

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

13-069

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

RECEIVED

This Section must be completed for all projects.

NOV 27 2013

Facility/Project Identification

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Facility Name:	Memorial Hospital of Carbondale		
Street Address:	405 W. Jackson Street		
City and Zip Code:	Carbondale 62902		
County:	Jackson	Health Service Area	5 Health Planning Area: F-07

Applicant /Co-Applicant Identification

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

Exact Legal Name:	Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale		
Address:	405 W. Jackson Street P.O. Box 10000 Carbondale, Illinois 62902		
Name of Registered Agent:	Mr. William F. Sherwood		
Name of Chief Executive Officer:	Mr. Bart Millstead, Administrator		
CEO Address:	405 W. Jackson Street P.O. Box 10000 Carbondale, Illinois 62902		
Telephone Number:	618-549-0721		

Type of Ownership of Applicant/Co-Applicant

☒ 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:	Mr. Philip L. Schaefer, FACHE
Title:	Vice President, Ambulatory and Physician Services
Company Name:	Southern Illinois Healthcare
Address:	1239 E. Main Street P.O. Box 3988 Carbondale, IL 62902
Telephone Number:	618-457-5200 X67961
E-mail Address:	phil.schaefer@sih.net
Fax Number:	618-529-0568

Additional Contact

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

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

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Additional Applicant Identification**[Provide for each co-applicant [refer to Part 1130.220].**

Exact Legal Name:	Southern Illinois Healthcare Enterprises, Inc.
Address:	1239 E. Main Street P.O. Box 3988 Carbondale, Illinois 62901
Name of Registered Agent:	Mr. William F. Sherwood
Name of Chief Executive Officer:	Mr. Rex P. Budde, President and CEO
CEO Address:	1239 E. Main Street P. O. Box 3988 Carbondale, Illinois 62901
Telephone Number:	618-457-5200

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**Type of Ownership**

☒ Non-profit Corporation	☐ Partnership
☐ For-profit Corporation	☐ Governmental
☐ Limited Liability Company	☐ 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.	

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:	Ms. Cathy Blythe
Title:	System Manager, Planning & Physician Recruitment
Company Name:	Southern Illinois Healthcare
Address:	1239 E. Main Street P.O. Box 3988 Carbondale, IL 62902
Telephone Number:	618-457-5200 X 67963
E-mail Address:	cathy.blythe@sih.net
Fax Number:	618-529-0568

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Southern Illinois Hospital Services
Address of Site Owner:	1239 E. Main Street P.O. Box 3988 Carbondale, IL 62902
Street Address or Legal Description of Site:	405 W. Jackson Street, Carbondale, Illinois 62902

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:	Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale		
Address:	405 W. Jackson Street P.O. Box 10000 Carbondale, Illinois 62902		

☒ Non-profit Corporation	☐ Partnership
☐ For-profit Corporation	☐ Governmental
☐ Limited Liability Company	☐ 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.
- o **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

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

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

Flood Plain Requirements

[Refer to application instructions.]

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

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT**1. Project Classification**

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

Part 1110 Classification:

- ☐ Substantive
☒ Non-substantive

Part 1120 Applicability or Classification:
[Check one only.]

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

2. Narrative Description

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

This project proposes to expand and modernize several departments at Memorial Hospital of Carbondale in Carbondale.

This project includes the following Clinical Service Areas:

- Expansion of the Medical/Surgical Category of Service without any increase in authorized Medical/Surgical beds;
- Expansion of the Intensive Care Category of Service, including an increase of 8 authorized Intensive Care beds;
- Modernization and expansion of the Surgical Suite, including an increase of 3 general (multi-specialty) operating rooms;
- Replacement of the Post-Anesthesia Recovery Unit (PACU, Recovery Phase I);
- Replacement and expansion of Surgical Prep (for both A.M. Admits and Same-Day Surgery patients) and Phase II Recovery (Same-Day Surgery);
- Replacement and expansion of Pharmacy;
- Replacement and expansion of Central Sterile Processing/Distribution;
- Construction of shell space for a future expansion of the Medical/Surgical Category of Service that includes an increased in authorized Medical/Surgical beds.

This project will also include the following Non-Clinical Services:

- Materials Management;
- Security;
- Vending Machine Area;
- Entrances, Lobbies, Central Public Space;
- Interdepartmental Circulation Space;
- Elevator Lobbies;
- Mechanical/Electrical Space and Equipment;
- Elevator Shafts;
- Stairwells;
- Mechanical/Electrical/Data Shafts;
- Entry Canopies.

The project will consist of the construction of 2 additions to the hospital, each of which will be contiguous with the existing hospital building, and the modernization of space that is adjacent to the newly constructed additions and space that is vacated as a result of this project. Drawings follow this page.

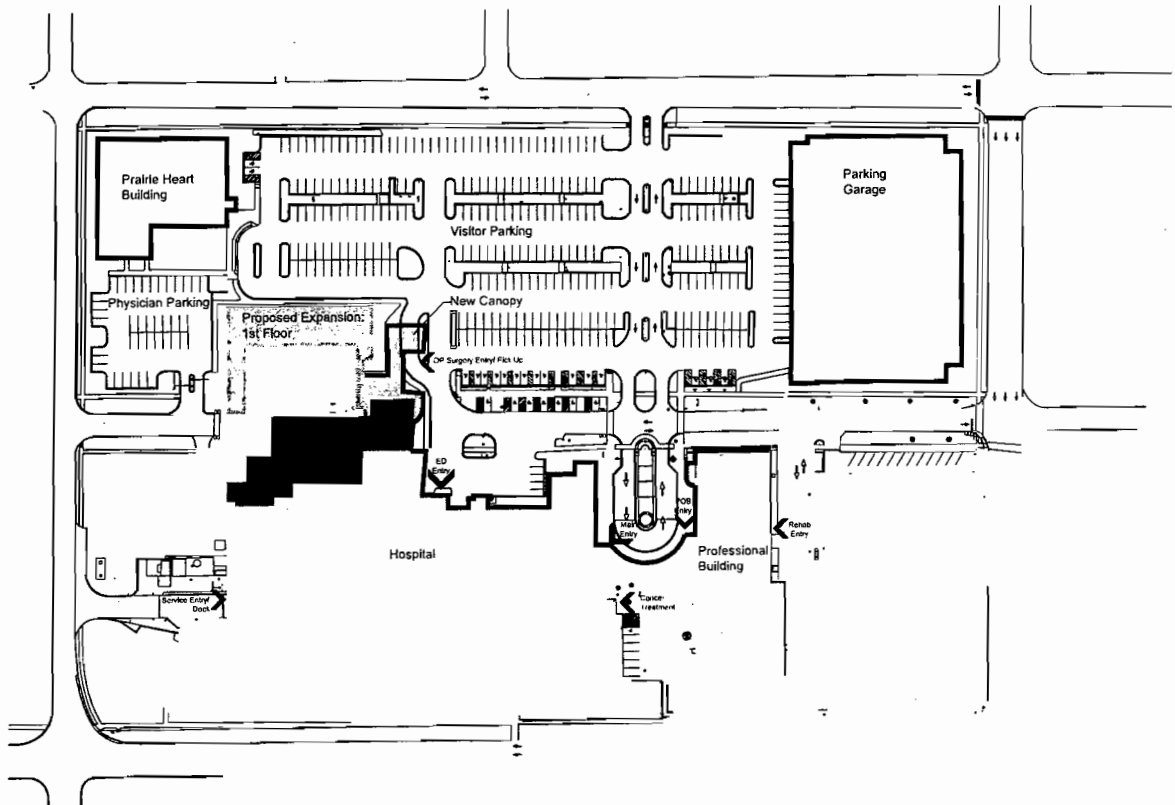
One addition, constructed contiguous with the existing Surgical Suite, will have a ground floor with Non-Clinical Services, a 1st floor with an expansion of Surgery, replacement of the PACU, and replacement of part of Same-Day Surgery, and a mechanical penthouse.

The other addition will consist of 3 stories constructed on top of an existing hospital building. The 2nd floor will have the balance of the Same-Day Surgery replacement, the 3rd floor will have the expansion of the Intensive Care Unit (ICU) and a Medical/Surgical nursing unit, both of which will be contiguous with the existing ICU and an existing Medical/Surgical nursing unit, and the 4th floor will be shell space for future construction of an additional Medical/Surgical nursing unit.

The replacement of Pharmacy and Central Sterile Processing/Distribution will take place in existing space on the hospital's 1st floor that will be vacated as part of this project.

This project will increase the authorized Intensive Care beds, but will not result in any change in authorized beds in the Medical/Surgical, Obstetric, or Pediatric Categories of Service. A future CON application that will be submitted for the build-out of the shell space will increase the authorized beds in the Medical/Surgical Category of Service when that project is completed.

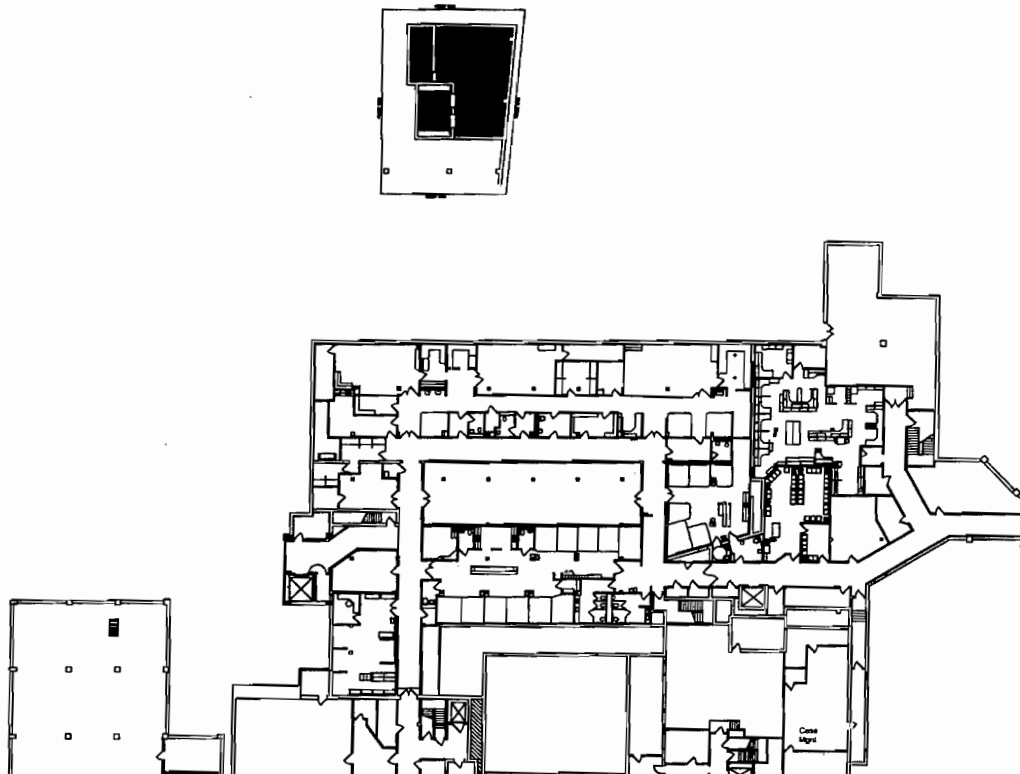
This project is "non-substantive" in accordance with 20 ILCS 3960/12 because it does not meet the criteria for classification as a "substantive" project. The increase in authorized beds proposed in this project will be less than the lesser of 20 beds or 10% of total bed capacity.



MHC
Proposed Site Plan

P:\Drawings\MHC\Johne Project\CON 2017\2E CAD\2E MHC CON File Updates 2017.06.14\MHC Ground Floor CON

5/19/2017 1:08:03 PM, jeha



- EL EQ Elevator Equipment Room
- L Lobby
- STO Surgery Storage
- New Construction
- Renovated Construction
- Existing Elevators

MHC

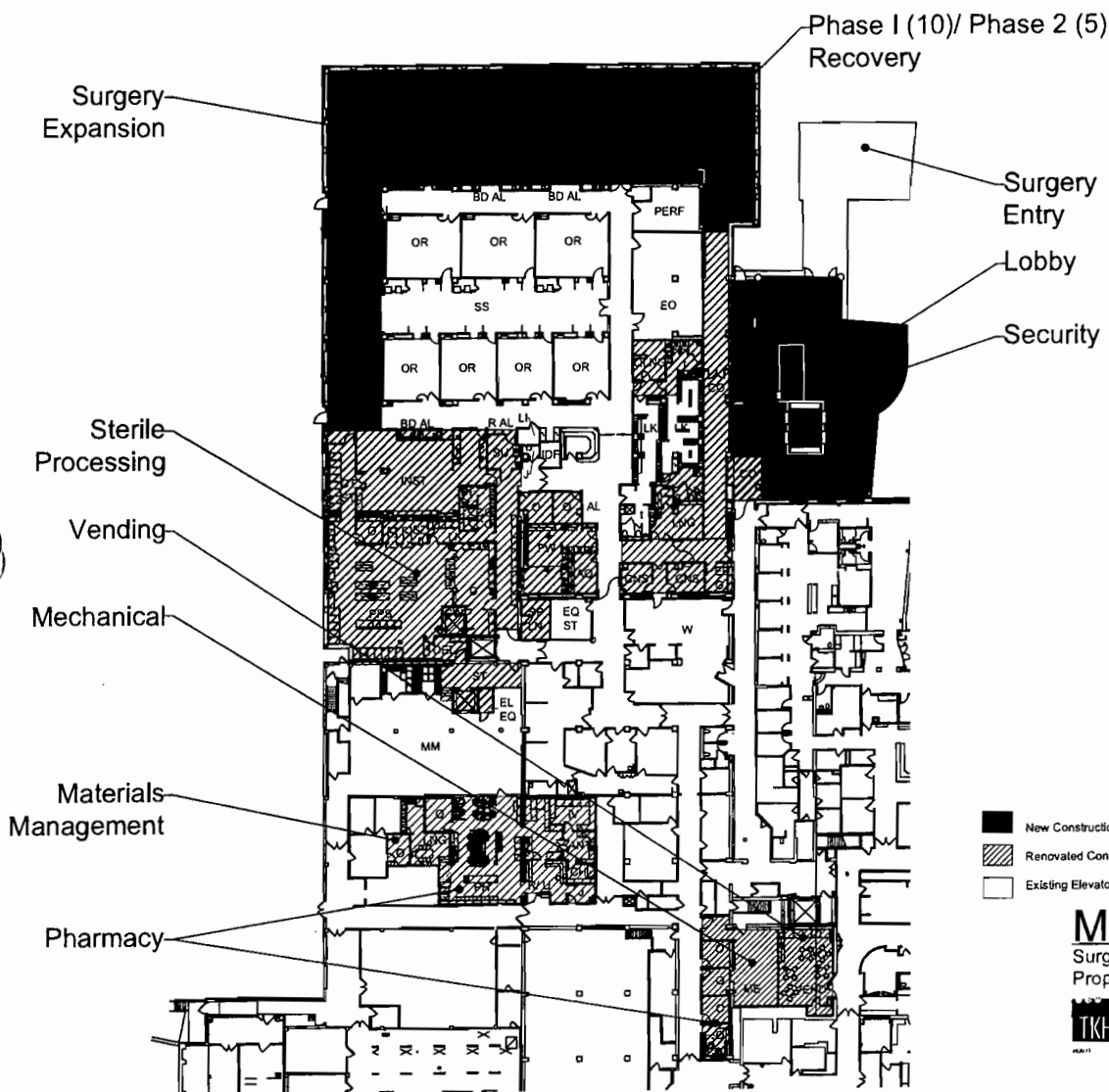
Elevator Core Expansion
Proposed Ground Floor

TKH TERROGALLEFF KELLY HARTKE

Project # 17-05-02-00
File Name: MHC Ground Floor CON File Updates 2017.06.14
Drawn By: jeha



NTS



- AL Alcove
- ANT Ante Room
- AO Anesthesia Office
- BW/FS Blanket Warmer/ Flash Sterilizer
- BD Bed/ Stretcher Alcove
- C / M Clean / Med
- CO Corridor
- CG Change Room
- CH Chemo Room
- CO AL C-Arm/ O-Arm Alcove
- CNS Consult
- COMP Hybrid Computer Equip.
- CONT Control Room
- CT ST Carl Staging
- CW Carl Wash
- D Decontamination Room
- DEL Supply/ Delivery
- ED O Education Office
- EO Surg. / Anesth. Equip. Storage
- EO Equipment Room
- EQ ST Equipment Storage
- IDF Data Closet
- INST Instruments
- IV IV Mixing Room
- J Janitorial Closet
- L Lobby
- L P/S Lobby - Patient/ Staff
- LI Linen Closet
- LK Locker Room
- LNG Lounge
- ME Mechanical
- MM Materials Management
- NS Nurse Station
- O Office
- OR Operating Room
- PERF Perfusion
- PH Pharmacy Work
- PPS Central Sterile
- PW Physician's Work
- QLNG Quiet Lounge
- R/ U Receiving/ Unit Dose
- R AL Return Cart Alcove
- R1 Phase 1 Recovery Room
- R2 Phase 2 Recovery Room
- S AL Storage Alcove
- SC Scrub Station
- SP LN Staff Lounge
- SS Sub-Sterile
- ST Staging
- SU Soiled Utility
- SZ Sterilizers
- T Toilet
- V Vestibule
- VEND Vending
- W Waiting
- WC Wheelchair Alcove

- New Construction
- ▨ Renovated Construction
- Existing Elevators

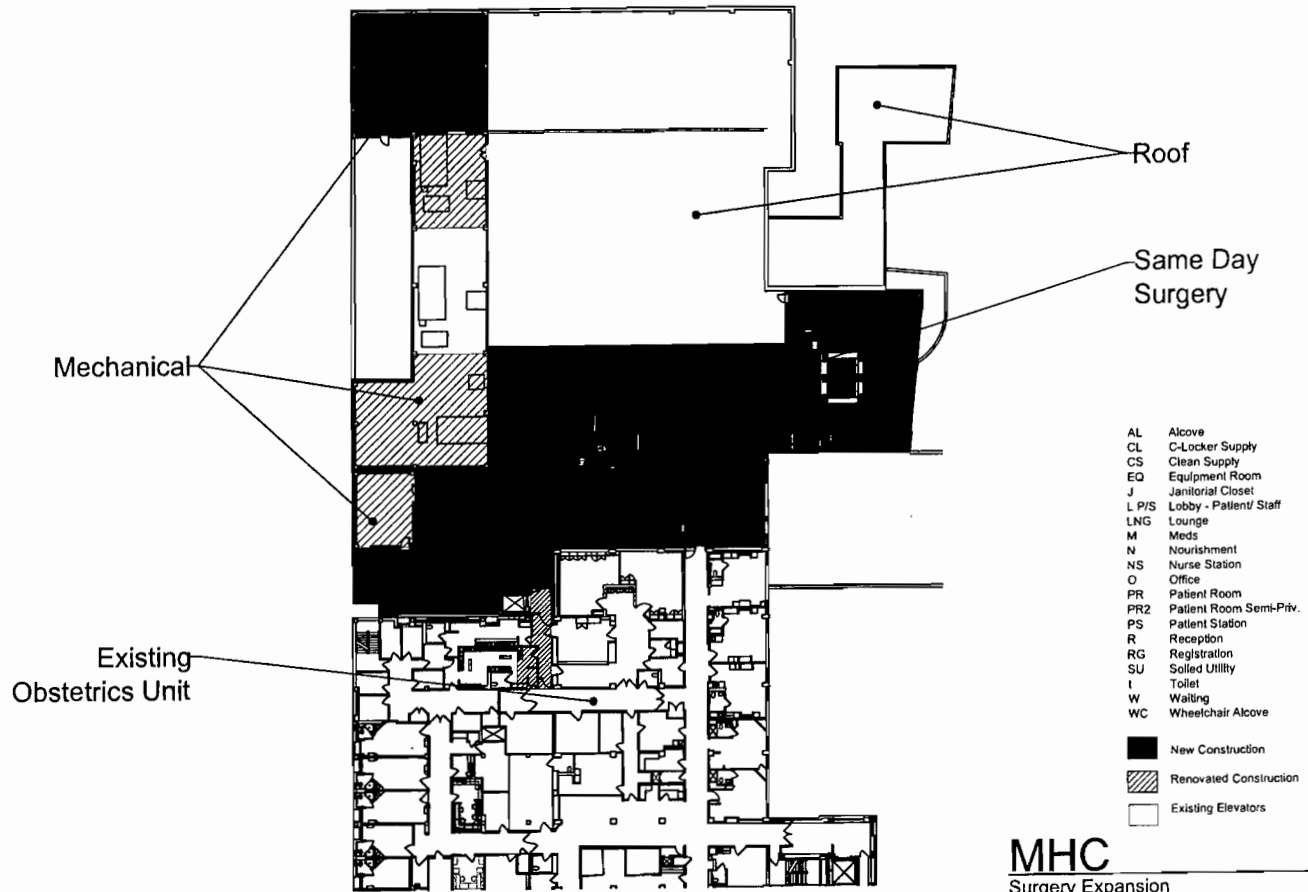
MHC Surgery Expansion Proposed First Floor

TKH TCHOUDALEFF KELLY HARTZ

Project # 1
File Name: MHC 1st Floor CON 13.0.dwg
Drawn By: [Name]



NTS

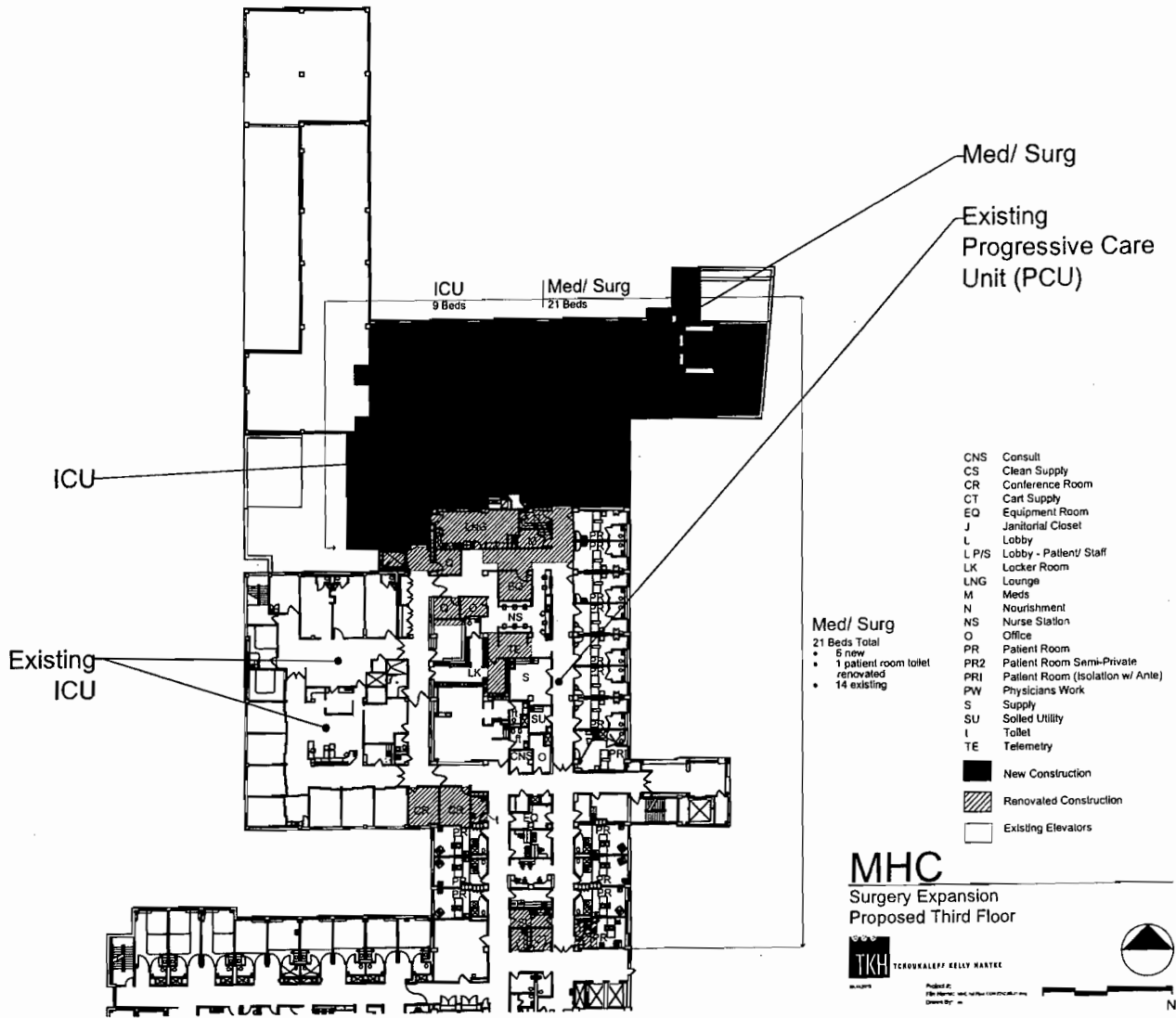


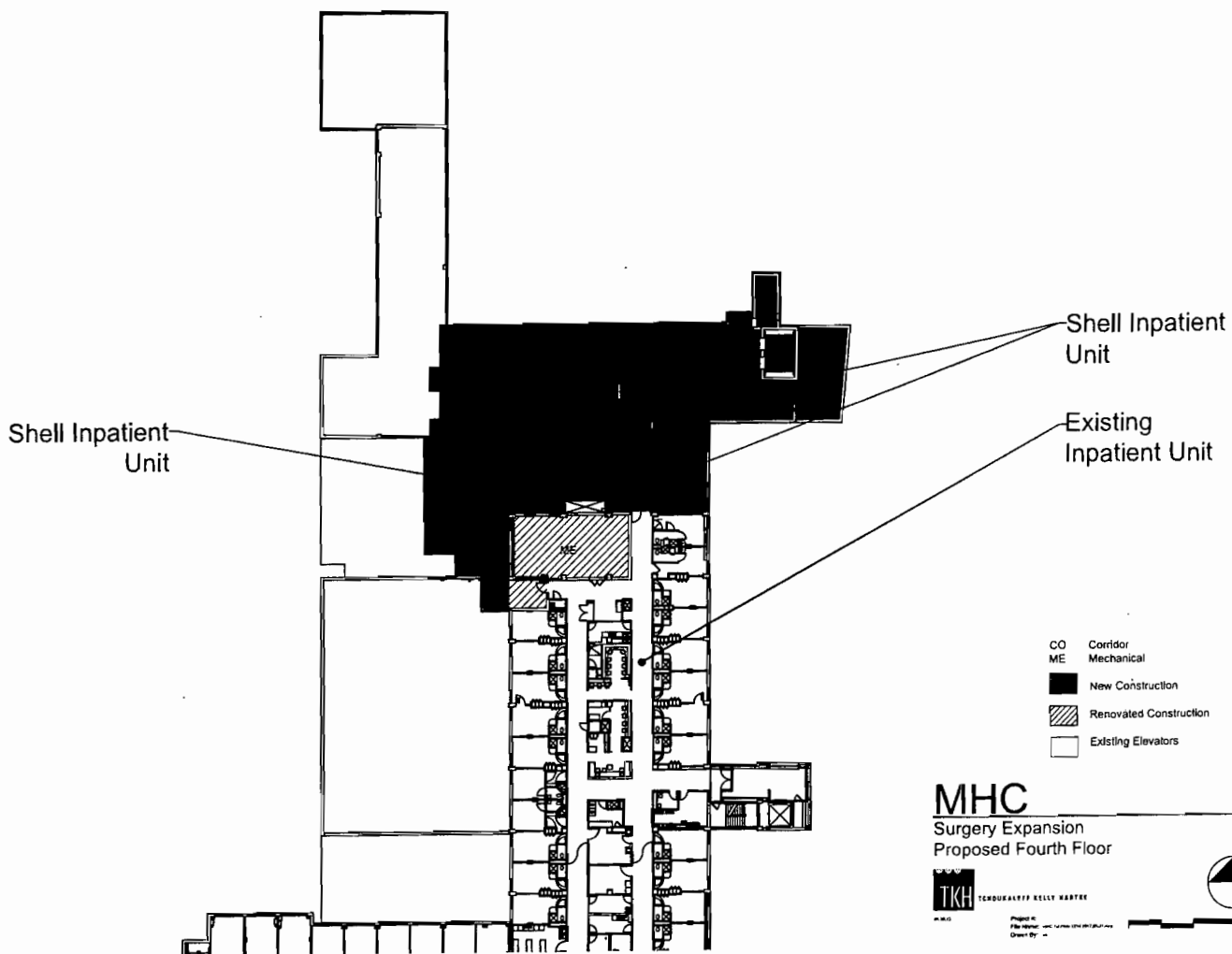
TEROUEALEFF KELLY HARTRE

Project #:
File Name: MHC 2nd Floor CON 2012.dwg
Drawn By: aeb



NTS





Project Costs and Sources of Funds

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

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$123,404	\$35,827	\$159,231
Site Survey and Soil Investigation	\$26,069	\$7,569	\$33,638
Site Preparation	\$146,189	\$42,442	\$188,631
Off Site Work	\$306,294	\$88,924	\$395,218
New Construction Contracts	\$15,667,169	\$5,198,202	\$20,865,371
Modernization Contracts	\$4,149,497	\$1,426,009	\$5,575,506
Contingencies	\$1,981,667	\$662,421	\$2,644,088
Architectural/Engineering Fees	\$1,448,039	\$420,399	\$1,868,438
Consulting and Other Fees	\$1,482,060	\$388,579	\$1,870,639
Movable or Other Equipment (not in construction contracts)	\$7,983,653	\$71,392	\$8,055,045
Bond Issuance Expense (project related)	\$817,625	\$237,375	\$1,055,000
Net Interest Expense During Construction (project related)	\$7,502,000	\$2,178,000	\$9,680,000
Fair Market Value of Leased Space or Equipment	\$0	\$0	\$0
Other Costs To Be Capitalized	\$70,710	\$34,323	\$105,033
Acquisition of Building or Other Property (excluding land)	\$0	\$0	\$0
TOTAL USES OF FUNDS	\$41,704,376	\$10,791,462	\$52,495,838
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$0	\$0	\$0
Pledges	\$0	\$0	\$0
Gifts and Bequests	\$0	\$0	\$0
Bond Issues (project related)	\$41,704,376	\$10,791,462	\$52,495,838
Mortgages	\$0	\$0	\$0
Leases (fair market value)	0	\$0	\$0
Appropriations	\$0	\$0	\$0
Grants	\$0	\$0	\$0
Other Funds and Sources	\$0	\$0	\$0
TOTAL SOURCES OF FUNDS	\$41,704,376	\$10,791,462	52,495,838

NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Related Project Costs

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

Land acquisition is related to project ☐ Yes ☒ No

Purchase Price: _____

Fair Market Value: _____

The project involves the establishment of a new facility or a new category of service

☐ Yes ☒ No

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

Estimated start-up costs and operating deficit cost is N/A.

