Care	0	0	0
TOTALS	0	0	0

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2004			
AGE GROUP	Male	Female	Total
Under 18	0	0	0
18 to 44	0	0	0
45 to 64	0	0	0
65 to 74	0	0	0
75 to 84	0	0	0
85+	0	0	0
TOTALS	0	0	0

Source: Division of Health Systems Development
Illinois Department of Public Health
535 West Jackson
Springfield, Illinois Phone: 217/782-3116
Page 1348 of 2272
6/12/2007

Source: Division of Health Systems Development
Illinois Department of Public Health
535 West Jackson
Springfield, Illinois Phone: 217/782-3116
Page 1348 of 2272
6/12/2007



August 20, 2007

Illinois Health Facilities Planning Board
525 West Jefferson St.
Springfield, IL 62761

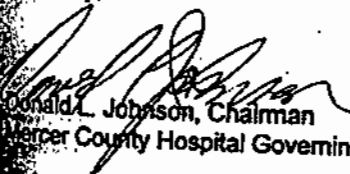
Re: Mercer County Hospital Extended Care Closure

To Whom It May Concern:

On behalf of the Mercer County Hospital Governing Board, I am writing in support of Mercer County Hospital's decision to close the Long Term Care Unit by eliminating their 14 long-term care beds. The Governing Board feels that the other Nursing Homes in the region as well as the Assisted Living facility will be able to accommodate any additional patients they may incur due to the closure.

Please feel free to contact me at (309) 582-2766 if I can be of further assistance.

Sincerely,


Donald L. Johnson, Chairman
Mercer County Hospital Governing Board

409 NW Ninth Ave.
Aledo, Illinois 61231

36

309.582.5301
fax: 309.582.3737
ATTACHMENT DISC-3

www.mercerhospital.org

ADDENDUM 3, PAGE 10

JAN-11-2008 14:30

2175443615

2175443615

P.03/08

3095823736

HIM FAX

02:39:03 p.m.

01-11-2008

3/8



August 20, 2007

Illinois Health Facilities Planning Board
525 West Jefferson St.
Springfield, IL 62761

Re: Mercer County Hospital Extended Care Closure

To Whom It May Concern:

On behalf of the Mercer County Hospital Medical Staff, I am writing in support of Mercer County Hospital's decision to close the Long Term Care Unit by eliminating their 14 long-term care beds. The Medical Staff feels that the other Nursing Homes in the region as well as the Assisted Living facility will be able to accommodate any additional patients they may incur due to the closure.

Please feel free to contact me at (309) 582-3789 if I can be of further assistance.

Sincerely,

Raluca C. Rosca-Sichitiu, M.D., Chief of Staff
Mercer County Hospital Medical Staff

409 NW Ninth Ave.
Aledo, Illinois 61231

37

309.582.5301
fax: 309.582.3737

www.mercerhospital.org

ADDENDUM 3, PAGE 11



Aledo
REHABILITATION &
HEALTH CARE CENTER
"Caring with a Hometown Touch"

304 Southwest 12th Street
Aledo, IL 61231
Phone: 309.582.5376
Fax: 309.582.2435

August 29, 2007

Illinois Health Facilities Planning Board
525 West Jefferson Street
Springfield, IL 62761

Re: Mercer County Hospital Extended Care Closure

To Whom It May Concern:

On behalf of Aledo Rehabilitation & Health Care Center, I am writing in support of Mercer County Hospital's decision to close the Long Term Care Unit by eliminating their 14 long-term care beds. I feel that the other Nursing Homes in the region as well as the Assisted Living facility will be able to accommodate any additional patients they may incur due to the closure.

Please feel free to contact me at 1-309-582-5376 if I can be of further assistance.

Sincerely,

Shaila Hart
Administrator



309 NW Ninth Avenue
Aledo, IL 61231
(309) 582-5361
Web: mercerconursinghome.com
Email: info@mcnursinghome.com

August 21, 2007

Illinois Health Facilities Planning Board
525 West Jefferson Street
Springfield, IL 62761

RE: Mercer County Hospital Extended Care Closure

To Whom It May Concern:

On behalf of Mercer County Nursing Home I am writing in support of Mercer County Hospital's decision to close the Long Term Care Unit by eliminating their 14 long-term care beds. I feel that the other Nursing Homes in the region as well as the Assisted Living facility will be able to accommodate any additional patients they may incur due to the closure.

Please feel free to contact me at (309) 582-5361 if I can be of further assistance.

Sincerely,

MERCER COUNTY NURSING HOME

Carla M. Ewing
Carla M. Ewing
Administrator



Community Care Center of Monmouth

117 South "I" Street • Monmouth, IL 61462
Ph. 309 - 734 - 3811 • Fax 309 - 734 - 6324

August 21, 2007

Illinois Health Facilities Planning Board
525 West Jefferson St.
Springfield, IL 62761

Re: Mercer County Hospital Extended Care Closure

To Whom It May Concern:

On behalf of "Name of Facility or Organization" I am writing in support of Mercer County Hospital's decision to close the Long Term Care Unit by elimination their 14 long-term care beds. I feel that the other Nursing Homes in the region as well as the Assisted Living facility will be able to accommodate any additional patients they may incur due to the closure.

Please feel free to contact me at 309-734-3811 if I can be of further assistance.

Sincerely,

Joyce Juergens, RN
Administrator
Monmouth Nursing Home



Heritage Woods of Aledo

*An Affordable Assisted Lifestyle
Community for the Older Adult*

August 30, 2007

Illinois Health Facilities Planning Board
525 West Jefferson St.
Springfield, IL 62761

RE: Mercer County Hospital Extended Care Closure

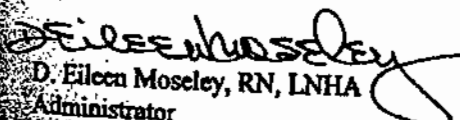
To Whom It May Concern:

On behalf of "Heritage Woods of Aledo", a Supportive Living Facility, I am writing in support of Mercer County Hospital's decision to close the Long Term Care Unit by eliminating their 14 long-term care beds.

I feel that the other nursing homes in the region, as well as our supportive living facility, will be able to accommodate any additional patients they may incur due to the closure.

Please feel free to contact me at the number below if I can be of further assistance in this matter.

Sincerely,


D. Eileen Moseley, RN, LNHA
Administrator
Heritage Woods of Aledo

405 SE 13th Avenue • Aledo, IL 61231
Phone: (309) 582-1132 • Fax: (309) 582-1134



Mercer County Board

100 SE 3rd Street
Alledo, Illinois 61231-1948
ph. 309 582-2138



August 27, 2007

Illinois Health Facilities Planning Board
525 West Jefferson St.
Springfield, IL. 62761

Re: Mercer County Hospital Extended Care Closure

To Whom It May Concern:

On behalf of the Mercer County Board I am writing in support of Mercer County Hospital's decision to close the Long Term Care Unit by eliminating their 14 long-term care beds. I feel that the other Nursing Homes in the region as well as the Assisted Living facility will be able to accommodate any additional patients they may incur due to the closure.

Please feel free to contact me at 309 582-2138 if I can be of further assistance.

Sincerely,

Thomas L. Harris
Chairman
Mercer County Board

TLH/kjt