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

☐ None or not applicable

☐ Preliminary

☒ Schematics

☐ Final Working

Anticipated project completion date (refer to Part 1130.140): December 31, 2017

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

☐ Purchase orders, leases or contracts pertaining to the project have been executed.

☐ Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies

☒ Project obligation will occur after permit issuance.

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

State Agency Submittals

Are the following submittals up to date as applicable:

☒ Cancer Registry

☒ APORS

☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted

☒ All reports regarding outstanding permits

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

Cost Space Requirements

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

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

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

Facility Bed Capacity and Utilization

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

FACILITY NAME: Memorial Hospital of Carbondale		CITY: Carbondale			
REPORTING PERIOD DATES: From: January 1, 2012 to: December 31, 2012					
Category of Service	Authorized Beds	Admissions	Patient Days Incl. Observ.	Bed Changes	Proposed Beds
Medical/Surgical	91*	7,323	26,702**	0	91
Obstetrics	28	2,188	9,039**	0	28
Pediatrics	14	199	1,148**	0	14
Intensive Care	13	1,111	3,325	+8	21
Comprehensive Physical Rehabilitation	0	0	0	0	0
Acute/Chronic Mental Illness	0	0	0	0	0
Neonatal Intensive Care	0	0	0	0	0
General Long Term Care	0	0	0	0	0
Specialized Long Term Care	0	0	0	0	0
Long Term Acute Care	0	0	0	0	0
Other (identify)	0	0	0	0	0
TOTALS:	146	10,314***	40,214**	+8	154

*6 Medical/Surgical beds were added on March 5, 2012. The total Medical/Surgical beds are now 91.

**Patient Days include Observation Days

***Total Admissions include ICU Direct Admissions only, excluding transfers from other services

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 Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale* 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.

SIGNATURE

Rex P. Budde

PRINTED NAME

President and CEO

PRINTED TITLE

SIGNATURE

Michael Kasser

PRINTED NAME

VP/CFO/Treasurer

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 28 day of August 2013

Notarization:

Subscribed and sworn to before me
this 29th day of August 2013

Signature of Notary

Seal

OFFICIAL SEAL
SUSAN M ROARK
Notary Public, State of Illinois
My Commission Expires 05-08-2017

Signature of Notary

Seal

OFFICIAL SEAL
Valerie K. Cawvey
Notary Public, State of Illinois
My Commission Expires Nov. 9, 2013

*Insert EXACT legal name of the applicant

CERTIFICATION

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

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

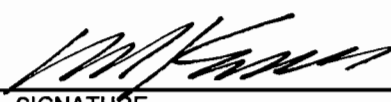

SIGNATURE

Rex P. Budde

PRINTED NAME

President and CEO

PRINTED TITLE


SIGNATURE

Michael Kasser

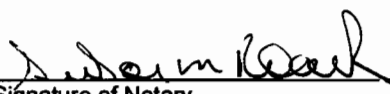
PRINTED NAME

VP/CFO/Treasurer

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 25 day of August 2013

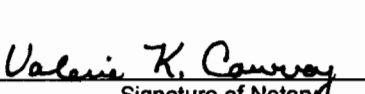

Signature of Notary

Seal



Notarization:

Subscribed and sworn to before me
this 29th day of August 2013


Signature of Notary

Seal



*Insert EXACT legal name of the applicant

SECTION III – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

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

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

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

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

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

PURPOSE OF PROJECT

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

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

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

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

ALTERNATIVES

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

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

SECTION IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE**Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space**

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

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

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

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

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

PROJECT SERVICES UTILIZATION:

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

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

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

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

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

UNFINISHED OR SHELL SPACE:

Provide the following information:

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

APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES:

Submit the following:

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

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

SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA

This Section is applicable to all projects proposing establishment, expansion or modernization of categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria and provide the required information, AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

A. Criterion 1110.530 - Medical/Surgical, Obstetric, Pediatric and Intensive Care

- Applicants proposing to establish, expand and/or modernize Medical/Surgical, Obstetric, Pediatric and/or Intensive Care categories of service must submit the following information:
- Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
☒ Medical/Surgical	91	91 + Shell for 15 future beds
☐ Obstetric		
☐ Pediatric		
☒ Intensive Care	13	21

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

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.530(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.530(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.530(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.530(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.530(b)(5) - Planning Area Need - Service Accessibility	X		
1110.530(c)(1) - Unnecessary Duplication of Services	X		
1110.530(c)(2) - Maldistribution	X	X	
1110.530(c)(3) - Impact of Project on Other Area Providers	X		
1110.530(d)(1) - Deteriorated Facilities			X

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.530(d)(2) - Documentation			X
1110.530(d)(3) - Documentation Related to Cited Problems			X
1110.530(d)(4) - Occupancy			X
1110.530(e) - Staffing Availability	X	X	
1110.530(f) - Performance Requirements	X	X	X
1110.530(g) - Assurances	X	X	X
APPEND DOCUMENTATION AS <u>ATTACHMENT-20</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

R. Criterion 1110.3030 - Clinical Service Areas Other than Categories of Service

1. Applicants proposing to establish, expand and/or modernize Clinical Service Areas Other than Categories of Service must submit the following information:
2. Indicate changes by Service: Indicate # of key room changes by action(s):

Service	# Existing Key Rooms	# Proposed Key Rooms
☒ Surgery	7 Operating Rooms: 1 Cardiac Surgery 6 General	10 Operating Rooms: 1 Cardiac Surgery 9 General
☒ Post-Anesthesia Recovery Unit (PACU, Recovery Phase I)	10 Stations	10 Stations
☒ Surgical Prep/ Phase II Recovery	16 Stations	31 Stations
☒ Pharmacy	N/A	N/A
☒ Central Sterile Processing & Supply	N/A	N/A

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

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
New Services or Facility or Equipment	(b) -	Need Determination - Establishment
Service Modernization	(c)(1) -	Deteriorated Facilities and/or
	(c)(2) -	Necessary Expansion PLUS
	(c)(3)(A) -	Utilization - Major Medical Equipment
		Or
	(c)(3)(B) -	Utilization - Service or Facility

APPEND DOCUMENTATION AS ATTACHMENT-37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

CO-APPLICANT SOUTHERN ILLINOIS HEALTH ENTERPRISES HAS AN "A+" BOND RATING

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

VIII. - 1120.120 - Availability of Funds

SEE ATTACHMENTS 39-41 FOR PROOF OF "A+" BOND RATING

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

	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
	1)	the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
	2)	interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
	1)	For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
	2)	For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
	3)	For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
	4)	For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
	5)	For any option to lease, a copy of the option, including all terms and conditions.
	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
		TOTAL FUNDS AVAILABLE

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

IX. 1120.130 - Financial ViabilitySEE ATTACHMENTS 39-41 FOR PROOF OF "A+" BOND RATING

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

Financial Viability Waiver

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

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

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

2. Variance

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

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

X. 1120.140 - Economic Feasibility

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

A. Reasonableness of Financing Arrangements**SEE ATTACHMENTS 39-41 FOR PROOF OF "A+" BOND RATING**

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

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

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

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

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

* Include the percentage (%) of space for circulation

COST AND GROSS SQUARE FEET							
	A	B	C	D	E	F	G
	Cost/Sq. Foot	Gross Sq. Ft.	Gross Sq. Ft.	Const. \$	Mod. \$	Total Costs	
Department	New	Mod.	New	Mod.	(A x C)	(B x D)	(E + F)
Clinical Service Areas:							
Medical/Surgical Nursing Units:							
3rd Floor Medical/Surgical Nursing Unit	\$446.06	\$335.33	3,282	1,941	\$1,463,969	\$650,876	\$2,114,845
4th Floor Shell Space for Future Medical/Surgical Expansion	\$213.57	\$123.57	8,620	161	\$1,840,973	\$19,895	\$1,860,868
Intensive Care Unit	\$423.03	\$255.99	5,850	763	\$2,474,726	\$195,320	\$2,670,046
Surgery	\$596.91	\$192.45	6,347	5,152	\$3,788,602	\$991,502	\$4,780,104
Post-Anesthesia Recovery Unit (PACU, Recovery Phase I)	\$571.33		1,782	0	\$1,018,110	\$0	\$1,018,110
Surgical Prep/Post-Anesthesia Recovery Phase II	\$416.12		12,210	0	\$5,080,789	\$0	\$5,080,789
Pharmacy		\$275.24	0	2,967	\$0	\$816,624	\$816,624
Central Sterile Processing/Distribution		\$245.43	0	6,011	\$0	\$1,475,280	\$1,475,280
SUBTOTAL CON COMPONENTS	\$411.31	\$244.16	38,091	16,995	\$15,667,169	\$4,149,497	\$19,816,666
Contingency					\$1,566,716	\$414,951	\$1,981,667
TOTAL - CLINICAL SERVICE AREAS	\$452.44	\$268.58	38,091	16,995	\$17,233,885	\$4,564,448	\$21,798,333
Non-Clinical Service Areas:							
Materials Management		\$218.56	0	336	\$0	\$73,436	\$73,436
Security	\$539.47		260	0	\$140,262	\$0	\$140,262
Vending Machine Area		\$154.67	0	612	\$0	\$94,658	\$94,658
Entrances, Lobbies, Central Public Space (this project)	\$394.51	\$158.72	2,983	184	\$1,176,823	\$29,204	\$1,206,027
Interdepartmental Circulation:							
2nd Floor			471	169	N/A	N/A	N/A
4th Floor			933	160	N/A	N/A	N/A
TOTAL Interdepartmental Circulation	\$362.58	\$124.67	1,404	329	\$509,062	\$41,016	\$550,078
Elevator Lobbies:							
Ground Floor			260	0	N/A	N/A	N/A
1st Floor			533	184	N/A	N/A	N/A
2nd Floor			314	79	N/A	N/A	N/A
3rd Floor			298	79	N/A	N/A	N/A
4th Floor			298	0	N/A	N/A	N/A
TOTAL Elevator Lobbies	\$381.09	\$142.61	1,703	342	\$648,998	\$48,772	\$697,770
Elevator Shafts:							
Ground Level			286	0	N/A	N/A	N/A
1st Floor			301	138	N/A	N/A	N/A
2nd Floor			301	0	N/A	N/A	N/A
3rd Floor			301	0	N/A	N/A	N/A
4th Floor			414	0	N/A	N/A	N/A
TOTAL Elevator Shafts	\$623.33	\$218.56	1,603	138	\$999,200	\$30,161	\$1,029,361
Stairwells:							
Ground Level			206	0	N/A		N/A
1st Floor			222	0	N/A		N/A
2nd Floor			376	0	N/A		N/A
3rd Floor			234	0	N/A		N/A
4th Floor			234	0	N/A		N/A
TOTAL Stairwells	\$322.56		1,272	0	\$410,296	\$0	\$410,296
Mechanical/Electrical/Data Shafts:							
3rd Floor			81	0	N/A		N/A
4th Floor			81	0	N/A		N/A
TOTAL Mechanical/Electrical/Data Shafts	\$308.14		162	0	\$49,918	\$0	\$49,918
Mechanical/Electrical Space and Equipment:	\$339.11	\$479.15	2,712	2,314	\$919,661	\$1,108,762	\$2,028,423
Entry Canopies	\$202.70		1,697	0	\$343,982	\$0	\$343,982
SUBTOTAL NON-CON COMPONENTS	\$376.79	\$335.14	13,796	4,255	\$5,198,202	\$1,426,009	\$6,624,211
Contingency					\$519,820	\$142,601	\$662,421
TOTAL NON-CLINICAL SERVICE AREAS	\$414.47	\$368.65	13,796	4,255	\$5,718,022	\$1,568,610	\$7,286,632
PROJECT TOTAL	\$442.34	\$288.61	51,887	21,250	\$22,951,907	\$6,133,058	\$29,084,965

Factors Influencing Additional Construction Costs for this Project

- Memorial Hospital of Carbondale (MHC) is located on the New Madrid Earthquake Fault, as a result of which both the new addition and the existing hospital buildings must meet the current seismic codes for buildings located in an earthquake area.

The new construction must be designed to meet the current seismic codes which have unique requirements for buildings located in an earthquake area.

In addition, existing MHC buildings must include structural upgrades that are required to meet the current standards of the seismic code.

- The new construction for this project will take place on a restricted site with difficult access for construction equipment and supplies.
- One of the areas of new construction will take place adjacent to MHC's Emergency Department, which must remain operational during the construction period.
- Another of the areas of new construction for this project will take place adjacent to and over MHC's Surgical Suite, which must remain operational during the construction period.
- One of the 2 new additions to MHC that will be constructed as part of this project will be constructed on top of an existing hospital building.
- Portions of exterior walls of existing departments in the existing hospital building must be removed in order to permit the construction of the new addition adjacent to this space.
- The new construction must include the demolition of an existing four-story stairway in order to accommodate the construction of the new addition on that site.

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.

MEMORIAL HOSPITAL OF CARBONDALE FOR FY2018: \$ 1,472.97

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.

MEMORIAL HOSPITAL OF CARBONDALE FOR FY2018: \$ 157.92

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

XI. Safety Net Impact Statement

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

NOT APPLICABLE BECAUSE THIS IS A "NON-SUBSTANTIVE" PROJECT

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

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.

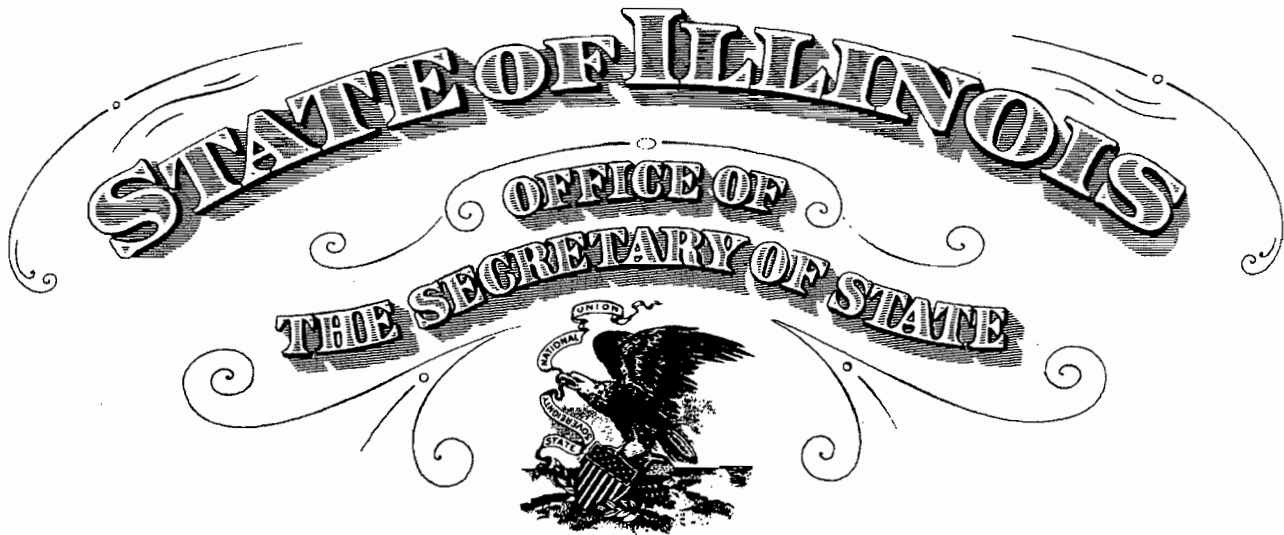
A table in the following format must be provided for all facilities as part of Attachment 44.

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	33
2	Site Ownership	35
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	40
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	41
5	Flood Plain Requirements	43
6	Historic Preservation Act Requirements	50
7	Project and Sources of Funds Itemization	51
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9	Cost Space Requirements	62
10	Discontinuation	
11	Background of the Applicant	64
12	Purpose of the Project	75
13	Alternatives to the Project	95
14	Size of the Project	97
15	Project Service Utilization	109
16	Unfinished or Shell Space	120
17	Assurances for Unfinished/Shell Space	129
18	Master Design Project	
19	Mergers, Consolidations and Acquisitions	
	Service Specific:	
20	Medical Surgical Pediatrics, Obstetrics, ICU	131
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	151
38	Freestanding Emergency Center Medical Services	
	Financial and Economic Feasibility:	
39	Availability of Funds	169}
40	Financial Waiver	}
41	Financial Viability	}
42	Economic Feasibility	175
43	Safety Net Impact Statement	
44	Charity Care Information	177



To all to whom these Presents Shall Come, Greeting:

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

SOUTHERN ILLINOIS HOSPITAL SERVICES, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 15, 1946, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1233102968

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

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 26TH day of NOVEMBER A.D. 2012 .

Jesse White

SECRETARY OF STATE



To all to whom these Presents Shall Come, Greeting:

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

SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JULY 06, 1983, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1233102902

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

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 26TH day of NOVEMBER A.D. 2012 .

Jesse White

SECRETARY OF STATE

I.
Site Ownership

Proof of Southern Illinois Hospital Services' ownership of the site on which Memorial Hospital of Carbondale is located is found in the Commitment for Title Insurance for the hospital site that appears on the following pages of this Attachment.

Chicago Title Insurance Company

Issued by: JACKSON COUNTY ABSTRACT & TITLE GUARANTEE CO.
110 SOUTH 11TH STREET, P.O. BOX 970, MURPHYSBORO, IL 62986
(618) 684-3311 OR (618) 684-2766 FAX (618) 687-2311

To: Southern Illinois Hospital Services
1239 E. Main St.
Carbondale, IL 62901
Attn: Bill Sherwood

COMMITMENT FOR TITLE INSURANCE

CHICAGO TITLE INSURANCE COMPANY, a Missouri corporation, herein called the Company, for a valuable consideration, hereby commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the proposed insured named in schedule A, as owner or mortgagee of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefore, all subject to the provisions of Schedules A and B and to the Conditions and Stipulations hereof.

This Commitment shall be effective only when the identity of the proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A hereof by the Company, either at the time of the issuance of this commitment or by subsequent endorsement.

This Commitment is preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate six months after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company.

NOTE: This Commitment shall not be valid or binding until signed by an authorized signatory.

Schedule A

Number
JAX 01-386

Effective Date
April 19, 2001
At 4:00 p.m.

Refer Inquiries To
Bob Maloney

1. Owners Policy to be Issued:

Amount: \$1,000.00

Proposed Insured: TO BE DESIGNATED LATER

Loan Policy to be issued:

Amount: NONE

Proposed Insured: NONE

2. The estate or interest in the land described or referred to in this Commitment and covered herein is a fee simple and title thereto is at the effective date hereof vested in:

SOUTHERN ILLINOIS HOSPITAL SERVICES, A NOT FOR PROFIT CORPORATION

3. The land referred to in this Commitment is described as follows:

(FOR DESCRIPTION SEE NEXT PAGE)

CHICAGO TITLE INSURANCE COMPANY

Situated in and a part of Outlot 25, Outlot 26 and Outlot 27 in the City of Carbondale, Jackson County, Illinois, more particularly described as follows:

Commencing at the Southwest corner of the said Outlot 25, said point also being in the center of North Poplar Street; thence Easterly along the South line of said Outlot 25, said line also being the North line of West Main Street, a distance of 25.00 feet to the original Northeast corner of North Poplar Street and West Main Street; thence continuing Easterly along the said South line of Outlot 25 and the North line of West Main Street, a distance of 25.00 feet to the point of beginning for this description: From said point of beginning, thence continuing Easterly along the South line of said Outlot 25 and the North line of West Main Street, a distance of 280.00 feet to the Southeast corner of said Outlot 25 as shown by previous surveys as being monumented and used, said point also being the Southwest corner of Outlot 26; thence continuing Easterly along the South line of said Outlot 26 and the North line of West Main Street, a distance of 333.17 feet to the Southeast corner of said Outlot 26 as shown by previous surveys as being monumented and used, said point also being the Southwest corner of Outlot 27; thence continuing Easterly along the South line of said Outlot 27 and the North line of West Main Street, a distance of 13.0 feet to a point; thence Northerly with a deflection angle of $89^{\circ}47'30''$, along a line parallel with the East line of said Outlot 26, a distance of 280.50 feet to a point in the South line of West Jackson Street as it existed prior to vacation by the City of Carbondale; thence Westerly with a deflection angle of $90^{\circ}12'30''$, along the said South line of West Jackson Street, a distance of 13.0 feet to a point in the common boundary line between said Outlot 26 and Outlot 27, as said line is shown by previous surveys as being monumented and used in the field; thence continuing Westerly along the said South line of West Jackson Street, a distance of 332.13 feet to a point in the common boundary line between said Outlot 25 and said Outlot 26, as said line is shown by previous surveys as being monumented and used in the field; thence continuing Westerly along the said South line of West Jackson Street, a distance of 165.00 feet to a point; thence Southerly with a deflection angle of $89^{\circ}36'30''$, along a line parallel with the said common boundary line between Outlot 25 and Outlot 26, a distance of 60.50 feet to a point; thence Westerly with a deflection angle of $89^{\circ}36'30''$, along a line parallel with the South line of West Jackson Street, a distance of 140.00 feet to a point in the East line of North Poplar Street, said point being located 25.0 feet distant Easterly from the West line of said Outlot 25; thence Southerly with a deflection angle of $89^{\circ}36'30''$, along the said East line of North Poplar Street, a distance of 170.00 feet to a point; thence Southeasterly with a deflection angle to the left of $26^{\circ}38'37''$, a distance of 55.75 feet to the point of beginning and containing 173,412 square feet or 3.981 acres, more or less.

ALSO that portion of Outlot 25, Outlot 26 and Outlot 27 that lies Northerly of and adjacent to the above described parcel that was vacated by the City of Carbondale by City Ordinance 91-24 and 92-52.

CHICAGO TITLE INSURANCE COMPANY

3. Taxes for the year 2000, due and payable in 2001. Taxes for the year 2001, due and payable in 2002. Taxes for the year 1999 are marked "No Tax Due" as follows:

TAX NUMBER

15-21-132-002-0060
15-21-132-003-0060
15-21-132-004-0060
15-21-132-005-0060
15-21-132-006-0060
15-21-132-020-0060
15-21-132-022-0060

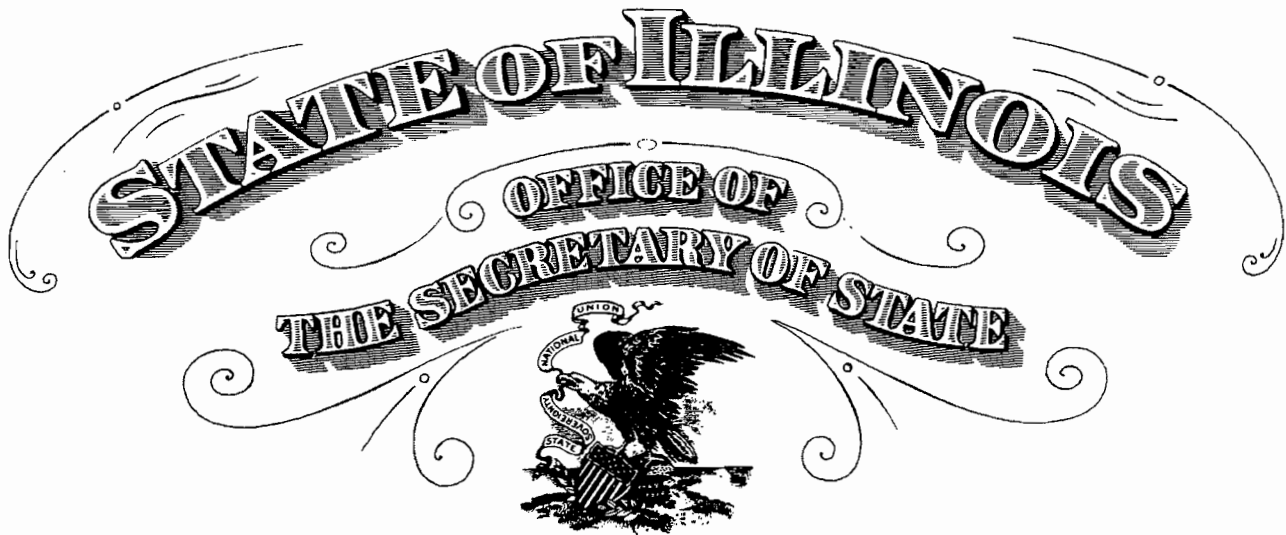
4. Rights of the Public, the State of Illinois, the County, the Township and the municipality in and to that part of the premises in question taken, used, or dedicated for roads or highways.
5. Rights of way for drainage ditches, drain tiles, feeders, laterals, and underground pipes, if any.
6. Rights or claims of parties in possession not shown of record; questions of survey; easements and claims of easements not shown of record.
7. Financing statements, if any.
8. Master Trust Indenture dated March 1, 1984, recorded April 18, 1984 in Book 623 on Page 621 between Southern Illinois Hospital Services and First Bank (N. A.), Milwaukee, Wisconsin, as Trustee and all terms thereof and all rights thereunder.
NOTE: The above trust indenture does not contain a legal description.
9. Indenture of Trust (Series 1987 Bond Indenture) dated January 1, 1987, recorded February 17, 1987 in Book 681 on Page 347 made by City of Carbondale, Illinois to First Bank, N. A. as Trustee, as part of Proceedings for the Authorization and Issuance of \$22,505,000.00 City of Carbondale, Illinois Hospital Revenue Refunding Bonds (Southern Illinois Hospital Services) Series 1987, and all terms thereof and all rights thereunder.
10. Supplemental Indenture Number Two dated as of January 1, 1987, recorded February 17, 1987 in Book 681 on page 416 made by Southern Illinois Hospital Services to First Bank (N. A.) as Trustee being Supplemental to Master Trust Indenture dated as of March 1, 1984 as supplemented and modified, and all terms thereof and all rights thereunder.
11. Rights of the municipality, public and quasi public utilities to maintain their lines, if any, in that part of premises in question falling in vacated Jackson Street.

(CONTINUED ON NEXT PAGE)

CHICAGO TITLE INSURANCE COMPANY

12. Note purchase agreement dated January 1, 1987, recorded February 17, 1987 in Book 681 on Page 301 made by Southern Illinois Hospital Services to City of Carbondale, Illinois and all terms thereof and all rights thereunder.
NOTE: Said agreement and notes purchased thereunder have been assigned to First Bank (N. A.), Milwaukee, Wisconsin as Trustee (the "Bond Trustee") under the Indenture of Trust Series 1987 Bond Indenture) dated as of January 1, 1987, between the City of Carbondale, Illinois and the Bond Trustee.
13. Agreement contained in deed dated September 27, 1920, recorded June 10, 1921 in Book 91 on Page 509 concerning sewer and water tap use along the North 100 feet of the W $\frac{1}{2}$ of W $\frac{1}{2}$ of E $\frac{1}{2}$ of Outlot 25.
14. Easement dated December 18, 1980, recorded January 6, 1981 in Book 576 at page 429 to Central Illinois Public Service Company for its lines and appurtenances and all terms thereof and all rights thereunder. (Affects the W $\frac{1}{2}$ of the North 114 feet and 6 inches off of the North end of the East $\frac{1}{4}$ of Outlot 25 EXCEPT the North 25 feet thereof.)
15. Covenants contained in Ordinance 92-52 regarding the maintenance of a sidewalk and cooperating with utilities within the vacated right of way, holding City of Carbondale harmless and submitting site plans to the City and reservation of easement by City of Carbondale contained in Ordinance No. 91-24.
16. Financing Statement filed February 1, 1996 as F-61595 made by Southern Illinois Medical Properties, Inc. to The Bank of Carbondale covering the West Half of Outlot 27 EXCEPTING 2 $\frac{1}{4}$ rods off the North side and covering the East 55 feet of the North 147 feet of Outlot 26 EXCEPTING 2 $\frac{1}{4}$ rods off the North side and covering the South 170.5 feet of the East 1/3 of Outlot 26 EXCEPT 4 feet of the West side and other property not in question.
17. Financing Statements (carried forward from previous commitment):
F-46901 Continued by F-57138, F-57160, F-62435 and amended by F-62436
F-46902 Continued by F-57134, F-57161, F-62437 and amended by F-62438

04/24/01
5 pgs.
sls



To all to whom these Presents Shall Come, Greeting:

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

SOUTHERN ILLINOIS HOSPITAL SERVICES, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 15, 1946, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 26TH day of NOVEMBER A.D. 2012 .

Jesse White

Authentication #: 1233102968

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

SECRETARY OF STATE

I.
Organizational Relationships

This project has 2 co-applicants: Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale and Southern Illinois Healthcare Enterprises, Inc.

As will be seen on the Organizational Chart that appears on the following page and as discussed in Attachment 11, Southern Illinois Healthcare Enterprises, Inc., is the sole corporate member of Southern Illinois Hospital Services (SIHS).

This entire project will be funded through debt financing in the form of tax exempt revenue bonds that will be issued through the Illinois Finance Authority (IFA).

SIHS is part of the Southern Illinois Healthcare Enterprises obligated group. The debt financing for the project will be issued on behalf of the Southern Illinois Healthcare Enterprises obligated group.

Southern Illinois Healthcare Enterprises, Inc.

Health Services of
Southern Illinois, Inc.

Southern Illinois Hospital Services

System Office

SIH Cayman
SPC Group, Ltd.

Southern Illinois
Medical
Services, NFP

SIH Foundation,
NFP

Quality Health
Partners of
Southern Illinois

St. Joseph
Memorial
Hospital

Memorial
Hospital of
Carbondale

Herrin
Hospital

Rehabilitation Institute of Chicago

partner

Rehabilitation Institute of Chicago and
Southern Illinois Hospital Services
Rehabilitation Services, LLC

Southern Orthopedic Associates, SC
dba The Orthopedic Institute of Southern Illinois

partner

Southern Illinois Orthopedic Center, LLC

Physicians' Surgery Center, LLC

Joint ventures

I.
Flood Plain Requirements

The following pages of this Attachment include the most recent Special Flood Hazard Area Determinations for the Memorial Hospital of Carbondale campus as well as the most recent Flood Insurance Rate Map for this site. It should be noted that the Federal Emergency Management Agency (FEMA) has not issued a projected distribution date for a new Flood Insurance Rate Map for this location since 2008.

A notarized statement from Rex P. Budde, President and CEO of Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale, and Michael Kasser, Vice President/CFO/Treasurer of Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale, attesting to the project's compliance with the requirements of Illinois Executive Order #2006-5, Construction Activities in Special Flood Hazard Areas, is found on Page 7 of this Attachment.

NOTES TO USERS

This map is for use in administering the National Flood Insurance Program. It does not necessarily identify all areas subject to flooding, particularly from local drainage sources of small size. The **community map repository** should be consulted for possible updated or additional flood hazard information.

To obtain more detailed information in areas where **Base Flood Elevations (BFEs)** and/or **floodways** have been determined, users are encouraged to consult the Flood Profiles and Floodway Data and/or Summary of Stillwater Elevations tables contained within the Flood Insurance Study (FIS) report that accompanies this FIRM. Users should be aware that BFEs shown on the FIRM represent rounded whole-foot elevations. These BFEs are intended for flood insurance rating purposes only and should not be used as the sole source of flood elevation information. Accordingly, flood elevation data presented in the FIS report should be utilized in conjunction with the FIRM for purposes of construction and/or flood plain management.

Coastal Base Flood Elevations shown on this map apply only landward of 0.0' North American Vertical Datum of 1988 (NAVD 88). Users of this FIRM should be aware that coastal flood elevations are also provided in the Summary of Stillwater Elevations table in the Flood Insurance Study report for this jurisdiction. Elevations shown in the Summary of Stillwater Elevations table should be used for construction and/or flood plain management purposes when they are higher than the elevations shown on this FIRM.

Boundaries of the **floodways** were computed at cross sections and interpolated between cross sections. The floodways were based on hydraulic considerations with regard to requirements of the National Flood Insurance Program. Floodway widths and other pertinent floodway data are provided in the Flood Insurance Study report for this jurisdiction.

In the State of Illinois, any portion of a stream or watercourse that lies within the **floodway fringe** of a studied (AE) stream may have a state regulated floodway. The FIRM may not depict these state regulated floodways.

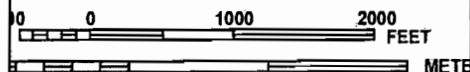
Floodways restricted by anthropogenic features such as bridges and culverts are drawn to reflect natural conditions and may not agree with the model computed widths listed in the Floodway Data table in the Flood Insurance Study report.

Multiple **topographic sources** may have been used in the delineation of Special Flood Hazard Areas. See Flood Insurance Study report for details on source resolution and geographic extent.

Certain areas not in Special Flood Hazard Areas may be protected by **flood control structures**. Refer to Section 2.4 "Flood Protection Measures" of the Flood Insurance Study report for information on flood control structures for this jurisdiction.



MAP SCALE 1" = 1000'



NFP		PANEL 0355D	
FIRM			
FLOOD INSURANCE RATE MAP			
JACKSON COUNTY, ILLINOIS			
AND INCORPORATED AREAS			
PANEL 355 OF 475			
(SEE MAP INDEX FOR FIRM PANEL LAYOUT)			
CONTAINS:			
COMMUNITY	NUMBER	PANEL	SHEET
CARBONDALE, CITY OF	170299	0355	0
JACKSON COUNTY	170927	0355	0
Notice to User: The Map Number shown below should be used when placing map orders. The Community Number shown above should be used on insurance applications for the subject community.			
		MAP NUMBER 17077C0355D	
		EFFECTIVE DATE MAY 2, 2008	
Federal Emergency Management Agency			

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov



Illinois State Water Survey

Main Office • 2204 Griffith Drive • Champaign, IL 61820-7495 • Tel (217) 333-2210 • Fax (217) 333-6540
Peoria Office • P.O. Box 697 • Peoria, IL 61652-0697 • Tel (309) 671-3196 • Fax (309) 671-3106



Special Flood Hazard Area Determination pursuant to Governor's Executive Order 4 (1979)

Requester: Suzanne Gallo, Diversified Health Resources, Inc.
Address: 875 North Michigan Ave., Suite 3250
City, state, zip: Chicago, IL 60611 Telephone: (312) 266-0466

Site description of determination:

Site address: Memorial Hospital, 405 W. Jackson St.
City, state, zip: Carbondale, IL 62901
County: Jackson Sec: NE 1/4 of NW 1/4 Section: 21 T. 9 S. R. 1 W. PM: 3rd
Subject area: Area bounded by W. Oak St. on the north, W. Main St. on the south, Poplar St. on the west, and University Ave. on the east.

The property described above IS NOT located in a Special Flood Hazard Area (SFHA).

Floodway mapped: N/A Floodway on property: No
Sources used: FEMA Flood Insurance Rate Map (FIRM); USGS Terraserver aerial photo (April 6, 1998).
Community name: City of Carbondale, IL Community number: 170298
Panel/map number: 170298 0005 B Effective Date: November 1, 1979
Flood zone: C Base flood elevation: N/A ft NGVD 1929

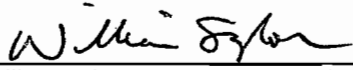
- N/A a. The community does not currently participate in the National Flood Insurance Program (NFIP); State and Federal grants as well as flood insurance may not be available.
N/A b. Panel not printed: no Special Flood Hazard Area on the panel (panel designated all Zone C or X).
N/A c. No map panels printed: no Special Flood Hazard Areas within the community (NSFHA).

The primary structure on the property:

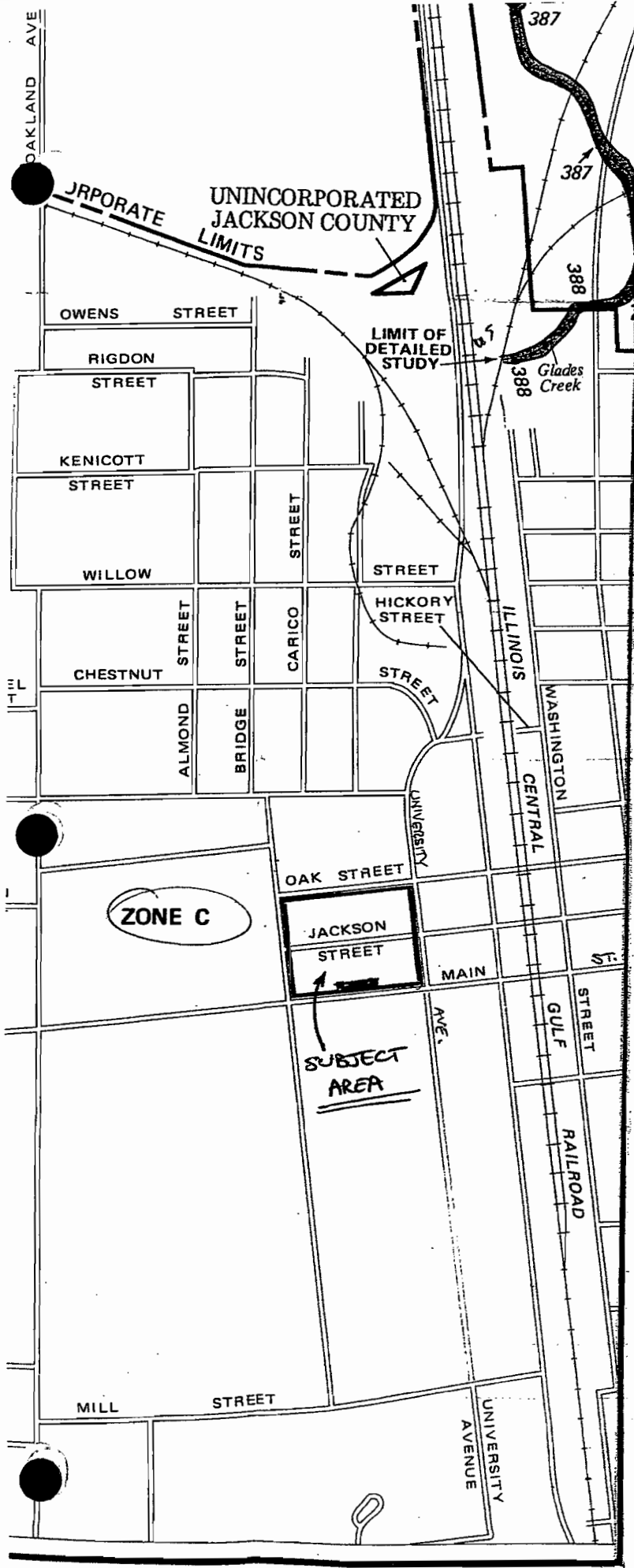
- N/A d. Is located in a Special Flood Hazard Area. Any activity on the property must meet State, Federal, and local floodplain development regulations. Federal law requires that a flood insurance policy be obtained as a condition of a federally-backed mortgage or loan that is secured by the building.
N/A e. Is located in shaded Zone X or B (500-yr floodplain). Conditions may apply for local permits or Federal funding.
X f. Is not located in a Special Flood Hazard Area. Flood insurance may be available at non-floodplain rates.
N/A g. A determination of the building's exact location cannot be made on the current FEMA flood hazard map.
N/A h. Exact structure location is not available or was not provided for this determination.

Note: This determination is based on the current Federal Emergency Management Agency (FEMA) flood hazard map for the community. This letter does not imply that the referenced property will or will not be free from flooding or damage. A property or structure not in a Special Flood Hazard Area may be damaged by a flood greater than that predicted on the FEMA map or by local drainage problems not mapped. This letter does not create liability on the part of the Illinois State Water Survey, or employee thereof for any damage that results from reliance on this determination.

Questions concerning this determination may be directed to Bill Saylor (217/333-0447) at the Illinois State Water Survey. Questions concerning requirements of Governor's Executive Order 4 (1979), or State floodplain regulations, may be directed to Paul Osman (217/782-3862) at the IDNR Office of Water Resources.


William Saylor, CFM IL-02-00107, Illinois State Water Survey

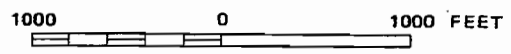
Title: ISWS Surface Water & Floodplain Information Date: 9/28/2005



To determine if flood insurance is available in this community, contact your insurance agent, or call the National Flood Insurance Program at (800) 638-6620, or (800) 424-8872.



APPROXIMATE SCALE



— LEGEND ON REVERSE —

NATIONAL FLOOD INSURANCE PROGRAM

FIRM FLOOD INSURANCE RATE MAP

CITY OF
CARBONDALE,
ILLINOIS
JACKSON COUNTY

PANEL 5 OF 20
(SEE MAP INDEX FOR PANELS NOT PRINTED)

COMMUNITY-PANEL NUMBER
170298 0005 B

EFFECTIVE DATE:
NOVEMBER 1, 1979



**U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**
FEDERAL INSURANCE ADMINISTRATION

KEY TO MAP

100-Year Flood Boundary	—	ZONE B
500-Year Flood Boundary	—	ZONE A1 DATE
Zone Designations* With Date of Identification e.g., 12/2/74		ZONE A5 DATE
100-Year Flood Boundary	—	ZONE B
500-Year Flood Boundary	—	ZONE B
Base Flood Elevation Line With Elevation In Feet**	~~~~~513~~~~~	
Base Flood Elevation in Feet Where Uniform Within Zone**		(EL 987)
Elevation Reference Mark		RM7 X
River Mile		• M1.5

**Referenced to the National Geodetic Vertical Datum of 1929

*EXPLANATION OF ZONE DESIGNATIONS

ZONE	EXPLANATION
A	Areas of 100-year flood; base flood elevations and flood hazard factors not determined.
A0	Areas of 100-year shallow flooding where depths are between one (1) and three (3) feet; average depths of inundation are shown, but no flood hazard factors are determined.
A1	Areas of 100-year shallow flooding where depths are between one (1) and three (3) feet; base flood elevations are shown, but no flood hazard factors are determined.
A1-A30	Areas of 100-year flood; base flood elevations and flood hazard factors determined.
A99	Areas of 100-year flood to be protected by flood protection system under construction; base flood elevations and flood hazard factors not determined.
B	Areas between limits of the 100-year flood and 500-year flood; or certain areas subject to 100-year flooding with average depths less than one (1) foot or where the contributing drainage area is less than one square mile; or areas protected by levees from the base flood. (Medium shading)
C	Areas of minimal flooding. (No shading)
D	Areas of undetermined, but possible, flood hazards.
V	Areas of 100-year coastal flood with velocity (wave action); base flood elevations and flood hazard factors not determined.
V1-V30	Areas of 100-year coastal flood with velocity (wave action); base flood elevations and flood hazard factors determined.

NOTES TO USER

Certain areas not in the special flood hazard areas (zones A and V) may be protected by flood control structures.

This map is for flood insurance purposes only; it does not necessarily show all areas subject to flooding in the community or all planimetric features outside special flood hazard areas.

For adjoining map panels, see separately printed Index To Map Panels.

INITIAL IDENTIFICATION:

For adjoining map panels, see separately printed Index To Map Panels.

INITIAL IDENTIFICATION:

MAY 3, 1974

FLOOD HAZARD BOUNDARY MAP REVISIONS:

MARCH 4, 1977

FLOOD INSURANCE RATE MAP EFFECTIVE:

NOVEMBER 1, 1979

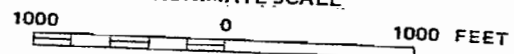
FLOOD INSURANCE RATE MAP REVISIONS:

Refer to the FLOOD INSURANCE RATE MAP EFFECTIVE date shown on this map to determine when actuarial rates apply to structures in the zones where elevations or depths have been established.

To determine if flood insurance is available in this community, contact your insurance agent, or call the National Flood Insurance Program at (800) 638-6620, or (800) 424-8872.



APPROXIMATE SCALE



NATIONAL FLOOD INSURANCE PROGRAM

FIRM
FLOOD INSURANCE RATE MAP

048

**SIH SOUTHERN ILLINOIS
HEALTHCARE**

August 28, 2013

Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities and Services Review Board
525 West Jefferson
Springfield, Illinois 62702

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

Dear Mr. Constantino:

The undersigned are authorized representatives of Southern Illinois Hospital Services, the owner
of the site on which Memorial Hospital of Carbondale is located.

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

Signed and dated as of August 28, 2013.

Southern Illinois Hospital Services
An Illinois Not-For-Profit Corporation



Rex P. Budde, President and CEO
Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale



Susan M. Roark
8-28-2013



Michael Kasser, Vice President/CFO/Treasurer
Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale



Valerie K. Cawvey
8-29-2013



FAX (217) 782-8161

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

Jackson County
Carbondale

New Addition and Rehabilitation of Adjacent Building, Memorial Hospital of
Carbondale
405 W. Jackson St.
IHPA Log #002092005

April 24, 2013

Andrea Rozran
Diversified Health Resources
65 E. Scott, Suite 9A
Chicago, IL 60610-5274

Dear Ms. Rozran:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact me at 217/785-5027.

Sincerely,

Anne E. Haaker
Anne E. Haaker
Deputy State Historic
Preservation Officer

050

Memorial Hospital of Carbondale Itemized Project Costs

USE OF FUNDS	Clinical Service Areas	Non-Clinical Service Areas	TOTAL
Pre-Planning Costs:			
Pre-Construction Services - Const. Mgr./Estimating	\$64,170	\$18,630	\$82,800
Program/Planning Services	\$32,085	\$9,315	\$41,400
Additional A/E Fees for Site Development	\$27,149	\$7,882	\$35,031
Total Pre-Planning Costs	\$123,404	\$35,827	\$159,231
Site Survey and Soil Investigation:			
Geotechnical Investigation	\$20,053	\$5,822	\$25,875
Site Survey	\$6,016	\$1,747	\$7,763
Total Site Survey and Soil Investigation	\$26,069	\$7,569	\$33,638
Site Preparation:			
Demolition	\$23,218	\$6,741	\$29,959
Excavation & Grading	\$67,075	\$19,473	\$86,548
Utilities	\$55,896	\$16,228	\$72,124
Total Site Preparation	\$146,189	\$42,442	\$188,631
Off-Site Work:			
Demolition	\$27,518	\$7,989	\$35,507
Excavation & Grading	\$44,717	\$12,982	\$57,699
Utilities	\$72,822	\$21,142	\$93,964
Paving	\$57,186	\$16,602	\$73,788
Striping, Signs, Fences, etc.	\$32,677	\$9,487	\$42,164
Exterior Lighting/Electrical Work	\$58,475	\$16,977	\$75,452
Landscaping	\$12,899	\$3,745	\$16,644
Total Off Site Work	\$306,294	\$88,924	\$395,218
New Construction Contracts	\$15,667,169	\$5,198,202	\$20,865,371
Modernization Contracts	\$4,149,497	\$1,426,009	\$5,575,506
Contingencies	\$1,981,667	\$662,421	\$2,644,088
Architectural and Engineering Fees:			
Architecture/Engineering	\$1,389,805	\$403,492	\$1,793,297
Interior Design	\$30,160	\$8,756	\$38,916
Architecture/Engineering Reimbursements	\$28,074	\$8,151	\$36,225
Total Architecture/Engineering Fees	\$1,448,039	\$420,399	\$1,868,438
Consulting and Other Fees:			
Hazardous Materials Survey	\$1,203	\$349	\$1,552
HVAC Commissioning	\$92,244	\$26,781	\$119,025
Exterior Envelope Commissioning	\$49,331	\$14,322	\$63,653
Graphics Design	\$6,818	\$1,979	\$8,797
Graphics Design Reimbursables	\$21,657	\$6,288	\$27,945
Physicist Shielding Consulting	\$3,623	\$0	\$3,623
Legal Fees	\$9,906	\$2,876	\$12,782
CON Planning and Consultation	\$64,170	\$18,630	\$82,800
CON Application Processing Fee	\$100,000	\$0	\$100,000
IDPH Plan Review Fee	\$40,000	\$0	\$40,000
Project Management	\$156,670	\$45,485	\$202,155
Project Management Reimbursables	\$28,074	\$8,151	\$36,225
Construction Manager	\$766,518	\$222,537	\$989,055
Building Permit	\$47,596	\$13,818	\$61,414
Builders Risk Insurance	\$50,133	\$14,555	\$64,688
Soils & Materials Testing/Inspection	\$44,117	\$12,808	\$56,925
Total Consulting and Other Fees	\$1,482,060	\$388,579	\$1,870,639

USE OF FUNDS	Clinical Service Areas	Non-Clinical Service Areas	TOTAL
Movable or Other Equipment			
(not in Construction Contracts):			
Medical Equipment	\$7,348,822	\$0	\$7,348,822
(see listing by department on following pages)			
Systems/Modular Furniture	\$82,050	\$0	\$82,050
(see listing by department on following pages)			
Furniture/Furnishings	\$373,478	\$8,694	\$382,172
(see listing by department on following pages)			
Telecom Equipment	\$10,281	\$13,628	\$23,909
(see listing by floor on following pages)			
Information Systems Equipment	\$119,090	\$34,574	\$153,664
(see listing by floor on following pages)			
Artwork & Plants	\$49,932	\$14,496	\$64,428
Total Movable or Other Equipment	\$7,983,653	\$71,392	\$8,055,045
Bond Issuance Expense (Project Related)			
Underwriter(s)	\$271,250	\$78,750	\$350,000
Financial Advisor	\$155,000	\$45,000	\$200,000
Illinois Finance Authority (IFA) Fee	\$85,250	\$24,750	\$110,000
IFA Counsel Fees	\$7,750	\$2,250	\$10,000
Bond Counsel	\$58,125	\$16,875	\$75,000
Borrower's Counsel	\$58,125	\$16,875	\$75,000
Underwriter's Counsel	\$58,125	\$16,875	\$75,000
Rating Agencies' Fees	\$77,500	\$22,500	\$100,000
Auditor	\$38,750	\$11,250	\$50,000
Trustee & Other Fees	\$7,750	\$2,250	\$10,000
Total Bond Issuance Expense	\$817,625	\$237,375	\$1,055,000
Net Interest Expense During Construction			
(Project Related)	\$7,502,000	\$2,178,000	\$9,680,000
Other Costs to be Capitalized:			
Internal Move Costs	\$61,887	\$1,746	\$63,633
Hazardous Material Removal	\$8,823	\$2,562	\$11,385
Signage/Graphics	\$0	\$30,015	\$30,015
Total Other Costs to be Capitalized	\$70,710	\$34,323	\$105,033
TOTAL ESTIMATED PROJECT COSTS	\$41,704,376	\$10,791,462	\$52,495,838

MEMORIAL HOSPITAL OF CARRBONDALE MEDICAL EQUIPMENT, FURNITURE, FURNISHINGS & EQUIPMENT (FFE)

	<u>Equipment, Furniture</u>	<u>Telecommunications,</u>	<u>Subtotal</u>	<u>3.5% Escalation</u>	<u>Total FFE</u>
	<u>& Furnishings</u>	<u>IT Equipment</u>			
1st Floor	\$5,164,276	\$171,568	\$5,335,844	\$186,755	\$5,522,599
2nd Floor	\$1,025,727		\$1,025,727	\$35,900	\$1,061,627
3rd Floor	\$1,358,832		\$1,358,832	\$47,559	\$1,406,391
Subtotal	\$7,548,835	\$171,568	\$7,720,403	\$270,214	\$7,990,617
Artwork/Plants					\$64,428
Total FFE					\$8,055,045

MEMORIAL HOSPITAL OF CARBONDALE - HOSPITAL EXPANSION/MODERNIZATION

MHC: FEE List

Sept 9, 2013 Draft

Floor	Area	Arch Room Number	Room Description	Equipment Description	Quantity	New	Existing	Estimate	Total
1	Surgery	1-092	Consult Room	Table	1	X		\$400	\$400
1	Surgery	1-092	Consult Room	Chairs	4	X		\$375	\$1,500
1	Surgery	1-434	Consult Room	Table	1	X		\$400	\$400
1	Surgery	1-434	Consult Room	Chairs	4	X		\$375	\$1,500
1	Surgery	1-437	Anesthesia Offices	Office Chairs	3	X		\$600	\$1,800
1	Surgery	1-438	Surgeon Lounge	Lounge Chairs	2	X		\$1,800	\$3,600
1	Surgery	1-438	Surgeon Lounge	Sofa	1	X		\$2,000	\$2,000
1	Surgery	1-438	Surgeon Lounge	Office Chairs	5	X		\$600	\$3,000
1	Surgery	1-438	Surgeon Lounge	End Tables	1	X		\$600	\$600
1	Surgery	1-438	Surgeon Lounge	Conference Table	2	X		\$400	\$800
1	Surgery	1-438	Surgeon Lounge	Conference Chairs	6	X		\$350	\$2,100
1	Surgery	1-438	Surgeon Lounge	Water Cooler	1	X		\$500	\$500
1	Surgery	1-438	Surgeon Lounge	Under Counter Refrig	1	X		\$600	\$600
1	Surgery	1-438	Surgeon Lounge	T.V. 48 Inch	2	X		\$600	\$1,200
1	Surgery	1-438	Surgeon Lounge	Marker Board	1	X		\$800	\$800
1	Surgery	1-439	Beths Office	Desk	1	X		\$3,000	\$3,000
1	Surgery	1-439	Beths Office	Chair	1	X		\$600	\$600
1	Surgery	1-439	Beths Office	File Cabinet	1	X		\$500	\$500
1	Surgery	1-440	Cheryl Office	Desk	1	X		\$3,000	\$3,000
1	Surgery	1-440	Cheryl Office	Chair	1	X		\$600	\$600
1	Surgery	1-440	Cheryl Office	File Cabinet	1	X		\$500	\$500
1	Surgery	1-103	Control Desk	Existing			X		\$0
1	Surgery	1-103	Control Desk	Existing			X		\$0
1	Surgery	1-442	Soil Holding	Trash Cans Large	2	X		\$300	\$600
1	Surgery	1-442	Soil Holding	Soiled Linen Cart	1	X		\$1,200	\$1,200
1	Surgery	1-122	Male Locker	Existing			X		\$0
1	Surgery	1-122	Female Locker	Existing			X		\$0
1	Surgery	1-430	Staff Lounge	Tables	3	X		\$400	\$1,200
1	Surgery	1-430	Staff Lounge	Chairs	8	X		\$300	\$2,400
1	Surgery	1-430	Staff Lounge	Sofa	1	X		\$2,000	\$2,000
1	Surgery	1-430	Staff Lounge	Refrigerator	2	X		\$1,000	\$2,000
1	Surgery	1-430	Staff Lounge	Office Chairs	2	X		\$600	\$1,200
1	Surgery	1-430	Staff Lounge	Trash Cans	1	X		\$25	\$25
1	Surgery	1-430	Staff Lounge	Micro	1	X		\$150	\$150
1	Surgery	1-430	Staff Lounge	Coffee Maker	1	X		\$200	\$200
1	Surgery	1-430	Staff Lounge	Trash Container Large	1	X		\$300	\$300
1	Surgery	1-430	Staff Lounge	Lounge Seating	3	X		\$2,400	\$7,200
1	Surgery	1-430	Staff Lounge	T.V. 48 Inch	2	X		\$600	\$1,200
1	Surgery	1-428	O.R. Staff Lounge	Office Chairs	2	X		\$600	\$1,200
1	Surgery	1-428	O.R. Staff Lounge	Large table	1	X		\$800	\$800
1	Surgery	1-428	O.R. Staff Lounge	Chairs	8	X		\$350	\$2,800
1	Surgery	1-129	Surgery/Anes Storage	Shelving			X		\$0
1	Surgery	1-130	Purfusion	Existing			X		\$0
1	Surgery	1-140	Recovery Suite	Nurse Station	2	X		\$4,500	\$9,000
1	Surgery	1-140	Recovery Suite	Nurse Chairs	10	X		\$600	\$6,000
1	Surgery	1-140	Recovery Suite	Patient Monitors & Central	15	X		\$457,322	\$457,322
1	Surgery	1-140	Recovery Suite	Stretchers	16	X		\$6,500	\$104,000
1	Surgery	1-140	Recovery Suite	Wheel Chairs	10	X		\$650	\$6,500
1	Surgery	1-140	Recovery Suite	Glove Dispensers	15	X			\$0
1	Surgery	1-140	Recovery Suite	Oto Scopes	15	X		\$800	\$12,000
1	Surgery	1-140	Recovery Suite	Headwalls	15	X		\$6,500	\$97,500
1	Surgery	1-140	Recovery Suite	Soap Container	2	X		\$20	\$40
1	Surgery	1-140	Recovery Suite	Paper Towel	2	X			\$0
1	Surgery	1-140	Recovery Suite	Trash Cans	21	X		\$25	\$525
1	Surgery	1-140	Recovery Suite	Printer	1	X			\$0

Qty	Area	Arch Room Number	Room Description	Equipment Description	Quantity	New	Existing	Estimate	Total
1	Surgery	1-140	Recovery Suite	Copier	1	X		\$0	\$0
1	Surgery	1-140	Recovery Suite	Fax	1	X		\$1,245	\$1,245
1	Surgery	1-413	Recover Clean/Med	Blanket Warmer	1	X		\$6,500	\$6,500
1	Surgery	1-413	Recover Clean/Med	Supply Cart	2	X		\$2,500	\$5,000
1	Surgery	1-413	Recover Clean/Med	Omni Cell	2			\$40,000	\$80,000
1	Surgery	1-143	Recover Clean/Med	Return Bin	1		X		\$0
1	Surgery	1-143	Recover Clean/Med	Med Refrig	1	X		\$1,000	\$1,000
1	Surgery	1-412	Toilet Recovery	Soap Container	1	X		\$20	\$20
1	Surgery	1-412	Toilet Recovery	Paper Towel	1	X			\$0
1	Surgery	1-412	Toilet Recovery	Trash Can	1	X		\$25	\$25
1	Surgery	1-409	Soiled Utility	Large Trash Cans	2	X		\$150	\$300
1	Surgery	1-409	Soiled Utility	Soiled Linen Cart	1	X		\$600	\$600
1	Surgery	1-409	Soiled Utility	Infectious Waste Container	1	X		\$300	\$300
1	Surgery	1-409	Soiled Utility	Paper Towel	1	X			\$0
1	Surgery	1-409	Soiled Utility	Soap Container	1	X		\$20	\$20
1	Surgery	1-418	Hybrid O.R.	Integrated Equipment	1	X		\$315,000	\$315,000
1	Surgery	1-418	Hybrid O.R.	Imaging Equipment & table	1	X		\$2,000,000	\$2,000,000
1	Surgery	1-418	Hybrid O.R.	Equipment	1	X			\$0
1	Surgery	1-418	Hybrid O.R.	Lights	1	X			\$0
1	Surgery	1-418	Hybrid O.R.	Anesthesia Boom	1	X			\$0
1	Surgery	1-418	Hybrid O.R.	Equipment Boom	1	X			\$0
1	Surgery	1-418	Hybrid O.R.	Monitors	1	X			\$0
1	Surgery	1-418	Hybrid O.R.	Anesthesia Machine	1	X		\$58,000	\$58,000
1	Surgery	1-418	Hybrid O.R.	Howard Instr. Table and Stool	2	X		\$810	\$1,620
1	Surgery	1-148	Hybrid O.R.	Howard Back Table	1	X		\$1,200	\$1,200
1	Surgery	1-148	Hybrid O.R.	Mayo Stands	2	X		\$1,280	\$2,560
1	Surgery	1-418	Hybrid O.R. Nurse Desk	Desk in O.R.	1	X			\$0
1	Surgery	1-417	Hybrid Control Room	Office Chairs	2	X		\$300	\$600
1	Surgery	1-415	Corridor	Stretchers	6	X		\$8,500	\$51,000
1	Surgery	1-419	Davinci O.R.	Tables	2	X		\$45,000	\$90,000
1	Surgery	1-419	Davinci O.R.	Lights	1	X			\$0
1	Surgery	1-419	Davinci O.R.	Equipment Boom	1	X			\$0
1	Surgery	1-419	Davinci O.R.	Anesthesia Boom	1	X			\$0
1	Surgery	1-419	Davinci O.R.	Nurses Desk in room	1	X		\$4,600	\$4,600
1	Surgery	1-419	Davinci O.R.	Integrated Equipment	1	X		\$181,000	\$181,000
1	Surgery	1-419	Davinci O.R.	Anesthesia Machine	1	X		\$58,000	\$58,000
1	Surgery	1-149	Davinci O.R.	Howard Instr. Table and Stool	1	X		\$810	\$810
1	Surgery	1-149	Davinci O.R.	Howard Back Table	1	X		\$1,200	\$1,200
1	Surgery	1-149	Davinci O.R.	Mayo Stands	2	X		\$1,280	\$2,560
1	Surgery	1-424	Interoperative O.R	Tables	1	X		\$45,000	\$45,000
1	Surgery	1-424	Interoperative O.R	Lights	1	X			\$0
1	Surgery	1-424	Interoperative O.R	Equipment Boom	1	X			\$0
1	Surgery	1-424	Interoperative O.R	Anesthesia Boom	1	X			\$0
1	Surgery	1-424	Interoperative O.R	Integrated Equipment	1	X		\$203,000	\$203,000
1	Surgery	1-424	Interoperative O.R	Nurses Desk in room	1	X		\$4,600	\$4,600
1	Surgery	1-424	Interoperative O.R	Howard Instr Table and Stool	1	X		\$810	\$810
1	Surgery	1-424	Interoperative O.R	Howard Back Table	1	X		\$1,200	\$1,200
1	Surgery	1-424	Interoperative O.R	Mayo Stands	2	X		\$1,280	\$2,560
1	Surgery	1-424	Interoperative O.R	Anesthesia Machine	1	X		\$58,000	\$58,000
1	Surgery	1-416	Scrub 1	Paper Towel	1	X		\$20	\$20
1	Surgery	1-416	Scrub 1	Soap Container	1	X		\$20	\$20
1	Surgery	1-416	Scrub 1	Trash Cans Fire Rated Large	1	X		\$150	\$150
1	Surgery	1-416	Scrub 1	Glove Dispensers	1	X		\$20	\$20
1	Surgery	1-416	Scrub 1	Scrub Sink	1	X		\$7,400	\$7,400
1	Surgery	1-420	Scrub 2	Paper Towel	2	X		\$0	\$0
1	Surgery	1-420	Scrub 2	Trash Cans Fire Rated Large	2	X		\$150	\$300
1	Surgery	1-420	Scrub 2	Soap Container	2	X		\$20	\$40
1	Surgery	1-420	Scrub 2	Glove Dispensers	2	X		\$20	\$40

055

Port	Area	Arch Room Number	Room Description	Equipment Description	Quantity	New	Existing	Estimate	Total
1	Surgery	1-420	Scrub 2	Blanket Warmer	1	X		\$8,000	\$8,000
1	Surgery	1-420	Scrub 2	Sterilizer	1		X		\$0
1	Surgery	1-420	Scrub 2	Case Carts	5	X			\$0
1	Surgery	1-420	Scrub 2	Scrub Sink	1	X		\$7,400	\$7,400
1	Surgery	1-423	Equipment Room	Warmer	1	X		\$8,000	\$8,000
1	Surgery	1-423	Equipment Room	Shelving	1	X		\$30,000	\$30,000
1	Surgery	1-425	Equipment Storage	Stretchers	2	X		\$18,000	\$36,000
1	C/S	1-425	Equipment Storage	Carts	4		X		\$0
1	C/S	1-426	Cart Staging	Carts	13		X		\$0
1	C/S	1-445	Cart Staging	Carts	9		X		\$0
1	C/S	1-445	Central Sterilization	Steris Quote dated 12/14					\$0
1	C/S	1-445	Central Sterilization	Washer Reliance Synergy	1	X		\$89,779	\$89,779
1	C/S	1-445	Central Sterilization	Relocate Washer	1	X		\$11,324	\$11,324
1	C/S	1-445	Central Sterilization	Cart Washer	1	X		\$197,000	\$197,000
1	C/S	1-445	Central Sterilization	Rack Return	1	X		\$5,523	\$5,523
1	C/S	1-445	Central Sterilization	Steam Sterilizer	1	X		\$45,325	\$45,325
1	C/S	1-445	Central Sterilization	Pac work stations (4 Stations)	1	X		\$20,915	\$20,915
1	C/S	1-445	Central Sterilization	Evolution VAC Sterilizer	1	X		\$124,631	\$124,631
1	C/S	1-145	Central Sterilization	V-Pro washers	1	X		\$169,389	\$169,389
1	C/S	1-445	Central Sterilization	Shipping and Handling	1	X		\$29,680	\$29,680
1	C/S	1-453	Decon	Ultra Sonic	1		X		\$0
1	C/S	1-453	Decon	Sonic Irrigator	1		X		\$0
1	C/S	1-453	Decon	Dornoch Unit	1		X		\$0
1	C/S	1-453	Decon	Adjustable Sink	1	X		\$9,000	\$9,000
1	C/S	1-446	Central Sterilization	Sterad	2		X		\$0
1	C/S	1-446	Central Sterilization	Sterilizer	2		X		\$0
1	C/S	1-446	Central Sterilization	C-Lockers	4		X		\$0
1	Surgery	1-444	Instruments	Movable storage	1	X		\$68,000	\$68,000
1	Surgery	1-444	Instruments	Bin System	1	X		\$10,000	\$10,000
1	Surgery	1-444	Instruments	Wall Mounted PC/Scanner		X			\$0
1	Surgery	1-443	Work Area	Office Chairs	4	X		\$2,400	\$9,600
1	Surgery	1-443	Work Area	Trash Can	1	X		\$20	\$20
1	Surgery	1-441	Passage	Carts	8		X		\$0
1	C/S	1-455	C/S Supply Delivery	Double Bay Tote Rack	1		X		\$0
1	C/S	1-455	C/S Supply Delivery	Single Bay Tote Rack	1		X		\$0
1	C/S	1-455	C/S Supply Delivery	Triple Bay Tote Rack	1		X		\$0
1	C/S	1-449	Locker Room	Trash Cans	2	X		\$25	\$50
1	C/S	1-449	Locker Room	Soap Container	1	X		\$20	\$20
1	C/S	1-449	Locker Room	Paper Towel Holder	1	X			\$0
1	C/S	1-449	Locker Room	Tissue Holder	1	X		\$20	\$20
1	C/S	1-084	CS Staff Lounge	Table	1	X		\$400	\$400
1	C/S	1-084	CS Staff Lounge	Chairs	4	X		\$350	\$1,400
1	C/S	1-084	CS Staff Lounge	Refrigerator	1	X		\$1,000	\$1,000
1	Pharmacy		Pharmacy Work areas	Relocate Furniture	1	X		\$8,000	\$8,000
1	Pharmacy		Pharmacy Work areas	Verification Counter	1	X		\$4,500	\$4,500
1	Pharmacy		Pharmacy Work areas	Unit Work Station	1	X		\$3,500	\$3,500
1	Pharmacy		Pharmacy Chemo area	Pass Through Refrigerator	1	X		\$11,000	\$11,000
1	Pharmacy		Pharmacy	Freezer with Monitor	1	X		\$5,000	\$5,000
1	Pharmacy		Pharmacy	Carts	1	X		\$1,200	\$1,200
1	Pharmacy		Pharmacy	Hoods	2	X		\$25,000	\$50,000
1	Pharmacy		Lounge	Furniture	1	X		\$10,000	\$10,000
1	Pharmacy		Lounge	Refrigerator	1	X		\$2,000	\$2,000
1	Lobby		Furniture	Entrance Lobby	1	X		\$8,000	\$8,000
							FFE Total 1st Floor		\$4,918,358
							Contingency 5%		\$245,918
							Total		\$5,164,276

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or	Area	Arch Room Number	Room Description	Equipment Description	Quantity	New	Existing	Estimate	Total
	General		New Work Switches	Nathan E-Mail	1	X		50000	50000
	General		Computers for 1,2,3 Fl.	CDW Pricing	3	X		30466	91398
	General		Phones	Bill Pricing	1	X		22000	22000
									\$ -
									163,398
									8,170
									171,568

Contingency 5%
Total

MEMORIAL HOSPITAL OF CARBONDALE - HOSPITAL EXPANSION/MODERNIZATION

MHC: FEE List

Sept 9, 2013 Draft

Floor	Area	Arch Room Number	Room Description	Equipment Description	Quantity	New	Existing	Estimate	Total
2	SDS	2-271	Patient Rooms	Stretchers	25	X		\$15,000	\$375,000
2	SDS	2-271	Patient Rooms	Recliner	25	X		\$2,000	\$50,000
2	SDS	2-271	Patient Rooms	Side Chair	25	X		\$350	\$8,750
2	SDS	2-271	Patient Rooms	Soil Linen Carts	25	X		\$600	\$15,000
2	SDS	2-271	Patient Rooms	Cubical Curtains	22	X		\$300	\$6,600
2	SDS	2-271	Patient Rooms	Patient Information Board	25	X		\$350	\$8,750
2	SDS	2-271	Patient Rooms	Trash Cans	25	X		\$150	\$3,750
2	SDS	2-271	Patient Rooms	Soap Holders	25	X		\$20	\$500
2	SDS	2-271	Patient Rooms	Paper Tower Holder	25	X		\$0	\$0
2	SDS	2-271	Patient Rooms	Over Bed tables	25	X		\$850	\$21,250
2	SDS	2-271	Patient Rooms	Patient Monitors	25	X		\$263,893	\$263,893
2	SDS	2-271	Patient Rooms	Computer	25	X			\$0
2	SDS	2-271	Patient Rooms	Computer Brackets	25	X			\$0
2	SDS	2-271	Patient Rooms	T.V.and Brackets	25	X		\$600	\$15,000
2	SDS	2-330	Corridor Alcove	Linen Cart	1	X		\$2,500	\$2,500
2	SDS	2-326	Corridor Alcove	Stretchers	2	X		\$8,000	\$16,000
2	SDS	2-236	Corridor Alcove	C-Lockers	2	X		\$1,250	\$2,500
2	SDS	2-307	Corridor Alcove	Crash Cart	1	X		\$1,650	\$1,650
2	SDS	2-308	Reception	Reception Desk	1	X		\$7,500	\$7,500
2	SDS	2-308	Reception	Nurse Chairs	3	X		\$600	\$1,800
2	SDS	2-308	Reception	Side Chairs	2	X		\$400	\$800
2	SDS	2-308	Reception	Copier/Fax	1	X		\$1,245	\$1,245
2	SDS	2-307	Corridor	Waiting Chairs	25	X		\$800	\$20,000
2	SDS	2-302	Waiting	Bariatric Waiting Chairs	12	X		\$1,200	\$14,400
2	SDS	2-302	Waiting	Side Tables	10	X		\$700	\$7,000
2	SDS	2-302	Waiting	Magazine Rack	2	X		\$300	\$600
2	SDS	2-302	Waiting	T.V.and Brackets	2	X		\$600	\$1,200
2	SDS	2-313	Nurse Station	Systems Furniture	1	X		\$7,500	\$7,500
2	SDS	2-313	Nurse Station	Nurse Chairs	4	X		\$600	\$2,400
2	SDS	2-313	Nurse Station	Recycle Bin	1	X			\$0
2	SDS	2-312	Phys Work Area	Systems Furniture	1	X		\$5,000	\$5,000
2	SDS	2-312	Phys Work Area	Nurse Chairs	2	X		\$600	\$1,200
2	SDS	2-312	Phys Work Area	Copier/Fax	1	X		\$5,000	\$5,000
2	SDS	2-312	Phys Work Area	Printer		X			\$0
2	SDS	2-308	Toilet	Soap Holders	2	X		\$20	\$40
2	SDS	2-308	Toilet	Tissue Holder	2	X		\$25	\$50
2	SDS	2-308	Toilet	Paper Towel	2	X			\$0
2	SDS	2-308	Toilet	Baby Changing	2	X		\$250	\$500
2	SDS	2-308	Toilet	Trash Cans	2	X		\$150	\$300
2	SDS	2-311	Toilet/Shower	Soap Holders	1	X		\$20	\$20
2	SDS	2-311	Toilet/Shower	Tissue Holder	1	X		\$25	\$25
2	SDS	2-311	Toilet/Shower	Paper Towel	1	X		\$0	\$0
2	SDS	2-311	Toilet/Shower	Baby Changing	1	X		\$500	\$500
2	SDS	2-311	Toilet/Shower	Trash Cans	1	X		\$150	\$150
2	SDS	2-314	Supply	C-Lockers	3	X		\$1,250	\$3,750
2	SDS	2-314	Supply	Clean Linen Cart	1	X		\$2,500	\$2,500
2	SDS	2-314	Supply	Storage system	4	X		\$1,125	\$4,500
2	SDS	2-315	Med Room	Omni Cell (Twin Tower)	1	X		\$40,000	\$40,000
2	SDS	2-315	Med Room	Trash Cans	2	X		\$150	\$300
2	SDS	2-317	Nourishment	Trash Cans	1	X		\$150	\$150
2	SDS	2-317	Nourishment	Refrigerator	1	X		\$1,000	\$1,000
2	SDS	2-317	Nourishment	Ice Machine (Counter)	1	X		\$5,400	\$5,400
2	SDS	2-316	Nurse Station	Systems Furniture	1	X		\$7,000	\$7,000
2	SDS	2-316	Nurse Station	Nurse Chairs	2	X		\$650	\$1,300
2	SDS	2-316	Nurse Station	Trash Cans	1	X		\$150	\$150

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Port	Area	Arch Room Number	Room Description	Equipment Description	Quantity	New	Existing	Estimate	Total
2	SDS	2-316	Nurse Station	Recycle Bins	1	X			\$0
2	SDS	2-318	Toilet/Shower	Trash Can	1	X		\$150	\$150
2	SDS	2-324	Equipment Room	Shelving Unit	1	X		\$6,500	\$6,500
2	SDS	2-323	Soiled Utility	Large Trash Cans	2	X		\$200	\$400
2	SDS	2-323	Soiled Utility	Soiled Cart	1	X		\$600	\$600
2	SDS	2-322	Office	Furniture	1	X		\$4,000	\$4,000
2	SDS	2-329	Nurse Station	Systems Furniture	2	X		\$3,500	\$7,000
2	SDS	2-329	Nurse Station	Nurse Chairs	2	X		\$1,200	\$2,400
2	SDS	2-332	Lounge	Tables	1	X		\$400	\$400
2	SDS	2-332	Lounge	Chairs	5	X		\$1,750	\$8,750
2	SDS	2-332	Lounge	Nurse Chairs	2	X		\$1,200	\$2,400
2	SDS	2-332	Lounge	Systems Furniture	1	X		\$2,500	\$2,500
2	SDS	2-332	Lounge	Refrigerator	1	X		\$1,000	\$1,000
2	SDS	2-332	Lounge	Ice Machine (Counter)	1	X		\$5,400	\$5,400
2	SDS	2-332	Lounge	Trash Can	2	X		\$150	\$300
2	SDS	2-331	Toilet	Paper Towel	1	X			\$0
2	SDS	2-331	Toilet	Soap Holders	1	X		\$20	\$20
2	SDS	2-331	Toilet	Trash Cans	2	X		\$150	\$300
2	SDS	2-328	Toilet	Paper Towel	2	X			\$0
2	SDS	2-328	Toilet	Soap Holders	2	X		\$20	\$40
2	SDS	2-328	Toilet	Trash Cans	2	X		\$150	\$300
2	General		Computers			X			
			Net Work Switches			X			
			Phones			X			
FFE Total 2nd Floor									\$976,883
Contingency 5%									\$48,844
Total									\$1,025,727

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MEMORIAL HOSPITAL OF CARBONDALE - HOSPITAL EXPANSION/MODERNIZATION

MHC: FEE List

Sept 9, 2013 Draft

Floor	Area	Arch Room Number	Room Description	Equipment Description	Quantity	New	Existing	Estimate	Total
3	ICU	3-390	Patient Rooms	Beds	8	X		\$36,000	\$288,000
3	ICU	3-390	Patient Rooms	Recliner	8	X		\$2,000	\$16,000
3	ICU	3-390	Patient Rooms	Med Gas Columns	8	X		\$9,800	\$78,400
3	ICU	3-390	Patient Rooms	Sharps	8	X		\$50	\$400
3	ICU	3-390	Patient Rooms	Cubical Curtains	8	X		\$300	\$2,400
3	ICU	3-390	Patient Rooms	Patient Marker Board	8	X		\$360	\$2,880
3	ICU	3-390	Patient Rooms	T.V.and Brackets	8	X		\$600	\$4,800
3	ICU	3-390	Patient Rooms	Soap Holders	16	X		\$20	\$320
3	ICU	3-390	Patient Rooms	Paper Tower Holder	16	X		\$0	\$0
3	ICU	3-390	Patient Rooms	Over Bed tables	8	X		\$850	\$6,800
3	ICU	3-390	Patient Rooms	Patient Monitors/w central	8	X		\$398,063	\$398,063
3	ICU	3-390	Patient Rooms	Glove Holders	9	X		\$20	\$180
3	ICU	3-390	Patient Rooms	Vacuum Regulators	8	X		\$800	\$6,400
3	ICU	3-390	Patient Rooms	O2 Regualtors	8	X		\$400	\$3,200
3	ICU	3-390	Patient Rooms	Trash Cans	16	X		\$150	\$2,400
3	ICU	3-390	Patient Rooms	Soil Linen Container	8	X		\$250	\$2,000
3	ICU	3-125	Office	Furniture	1	X		\$4,000	\$4,000
3	ICU	3-126	PCU/ICU Lounge	Tables	2	X		\$400	\$800
3	ICU	3-126	PCU/ICU Lounge	Chairs	10	X		\$350	\$3,500
3	ICU	3-126	PCU/ICU Lounge	Lounge Chairs	2	X		\$1,000	\$2,000
3	ICU	3-126	PCU/ICU Lounge	Sofa	1	X		\$1,200	\$1,200
3	ICU	3-126	PCU/ICU Lounge	Refrigerator	2	X		\$2,000	\$4,000
3	ICU	3-126	PCU/ICU Lounge	Ice Machine Counter	1	X		\$5,400	\$5,400
3	ICU	3-126	PCU/ICU Lounge	Microwave	2	X		\$150	\$300
3	ICU	3-126	PCU/ICU Lounge	T.V.and Brackets	1	X		\$600	\$600
3	ICU	3-123	ICU Equipment Rm.	Cart	1	X		\$2,500	\$2,500
3	ICU	3-122	IT Closet	Racks	1	X			\$0
3	ICU	3-111	Nurse Station	System Furniture	1	X		\$10,000	\$10,000
3	ICU	3-111	Nurse Station	Nurse Chairs	1	X		\$600	\$600
3	ICU	3-111	Nurse Station	Copier/Fax	1	X		\$1,245	\$1,245
3	ICU	3-112	Chart Work Area	System Furniture	1	X		\$4,500	\$4,500
3	ICU	3-112	Chart Work Area	Nurse Chairs	4	X		\$600	\$2,400
3	ICU	3-116	Nourishment	Refrigerator (Large)	1	X		\$1,000	\$1,000
3	ICU	3-116	Nourishment	Ice Machine (Counter)	1	X		\$5,400	\$5,400
3	ICU	3-116	Nourishment	Paper Towel	1	X		\$0	\$0
3	ICU	3-116	Nourishment	Soap Holders	1	X		\$20	\$20
3	ICU	3-116	Nourishment	Microwave	1	X		\$150	\$150
3	ICU	3-116	Nourishment	Cup Holder	1	X		\$20	\$20
3	ICU	3-115	Meds	Refrigerator	1	X		\$1,000	\$1,000
3	ICU	3-115	Meds	Omni Cell	1	X		\$40,000	\$40,000
3	ICU	3-115	Meds	Paper Towell	1	X		\$0	\$0
3	ICU	3-115	Meds	Soap Holders	1	X		\$20	\$20
3	ICU	3-114	Supply	Supply Racks	2	X		\$2,500	\$5,000
3	ICU	3-114	Supply	C-Lockers	8	X		\$1,250	\$10,000
3	ICU	3-114	Supply	Clean Linen Cart	1	X		\$2,500	\$2,500
3	ICU	3-114	Supply	Trash Cans	2	X		\$150	\$300
3	PCU	3-113	CNS Office	Office Furniture	1	X		\$4,000	\$4,000
3	PCU	3-113	CNS Office	Nurse Chairs	1	X		\$600	\$600
3	PCU	3-113	Consult Office	System Furniture	1	X		\$4,500	\$4,500
3	PCU	3-113	Consult Office	Chairs	2	X		\$600	\$1,200
3	PCU	3-108	Nurse Station	System Furniture	1	X		\$8,500	\$8,500
3	PCU	3-108	Nurse Station	Nurse Chairs	2	X		\$600	\$1,200
3	PCU	3-108	Nurse Station	Copier/Fax	1	X		\$1,245	\$1,245
3	ICU	3-120	Housekeeping Closet	House Keeping Cart	1	X		\$2,500	\$2,500
3	ICU	3-121	Staff Toilet	Trash Can	1	X		\$150	\$150
3	ICU	3-121	Staff Toilet	Soap Holders	1	X		\$20	\$20

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ATTACHMENT 9
Space Requirements

Department	Total Gross Square Footage*						
	Entire Hospital			This Project			Vacated as a Result of this Project
	Cost	Existing	Total Upon Project Completion	New	Modernized	As Is	
CLINICAL SERVICE AREAS:							
Medical/Surgical Nursing Units (entire hospital):							
3rd Floor	\$4,203,965	22,804	25,730	3,282	1,941	20,507	356 ^a
4th Floor (includes existing M/S nursing unit, but excludes shell for future M/S nursing unit - see below)	<u>\$50,466</u>	<u>23,590</u>	<u>23,751</u>	<u>0</u>	<u>161</u>	<u>23,590</u>	<u>0</u>
TOTAL Medical/Surgical Nursing Units	\$4,254,431	46,394	49,481	3,282	2,102	44,097	356 ^a
Shell Space for Future M/S nursing unit	\$2,895,992	0	8,620	8,620	0	0	0
Intensive Care Units (entire hospital):	\$5,240,348	8,347	14,113	5,850	763	7,500	84 ^b
Surgery (entire hospital)	\$12,405,520	16,897	25,649	6,347	5,152	14,150	520 ^c
Post-Anesthesia Recovery Unit (PACU, Recovery, Phase I)	\$1,478,785	1,963	1,782	1,782	0	0	1,963 ^d
Surgical Prep/Post-Anesthesia Recovery Phase II	\$8,631,761	3,605	12,210	12,210	0	0	3,605 ^e
Pharmacy	\$2,185,464	1,711	2,967	0	2,967	0	1,288 ^f
Central Sterile Processing/Distribution	<u>\$4,612,075</u>	<u>2,368</u>	<u>6,011</u>	<u>0</u>	<u>6,011</u>	<u>0</u>	<u>2,368^g</u>
TOTAL CLINICAL SERVICE AREAS	\$41,704,376	81,285	120,833	38,091	16,995	65,747	10,107
NON-CLINICAL SERVICE AREAS:							
Materials Management (this project)	\$169,186	3,880	3,566	0	336	3,230	314 ^h
Security	\$196,380	45	260	260	0	0	45 ⁱ
Vending Machine Area	\$218,079	0	612	0	612	0	0
Entrances, Lobbies, Cenral Public Space (this project)	\$1,816,542	359	3,167	2,983	184	0	359 ^j
Interdepartmental Circulation Space (this project):							
1st Floor		1,389	0	0	0	0	1,389 ^k
2nd Floor		169	640	471	169	0	0
4th Floor		<u>0</u>	<u>1,093</u>	<u>933</u>	<u>160</u>	<u>0</u>	<u>0</u>
TOTAL Interdepartmental Circulation Space (this project)	\$824,578	1,558	1,733	1,404	329	0	1,389 ^k
Elevator Lobbies (this project):							
Ground Floor		0	260	260	0	0	0
1st Floor		146	717	533	184	0	0
2nd Floor		79	393	314	79	0	0
3rd Floor		905	1,203	298	79	826	0
4th Floor		<u>868</u>	<u>1,166</u>	<u>298</u>	<u>0</u>	<u>868</u>	<u>0</u>
TOTAL Elevator Lobbies	\$1,039,863	1,998	3,739	1,703	342	1,694	0
Mechanical /Electrical Space and Equipment (this project)	\$3,880,002	6,140	9,449	2,712	2,314	4,423	167 ^l
Elevator Shafts (this project):							
Ground Floor		0	286	286	0	0	0
1st Floor		105	544	301	138	105	0
2nd Floor		105	406	301	0	105	0
3rd Floor		485	786	301	0	485	0
4th Floor		<u>0</u>	<u>414</u>	<u>414</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL Elevator Shafts	\$1,459,075	695	2,436	1,603	138	695	0
Stairwells (this project):							
Ground Floor		0	206	206	0	0	0
1st Floor		499	467	222	0	245	254 ^m
2nd Floor		409	376	376	0	0	409 ^m
3rd Floor		1,114	1,134	234	0	900	214 ^m
4th Floor		<u>881</u>	<u>901</u>	<u>234</u>	<u>0</u>	<u>667</u>	<u>214^m</u>
TOTAL Stairwells	\$593,725	2,903	3,084	1,272	0	1,812	1,091 ^m
Mechanical/Electrical/Data Shafts (this project):							
3rd Floor		521	602	81	0	521	0
4th Floor		<u>451</u>	<u>532</u>	<u>81</u>	<u>0</u>	<u>451</u>	<u>0</u>
TOTAL Mechanical/Electrical/Data Shafts	\$72,508	972	1,134	162	0	972	0
Canopies	<u>\$521,524</u>	<u>1,701</u>	<u>1,697</u>	<u>1,697</u>	<u>0</u>	<u>0</u>	<u>1,701ⁿ</u>
TOTAL NON-REVIEWABLE (NON-CLINICAL SERVICE AREAS)	\$10,791,462	20,251	30,877	13,796	4,255	12,826	5,066
TOTAL PROJECT (CLINICAL + NON-CLINICAL SERVICE AREAS)	\$52,495,838	101,536	151,710	51,887	21,250	78,573	15,173

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Re-Use of Space Being Vacated as a Result of this Project

- a. The 3rd Floor Medical/Surgical Nursing Unit will vacate 356 DGSF, which will become part of the Intensive Care Unit
- b. The Intensive Care Unit will vacate 84 DGSF, which will become part of the Medical/Surgical nursing units
- c. Surgery will vacate 520 DGSF, which will become part of Central Sterile Processing/Distribution
- d. The Post-Anesthesia Recovery Unit (PACU) will vacate its entire space (1,963 DGSF), 1,886 DGSF of which will become part of Central Sterile Processing/Distribution and 77 DGSF of which will become part of Surgery.
- e. Surgical Prep/Post-Anesthesia Recovery Phase II will vacate its entire space (3,605 DGSF), which will become part of Central Sterile Processing/Distribution
- f. Pharmacy will vacate 1,288 DGSF, 676 DGSF of which will become part of Mechanical Space and 612 of which will become the Vending Machine Area
- g. Central Sterile Processing/Distribution will vacate its entire space (2,368 DGSF), which will become part of Pharmacy
- h. Materials Management will vacate 314 DGSF, 176 of which will become part of Pharmacy and 138 of which will be used for the 1st floor elevator shaft included in this project
- i. Security will vacate its existing 45 DGSF, which will become part of circulation
- j. The 359 DGSF within the footprint of this project that is currently occupied by Entrances, Lobbies, and Central Public Space will be demolished
- k. The 1,389 DGSF on the 1st floor of the hospital that is currently Interdepartmental Circulation Space will become part of Surgery
- l. Mechanical/Electrical Space will vacate 167 DGSF, which will become part of the 4th floor shell space for a future Medical/Surgical nursing unit
- m. Stairwells totaling 1,091 DGSF that are currently located on the 1st through 4th floors of the existing hospital building will be demolished and replaced by new stairwells in the new construction that is part of this project
- n. Existing Canopies totaling 1,701 DGSF will be demolished and replaced by new canopies that are part of this project

III.

Criterion 1110.230 - Background of Applicant

1. Memorial Hospital of Carbondale is owned and operated by Southern Illinois Hospital Services.

The identification numbers for the health care facilities owned or operated by Southern Illinois Hospital Services are shown below.

<u>Name and Location of Facility</u>	<u>Identification Numbers</u>
Memorial Hospital of Carbondale, Carbondale	Illinois Hospital License ID# 0000513 The Joint Commission ID# 7252
Herrin Hospital, Herrin	Illinois Hospital License ID# 0000935 The Joint Commission ID# 7357
St. Joseph Memorial Hospital, Murphysboro (Critical Access Hospital)	Illinois Hospital License ID# 0004614
Physicians Surgery Center, LLC, Carbondale	Illinois Ambulatory Surgical Treatment Center License ID# 7003128 Accreditation Association for Ambulatory Health Care, Inc. Accreditation ID# 4398

Proof of the current licensure and accreditation for all facilities owned or operated by Southern Illinois Hospital Services will be found beginning on Page 2 of this Attachment.

- 2, 3. This Attachment includes a certification letter from Southern Illinois Healthcare, the sole corporate member of Southern Illinois Hospital Services, (1) documenting that Memorial Hospital of Carbondale and the other health care facilities owned or operated by Southern Illinois Hospital Services have not had any adverse action taken against them during the past three years and (2) authorizing the Illinois Health Facilities and Services Review Board and Illinois Department of Public Health to access any documents necessary to verify the information submitted in response to this subsection.
4. This item is not applicable to this application because the requested materials are being submitted as part of this application, beginning on Page 2 of this Attachment.

State of Illinois 2132833

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

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

EXPIRATION DATE	CATEGORY	ID NUMBER
06/30/14	86BD	0000513

LA. MAR HASBROUCK, MD, MPH
DIRECTOR

GENERAL HOSPITAL
EFFECTIVE: 07/01/13

FULL LICENSE

BUSINESS ADDRESS

MEMORIAL HOSPITAL OF CARBONDALE
404 WEST JACKSON
CARBONDALE IL 62901 9000

This form of license has a colored background. Printed by Authority of the State of Illinois - 4/97 -

State of Illinois 2132833

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

↓

MEMORIAL HOSPITAL OF CARBONDALE

EXPIRATION DATE	CATEGORY	ID NUMBER
06/30/14	86BD	0000513

GENERAL HOSPITAL
EFFECTIVE: 07/01/13

FULL LICENSE

05/04/13
MEMORIAL HOSPITAL OF CARBONDALE
404 WEST MAIN STREET
CARBONDALE IL 62901 9000

FEE RECEIPT NO.

Memorial Hospital of Carbondale

Carbondale, IL

has been Accredited by



The Joint Commission

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

April 27, 2013

Accreditation is customarily valid for up to 36 months.


Rebecca Patchin, MD.
Chair, Board of Commissioners

Organization ID #: 7252
Print/Reprint Date: 08/21/13


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

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



This reproduction of the original accreditation certificate has been issued for use in regulatory/payer agency verification of accreditation by The Joint Commission. Please consult Quality Check on The Joint Commission's website to confirm the organization's current accreditation status and for a listing of the organization's locations of care.



Summary of Quality Information

Symbol Key

- ★ This organization achieved the best possible results.
- ⊕ This organization's performance is above the target range/value.
- ✓ This organization's performance is similar to the target range/value.
- ⊖ This organization's performance is below the target range/value.
- ⊗ This Measure is not applicable for this organization.
- ⊘ Not displayed

Footnote Key

1. The Measure or Measure Set was not reported.
2. The Measure Set does not have an overall result.
3. The number of patients is not enough for comparison purposes.
4. The measure meets the Privacy Disclosure Threshold rule.
5. The organization scored above 90% but was below most other organizations.
6. The Measure results are not statistically valid.
7. The Measure results are based on a sample of patients.
8. The number of months with Measure data is below the reporting requirement.
9. The measure results are temporarily suppressed pending resubmission of updated data.
10. Test Measure: a measure being evaluated for reliability of the individual data elements or awaiting National Quality Forum Endorsement.
11. There were no eligible patients that met the denominator criteria.

For further information and explanation of the Quality Report contents, refer to the "Quality Report User Guide."

Accreditation Programs	Accreditation Decision	Effective Date	Last Full Survey Date	Last On-Site Survey Date
Hospital	Accredited	4/27/2013	4/26/2013	4/26/2013

Accreditation programs recognized by the Centers for Medicare and Medicaid Services (CMS)

Hospital

Advanced Certification Programs	Certification Decision	Effective Date	Last Full Review Date	Last On-Site Review Date
Primary Stroke Center	Certification	10/6/2012	10/5/2012	10/5/2012

Other Accredited Programs/Services

- Hospital (Accredited by American College of Surgeons-Commission on Cancer (ACoS-COC))

Special Quality Awards

2013 Gold Plus Get With The Guidelines - Stroke

Compared to other Joint Commission Accredited Organizations

Hospital

2013 National Patient Safety Goals

Nationwide

Statewide



Hospitals voluntarily participate in the Survey of Patients' Hospital Experiences (HCAHPS). Pediatric and psychiatric hospitals are not eligible to participate in the HCAHPS survey based on their patient population.



The Joint Commission only reports measures endorsed by the National Quality Forum

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION



		State of Illinois 2114492 Department of Public Health	
LICENSE PERMIT CERTIFICATION REGISTRATION			
The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.			
L. A. HASSEKOUCK, M.D., M.P.H. DIRECTOR		Issued under the authority of the State of Illinois Department of Public Health	
EXPIRATION DATE 12/31/13	CATEGORY 1650	ID NUMBER 0000935	
FULL LICENSE GENERAL HOSPITAL EFFECTIVE: 01/01/13			
BUSINESS ADDRESS			
12/13/12 HERRIN HOSPITAL 201 S 14TH STREET HERRIN IL 62948			
This face of this license has a colored background. Printed by Authority of the State of Illinois, 1-457			

State of Illinois 2114492 Department of Public Health	
LICENSE PERMIT CERTIFICATION REGISTRATION	
HERRIN HOSPITAL	
EXPIRATION DATE 12/31/13	CATEGORY 1650
ID NUMBER 0000935	
FULL LICENSE GENERAL HOSPITAL EFFECTIVE: 01/01/13	

12/13/12
 HERRIN HOSPITAL
 201 S 14TH STREET
 HERRIN
 IL 62948

FEE RECEIPT NO.

Herrin Hospital

Herrin, IL

has been Accredited by



The Joint Commission

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

Hospital Accreditation Program

March 22, 2013

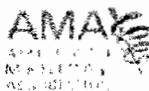
Accreditation is customarily valid for up to 36 months.


Rebecca Patchin, MD.
Chair, Board of Commissioners

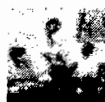
Organization ID #: 7357
Print/Reprint Date: 06/13/13


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

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



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Summary of Quality Information

Symbol Key

- This organization achieved the best possible results.
- This organization's performance is above the target range/value.
- This organization's performance is similar to the target range/value.
- This organization's performance is below the target range/value.
- This Measure is not applicable for this organization.
- Not displayed

Footnote Key

1. The Measure or Measure Set was not reported.
2. The Measure Set does not have an overall result.
3. The number of patients is not enough for comparison purposes.
4. The measure meets the Privacy Disclosure Threshold rule.
5. The organization scored above 90% but was below most other organizations.
6. The Measure results are not statistically valid.
7. The Measure results are based on a sample of patients.
8. The number of months with Measure data is below the reporting requirement.
9. The measure results are temporarily suppressed pending resubmission of updated data.
10. Test Measure: a measure being evaluated for reliability of the individual data elements or awaiting National Quality Forum Endorsement.
11. There were no eligible patients that met the denominator criteria.

For further information and explanation of the Quality Report contents, refer to the "Quality Report User Guide."

Accreditation Programs	Accreditation Decision	Effective Date	Last Full Survey Date	Last On-Site Survey Date
Hospital	Accredited	3/23/2013	3/22/2013	5/3/2013

Accreditation programs recognized by the Centers for Medicare and Medicaid Services (CMS)

Hospital

Certified Programs	Certification Decision	Effective Date	Last Full Review Date	Last On-Site Review Date
Joint Replacement - Hip	Certification	8/7/2013	8/6/2013	8/6/2013
Joint Replacement - Knee	Certification	8/7/2013	8/6/2013	8/6/2013
Stroke Rehabilitation	Certification	8/15/2013	8/14/2013	8/14/2013

Special Quality Awards

2013 Silver Plus Get With The Guidelines - Stroke

Compared to other Joint Commission Accredited Organizations

Hospital

2013 National Patient Safety Goals

Nationwide

Statewide



Hospitals voluntarily participate in the Survey of Patients' Hospital Experiences (HCAHPS). Pediatric and psychiatric hospitals are not eligible to participate in the HCAHPS survey based on their patient population.



The Joint Commission only reports measures endorsed by the National Quality Forum



State of Illinois 2136127
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

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

LA MAR HASEROUCK, M.D., MPH
DIRECTOR

EXPIRATION DATE	CATEGORY	REGISTRATION NUMBER
07/04/14	GGD	0004614
FULL LICENSE		
CRITICAL ACCESS HOSP		
EFFECTIVE: 07/05/13		

BUSINESS ADDRESS

ST. JOSEPH MEMORIAL HOSPITAL
2 SOUTH HOSPITAL DRIVE

MURPHYSBORO, IL 62946

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



State of Illinois 2114600
Department of Public Health

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

LA MAR HASBROUCK, MD, MPH
DIRECTOR

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

EXPIRATION DATE 12/02/13	CATEGORY BGBD	I.D. NUMBER 7003128
FULL LICENSE		
AMBUL SURGICAL TREAT CNTR		
EFFECTIVE: 12/03/12		

BUSINESS ADDRESS

PHYSICIANS SURGERY CENTER, LLC
2601 WEST MAIN STREET
CARBONDALE IL 62901

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

DISPLAY THIS PART IN A
CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN
IDENTIFICATION

State of Illinois 2114600
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION
PHYSICIANS SURGERY CENTER, LLC

EXPIRATION DATE 12/02/13	CATEGORY BGBD	I.D. NUMBER 7003128
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FULL LICENSE

AMBUL SURGICAL TREAT CNTR

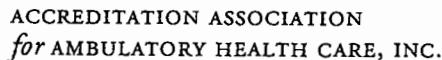
EFFECTIVE: 12/03/12

12/13/12

PHYSICIANS SURGERY CENTER, LLC
2601 WEST MAIN STREET
2601 WEST MAIN STREET
CARBONDALE IL 62901

FEE RECEIPT NO. 22328

072



Organization #: 4398 **Accreditation Expires:** May 20, 2014

Decision Recipient: **Willis Bultje** Survey Chair: **Gerald Hofkin, MD, MBA**
Survey Contact: **Willis Bultje** Survey Team Member: **Deborah Comerford, RN**

It is a pleasure to inform you that the Accreditation Association for Ambulatory Health Care, Inc. (AAAHC) Accreditation Committee has awarded **Physicians' Surgery Center, LLC, a three-year term of accreditation.**

Members of your organization should take time to review your Survey Report, which may arrive separately:

- Any standard marked “PC” (Partially Compliant) or “NC” (Non-Compliant) must be corrected promptly. Subsequent surveys by the AAAHC will seek evidence that deficiencies from this survey were addressed without delay.
- The Summary Table provides an overview of compliance for each chapter applicable to the organization. Emphasis for attention should be given to chapters marked “PC” (Partially Compliant) or “NC” (Non-Compliant).
- As a guide to the ongoing process of self-evaluation, periodically review the Survey Report to ensure the organization’s ongoing compliance with the standards throughout the term of accreditation.
- Statements in the “Consultative Comments” sections of the report represent the educational component of the survey. Such comments may provide suggested approaches for correcting identified deficiencies.

AAAH policies and procedures and standards are revised on an annual basis, such revisions become effective March 1 each year. Accredited organizations are required to maintain their operations in compliance with the current AAAH standards and policies. Therefore, the organization is encouraged to visit the AAAH website, www.aaahc.org, for information pertaining to any revisions to AAAH policies and procedures and standards.

We hope the survey has been beneficial to your organization in identifying its strengths and opportunities to improve. AAAHC trusts that you will continue to find the accreditation experience meaningful, not only from the benefit of having carefully reviewed your own operation, but also from the recognition brought forth by your participation in this survey process.

If you have any questions or comments about any portion of the accreditation process, please contact the AAAHC Accreditation Services department at (847) 853-6060.



SOUTHERN ILLINOIS HEALTHCARE

August 28, 2013

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

Dear Ms. Avery:

Memorial Hospital of Carbondale is a licensed, The Joint Commission-accredited hospital in Carbondale, Illinois, and is owned and operated by Southern Illinois Hospital Services, an Illinois not for profit corporation ("SIHS"). Southern Illinois Healthcare Enterprises, Inc., is the sole corporate member of SIHS.

SIHS also owns and operates the following health care facilities, as defined under the Illinois Health Facilities Planning Act (20 ILCS 3960/3):

Herrin Hospital, Herrin, Illinois
St. Joseph Memorial Hospital, Murphysboro, Illinois

In addition, SIHS owns fifty-five percent (55%) of Physicians' Surgery Center, LLC, which is located in Carbondale, Illinois.

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

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

Sincerely,

Rex P. Budde
President and CEO
Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale



Susan M. Roark
8-28-2013

1239 East Main Street | PO Box 3988
Carbondale, IL 62902-3988

TEL 618-457-5200
FAX 618-529-0568

www.sih.net

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III.

Criterion 1110.230.b - Purpose of Project

1. This project will improve the health care and well-being of the market area population by expanding and modernizing medical/surgical, intensive care, surgical, and related clinical service areas at Memorial Hospital of Carbondale, a hospital that provides health care to residents of Southern Illinois with a wide range of services.

This project is designed to accomplish the following:

- Increase the number of intensive care beds;
- Increase the number of operating rooms;
- Modernize and expand medical/surgical nursing units without any change in authorized medical/surgical beds in order to increase the number of medical/surgical beds in private rooms and to increase the percentage of step-down (monitored) medical/surgical beds;
- Construct shell space for future expansion of its medical surgical beds;
- Replace both the Post-Anesthesia Care Unit (PACU) and Surgical Prep/Recovery Phase II Department in order to provide appropriate facilities for the current mix of inpatient/outpatient surgical patients and to meet current Illinois Hospital Licensing Requirements;
- Replace and expand Central Sterile Supply and Pharmacy;
- Modernize several non-clinical service areas.

As a result, this project will improve Memorial Hospital of Carbondale's ability to provide essential surgical, medical/surgical, and intensive care services to all the patients it serves, including the uninsured and underinsured residents of Planning Area F-07, the State-defined planning area in which the hospital is located.

Planning Area F-07 includes Randolph, Perry, Jackson, Union, Alexander, and Pulaski Counties and the following precincts of Monroe County: 1, 6, 7, 8, 9, 12, 13, 15, 20, and 23.

As discussed later in this section and under Item 2. below, Memorial Hospital of Carbondale's market area is a 7-county area in Southern Illinois (consisting of

Franklin, Jackson, Johnson, Perry, Saline, Union and Williamson Counties) that includes part or all of the State-designated Planning Areas F-05, F-06, and F-07.

This project is a necessary modernization of existing services at Memorial Hospital of Carbondale.

The project includes the following Clinical Service Areas, all of which currently exist at Memorial Hospital of Carbondale (MHC).

Medical/Surgical Category of Service
Intensive Care Category of Service
Surgery
Post-Anesthesia Recovery Unit (PACU, Recovery Phase I)
Surgical Prep (for both A.M. Admits and Same-Day Surgery Patients) and
Post-Anesthesia Recovery Phase II
Pharmacy
Central Sterile Processing/Distribution

The need for this project is based upon the following.

- This project is needed to modernize and expand existing services for the steadily increasing number of patients who receive care at MHC.
- This project is needed to modernize and expand existing services for the increasing acuity levels of patients who receive inpatient care at MHC.
- This project is needed to modernize and expand existing services for patients who reside in MHC's market area but who currently travel outside the market area, often leaving the State of Illinois to travel to Missouri, Kentucky, and Indiana to receive medical care.
- This project is needed to modernize and expand existing services for residents of MHC's 7-county market area in Southern Illinois, all of which has been designated as Health Professional Shortage Areas and much of which has been designated as Medically Underserved Areas.
- Many of the patients that receive care at MHC are low-income and otherwise vulnerable, as documented by their residing in Health Professional Shortage Areas for Primary Medical Care.

There are a number of federally-designated Health Professional Shortage Areas in MHC's market area, as identified below.

Health Professional Shortage Areas are designated by the federal government because they have a shortage of primary medical care

providers ([http://bhpr.hrsa.gov/shortage/Health Resources and Services Administration](http://bhpr.hrsa.gov/shortage/HealthResourcesandServicesAdministration), U.S. Department of Health and Human Services).

The federal criteria for HPSA designation are found on Pages 10 through 12 of this Attachment.

- On April 1, 2012, the federal government designated all 7 counties in the market area as being Health Professional Shortage Areas (HPSAs).

Franklin County
Jackson County
Johnson County
Perry County
Saline County
Union County
Williamson County

Documentation of these Health Professional Shortage Areas is found on Page 13 of this Attachment.

- Many of the patients that receive care at MHC are low-income and otherwise vulnerable, as documented by their residing in Medically Underserved Areas or being part of Medically Underserved Populations.

There are a number of federally-designated Medically Underserved Areas and Medically Underserved Populations in MHC's market area, as identified below.

The designation of a Medically Underserved Area (MUA) by the federal government is based upon the Index of Medical Underservice (IMU), which generates a score from 0 to 100 for each service area (0 being complete underservice and 100 being best served), with each service area with an IMU of 62.0 or less qualifying for designation as an MUA. The IMU involves four weighted variables (ratio of primary medical care physicians per 1,000 population, infant mortality rate, percentage of the population with incomes below the poverty level, and percentage of the population aged 65 or over).

The designation of a Medically Underserved Population (MUP) by the federal government is based upon applying the IMU to an underserved population group within its area of residence. Population groups requested for designation as MUPs should be those with economic barriers (low-income or Medicaid-eligible populations) or cultural and/or linguistic access barriers to primary medical care services.

The designation of a MUP is based upon the same assessment as the determination of a MUA, except that the population assessed is the population of the requested group within the area rather than the total resident civilian population of the area, and the number of FTE primary care physicians would include only those serving the requested population group. There are also provisions for a population group that does not meet the established criteria of an IMU less than 62.0 to be considered for designation if "unusual local conditions which are a barrier to access to or the availability of personal health services" exist and are documented and if the designation is recommended by the State in which this population resides.

The federal criteria for designation of Medically Underserved Areas and Populations are found on Pages 14 through 16 of this Attachment.

- The federal government has designated the following Medically Underserved Areas (MUAs) in the market area for this project.

Franklin County
Jackson County
Johnson County
Beaucoup and Cutler Precincts in Perry County
Union County
Blairsville, Cartersville, Corinth, Creal Springs, East Marion, and
Lake Creek Townships in Williamson County

Documentation of these Medically Underserved Areas is found on Page 17 of this Attachment.

- The federal government has designated the following Medically Underserved Population (MUP) in the market area for this project.

Low income population in Saline County

Documentation of this Medically Underserved Population is also found on Page 17 of this Attachment.

- This project will have a positive impact on essential safety net services in MHC's market area, which includes part or all of Planning Areas F-05, F-06, and F-07, because the patients that will be served by this facility, a significant percentage of whom are elderly and/or low income, uninsured, and otherwise vulnerable, will be able to receive care in modernized and expanded facilities.

- This project is needed to modernize and expand MHC's facilities, which serve a major role in training health care professionals as a teaching affiliate of SIU School of Medicine
- MHC must address the standards found in the Illinois Health Care Facilities Plan, 77 Ill. Adm. Code 1100.310(a), 1100.360, 1100.370, 1100.380, 1100.390, 1100.400, 1100.410, 1100.430, 1110.230, 1110.234, 1110.3030, 1110.APPENDIX B State Guidelines - Square Footage and Utilization, and 1120.140 for the clinical service areas included in this project.
- MHC needs to comply with the standards found in the Illinois Health Care Facilities Plan, 77 Ill. Adm. Code 1100.520, 1100.540, 1110.230, 1110.234(a)-(e), 1110.530(b), (d)-(g), 110.3030, 1110.APPENDIX B State Guidelines - Square Footage and Utilization, and 1120.140 for the clinical service areas included in this project.

Specific information regarding the need to modernize the Clinical Service Areas included in this project is presented in Attachments 20 and 37.

The project will be sized to accommodate the projected utilization in each of the included services during the second full year of operation of the phase of the project in which each service becomes operational.

Population statistics for the zip codes that constitute the market area for MHC were reviewed to identify recent population figures and five-year projections. Truven Health Analytics (formerly Thomson Reuters Medstat) is the source of these population statistics.

This review revealed that the population in the market area is expected to remain constant from 2011 to 2016, with a net increase of 112 (0.05%) over this five-year period.

2. The market area for this project consists of the following counties in Southern Illinois.

Franklin County
Jackson County
Johnson County
Perry County
Saline County
Union County
Williamson County

These counties constitute parts of Planning Areas F-05, F-06, and F-07.

The patient origin data, found on Page 18 of this Attachment, demonstrate that MHC serves Planning Area F-07 and the market area population.

In addition to MHC, Southern Illinois Hospital Services owns and operates the following facilities: Physicians Surgery Center, LLC, and Memorial Hospital Breast Center, both of which are located in Carbondale; St. Joseph Memorial Hospital, which is located in Murphysboro; Herrin Hospital; and Memorial Hospital Cancer Center, which is located in Marion.

MHC and St. Joseph Memorial Hospital in Murphysboro, as well as Physicians Surgery Center, are located in Jackson County, which is part of Planning Area F-07.

Herrin Hospital in Herrin and Memorial Hospital Cancer Center at Marion are both located in Williamson County, which is part of Planning Area F-06.

The zipcodes included in this market area are shown on Pages 19 and 20 of this Attachment.

During FY12, more than 80% of MHC's patients resided within its market area, and more than 50% of its patients resided in Planning Area F-07, the planning area in MHC is located.

During FY12, 76% of MHC's discharges resided in zipcodes in which 1% or more of the year's discharges resided. Most of these zipcodes are located in Planning Area F-07.

MHC's 7-county market area had a 2013 population of 242,697 and accounted for more than 92% of the discharges to the SIHS hospitals: Herrin Hospital in Herrin; MHC in Carbondale; and St. Joseph Memorial Hospital in Murphysboro.

The SIHS hospitals' marketshare penetration in its market area is significant. During the year ending June 30, 2012, these hospitals had a 50% marketshare of all inpatient discharges within the 7-county market area.

3. The following problems need to be addressed by this project. These needs are discussed in Attachments 20 and 37.
 - a. MHC has an inadequate number of intensive care beds to accommodate its historic caseload for the Intensive Care Category of Service, and the shortage of beds in this category of service will increase in the next few years due to the projected increased utilization of the Intensive Care Service.

- b. Although MHC currently has a sufficient number of authorized medical/surgical beds to accommodate its historic caseload, the hospital has an insufficient number of private rooms, and the current step-down unit does not meet contemporary facility-related standards of care and has an inadequate number of patient rooms.
- c. There will continue to be an increased number of admissions to the Medical/Surgical Category of Service at MHC, which will result in increased utilization of this service and lead to an inadequate number of medical/surgical beds in the future.
- d. MHC has an inadequate number of operating rooms to accommodate its historic surgical caseload, and the shortage of operating rooms will increase in the next few years due to the projected increases in surgical utilization resulting from newly-recruited physicians.
- e. The increased number of operating rooms at MHC will create a need to increase the number of post-anesthesia recovery stations in order to meet the licensing standards of the Illinois Department of Public Health (IDPH).
- f. Historic increases in outpatient surgery have resulted in a need to increase the number of Stage II recovery stations in order to meet IDPH's licensing standards.
- g. Pharmacy and Central Sterile Processing/Distribution are both inadequately sized and obsolescent, and both need to be modernized and expanded in order to meet contemporary standards. The modernization of both these departments will be accomplished by replacing their current facilities.
- h. As MHC continues to implement its Physician Development Plan, the recruitment of additional physicians will result in additional admissions to the hospital. These admissions will increase inpatient utilization and the surgical caseload.

During the past 2 years, MHC has recruited 32 physicians representing a wide range of medical and surgical specialties, including extensive representation of sub-specialists, as discussed in Attachments 15, 16, 20 and 37. The implementation of the Physician Development Plan and MHC's physician recruitment efforts are continuing.

- i. The recruitment of additional physicians to MHC will help to meet the needs identified by the federal government in its designation of the state-designated planning area and the hospital's market area as Health Professional Shortage Areas and Medically Underserved Area.

As a result, the project will provide much-needed services to the market area and, in doing so, will provide health care services to the low income and uninsured.

Documentation of this project's ability to address this issue is found in Item 5. below.

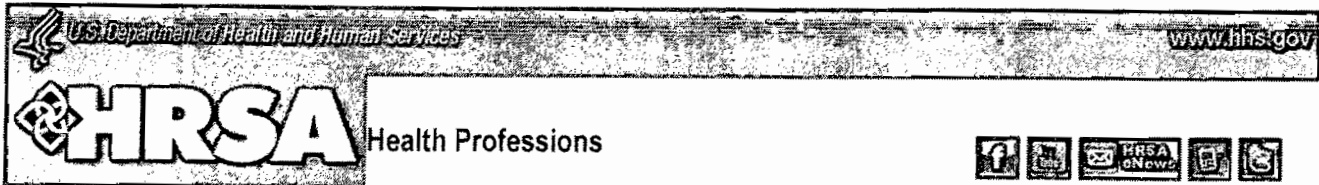
4. The sources of information provided as documentation are the following:
 - a. Hospital records;
 - b. Illinois Hospital Licensing Requirements (77 Ill. Adm. Code 250);
 - c. Reports by the hospital's architects;
 - d. The Facilities Guidelines Institute with assistance from the U.S. Department of Health and Human Services, Guidelines for Design and Construction of Health Care Facilities, 2010 Edition. 2010: ASHE (American Society for Healthcare Engineering).
 - e. Standards for Accessible Design: ADA Accessibility Guidelines for Buildings and Facilities, 28 Code of Federal Regulations, 36.406.ADAAG (Americans with Disabilities Act [ADA]);
 - f. National Fire Protection Association, NFPA 101: Life Safety Code, 2012 Edition.
 - g. U.S. Pharmacopeia's (USP) Revised General Chapter 797, Pharmaceutical Compounding – Sterile Preparations;
 - h. Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS), Health Professional Shortage Areas, (<http://hpsafind.hrsa.gov/HPSASearch.aspx>), for all the counties in MHC's market area: Franklin County; Jackson County; Johnson County; Perry County; Saline County; Union County; and Williamson County.

A print-out of this information and a discussion of Health Professional Shortage Areas is found on Pages 10 through 13 of this Attachment.
 - i. Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS), Medically Underserved Areas and Populations by State and County, (<http://muafind.hrsa.gov/index.aspx>), for the following areas in MHC's market area: Franklin County; Jackson County; Johnson County; Beaucoup and Cutler Precincts in

Perry County; Union County; and Blairsville, Cartersville, Corinth, Creal Springs, East Marion, and Lake Creek Townships in Williamson County as Medically Underserved Areas and the Low Income Population in Saline county as the Medically Underserved Population.

A print-out of this information and a discussion of Medically Underserved Areas and Medically Underserved Populations is found on Pages 14 through 17 of this Attachment.

- j. Illinois Department of Public Health and Illinois Health Facilities and Services Review Board, Inventory of Health Care Facilities and Services and Need Determination for Hospital Planning Areas F-05, F-06, F-07, October 14, 2011, and May 16, 2013, Update.
5. This project will address and improve the health care and well-being of residents of MHC's market area, including Planning Area F-07, because it will enable the hospital to provide inpatient and surgical services in facilities that meet contemporary standards.
- By improving the acute care facilities of MHC, this project will improve the quality of health care services for all residents of the market area, including the low income and uninsured. In that way, this project will have a particular impact on those areas within Planning Area F-07 and MHC's market area that are identified by the federal government (Health Resources and Services Administration of the U.S. Department of Health and Human Services) as Health Professional Shortage Areas and Medically Underserved Areas and Populations.
- These designated areas are identified in charts on Pages 13 and 17 of this Attachment.
6. This project will address and improve the health care of residents of the market area and fulfill MHC's goal to continue providing quality health care to residents of its market area.



[HP Home](#) > [Shortage Designation](#)

HPSA Designations

HPSA Overall Designation Criteria

Primary Medical Care HPSAs:

[Overview](#)

[Criteria](#)

[Guidelines](#)

Dental HPSAs:

[Overview](#)

[Criteria](#)

[Guidelines](#)

Mental Health HPSAs:

[Overview](#)

[Criteria](#)

[Guidelines](#)

HPSA Designation Criteria

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5.1 Purpose.

These regulations establish criteria and procedures for the designation of geographic areas, population groups, medical facilities, and other public facilities, in the States, as health professional(s) shortage areas.

5.2 Definitions.

Act means the Public Health Service Act, as amended.

Health professional(s) shortage area means any of the following which the Secretary determines has a shortage of health professional(s): (1) An urban or rural area (which need not conform to the geographic boundaries of a political subdivision and which is a rational area for the delivery of health services); (2) a population group; or (3) a public or nonprofit private medical facility.

Health service area means a health service area whose boundaries have been designated by the Secretary, under section 1511 of the Act, for purposes of health planning activities.

Health systems agency or HSA means the health systems agency designated, under section 1515 of the Act, to carry out health planning activities for a specific health service area.

Medical facility means a facility for the delivery of health services and includes: (1) A community health center, public health center, outpatient medical facility, or community mental health center; (2) a hospital, State mental hospital, facility for long-term care, or rehabilitation facility; (3) a migrant health center or an Indian Health service facility; (4) a facility for delivery of health services to inmates in a U.S. penal or correctional institution (under section 323 of the Act) or a State correctional institution; (5) a Public Health Service medical facility (used in connection with the delivery of health services under section 320, 321, 322, 324, 325, or 326 of the Act); or (6) any other Federal medical facility.

Metropolitan area means an area which has been designated by the Office of Management and Budget as a standard metropolitan statistical area (SMSA). All other areas are "non-metropolitan areas."

Poverty level means the poverty level as defined by the Bureau of the Census, using the poverty index adopted by a Federal Interagency Committee in 1969, and updated each year to reflect changes in the Consumer Price Index.

Secretary means the Secretary of Health and Human Services and any other officer or employee of the Department to whom the authority involved has been delegated.

State includes, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

State health planning and development agency or SHPDA means a State health planning and development agency designated under section 1521 of the Act.

5.3 Procedures for designation of health professional(s) shortage areas.

a. Using data available to the Department from national, State, and local sources and based upon the criteria in the appendices to this part, the Department will annually prepare listings (by State and health service area) of currently designated health professional(s) shortage areas and potentially designatable areas, together with appropriate related data available to the Department. Relevant portions of this material will then be forwarded to each health systems agency, State health planning and development agency, and Governor, who will be asked to review the listings for their State, correct any errors of which they are aware, and offer their recommendations, if any, within 90 days, as to which geographic areas, population groups, and facilities in areas under their jurisdiction should be designated. An information copy of these listings will



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Health Professions

[HP Home](#) > [Shortage Designation](#)**HPSA Designations****HPSA Overall Designation****Criteria****Primary Medical Care****HPSAs:**[Overview](#)[Criteria](#)[Guidelines](#)**Dental HPSAs:**[Overview](#)[Criteria](#)[Guidelines](#)**Mental Health HPSAs:**[Overview](#)[Criteria](#)[Guidelines](#)

Primary Medical Care HPSA Designation Overview

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There are three different types of HPSA designations, each with its own designation requirements:

- Geographic Area
- Population Groups
- Facilities

Geographic Areas must:

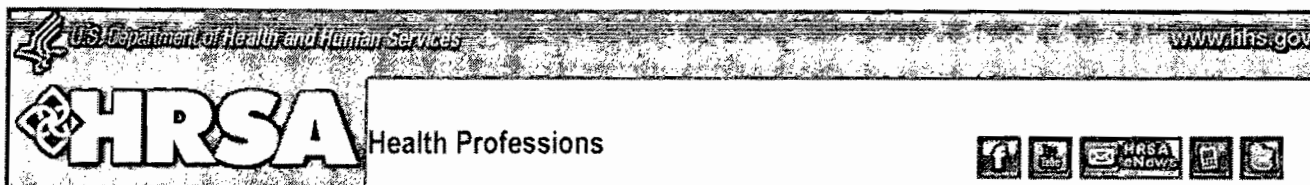
- Be a rational area for the delivery of primary medical care services
- Meet one of the following conditions:
 - Have a population to full-time-equivalent primary care physician ratio of at least 3,500:1
 - Have a population to full-time equivalent primary care physician ratio of less than 3,500:1 but greater than 3,000:1 and have unusually high needs for primary care services or insufficient capacity of existing primary care providers
- Demonstrate that primary medical professionals in contiguous areas are overutilized, excessively distant, or inaccessible to the population under consideration.

Population Groups must:

- Reside in an area in that is rational for the delivery of primary medical care services as defined in the Federal code of regulations.
- Have access barriers that prevent the population group from use of the area's primary medical care providers.
- Have a ratio of persons in the population group to number of primary care physicians practicing in the area and serving the population group ratio of at least 3,000:1
- Members of Federally recognized Native American tribes are automatically designated. Other groups may be designated if the meet the basic criteria described above.

Facilities must:

- Be either Federal and/or State correctional institutions or public and/or non-profit medical facilities
- Be maximum or medium security facilities
- Federal/State Correctional Institutions must have at least 250 inmates and the ratio of the number of internees/year to the number of FTE primary care physicians serving the institution must be at least 1,000:1
- Public and/or non-profit medical Facilities must demonstrate that they provide primary medical care services to an area or population group designated as a primary care HPSA and must have an insufficient capacity to meet the primary care needs of that area or population group.

[HP Home](#) > [Shortage Designation](#)**HPSA Designations****HPSA Overall Designation Criteria****Primary Medical Care****HPSAs:**[Overview](#)[Criteria](#)[Guidelines](#)**Dental HPSAs:**[Overview](#)[Criteria](#)[Guidelines](#)**Mental Health HPSAs:**[Overview](#)[Criteria](#)[Guidelines](#)

Updated Designations

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A *Federal Register* notice updating the designated Health Professional Shortage Areas (HPSAs) was published on June 29. The main impact of this publication will be to officially withdraw those HPSAs that have been in either "proposed for withdrawal" or "no new data" status since the last *Federal Register* notice was published.

The following listings include all HPSAs that were designated as of April 1, 2012:

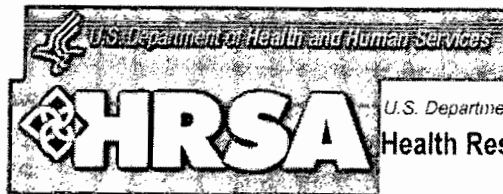
- [Primary Medical Care HPSAs Designated as of April 1, 2012](#) (PDF - 628 KB)
- [Dental Care HPSAs Designated as of April 1, 2012](#) (PDF - 450 KB)
- [Mental Health Care HPSAs Designated as of April 1, 2012](#) (PDF - 515 KB)

New HPSAs may have been designated and other HPSAs may have been proposed for withdrawal or had no new data supplied to support their continued designation since April 1. These changes will be reflected in on-line searches, such as [Find a HPSA](#) and the [Data Warehouse](#), but will not match the information in the *Federal Register*, due to the time required to prepare the official notice.

HPSAs that were designated after April 1, 2012 are considered designated even though they are not on the *Federal Register* listing; HPSAs that have been placed in "proposed for withdrawal" or "no new data" status since April 1, 2012 will remain in that status until the publication of the next *Federal Register* notice.

Programs that use HPSAs to determine eligibility may utilize the HPSA data as of a certain date in time in order to facilitate program operations. To locate NHSC approved sites with eligible HPSAs and the corresponding HPSA scores for use in the National Health Service Corps programs, individuals should refer to the [NHSC Jobs Center](#).

If you have questions about the information on HPSAs, please contact your [State Primary Care Office](#).



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Find Shortage Areas: HPSA by State & County

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HPSA &
MUA/P by
Address

HPSA
Eligible for
the
Medicare
Physician
Bonus
Payment

MUA/P by
State &
County

Criteria:

State: Illinois
County: Franklin County
Jackson County
Johnson County
Perry County
Saline County
Union County
Williamson County
ID: All

Discipline: Primary Medical Care
Metro: All
Status: Designated
Type: All

Date of Last Update: All Dates
HPSA Score (lower limit): 0

Results: 22 records found.

(Satellite sites of Comprehensive Health Centers automatically assume the HPSA score of the affiliated grantee. They are not listed separately.)

HPSA Name	ID	Type	FTE	# Short	Score
055 - Franklin County					
Rea Clinic-Christopher Greater	117999171R	Comprehensive Health Center	1	0	5
Low Income - Franklin County	117999177D	Population Group	1	5	18
Franklin		Single County			
Franklin Rural Health Clinic II	117999177K	Rural Health Clinic		0	0
077 - Jackson County					
Low Income - Jackson County	1179991745	Population Group	7	1	12
Jackson		Single County			
Southern Illinois University Family Practice Center	117999177F	Rural Health Clinic		0	0
087 - Johnson County					
Johnson County	117087	Single County	1	2	14
Shawnee Correctional Center	117999170J	Correctional Facility	1	1	12
145 - Perry County					
Low Income - Perry County	117999170B	Population Group	2	1	13
Perry		Single County			
Pinckneyville Correctional Center	11799917P9	Correctional Facility	1	3	15
165 - Saline County					
Low Income - Saline County	117999171W	Population Group	2	2	15
Saline		Single County			
181 - Union County					
Low Income - Union County	117999172K	Population Group	1	2	15
Union		Single County			
Rural Health, Inc.	117999175Q	Comprehensive Health Center	1	0	5
199 - Williamson County					
Low Income - Williamson	117999174C	Population Group	4	3	12
Williamson		Single County			
Shawnee Health Services Corporation	117999174Z	Comprehensive Health Center	1	0	6
United States Penitentiary - Marion	1179991760	Correctional Facility	0	1	12
Marion Rural Health Clinic	117999177T	Rural Health Clinic		0	0

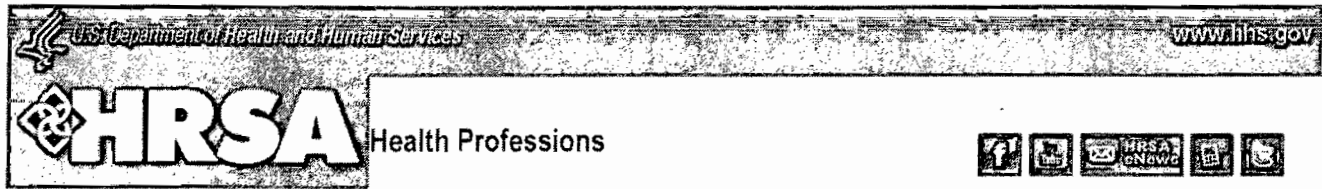
Data as of: 8/15/2012

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Medically Underserved Areas & Populations (MUA/PS)

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Guidelines for MUA and MUP Designation

These guidelines are for use in applying the established Criteria for Designation of Medically Underserved Areas (MUAs) and Populations (MUPs), based on the Index of Medical Underservice (IMU), published in the *Federal Register* on October 15, 1976, and in submitting requests for exceptional MUP designations based on the provisions of Public Law 99-280, enacted in 1986.

The three methods for designation of MUAs or MUPs are as follows:

I. MUA Designation

This involves application of the Index of Medical Underservice (IMU) to data on a service area to obtain a score for the area. The IMU scale is from 0 to 100, where 0 represents completely underserved and 100 represents best served or least underserved. Under the established criteria, each service area found to have an IMU of 62.0 or less qualifies for designation as an MUA.

The IMU involves four variables - ratio of primary medical care physicians per 1,000 population, infant mortality rate, percentage of the population with incomes below the poverty level, and percentage of the population age 65 or over. The value of each of these variables for the service area is converted to a weighted value, according to established criteria. The four values are summed to obtain the area's IMU score.

The MUA designation process therefore requires the following information:

- (1) Definition of the service area being requested for designation. These may be defined in terms of:
 - (a) a whole county (in non-metropolitan areas);
 - (b) groups of contiguous counties, minor civil divisions (MCDs), or census county divisions (CCDs) in non-metropolitan areas, with population centers within 30 minutes travel time of each other;
 - (c) in metropolitan areas, a group of census tracts (C.T.s) which represent a neighborhood due to homogeneous socioeconomic and demographic characteristics.

In addition, for non-single-county service areas, the rationale for the selection of a particular service area definition, in terms of market patterns or composition of population, should be presented. Designation requests should also include a map showing the boundaries of the service area involved and the location of resources within this area.
- (2) The latest available data on:
 - (a) the resident civilian, non-institutional population of the service area (aggregated from individual county, MCD/CCD or C.T. population data)
 - (b) the percent of the service area's population with incomes below the poverty level
 - (c) the percent of the service area's population age 65 and over
 - (d) the infant mortality rate (IMR) for the service area, or for the county or subcounty area which includes it. The latest five-year average should be used to ensure statistical significance. Subcounty IMRs should be used only if they involve at least 4000 births over a five-year period. (If the service area includes portions of two or more counties, and only county-level infant mortality data is available, the different county rates should be weighted according to the fraction of the service area's population residing in each.)

Learn More

[Glossary of Terms](#)

[Sample Survey for Determining Primary Medical Care FTE](#)

Related Links

[State Primary Care Offices](#) for designation application help and State shortage information

[Exchange Visitor Program](#) for physicians with J-1 visas working in HPSAs

[National Health Service Corps](#) scholarships & loan repayment in return for service at NHSC-approved sites in greatest-need HPSAs

[Medicare PSA/HPSA Physician Bonus](#)

(e) the current number of full-time-equivalent (FTE) primary care physicians providing patient care in the service area, and their locations of practice. Patient care includes seeing patients in the office, on hospital rounds and in other settings, and activities such as laboratory tests and X-rays and consulting with other physicians. To develop a comprehensive list of primary care physicians in an area, an applicant should check State and local physician licensure lists, State and local medical society directories, local hospital admitting physician listings, Medicaid and Medicare provider lists, and the local yellow pages.

(3) The computed ratio of FTE primary care physicians per thousand population for the service area (from items 2a and 2e above).

(4) The IMU for the service area is then computed from the above data using the attached conversion Tables V1-V4, which translate the values of each of the four indicators (2b, 2c, 2d, and 3) into a score. The IMU is the sum of the four scores. (Tables V1-V4 are reprinted from earlier Federal Register publications.)

II. MUP Designation, using IMU

This involves application of the Index of Medical Underservice (IMU) to data on an underserved population group within an area of residence to obtain a score for the population group. Population groups requested for MUP designation should be those with economic barriers (**low-income or Medicaid-eligible populations**), or cultural and/or linguistic access barriers to primary medical care services.

This MUP process involves assembling the same data elements and carrying out the same computational steps as stated for MUAs in section I above. The population is now the population of the requested group within the area rather than the total resident civilian population of the area. The number of FTE primary care physicians would include only those serving the requested population group. Again, the sample survey on page 8 may be used as a guide for this data collection. The ratio of the FTE primary care physicians serving the population group per 1,000 persons in the group is used in determining weighted value V4. The weighted value for poverty (V1) is to be based on the percent of population with incomes at or below 100 percent of the poverty level in the area of residence for the population group. The weighted values for percent of population age 65 and over (V2) and the infant mortality rate (V3) would be those for the requested segment of the population in the area of residence, if available and statistically significant; otherwise, these variables for the total resident civilian population in the area should be used. If the total of weighted values V1 - V4 is 62.0 or less, the population group qualifies for designation as an IMU-based MUP.

Tables V1 - V4 for Determining Weighted Values

Table V1: Percentage of Population Below Poverty Level

Table V2: Percentage of Population Age 65 and Over

Table V3: Infant Mortality Rate

Table V4: Ratio of Primary Care Physicians per 1,000 Population

III. Exceptional MUP designations

Under the provisions of Public law 99-280, enacted in 1986, a population group which does not meet the established criteria of an IMU less than 62.0 can nevertheless be considered for designation if "unusual local conditions which are a barrier to access to or the availability of personal health services" exist and are documented, and if such a designation is recommended by the chief executive officer and local officials of the State where the requested population resides.

Requests for designation under these exceptional procedures should describe in detail the unusual local conditions/access barriers/availability indicators which led to the recommendation for exceptional designation and include any supporting data.

Such requests must also include a written recommendation for designation from the Governor or other chief executive officer of the State (or State-equivalent) and local health official.

Federal Programs Using MUA/MUP Designations Include:

Recipients of Community Health Center (CHC) grant funds are legislatively required to serve areas or populations designated by the Secretary of Health and Human Services as medically underserved.

Grants for the planning, development, or operation of community health centers under section 330 of the Public Health Service Act are available only to centers which serve designated MUAs or MUPs.

Systems of care which meet the definition of a community health center contained in Section 330 of the Public Health Service Act, but are not funded under that section, and are serving a designated MUA or MUP, are eligible for certification as a Federally Qualified Health Center (FQHC) and thus for cost-based reimbursement of services to Medicaid-eligibles.

Clinics serving rural areas designated as MUAs are eligible for certification as Rural Health Clinics by the Centers for Medicare and Medicaid Services under the authority of the Rural Health Clinics Services Act (Public Law 95-210, as amended).

PHS Grant Programs administered by HRSA's Bureau of Health Professions - gives funding preference to Title VII and VIII training programs in MUA/Ps.

Revised June, 1995

BPHC/Division of Shortage Designation


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

Criteria:

State: Illinois
 County: Franklin County
 Jackson County
 Johnson County
 Perry County
 Saline County
 Union County
 Williamson County
 ID #: All

Results: 17 records found.

Name	ID#	Type	Score	Designation Date	Update Date
Franklin County					
Franklin County	00805	MUA	55.60	1981/04/10	
Jackson County					
Jackson County	00808	MUA	45.70	1994/04/12	
Johnson County					
Johnson County	00810	MUA	57.00	1978/11/01	
Perry County					
Beaucoup Precinct - County					
MCD (90342) Beaucoup precinct	05001	MUA	61.10	1998/08/31	
Cutler Precinct - County					
MCD (90936) Cutler precinct	05002	MUA	51.70	1998/08/31	
Saline County					
Low Income - Saline	07098	MUP	56.60	2001/05/11	
Union County					
Union County	00819	MUA	58.20	1978/11/01	
Williamson County					
Blairsville/ Cartersville Service Area					
MCD (90432) Blairsville township	00865	MUA	60.90	1994/05/18	
MCD (90648) Cartersville township					
Williamson Service Area					
MCD (90846) Corinth township	00866	MUA	59.00	1994/05/11	
MCD (90918) Creal Springs township					
MCD (91062) East Marion township					
MCD (91836) Lake Creek township					

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MEMORIAL HOSPITAL OF CARBONDALE							
FY2012 Inpatient Origin							
			Percentage				
Community	Zip Code	Admissions	of Admissions	Cumulative %	County	In PA F-07?	In Market Area?
Carbondale}	62901	1,816			Jackson	Yes	Yes
Carbondale}	62902	276			Jackson	Yes	Yes
Carbondale}	62903	131	0.1822	18.22%	Jackson	Yes	Yes
Murphysboro	62966	1,120	0.0918	27.39%	Jackson	Yes	Yes
Marion	62959	737	0.0604	33.43%	Williamson	No	Yes
DuQuoin	62832	725	0.0594	39.37%	Perry	Yes	Yes
Herrin	62948	540	0.0442	43.80%	Williamson	No	Yes
Carterville	62918	464	0.0380	47.60%	Franklin	No	Yes
West Frankfort	62896	456	0.0374	51.34%	Franklin	No	Yes
Anna	62906	388	0.0318	54.51%	Union	Yes	Yes
Harrisburg	62946	386	0.0316	57.68%	Saline	No	Yes
Benton	62812	353	0.0289	60.57%	Franklin	No	Yes
Pinckneyville	62274	321	0.0263	63.20%	Perry	Yes	Yes
De Soto	62924	210	0.0172	64.92%	Jackson	Yes	Yes
Johnston City	62951	188	0.0154	66.46%	Williamson	No	Yes
Cobden	62920	186	0.0152	67.99%	Union	Yes	Yes
Ava	62907	141	0.0116	69.14%	Jackson	Yes	Yes
Christopher	62822	154	0.0126	70.40%	Franklin	No	Yes
ElDorado	62930	152	0.0125	71.65%	Saline	No	Yes
Jonesboro	62952	136	0.0111	72.76%	Union	Yes	Yes
Elkville	62932	135	0.0111	73.87%	Jackson	Yes	Yes
Makanda	62958	132	0.0108	74.95%	Jackson	Yes	Yes
Chester	62233	127	0.0104	75.99%	Randolph	Yes	Yes
Dongola	62926	103	0.0084	76.84%	Union	Yes	Yes
Steelville	62888	57	0.0047	77.30%	Randolph	Yes	Yes
Cutler	62238	54	0.0044	77.75%	Perry	Yes	Yes
Alto Pass	62905	48	0.0039	78.14%	Union	Yes	Yes
Grand Tower	62942	46	0.0038	78.52%	Jackson	Yes	Yes
Dowell	62927	45	0.0037	78.88%	Jackson	Yes	Yes
Campbell Hill	62916	42	0.0034	79.23%	Perry	Yes	Yes
Gorham	62940	28	0.0023	79.46%	Jackson	Yes	Yes
Vergennes	62994	23	0.0019	79.65%	Jackson	Yes	Yes
Willisville	62997	23	0.0019	79.83%	Perry	Yes	Yes
Jacob	62950	15	0.0012	79.96%	Jackson	Yes	Yes
Wolf Lake	62998	11	0.0009	80.05%	Union	Yes	Yes
Other Zipcodes*		2,435	0.1995	100.00%			
Total, All of These Zipcodes		12,204					
Total Patients		12,204					
Total These Zipcodes within PA F-07			6,339				
Total, These Zipcodes within Market Area			9,769				

MEMORIAL HOSPITAL OF CARBONDALE
MARKET AREA

Zip Code	County	City
62805	Franklin	Akin
62812	Franklin	Benton
62819	Franklin	Buckner
62822	Franklin	Christopher
62825	Franklin	Coello
62836	Franklin	Ewing
62840	Franklin	Frankfort Heights
62856	Franklin	Logan
62865	Franklin	Mulkeytown
62874	Franklin	Orient
62884	Franklin	Sesser
62890	Franklin	Thomsponville
62891	Franklin	Valier
62896	Franklin	West Frankfort
62897	Franklin	Whittington
62983	Franklin	Royalton
62999	Franklin	Zeigler
62901	Jackson	Carbondale
62902	Jackson	Carbondale
62903	Jackson	Carbondale
62907	Jackson	Ava
62916	Jackson	Campbell Hill
62924	Jackson	DeSoto
62927	Jackson	Dowell
62932	Jackson	Elkville
62940	Jackson	Goram
62942	Jackson	Grand Tower
62950	Jackson	Jacob
62958	Jackson	Makanda
62966	Jackson	Murphysboro
62971	Jackson	Oraville
62975	Jackson	Pomona
62994	Jackson	Vergennes
62908	Johnson	Belnap
62909	Johnson	Boles
62912	Johnson	Buncombe
62923	Johnson	Cypress

Zip Code	County	City
62939	Johnson	Goreville
62943	Johnson	Grantsburg
62967	Johnson	New Burnside
62972	Johnson	Ozark
62985	Johnson	Simpson
62991	Johnson	Tunnel Hill
62995	Johnson	Vienna
62238	Perry	Cutler
62274	Perry	Pinckeyville
62832	Perry	DuQuoin
62888	Perry	Tamaroa
62997	Perry	Willisville
62917	Saline	Carrier Mills
62930	Saline	Eldorado
62935	Saline	Galatia
62946	Saline	Harrisburg
62965	Saline	Muddy
62977	Saline	Raleigh
62905	Union	Alto Pass
62906	Union	Anna
62920	Union	Cobden
62926	Union	Dongola
62952	Union	Jonesboro
62961	Union	Millcreek
62998	Union	Wolf Lake
62841	Williamson	Freeman Spur
62915	Williamson	Cambria
62918	Williamson	Carterville
62921	Williamson	Colp
62922	Williamson	Creal Springs
62933	Williamson	Energy
62948	Williamson	Herrin
62949	Williamson	Hurst
62951	Williamson	Johnston City
62959	Williamson	Marion
62974	Williamson	Pittsburg
62987	Williamson	Stonefort

III.
Criterion 1110.230 - Alternatives

1. Limited options were available for the expansion of Memorial Hospital of Carbondale (MHC).

The MHC hospital building is an older hospital facility, and its parent corporation is a rural provider serving Health Professional Shortage Areas (HPSAs) and Medically Underserved Areas (MUAs) and Medically Underserved Populations (MUPs), as a result of which limited funding is available for expansion. Thus, more costly alternatives such as the replacement of the existing hospital or the construction of a free-standing outpatient center with the subsequent modernization of vacated space at MHC were not even considered as alternatives to this project.

Consequently, only one alternative to the proposed project was evaluated, and this alternative was found to be infeasible.

Modernize and expand the departments included in this project as proposed, but do not construct a 4th floor of the addition as shell space for a future Medical/Surgical nursing unit at this time with the intention to build out the shell space in the future when it will be constructed as an additional Medical/Surgical nursing unit.

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

Capital Costs: \$55,895,838, which includes the addition of the structure for a 4th floor in the same location as proposed in this CON application at a future time

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

- 1) There would be an incremental (additional) construction cost of \$3.4 million associated with selecting this alternative and building the 4th floor structure in the future, rather than building the shell at this time, when the hospital addition is constructed on the 2nd and 3rd floors above the existing hospital building.
- 2) Because of the hospital's location on the New Madrid Earthquake Fault, additional construction costs beyond those contemplated at the present time might be incurred at a later date because of the earthquake protection requirements that will be in effect at that time.

That is because the federal requirements for earthquake protection specify that, when a building is expanded vertically (i.e., an additional floor is constructed to an existing building), the building must be brought into compliance with new seismic code requirements down to the basement level of the previously-constructed project.

- 3) Since MHC intends to construct the 4th floor of this addition in the future, it will be necessary to construct a stairwell that extends beyond the 3rd floor of the hospital as part of the current project in order to meet NFPA requirements.
- 4) Implementation of this alternative would be disruptive to the hospital's continued operations and very noisy because future construction would take place on top of the Intensive Care Unit and Step-Down Unit that are being constructed on the 3rd floor of this addition as part of this project.

Implementing the current project as proposed and constructing the 4th floor structure as part of this project would minimize the noise and disruptive operations when the shell space is built out in the future as a new Medical/Surgical nursing unit.

- 5) MHC projects that it will need the additional beds that are planned to be constructed in the shell space, which would make it an imprudent financial decision to implement this alternative, rather than to expand the hospital as planned in the project that is the subject of this CON application.

3. This item is not applicable to this project.

The purpose of this project is to modernize and expand existing services at MHC in order to meet the needs generated by current and proposed increased utilization, not to establish new categories of service or a new health care facility.

IV.
Project Scope, Utilization:
Size of Project

This project includes both Clinical and Non-Clinical Service Areas.

The Medical/Surgical and Intensive Care Services are the only Categories of Service included in this project, as discussed in Attachment 20.

This project includes the expansion of the Medical/Surgical Service without any change in authorized beds and the construction of shell space for a future increase in Medical/Surgical authorized beds to accommodate projected increased Medical/Surgical utilization.

The Intensive Care Service will be expanded in this project, as a result of which the number of authorized Intensive Care beds will increase to accommodate historic utilization as well as projected increased utilization.

This project also includes the following Clinical Service Areas Other than Categories of Service, as discussed in Attachment 37.

Surgery
Post-Anesthesia Recovery Unit (PACU, Recovery Phase I)
Surgical Prep (for both A.M. Admits and Same-Day Surgery Patients) and
Post-Anesthesia Recovery Phase II
Pharmacy
Central Sterile Processing/Distribution

1. The Illinois certificate of need (CON) Rules include State Guidelines (77 Ill. Adm. Code 1110.APPENDIX B) for the following Clinical Service Areas that are included in this project.

Medical/Surgical Category of Service
Intensive Care Category of Service
Surgical Operating Suite (Class C)
Post-Anesthesia Recovery Phase I
Post-Anesthesia Recovery Phase II

There are no State Guidelines (77 Ill. Adm. Code 1110.APPENDIX B) for the following Clinical Service Areas Other than Categories of Service that are included in this project, as discussed in Attachment 37.

Pharmacy
Central Sterile Processing/Distribution

An analysis of the proposed size (number of rooms or stations and gross square footage) of the Clinical Service Areas for which there are State Guidelines is found below.

This analysis is based upon historic utilization at Memorial Hospital of Carbondale (MHC) during CY2012 (January 1 - December 31, 2012) and projected utilization for the first full year of operation after this project is completed for those services for which the approvable number of rooms or stations is based upon utilization.

The following chart identifies the State Guidelines for each of the Clinical Service Areas included in this project for which State Guidelines exist.

<u>CLINICAL SERVICE AREA</u>	<u>STATE GUIDELINE</u>
Medical/Surgical	75% occupancy of authorized beds for modernization of existing (91) beds 500-660 DGSF per Bed
Intensive Care	60% occupancy of authorized beds 600-685 DGSF per Bed
Surgery	1,500 hours of surgery per operating room* 2,750 DGSF per operating room
Recovery (Post-Anesthesia Recovery Phase I)	180 DGSF per Recovery Station
Stage II Recovery (Post-Anesthesia Recovery Phase II)**	400 DGSF per Recovery Station

*Memorial Hospital of Carbondale is proposing to have 1 dedicated Cardio-Thoracic operating room and 9 General (multi-specialty) operating rooms

**Phase II Recovery is combined with Surgical Prep for A.M. Admissions and Same-Day Surgical Patients

Appended to Attachment 15 are historic and projected utilization for each of the Clinical Service Areas in this project for which there are utilization data.

The justification for the number of beds by category of service is presented in Attachment 20, and the justification for the number of operating rooms by specialty is presented in Attachment 37.

The number of key rooms and square footage proposed for each Clinical Service Area for which State Guidelines exist is presented below.

<u>CLINICAL SERVICE AREA</u>	<u>STATE STANDARD</u>	<u>PROJECTED FY2018 VOLUME</u>	<u>TOTAL EXISTING BEDS/ ROOMS</u>	<u>TOTAL PROPOSED BEDS/ ROOMS</u>
Medical/Surgical	500-660 DGSF/Bed	31,872 patient days	91	91 in FY2018
Intensive Care	600-685 DGSF/ Bed	4,864 patient days	13	21
Surgery	1,500 hours/ operating room	19,733 hours*	7*	10*

<u>CLINICAL SERVICE AREA</u>	<u>STATE STANDARD</u>	<u>PROJECTED FY2017 VOLUME</u>	<u>TOTAL EXISTING BEDS/ ROOMS</u>	<u>TOTAL PROPOSED BEDS/ ROOMS</u>
Recovery Phase I	N/A**	N/A**	N/A**	N/A**
Recovery Phase II	N/A**	N/A**	N/A**	N/A**

*The 7 existing Operating Rooms include 1 dedicated Cardio-Thoracic Room and 6 General (multi-specialty) Rooms;
The 10 proposed Operating Rooms include 1 dedicated Cardio-Thoracic Room and 9 General (multi-specialty) Rooms

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

The proposed number of rooms for all the Clinical Service Areas included in this project for which there are State Guidelines are justified.

It should be noted that this project includes the modernization and expansion of the Medical/Surgical Category of Service in the following manner:

- Construction of a new Step-Down (Progressive Care) Unit that will become operational when this project is completed, redistributing existing authorized beds without any increase in authorized Medical/Surgical beds; and
- Construction of shell space for the future addition of a Medical/Surgical nursing unit with 15 authorized Medical/Surgical beds when anticipated future demand for the service is experienced. The shell space will only be built out after receiving a CON permit to increase the authorized Medical/Surgical beds in accordance with 77 Ill. Adm. Code 1110.234(d) and (e).

The square footage proposed for each Clinical Service Area for which State Guidelines exist is shown on the next page.

<u>CLINICAL SERVICE AREA</u>	<u>STATE GUIDELINE/ BED OR UNIT</u>	<u>TOTAL PROPOSED BEDS OR UNITS</u>	<u>TOTAL DGSF JUSTIFIED PER PROGRAM</u>	<u>TOTAL PROPOSED DGSF</u>
Medical/ Surgical	500-660 DGSF/Bed	91 beds in this project	45,500- 60,060	49,481*
Intensive Care	600-685 DGSF/ Bed	21 beds	12,600- 14,385	14,113
Surgery	2,750 DGSF per operating room**	10 operating rooms**	27,500	25,649
Recovery Phase I	180 DGSF per recovery station	10 Recovery Bays	1,800	1,782
Recovery Phase II	400 DGSF per Bed (Total)	31 Stations	12,400	12,210

*The M/S nursing units will have 49,481 DGSF when this project is completed; the additional 8,620 DGSF in the 4th floor shell space will not be part of the M/S Service until a subsequent CON permit is secured to build out the shell space

**The 10 proposed Operating Rooms include 1 dedicated Cardio-Thoracic Room and 9 General (multi-specialty) Rooms

Space programs for each of the Clinical Service Areas included in this project are appended to this Attachment.

The following published data and studies identify the contemporary standards of care and the scope of services that MHC addressed in developing the proposed project .

- Illinois Hospital Licensing Requirements (77 Ill. Adm. Code 250.2440);
- Standards for Accessible Design: ADA Accessibility Guidelines for Buildings and Facilities (28 Code of Federal Regulations, 36.406.ADAAG, Sections 4.1 through 4.35 and 6.1 through 6.4);
- National Fire Protection Association, NFPA 101: Life Safety Code, 2012 Edition.
- U.S. Pharmacopeia's (USP) Revised General Chapter 797, Pharmaceutical Compounding - Sterile Preparations.

2. The proposed square footage for the Clinical Service Areas included in this project is less than the State Guideline for each department that is found in 77 Ill. Adm. Code 1110.APPENDIX B, as shown below.

<u>CLINICAL SERVICE AREAS</u>	<u>PROPOSED DGSF</u>	<u>STATE STANDARD</u>	<u>DIFFERENCE</u>	<u>MET STANDARD?</u>
Medical/ Surgical	For this project: 49,481 DGSF, 543.75 DGSF/ Bed for 91 Beds	500-660 DGSF/Bed	under by 10,579 DGSF (116 DGSF/ Bed)	Yes
Intensive Care	14,113 for 21 beds, 672 DGSF/Bed	600-685 DGSF per Bed	under by 272 DGSF (13 DGSF/Bed)	Yes
Surgery	25,649 for 10 operating rooms, 2,564.9 DGSF/OR	2,750 DGSF per operating room	under by 2,265 DGSF (185.1 DGSF/ operating room)	Yes
Recovery Phase I	1,782 for 10 stations, 178.2 DGSF/ station	180 DGSF per station	under by 18 DGSF (1.8 DGSF/ station)	Yes
Recovery Phase II	12,210 for 31 stations, 393.9 DGSF/ station	400 DGSF per station	under by 190 DGSF (6.1 DGSF/ station)	Yes

SPACE PROGRAM

MEDICAL/SURGICAL NURSING UNIT

THIS PROJECT ONLY

- 6 Private Medical/Surgical Patient Rooms, each with toilet room*
- 1 Toilet Room for an existing Medical/Surgical Patient Room (replacing a toilet room being demolished as part of this project)
- 1 Nursing Station/Consultation Area
- 1 Medication Room
- 1 Telemetry Room
- 1 Soiled Utility Room
- 1 Cart Supply Area
- 1 Nourishment Station
- 1 Equipment Room
- 1 Staff Locker Room - shared with Medical/Surgical Nursing Unit
- 1 Staff Lounge - shared with Medical/Surgical Nursing Unit
- 2 Conference Rooms - shared with Medical/Surgical Nursing Unit
- 1 Staff Toilet Room
- 3 Offices
- 1 Janitorial Closet

*The new Medical/Surgical patient rooms with 6 authorized beds will replace 3 private rooms that will be modernized as support space on the Medical/Surgical nursing unit and 3 beds in semi-private rooms that will be converted to private rooms. There will be no increase in MHC's Medical/Surgical bed capacity as a result of this project.

SPACE PROGRAM

INTENSIVE CARE UNIT

THIS PROJECT ONLY

8 Private Intensive Care Patient Rooms

1 Nursing Station/Physicians' Work Area

6 Soiled Utility Rooms

1 Clean Supply/Medication Room

1 Supply Room

1 Nourishment Station

1 Equipment Room

1 IT Room

1 Staff Locker Room - shared with Medical/Surgical Nursing Unit

1 Staff Lounge - shared with Medical/Surgical Nursing Unit

2 Conference Rooms - shared with Medical/Surgical Nursing Unit

1 Staff Toilet Room

1 Manager's Office

1 Janitorial Closet

SPACE PROGRAM

SURGICAL SUITE

THIS PROJECT ONLY

- 3 Operating Rooms, 1 of which will be designed to convert to a Hybrid Operating Room
- 10 Bed/Stretcher Alcoves
- 3 Scrub Stations

- 1 Cart Staging Area
- 1 Sub-Sterile Area
- 1 Sterilizer/Blanket Warmer Room
- 1 Equipment Room for Hybrid Operating Room
- 1 Control Room
- 1 Equipment Storage Room
- 1 Storage Alcove for C-Arms and O-Arms
- 1 Alcove
- 1 Return Cart Alcove

- 2 Consultation Rooms

- 1 Locker Room Toilet

- 1 Soiled Holding Room

- 1 Quiet Lounge

- 1 Staff Lounge

- 1 Physicians' Work Room

- 1 Anesthesia Office
- 1 Office
- 1 Education Office

SPACE PROGRAM

POST-ANESTHESIA RECOVERY UNIT (PACU, RECOVERY PHASE I)

9 PACU Private Recovery Cubicles

1 Isolation PACU Recovery Cubicle

1 Nursing Station - shared with Recovery Phase II

1 Clean Supply/Medication Room - shared with Recovery Phase II

1 Soiled Utility Room - shared with Recovery Phase II

1 Storage Alcove - shared with Recovery Phase II

1 Staff Toilet - shared with Recovery Phase II

SPACE PROGRAM

SURGICAL PREPARATION FOR A.M. ADMITS/SAME-DAY SURGERY PATIENTS
AND POST-ANESTHESIA RECOVERY PHASE II

- 17 Surgical Prep/Stage II Private Recovery Cubicles
- 3 Surgical Prep/Stage II Semi-Private Recovery Cubicles (2 patients each)
- 8 Open Patient Stations
- 5 Patient Toilet Rooms, 2 of which have showers
- Reception/Registration Area
- 3 Nursing Stations, 1 of which is shared with PACU
- 2 Clean Supply/Medication Rooms, 1 of which is shared with PACU
- 2 Soiled Holding Rooms, 1 of which is shared with PACU
- 1 Nourishment Station
- 1 Equipment Room
- 1 Storage Alcove - shared with PACU
- 1 Supply Alcove
- 1 Manager's Office
- 1 Staff Lounge
- 1 Staff Toilet - shared with PACU
- 1 Janitorial Closet

SPACE PROGRAM

PHARMACY

Receiving/Unit Dose

Work Area/Storage/Supplies/IT WS

Ante-Room

Chemo Preparation Room

IV Solution Preparation Room

4 Workstations for Pharmacists and Pharmacy Technicians

Janitorial Closet

Manager's Office

Supervisor's Office

Staff Kitchen/Lounge/Lockers

SPACE PROGRAM

CENTRAL STERILE PROCESSING/DISTRIBUTION

Decontamination Area

Cart Washing Area

Main Work Area

Sterilization Area

Supply/Delivery Area

Cart Staging Area

Instrument Room

1 Office

1 Staff Lounge

1 Locker Room with a toilet room

1 Changing Rooms

IV.
Criterion 1110.234 - Project Services Utilization

The Clinical Service Areas included in this project that are Categories of Service are the Medical/Surgical Service and the Intensive Care Service, both of which currently exist at Memorial Hospital of Carbondale (MHC).

In addition to the Medical/Surgical and Intensive Care Services, this modernization project includes the following Clinical Service Areas Other than Categories of Service, all of which currently exist at MHC.

Surgery
Post-Anesthesia Recovery Unit (PACU, Recovery Phase I)
Surgical Prep (for both A.M. Admits and Same-Day Surgery Patients) and
Post-Anesthesia Recovery Phase II (Stage II Recovery)
Central Sterile Processing/Distribution
Pharmacy

The Illinois certificate of need (CON) Rules include State Guidelines (77 Ill. Adm. Code 1110.APPENDIX B) for the following Clinical Service Areas included in this project.

Medical/Surgical Category of Service
Intensive Care Category of Service
Surgical Operating Suite (Class C)
Post-Anesthesia Recovery Phase I
Post-Anesthesia Recovery Phase II

There are no State Guidelines (77 Ill. Adm. Code 1110.APPENDIX B) for the following Clinical Service Areas that are included in this project.

Central Sterile Processing/Distribution
Pharmacy

The chart below identifies the State Guidelines that exist for the Clinical Service Areas included in this project.

<u>CLINICAL SERVICE AREA</u>	<u>STATE GUIDELINE</u>
Medical/Surgical	75% occupancy of authorized beds for modernization of existing (91) beds 500-660 DGSF per Bed
Intensive Care	60% occupancy of authorized beds 600-685 DGSF per Bed
Surgery*	1,500 hours of surgery per operating room* 2,750 DGSF per operating room

<u>CLINICAL SERVICE AREA</u>	<u>STATE GUIDELINE</u>
Post-Anesthesia Recovery Phase I (PACU, Recovery)	180 DGSF per Recovery Station
Post-Anesthesia Recovery Phase II**	400 DGSF per Recovery Station

*MHC is proposing to have 1 dedicated Cardio-Thoracic OR and 9 General (multi-specialty) ORs when this project is completed

**Please note that Stage II Recovery is combined with Surgical Prep for A.M. Admissions and Same-Day Surgical patients

The Clinical Service Areas included in this project for which there are State Guidelines based upon utilization are the Medical/Surgical and Intensive Care Services and Surgery. Historic utilization for the last 2 years and projected utilization for the first 2 years of operation for these Clinical Service Areas are found below, with footnotes.

<u>CLINICAL SERVICE AREAS</u>	<u>HISTORIC YEARS</u>		<u>PROJECTED YEARS</u>		<u>STATE GUIDELINE</u>	<u>MET STANDARD?</u>
	<u>CY11</u>	<u>CY12</u>	<u>FY18</u>	<u>FY19</u>		
Medical/Surgical Admissions	7,207	7,323	8,602	8,759	N/A	
Medical/Surgical Patient Days	27,501 incl. Observ. Days	26,702 incl. Observ. Days	31,872 incl. Observ. Days	32,496 incl. Observ. Days	75% for current project	Yes for current project
Intensive Care Admissions	1,064*	1,111*	1,554*	1,560*	N/A	
Intensive Care Patient Days*	3,330*	3,325*	4,864*	4,882*	60% occupancy	Yes

	<u>HISTORIC YEARS</u>		<u>PROJECTED YEARS</u>		<u>STATE GUIDELINE</u>	<u>MET STANDARD?</u>
<u>CLINICAL SERVICE AREAS</u>	<u>CY11</u>	<u>CY12</u>	<u>FY18</u>	<u>FY19</u>		
Cardio- Thoracic Surgery Cases	701	358	818	811	N/A	
Cardio- Thoracic Surgery Hours	2,815	2,698	4,385	4,455	1,500 hours per operating room (OR)	Yes
Other Surgery (Multi- Specialty) Cases	6,883	6,793	9,253	9,321	N/A	
Other Surgery (Multi- Specialty) Hours	11,044	12,722	15,348	15,447	1,500 hours per OR	Yes
Total Surgery Cases	7,584	7,151	10,071	10,132	N/A	
Total Surgery Hours	13,859	15,420	19,733	19,902	1,500 hours per OR	Yes

*Intensive Care Admissions and Patient Days include Transfers into the Unit

The number of key rooms proposed for each Clinical Service Area for which there are State Guidelines based on utilization is presented below.

<u>CLINICAL SERVICE AREA</u>	<u>STATE GUIDELINE UNITS/ROOM</u>	<u>PROJECTED FY19 VOLUME</u>	<u>TOTAL EXISTING BEDS/ ROOMS</u>	<u>TOTAL PROPOSED BEDS/ ROOMS</u>
Medical/ Surgical	75% for current project	32,496 patient days incl. Observ. Days	91	91 for this project
Intensive Care	60% utilization	4,882 patient days	13	21

<u>CLINICAL SERVICE AREA</u>	<u>STATE GUIDELINE UNITS/ROOM</u>	<u>PROJECTED FY19 VOLUME</u>	<u>TOTAL EXISTING BEDS/ ROOMS</u>	<u>TOTAL PROPOSED BEDS/ ROOMS</u>
Surgery	1,500 hours/ operating room*	Cardio- Thoracic: 4,455 hours Other (Multi- Specialty): 15,447 hours Total: 19,902 hours	Cardio- Thoracic:1 General (Multi- Specialty):6 Total: 7	Cardio-Thoracic:1 General (Multi- Specialty):9 Total:10

The proposed number of Medical/Surgical beds, Intensive Care beds, and operating rooms for this project is justified based on the projected utilization for FY2019.

The assumptions underlying the projected increases in are presented below and in Attachments 20 and 37.

Medical/Surgical Category of Service

- Medical/Surgical Admissions

- MHC's Medical/Surgical admissions are projected to continue their historic increases based on the following factors.

- MHC's Medical/Surgical admissions will continue to increase based on historic growth.

During the 5-year period of CY2008 through CY2012, MHC's Medical/Surgical admissions increased by a total of 22%, from 5,998 to 7,323.

This represented an average increase of 5.5% Medical/Surgical admissions annually.

During this period, the number of Medical/Surgical admissions increased annually.

- The historic trend of annually increasing Medical/Surgical admissions at MHC is expected to continue in future years due to implementation of MHC's Physician Recruitment Plan, which has already resulted in the recruitment of 32 physicians representing a wide range of medical and surgical specialties, including extensive representation of sub-specialists.

As of October, 2013, the following physicians have been recruited to MHC's medical staff over the past 2 years.

1 Allergist/Immunologist

2 Emergency Physicians

2 Family Practitioners, including 1 Gerontologist

9 Internists: 1 General Internist, 1 Cardiologist,
3 Gastroenterologists, 2 Gerontologists, and 2 Clinical
Oncologists

2 Obstetricians/Gynecologists

7 Hospitalists

9 Surgeons: 2 General Surgeons, 1 Cardiothoracic Surgeon,
1 Colon-Rectal Surgeon, 1 Surgical Oncologist,
1 Orthopedic Surgeon, 1 Otolaryngologist (ENT), 1 Plastic
Surgeon, and 1 Urologist

- As a result of recruiting additional physicians to MHC's medical staff, particularly Gerontologists and surgical and medical sub-specialists, MHC will be able to reduce outmigration from its market area for both inpatient and outpatient care.

This result is particularly important because of the designation of MHC's entire market area as a Health Professional Shortage Area and the designation of much of its market area as Medically Underserved Areas.

- As a result of these factors, Medical/Surgical admissions at MHC are projected to increase by a total of 17.5% from CY2012 to FY2018, which is an average annual increase of 2.8% during this 6 1/4 year period.

The estimated growth in Medical/Surgical admissions is based upon projections from Truven Health Analytics (formerly Thomson Reuters) and information generated by The Advisory Board Company and the American Hospital Association.

- Medical/Surgical Patient Days, including Observation Days

- MHC's Medical/Surgical patient days, including observation days, are projected to increase based on the following factors.

- MHC's Medical/Surgical admissions will continue to increase, as discussed above, which will result in increased Medical/Surgical patient days in future years.

- MHC's average length of stay (ALOS) for the Medical/Surgical Service will remain constant due to the following factors.
 - A "bottoming out" of the reduction in ALOS in recent years to MHC's 2012 ALOS of 3.09 days that was experienced for admitted Medical/Surgical patients, which was an ALOS of 3.65 for all Medical/Surgical patients, including Observation patients as well as inpatients.

MHC's ALOS for the Medical/Surgical Service declined annually from 2009 through 2012. In 2009, MHC's ALOS was 3.68 for admitted Medical/Surgical patients and 4.41 for all Medical/Surgical patients, including Observation patients as well as inpatients.

This reduction of 16% in the ALOS of admitted Medical/Surgical patients and 17% in the ALOS of all Medical/Surgical patients, including Observation patients as well as inpatients, has been significant and is believed to represent the "floor" for MHC's Medical/Surgical ALOS in the future.

- MHC's Medical/Surgical ALOS in future years will increase slightly to 3.71 for all Medical/Surgical patients, including Observation patients, reflecting the longer lengths of stay experienced by patients with higher acuity levels.

MHC's Medical/Surgical patients in future years are expected to exhibit increasing acuity levels because of MHC's successful recruitment of sub-specialty physicians. An increased number of specialty and sub-specialty physicians on MHC's medical staff will be able to care for patients who currently out-migrate from MHC's market area as they seek medical care that has traditionally been difficult to access within the market area.

- As a result of these factors, MHC's Medical/Surgical patient days, including Observation days, are projected to increase by a total of 19.4% from CY2012 to FY2018, which is an average annual increase of 3.1% during this 6 1/4 year period.

The estimated growth in Medical/Surgical patient days is based upon projections from Truven Health Analytics (formerly Thomson Reuters) and information generated by The Advisory Board Company and the American Hospital Association.

- After this project is completed and operational, Medical/Surgical patient days at MHC are projected to increase by 2.0% from FY2018, the first complete year of operation, to FY2019, the second full year of operation of the new Medical/ Surgical unit. These patient days will continue to reflect an ALOS of 3.71 days for all Medical/Surgical patients, including Observation days as well as inpatient days.

Intensive Care Category of Service

- Intensive Care Admissions

- Admissions to MHC's Intensive Care Unit (ICU) will continue to consist of both inpatients admitted directly to the ICU and patients transferred to the ICU from another unit of the hospital.
- MHC's intensive Care admissions are projected to continue their historic increases based on the following factors.

- MHC's Intensive Care admissions will continue to increase based on historic growth.

During the 5-year period of CY2008 through CY2012, MHC's Medical/Surgical admissions increased by a total of 13%, from 984 to 1,111.

This represented an average increase of 3.2% Intensive Care admissions annually.

During this period, the number of Intensive Care admissions increased annually.

- The historic trend of annually increasing admissions to MHC's ICU is expected to continue in future years due to implementation of MHC's Physician Recruitment Plan, which has already resulted in the recruitment of 3227 physicians representing a wide range of medical and surgical specialties, including extensive representation of sub-specialists.

As noted earlier in this section, as of October, 2013, the following physicians have been recruited to MHC's medical staff over the past 2 years.

1 Allergist/Immunologist

2 Emergency Physicians

2 Family Practitioners, including 1 Gerontologist

9 Internists: 1 General Internist, 1 Cardiologist,
3 Gastroenterologists, 2 Gerontologists, and 2 Clinical
Oncologists

2 Obstetricians/Gynecologists

7 Hospitalists

9 Surgeons: 2 General Surgeons, 1 Cardiothoracic Surgeon,
1 Colon-Rectal Surgeon, 1 Surgical Oncologist,
1 Orthopedic Surgeon, 1 Otolaryngologist (ENT), 1 Plastic
Surgeon, and 1 Urologist

- As a result of recruiting additional physicians to MHC's medical staff, particularly Gerontologists and surgical and medical specialists and sub-specialists, MHC will be able to reduce outmigration from its market area for both inpatient and outpatient care.

This result is particularly important because of the designation of MHC's entire market area as a Health Professional Shortage Area and the designation of much of its market area as Medically Underserved Areas.

- As a result of these factors, admissions to MHC's ICU are projected to increase by a total of 39.9% from CY2012 to FY2018, which is an average annual increase of 6.4% during this 6 1/4 year period.

This projected increase in admissions to MHC's ICU over the historic increase in ICU admissions is due to MHC's physician recruitment program, which will enable MHC to treat many patients requiring subspecialty care who have previously been unable to receive this care within the market area, often having to travel to other states (e.g., Missouri, Indiana) in order to receive this level of care.

The estimated growth in Intensive Care admissions is based upon projections from Truven Health Analytics (formerly Thomson Reuters) and information generated by The Advisory Board Company and the American Hospital Association.

- After this project is completed and operational and additional Intensive Care beds are available to accommodate the demand for this service, MHC's Intensive Care admissions are projected to stabilize, remaining constant from FY2018, the first complete year of operation, to FY2019, the second fully year of operation of the expanding Intensive Care Unit, increasing by less than 0.4%.

- Intensive Care Patient Days

- MHC's Intensive Care patient days are projected to increase based on the following factors.
 - MHC's Intensive Care admissions will continue to increase, as discussed above, which will result in increased Intensive Care patient days in future years.
 - MHC's average length of stay (ALOS) for the Intensive Care Service is projected to increase by 0.1 days from its 2012 low to the same level as the 2011 ALOS of 3.13 days due to the longer lengths of stay that are anticipated because of the increased number of patients with higher acuity levels who are expected to be treated at MHC in future years.

MHC's Intensive Care patients in future years are expected to exhibit increasing acuity levels because of MHC's successful recruitment of sub-specialty physicians. As stated previously in this

section, an increased number of sub-specialty physicians on MHC's medical staff will be able to care for patients who currently out-migrate from MHC's market area as they seek medical care that has traditionally been difficult to access within the market area.

- The projected 3.13 day ALOS for the ICU in FY2017 and FY2018 represents a reduction of MHC's Intensive Care of more than 12% (.44 days) from 2008.
- As a result of these factors, MHC's Intensive Care patient days are projected to increase by a total of 46.3% from CY2012 to FY2018, which is an average annual increase of 7.4% during this 6 1/4 year period.

The estimated growth in Intensive Care patient days is based upon projections from Truven Health Analytics (formerly Thomson Reuters) and information generated by The Advisory Board Company and the American Hospital Association.

- After this project is completed and operational and additional Intensive Care beds are available to accommodate the demand for this service, MHC's Intensive Care patient days are projected to stabilize, increasing by 0.4% from FY2018, the first complete year of operation, to FY2019, the second fully year of operation of the expanding Intensive Care Unit. These patient days will continue to reflect an ALOS of 3.13 days for Intensive Care patients.

Surgery

MHC's surgical utilization is projected to continue its historic increases based on the following factors.

- MHC's surgical hours have increased annually since 2009.
 - Total surgical cases at MHC increased by 4.9% during the 5 year period from 2008 through 2012.
 - Total surgical hours at MHC increased by 28.6% during the 5 year period from 2008 through 2012.
- MHC's 2012 surgical hours justified 11 operating rooms based upon the Illinois CON State Guidelines (77 Ill. Adm. Code 1110.APPENDIX B).
- MHC's surgical utilization is projected to continue to increase in the future, as indicated by the assumptions underlying presented below and in Attachment 37.
 - Total surgical cases at MHC are projected to increase by 41% by FY2018, the first complete year of operation after the expansion of the Surgical Suite is completed. This increase is projected to be experienced in both cardio-thoracic cases and in cases that will be performed in the general (multi-specialty) operating rooms.

This increase in surgical cases is expected to be due to the following factors.

- The implementation of MHC's Physician Recruitment Plan, which has already resulted in the recruitment of a total of 11 surgeons representing a wide range of surgical specialties, including extensive representation of sub-specialists, is projected to result in a significant increase in the number of surgical cases at MHC.

As of October, 2013, the following surgeons have been recruited to MHC's medical staff over the past 2 years.

2 Obstetricians/Gynecologists

2 General Surgeons

1 Cardiothoracic Surgeon

1 Colon-Rectal Surgeon

1 Surgical Oncologist

1 Orthopedic Surgeon

1 Otolaryngologist

1 Plastic Surgeon

1 Urologist

In addition, the recent recruitment of 2 Emergency Physicians is projected to result in increased surgical referrals from the Emergency Department.

- As a result of recruiting additional surgeons to MHC's medical staff, particularly surgical sub-specialists, MHC will be able to reduce outmigration from its market area for both inpatient and outpatient surgery. As a result, the number of surgery cases at MHC is projected to increase.

The reduction in outmigration of surgical cases is particularly important because of the designation of MHC's entire market area as a Health Professional Shortage Area and the designation of much of its market area as Medically Underserved Areas. This means that additional physician resources are needed in MHC's market area in order to meet the medical needs of residents of this area.

- Total surgical hours at MHC are projected to increase by 28% by FY2018, the first complete year of operation after the expansion of the Surgical Suite is completed. This increase is projected to be experienced in both cardio-thoracic cases and in cases that will be performed in the general (multi-specialty) operating rooms.

The increased surgical hours will be due to both an increased number of surgical cases and the increased surgical time that is required to perform an increased number of more lengthy surgical cases, as discussed below.

- As a result of MHC's physician recruitment plan, it is projected that newly recruited specialty and sub-specialty surgeons will perform an increased number of cases that have longer surgical times.

Such surgical cases include the following: colon resection; vascular surgery; thoracic surgery; robotic cases.

- Performing an increased number of the more lengthy surgical cases will result in increased surgical time per case.

Although MHC projects that it will be performing an increased number of more lengthy surgical cases, the hospital is currently working on the following projects to increase the efficiency of its operating room procedures: reducing turn-around time between surgical cases; maximizing the number of surgical cases that start on time; and ensuring that "block" scheduling is properly used.

IV.

Project Scope, Utilization, and Unfinished/Shell Space: Unfinished or Shell Space

1. The proposed shell space will total 8,620 gross square feet.
2. All of the shell space is proposed to be used for the future expansion of Memorial Hospital of Carbondale's (MHC's) Medical/Surgical category of service.
- 3.b. The shell space is being constructed for the future expansion of the hospital's Medical/Surgical nursing units. This shell space will be constructed adjacent to an existing Medical/Surgical nursing unit as part of a new addition to the hospital.

The shell space will be constructed on the 4th floor of a new addition being constructed on top of an existing one-story building as part of this CON project. The new addition will have the following departments.

2nd Floor:	Replacement and expansion of Surgical Prep for A.M. Admits/Same Day Surgery Patients and Post-Anesthesia Recovery Phase II
3rd Floor:	Expansion of existing Medical/Surgical nursing unit Expansion of existing Intensive Care Unit
4th Floor:	Shell space for future Medical/Surgical nursing unit

The shell space is being constructed to meet experienced increases in the historical occupancy of MHC that are expected to continue in future years.

- 1) MHC's admissions to the Medical/Surgical category of service have increased by 22% during the past 5 years, representing an average increase of 5.5% Medical/Surgical admissions annually.

The historic trend of annually increasing Medical/Surgical admissions at MHC is expected to continue in future years due to implementation of MHC's Physician Recruitment Plan, which has already resulted in the recruitment of 26 physicians representing a wide range of medical and surgical specialties, including extensive representation of sub-specialists.

- 2) As a result of recruiting additional physicians to MHC's medical staff, particularly Gerontologists and surgical and medical specialists and sub-specialists, MHC will be able to reduce outmigration from its market area for both inpatient and outpatient care.

This result is particularly important because of the federal government's designation of MHC's entire market area as a Health Professional Shortage Area and its designation of much of MHC's market area as Medically Underserved Areas.

- 3) As a result of these factors, MHC's Medical/Surgical admissions are projected to increase by a total of 17.5% from CY2012 to FY2018, which is an average annual increase of 2.8% during this 6 1/4 year period.

This increase in admissions will occur despite the limited number of Medical/Surgical beds that will be available to accommodate this utilization.

- 4) FY2018 will be the first complete year of operation of the project that is the subject of this CON application.

The CON application to build out the shell space will be submitted during that fiscal year. It is planned that the shell space will be built-out to accommodate 15 additional authorized Medical/Surgical beds beginning in September, 2017, and that it will become operational in March, 2019.

Based on historic increases in MHC's Medical/Surgical utilization, the Medical/Surgical category of service is projected to operate at 93.8% occupancy during FY2017, the fiscal year during which the project that is the subject of this CON application will become operational, and 96% occupancy during FY2018, the fiscal year during which the CON application to build out the shell space will be submitted and the build-out will begin. This exceedingly high occupancy will justify the build out of the shell space to increase MHC's authorized Medical/Surgical beds by 15 as proposed in this CON application.

- 5) MHC's Medical/Surgical admissions are projected to increase by 1.8% from FY2017 to FY2018.
- 6) Once the additional Medical/Surgical authorized beds that are proposed to be constructed in the shell space are operational by the end of FY2019, MHC's Medical/Surgical admissions are projected to increase by 1.8% in FY2020, which will be the first complete fiscal year of operation after the shell space is completed and operational.
- 7) MHC's Medical/Surgical admissions are projected to increase by 1.8% from FY2020 to FY2021 and to continue increasing in the years that follow.

- 8) The projected increase in MHC's Medical/Surgical admissions will result in increased Medical/Surgical patient days in FY2020 and in future years.
- 9) MHC's average length of stay (ALOS) for Medical/Surgical patients is projected to remain constant at the 3.71 days for all Medical/Surgical patients, including Observation patients as well as inpatients, which is the ALOS expected after the expansion proposed in this CON project becomes operational.

This ALOS will be due to the following factors.

- a) The reduction of the Medical/Surgical ALOS in recent years to 3.09 days for admitted Medical/Surgical patients and to 3.65 days for all Medical/Surgical patients, including Observation patients as well as inpatients, is considered to have "bottomed out" in 2012.

MHC's ALOS for the Medical/Surgical Service declined annually from 2009 through 2012. In 2009, MHC's ALOS was 3.68 for admitted Medical/Surgical patients and 4.41 for all Medical/Surgical patients, including Observation patients as well as inpatients.

This reduction of 16% in the ALOS of admitted Medical/ Surgical patients and 17% in the ALOS of all Medical/ Surgical patients, including Observation patients as well as inpatients, has been significant and is believed to represent the "floor" for MHC's Medical/Surgical ALOS in the future.

- b) MHC's Medical/Surgical ALOS for all Medical/Surgical patients including Observation patients in future years will increase slightly to 3.71 in FY2017 after the expansion proposed in this CON project becomes operational, reflecting the longer lengths of stay experienced by patients with higher acuity levels.

MHC's Medical/Surgical patients in future years are expected to exhibit increasing acuity levels because of MHC's successful recruitment of sub-specialty physicians. An increased number of sub-specialty physicians on MHC's medical staff will be able to care for patients who currently out-migrate from MHC's market area as they seek medical care that has traditionally been difficult to access within the market area.

- 10) As a result of these factors, MHC's Medical/Surgical patient days are projected to increase by a total of 19.4% from CY2012 to FY2018, which is an average annual increase of 3.1% during this 6 1/4 year period.

- 11) FY2018 will be the first complete fiscal year of operation after the project that is the subject of this CON application is completed and operational. MHC's Medical/Surgical patient days are projected to increase by 2% from FY2018 to FY2019. These patient days will continue to reflect an

ALOS of 3.71 days for all Medical/Surgical patients, including Observation days as well as inpatient days.

- 12) It is planned that the shell space will be built-out beginning in September, 2017, one year after the expansion proposed in this CON application becomes operational, and that its 15 additional Medical/Surgical authorized beds will become operational in March, 2019.

MHC's Medical/Surgical patient days are projected to increase by 1.8% in FY2020, the first complete fiscal year of operation after the shell space is completed.

- 13) MHC's Medical/Surgical patient days are projected to increase by 1.8% from FY2020 to FY2021, the second complete fiscal year after the shell space is built out and operational, and to continue increasing in subsequent years.

- 4.a. Historic utilization for MHC's Medical/Surgical Service for the most recent five-year period for which data are available is presented below.

<u>Year</u>	<u>Historic Medical/Surgical Admissions</u>	<u>Historic Medical/Surgical Patient Days including Observation Days</u>	<u>Average Length of Stay including Observation Patients (days)</u>
CY2008	5,998	25,841	4.3
CY2009	6,193	27,331	4.4
CY2010	6,820	29,034	4.3
CY2011	7,207	27,501	3.8
CY2012	7,323	26,702	3.6

MHC's CY2012 utilization justifies a Medical/Surgical category of service Department with 92 authorized beds under the current State Norm (77 Ill. Adm. Code 1100.520(c).

This project proposes to have a 91 bed Medical/Surgical category of service at MHC with a floor area of 49,481 DGSF, which is within the State Norm of 46,000 DGSF and 60,720 DGSF for 91 Medical/Surgical beds (77 Ill. Adm. Code 1110.APPENDIX B).

This project proposes to maintain the 91 existing authorized Medical/Surgical beds as well as to construct shell space for 15 additional Medical/Surgical beds. The additional 15 Medical/Surgical beds will be necessary to accommodate MHC's projected caseload because of the projected increase in Medical/Surgical admissions that will result in increased patient days, including Observation Days, based on the "bottoming out" of MHC's Medical/Surgical average length of stay at 2012 levels.

The projected square footage for the Medical/Surgical category of service that will include both the proposed floor area for this project and the build-out of the shell space proposed in this project will total 58,101 DGSF for these 106 Medical/Surgical authorized beds, which will be result in 548 DGSF per Medical/Surgical bed. That will be within the State norm of 500 to 660 DGSF per Medical/Surgical beds (77 Ill. Adm. Code 1110.APPENDIX B).

Furthermore, by creating this shell space while the new addition is being constructed, it will be possible to save \$3.4 million in future construction costs (calculated in current dollars) for the proposed additional Medical/Surgical nursing unit.

- b. Projected utilization for MHC's Medical/Surgical category of service through FY2021, the second complete fiscal year after the shell space will be placed into operation, is found below.

<u>Year</u>	<u>Projected Medical/Surgical Admissions</u>	<u>Projected Medical/Surgical Patient Days including Observation Days</u>	<u>Average Length of Stay including Observation Patients (days)</u>
CY2013	7,574	27,266	3.6
CY2014	7,825	28,170	3.6
CY2015	8,076	29,074	3.6
CY2016	8,330	30,904	3.71
FY2017 (4/16-3/17)	8,392	31,170	3.71

FY2018	8,602	31,872	3.71
FY2019	8,759	32,496	3.71
FY2020	8,917	33,082	3.71
FY2021	9,074	33,664	3.71

The assumptions underlying the projected increase in Medical/Surgical utilization are presented below.

MHC projects that its Medical/Surgical admissions will increase by 1,594 over CY 2012 admissions by FY2020, the first complete fiscal year of operation of the new Medical/Surgical nursing unit that will be constructed as shell space in this project. This represents a 21.8% increase in Medical/Surgical admissions between CY2012 and FY2020, an average annual increase of 2.6% over 8 1/4 years.

The projected increase in Medical/Surgical admissions after the shell space is built out and becomes operational will be due to the factors identified in Item 3.b. above, as reprinted below.

- 1) MHC's admissions to the Medical/Surgical category of service have increased by 22% during the past 5 years, representing an average increase of 5.5% Medical/Surgical admissions annually.

The historic trend of annually increasing Medical/Surgical admissions at MHC is expected to continue in future years due to implementation of MHC's Physician Recruitment Plan, which has already resulted in the recruitment of 32 physicians over the past 2 years representing a wide range of medical and surgical specialties, including extensive representation of sub-specialists.

- 2) As a result of recruiting additional physicians to MHC's medical staff, particularly Gerontologists and surgical and medical specialists and sub-specialists, MHC will be able to reduce outmigration from its market area for both inpatient and outpatient care.

This result is particularly important because of the federal government's designation of MHC's entire market area as a Health Professional Shortage Area and its designation of much of MHC's market area as Medically Underserved Areas.

- 3) As a result of these factors, MHC's Medical/Surgical admissions are projected to increase by a total of 17.5% from CY2012 to FY2018, which is an average annual increase of 2.8% during this 6 1/4 year period.

This increase in admissions will occur despite the limited number of Medical/Surgical beds that will be available to accommodate this utilization.

- 4) FY2018 will be the first complete year of operation of the project that is the subject of this CON application.

The CON application to build out the shell space will be submitted during that fiscal year. It is planned that the shell space will be built-out to accommodate 15 additional authorized Medical/Surgical beds beginning in September, 2017, and that it will become operational in March, 2019.

Based on historic increases in MHC's Medical/Surgical utilization, the Medical/Surgical category of service is projected to operate at 93.8% occupancy during FY2017, the fiscal year during which the project that is the subject of this CON application will become operational, and 96% occupancy during FY2018, the fiscal year during which the CON application to build out the shell space will be submitted and the build-out will begin. This exceedingly high occupancy will justify the build out of the shell space to increase MHC's authorized Medical/Surgical beds by 15 as proposed in this CON application.

- 5) MHC's Medical/Surgical admissions are projected to increase by 1.8% from FY2017 to FY2018.
- 6) Once the additional Medical/Surgical authorized beds that are proposed to be constructed in the shell space are operational by the end of FY2019, MHC's Medical/Surgical admissions are projected to increase by 1.8% in FY2020, which will be the first complete fiscal year of operation after the shell space is completed and operational.
- 7) MHC's Medical/Surgical admissions are projected to increase by 1.8% from FY2020 to FY2021 and to continue increasing in the years that follow.
- 8) The projected increase in MHC's Medical/Surgical admissions will result in increased Medical/Surgical patient days in FY2020 and in future years.
- 9) MHC's average length of stay (ALOS) for Medical/Surgical patients is projected to remain constant at the 3.71 days for all Medical/Surgical patients, including Observation patients as well as inpatients, which is the

ALOS expected after the expansion proposed in this CON project becomes operational.

This ALOS will be due to the following factors.

- a) The reduction of the Medical/Surgical ALOS in recent years to 3.09 days for admitted Medical/Surgical patients and to 3.65 days for all Medical/Surgical patients, including Observation patients as well as inpatients, is considered to have "bottomed out" in 2012.

MHC's ALOS for the Medical/Surgical Service declined annually from 2009 through 2012. In 2009, MHC's ALOS was 3.68 for admitted Medical/Surgical patients and 4.41 for all Medical/Surgical patients, including Observation patients as well as inpatients.

This reduction of 16% in the ALOS of admitted Medical/ Surgical patients and 17% in the ALOS of all Medical/ Surgical patients, including Observation patients as well as inpatients, has been significant and is believed to represent the "floor" for MHC's Medical/Surgical ALOS in the future.

- b) MHC's Medical/Surgical ALOS for all Medical/Surgical patients including Observation patients in future years will increase slightly to 3.71 in FY2017 after the expansion proposed in this CON project becomes operational, reflecting the longer lengths of stay experienced by patients with higher acuity levels.

MHC's Medical/Surgical patients in future years are expected to exhibit increasing acuity levels because of MHC's successful recruitment of sub-specialty physicians. An increased number of sub-specialty physicians on MHC's medical staff will be able to care for patients who currently out-migrate from MHC's market area as they seek medical care that has traditionally been difficult to access within the market area.

- 10) As a result of these factors, MHC's Medical/Surgical patient days are projected to increase by a total of 19.4% from CY2012 to FY2018, which is an average annual increase of 3.1% during this 6 1/4 year period.
- 11) FY2018 will be the first complete fiscal year of operation after the project that is the subject of this CON application is completed and operational. MHC's Medical/Surgical patient days are projected to increase by 2% from FY2018 to FY2019. These patient days will continue to reflect an ALOS of 3.71 days for all Medical/Surgical patients, including Observation days as well as inpatient days.

ATTACHMENT-16, PAGE 8

- 12) It is planned that the shell space will be built-out beginning in September, 2017, one year after the expansion proposed in this CON application becomes operational, and that its 15 additional Medical/Surgical authorized beds will become operational in March, 2019.

MHC's Medical/Surgical patient days are projected to increase by 1.8% in FY2020, the first complete fiscal year of operation after the shell space is completed.

- 13) MHC's Medical/Surgical patient days are projected to increase by 1.8% from FY2020 to FY2021, the second complete fiscal year after the shell space is built out and operational, and to continue increasing in subsequent years.

MHC's projected utilization for FY2021, the second full year of operation after the shell is built out and 15 additional Medical/Surgical authorized beds become operational justifies 18 additional Medical/Surgical beds, which will result in 109 authorized Medical/Surgical beds at MHC.

It should be noted that MHC is seeking approval to construct shell space that will be built-out for fewer beds than justified by the projected utilization. The proposed square footage for MHC's projected authorized Medical/Surgical beds once the shell space is built out as an additional Medical/Surgical nursing unit will be within the current State Norms (77 Ill. Adm. Code 1110.APPENDIX B) for the proposed authorized Medical/Surgical beds.

IV.

Project Scope, Utilization, and Unfinished/Shell Space:
Assurances

An assurance from Rex P. Budde, President and CEO of Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale, is appended to this Attachment.

This assurance documents the following.

1. Verification that Memorial Hospital of Carbondale will submit to the Illinois Health Facilities and Services Review Board a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at that time or the categories of service involved.
2. The subsequent CON application (to develop and utilize the subject shell space) is estimated to be submitted by June, 2017.
3. The shell space is estimated to be completed and placed into operation by March, 2019.



SOUTHERN ILLINOIS HEALTHCARE

August 28, 2013

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

Dear Ms. Avery:

The purpose of this letter is to verify that the co-applicants for this project (i.e., Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale and Southern Illinois Healthcare Enterprises, Inc.) are submitting a CON application for a project that includes unfinished (i.e., shell) space.

In accordance with 77 Ill. Adm. Code 1110.234.c., I hereby attest to the understanding of the co-applicants for this project that the co-applicants will submit to the Illinois Health Facilities and Services Review Board a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.

The estimated time by which the subsequent CON application to develop and utilize the subject shell space will be submitted is June, 2017.

The anticipated date when the shell space will be completed and placed in operation is March, 2019.

Sincerely,

Rex P. Budde
President and CEO

Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale



8-28-2013

VII.A.

Service Specific Review Criteria: Medical/Surgical and Intensive Care

This application proposes the expansion of Memorial Hospital of Carbondale's (MHC's) Medical/Surgical and Intensive Care Units through the construction of a new addition and modernization of the space adjacent to the new addition.

As a result of this project, MHC's Authorized Beds in the Intensive Care Category of Service will increase from 13 to 21, and its Authorized Beds in the Medical/Surgical Category of Service will remain unchanged at 91.

Memorial Hospital of Carbondale (MHC) currently has an Intensive Care Unit on the 3rd floor of the hospital and Medical/Surgical nursing units on the 3rd and 4th floors of the hospital. This project will include the construction of a new addition that will expand the Intensive Care Unit and Medical/Surgical nursing units on the 3rd floor and will include shell space for a future Medical/Surgical nursing unit on the 4th floor.

The new Intensive Care Unit will have 8 Intensive Care beds, increasing MHC's ICU authorized beds by 8 in order to accommodate the current and projected future occupancy of this category of service.

The expansion of the 3rd floor Medical/Surgical nursing units will not increase authorized beds. This project will construct 6 new private Medical/Surgical telemetry (step-down) rooms without any increase in Medical/Surgical authorized beds due to the conversion of 3 existing private telemetry patient rooms into support space for the telemetry unit and the discontinuation of 3 existing Medical/Surgical beds in semi-private rooms because of converting these patient rooms into private rooms.

Most of the new construction associated with the Medical/Surgical Service will be due to the construction of shell space on the 4th floor of the new addition for the future expansion of the Medical/Surgical Service. The shell space will eventually be constructed as a Medical/Surgical nursing unit with 15 beds, which will be comprised of 11 private rooms and 4 beds in 2 semi-private rooms.

Attachments 16 and 17 of this CON application contain the justification for the shell space and a certification that a subsequent CON application will be submitted to develop and utilize the shell space, regardless of the capital thresholds in effect at that time.

1. Criterion 1110.530(b)(1) Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)

This criterion is not applicable to this project because MHC is not proposing to establish a new category of service.

2. Criterion 1110.530(b)(2) Planning Area Need - Service to Planning Area Residents

- a. As discussed in Attachment 12, the primary purpose of this project is to provide necessary health care to residents of Planning Area F-07, the planning area in which MHC is located.

During FY12, more than 50% of MHC's inpatients resided in Planning Area F-07.

In addition, during FY12, more than 80% of MHC's inpatients resided within its market area, which includes the following counties in Southern Illinois.

Franklin County
Jackson County
Johnson County
Perry County
Saline County
Union County
Williamson County

These counties constitute parts of Planning Areas F-05, F-06, and F-07.

In addition to MHC, Southern Illinois Hospital Services owns and operates the following facilities which are located in Planning Areas F-06 and F-07:

Physicians Surgery Center, LLC, Carbondale;

Memorial Hospital Breast Center, Carbondale;

Herrin Hospital, Herrin;

St. Joseph Memorial Hospital, Murphysboro; and

Memorial Hospital Cancer Center, Marion.

MHC recently received a CON permit to construct SIH Cancer Center in Carterville, which is also located in Planning Area F-06, and which will replace the Memorial Hospital Cancer Center in Marion.

This project is needed to provide necessary health care to residents of both Planning Area F-07 and the balance of MHC's market area because

of the need for health care services in this area, as discussed below and in Attachment 12.

All 7 of the counties in MHC's market area have been designated as Health Professional Shortage Areas (HPSAs) by the federal government. Jackson County, the county in which MHC is located, as well as all or part of 5 of the other counties in this market area have been designated as Medically Underserved Areas (MUAs) by the federal government, and the low income population in Saline, the seventh county, has been designated as a Medically Underserved Population (MUP) by the federal government.

- b. MHC's patient origin information for FY12, the most recent period for which these data are available, will be found on Page 19 of this Attachment as well as in Attachment 12.

3. Criterion 1110.530(b)(3) Planning Area Need - Service Demand - Establishment of Category of Service

This criterion is not applicable to this project because MHC is not proposing to establish a new category of service.

4. Criterion 1110.530(b)(4) Planning Area Need - Service Demand - Expansion of Existing Category of Service

The expansion of the Intensive Care Unit and the Medical/Surgical nursing units is necessary in order to accommodate MHC's experienced high occupancy and to meet a projected demand for increased utilization.

MHC's experienced high utilization in its Intensive Care and Medical/Surgical Services during the past 2 calendar years and during the first 2 years after this project becomes operational will be found in the tables below and on the next page.

	<u>Intensive Care Service</u>			
	<u>CY2011</u>	<u>CY2012</u>	<u>FY2018</u>	<u>FY2019</u>
Patient Days	3,330	3,325	4,864	4,882
Authorized Beds	13	13	21	21
Average Daily Census	9.1	9.1*	13.3	13.4
Occupancy	70%	70%	63%	64%

*2012 was a leap year

	Medical/Surgical Service			
	<u>CY2011</u>	<u>CY2012</u>	<u>FY2018</u>	<u>FY2019</u>
Patient Days including Observation Days	27,501	26,702	31,872	32,496
Authorized Beds	85	85/91*	91	91
Average Daily Census	75.3	73.0**	87.3	89.0
Occupancy	88%	81%	96%	98%

*MHC increased its Medical/Surgical Authorized Beds from 85 to 91 effective March 5, 2012. The 2012 Medical/Surgical Occupancy has been calculated by pro-rating utilization based on 65 days' utilization of 85 authorized beds and 301 days' utilization of 91 authorized beds.

**2012 was a leap year

The projected increased utilization at MHC is based upon the following assumptions.

Intensive Care Category of Service

- Intensive Care Admissions
 - Admissions to MHC's Intensive Care Unit (ICU) will continue to consist of both inpatients admitted directly to the ICU and patients transferred to the ICU from another unit of the hospital.
 - MHC's intensive Care admissions are projected to continue their historic increases based on the following factors.
 - MHC's Intensive Care admissions will continue to increase based on historic growth.

During the 5-year period of CY2008 through CY2012, MHC's Medical/Surgical admissions increased by a total of 13%, from 984 to 1,111.

This represented an average increase of 3.2% Intensive Care admissions annually.

During this period, the number of Intensive Care admissions increased annually.

- The historic trend of annually increasing admissions to MHC's ICU is expected to continue in future years due to implementation of MHC's Physician Recruitment Plan, which has already resulted in the recruitment of 32 physicians representing a wide range of medical and surgical specialties, including extensive representation of sub-specialists.

As of October, 2013, the following physicians have been recruited to MHC's medical staff during the past 2 years.

1 Allergist/Immunologist

2 Emergency Physicians

2 Family Practitioners, including
1 Gerontologist

9 Internists: 1 General Internist, 1 Cardiologist,
3 Gastroenterologists, 2 Gerontologists, and
2 Clinical Oncologists

2 Obstetricians/Gynecologists

7 Hospitalists

9 Surgeons: 2 General Surgeons,
1 Cardiothoracic Surgeon, 1 Colon-Rectal
Surgeon, 1 Surgical Oncologist, 1 Orthopedic
Surgeon, 1 Otolaryngologist, 1 Plastic
Surgeon, and 1 Urologist

- As a result of recruiting additional physicians to MHC's medical staff, particularly Gerontologists and surgical and medical specialists and sub-specialists, MHC will be able to reduce outmigration from its market area for both inpatient and outpatient care.

This result is particularly important because of the designation of MHC's entire market area as a Health Professional Shortage Area and the designation of much of its market area as Medically Underserved Areas.

- As a result of these factors, admissions to MHC's ICU are projected to increase by a total of 39.9% from CY2012 to FY2018, which is an average annual increase of 6.4% during this 6 1/4 year period.

This projected increase in admissions to MHC's ICU over the historic increase in ICU admissions is due to MHC's physician recruitment program, which will enable MHC to treat many patients requiring subspecialty care who have previously been unable to receive this care within the market area, often having to travel to other states (e.g., Missouri, Indiana, and Kentucky) in order to receive this level of care.

The estimated growth in Intensive Care admissions is based upon projections from Truven Health Analytics (formerly Thomson Reuters) and information generated by The Advisory Board Company and the American Hospital Association.

- After this project is completed and operational and additional Intensive Care beds are available to accommodate the demand for this service, MHC's Intensive Care admissions are projected to stabilize, increasing by 0.4% from FY2018, the first complete year of operation, to FY2019, the second fully year of operation of the expanding Intensive Care Unit.

- Intensive Care Patient Days

- MHC's Intensive Care patient days are projected to increase based on the following factors.
 - MHC's Intensive Care admissions will continue to increase, as discussed above, which will result in increased Intensive Care patient days in future years.
 - MHC's average length of stay (ALOS) for the Intensive Care Service is projected to increase by 0.1 days from its 2012 low to the same level as the 2011 ALOS of 3.13 days due to the longer lengths of stay that are anticipated because of the increased number of patients with higher acuity levels who are expected to be treated at MHC in future years.

MHC's Intensive Care patients in future years are expected to exhibit increasing acuity levels because

of MHC's successful recruitment of sub-specialty physicians. An increased number of sub-specialty physicians on MHC's medical staff will be able to care for patients who currently out-migrate from MHC's market area as they seek medical care that has traditionally been difficult to access within the market area.

- The projected 3.13 day ALOS for the ICU in FY2018 and FY2019 represents a reduction of MHC's Intensive Care of more than 12% (.44 days) from 2008.

- As a result of these factors, MHC's Intensive Care patient days are projected to increase by a total of 46.3% from CY2012 to FY2018, which is an average annual increase of 7.4% during this 6 1/4 year period.

The estimated growth in Intensive Care patient days is based upon projections from Truven Health Analytics (formerly Thomson Reuters) and information generated by The Advisory Board Company and the American Hospital Association.

- After this project is completed and operational and additional Intensive Care beds are available to accommodate the demand for this service, MHC's Intensive Care patient days are projected to stabilize, increasing by 0.4% from FY2018, the first complete year of operation, to FY2019, the second fully year of operation of the expanding Intensive Care Unit. These patient days will continue to reflect an ALOS of 3.13 days for Intensive Care patients.

Medical/Surgical Category of Service

- Medical/Surgical Admissions
 - MHC's Medical/Surgical admissions are projected to continue their historic increases based on the following factors.
 - MHC's Medical/Surgical admissions will continue to increase based on historic growth.

During the 5-year period of CY2008 through CY2012, MHC's Medical/Surgical admissions increased by a total of 22%, from 5,998 to 7,323.

This represented an average increase of 5.5% Medical/Surgical admissions annually.

During this period, the number of Medical/Surgical admissions increased annually.

- The historic trend of annually increasing Medical/Surgical admissions at MHC is expected to continue in future years due to implementation of MHC's Physician Recruitment Plan, which has already resulted in the recruitment of 32 physicians representing a wide range of medical and surgical specialties, including extensive representation of sub-specialists.

As of October, 2013, the following physicians have been recruited to MHC's medical staff over the past 2 years.

1 Allergist/Immunologist

2 Emergency Physicians

2 Family Practitioners, including
1 Gerontologist

9 Internists: 1 General Internist, 1 Cardiologist,
3 Gastroenterologists, 2 Gerontologists, and
2 Clinical Oncologists

2 Obstetricians/Gynecologists

7 Hospitalists

9 Surgeons: 2 General Surgeons,
1 Cardiothoracic Surgeon, 1 Colon-Rectal
Surgeon, 1 Surgical Oncologist, 1 Orthopedic
Surgeon, 1 Otolaryngologist, 1 Plastic
Surgeon, and 1 Urologist

- As a result of recruiting additional physicians to MHC's medical staff, particularly Gerontologists and surgical and medical specialists and sub-specialists, MHC will be able to reduce outmigration from its market area for both inpatient and outpatient care.

This result is particularly important because of the designation of MHC's entire market area as a Health Professional Shortage Area and the designation of much of its market area as Medically Underserved Areas.

- As a result of these factors, Medical/Surgical admissions at MHC are projected to increase by a total of 17.5% from CY2012 to FY2018, which is an average annual increase of 2.8% during this 6 1/4 year period.

The estimated growth in Medical/Surgical admissions is based upon projections from Truven Health Analytics (formerly Thomson Reuters) and information generated by The Advisory Board Company and the American Hospital Association.

- After this project is completed and operational, Medical/Surgical admissions at MHC are projected to increase by 1.8% from FY2018, the first complete year of operation, to FY2019, the second full year of operation of the new Medical/ Surgical unit.

- Medical/Surgical Patient Days, including Observation Days

- MHC's Medical/Surgical patient days, including observation days, are projected to increase based on the following factors.
 - MHC's Medical/Surgical admissions will continue to increase, as discussed above, which will result in increased Medical/Surgical patient days in future years.
 - MHC's average length of stay (ALOS) for the Medical/Surgical Service will remain constant due to the following factors.

- A "bottoming out" of the reduction in ALOS in recent years to MHC's 2012 ALOS of 3.09 days that was experienced for admitted Medical/Surgical patients, which was an ALOS of 3.65 for all Medical/Surgical patients, including Observation patients as well as inpatients.

MHC's ALOS for the Medical/Surgical Service declined annually from 2009 through 2012. In 2009, MHC's ALOS was 3.68 for admitted Medical/Surgical patients and 4.41 for all Medical/Surgical patients, including Observation patients as well as inpatients.

This reduction of 16% in the ALOS of admitted Medical/ Surgical patients and 17% in the ALOS of all Medical/ Surgical patients, including Observation patients as well as inpatients, has been significant and is believed to represent the "floor" for MHC's Medical/Surgical ALOS in the future.

- MHC's Medical/Surgical ALOS in future years will increase slightly to 3.71 for all Medical/Surgical patients, including Observation patients, reflecting the longer lengths of stay experienced by patients with higher acuity levels.

MHC's Medical/Surgical patients in future years are expected to exhibit increasing acuity levels because of MHC's successful recruitment of specialty and sub-specialty physicians. An increased number of specialty and sub-specialty physicians on MHC's medical staff will be able to care for patients who currently out-migrate from MHC's market area as they seek medical care that has traditionally been difficult to access within the market area.

- As a result of these factors, MHC's Medical/Surgical patient days, including Observation days, are projected to increase by a total of 19.4% from CY2012 to FY2018, which is an

average annual increase of 3.1% during this 6 1/4 year period.

The estimated growth in Medical/Surgical patient days is based upon projections from Truven Health Analytics (formerly Thomson Reuters) and information generated by The Advisory Board Company and the American Hospital Association.

- After this project is completed and operational, Medical/Surgical patient days at MHC are projected to increase by 2.0% from FY2018, the first complete year of operation, to FY2019, the second full year of operation of the new Medical/ Surgical unit. These patient days will continue to reflect an ALOS of 3.71 days for all Medical/Surgical patients, including Observation days as well as inpatient days.

5. Criterion 1110.530(b)(5) Planning Area Need - Service Accessibility

This criterion is not applicable to this project because MHC is not proposing to establish a new category of service.

6. Criterion 1110.530(c)(1) Unnecessary Duplication of Services

This criterion is not applicable to this project because MHC is not proposing to establish a new category of service.

7. Criterion 1110.530(c)(2) Maldistribution

This project will not result in a maldistribution of Intensive Care or Medical/Surgical services.

MHC is located in Planning Area F-07, and its market area includes portions of Planning Areas F-05, F-06, and F-07.

- a. This project will increase MHC's Authorized Beds in the Intensive Care category of service by 8 beds.
 - 1) The recently-issued "Inventory of Health Care Facilities and Services and Need Determinations" (Illinois Health Facilities and Services Review Board and Illinois Department of Public Health, August 14, 2013) and its September 25, 2013, "Update to Inventory of Hospital Services" identify a need for 1 additional Intensive Care bed in Planning Area F-07 and a need for 2 additional Intensive

Care beds in Planning Area F-06. There are no Intensive Care beds in Planning Area F-05.

- 2) MHC currently operates its Intensive Care Service above the target occupancy for this service, and projected utilization for this service will increase through the second complete year of operation after this project is completed.
- 3) MHC is located in Jackson County, which has been designated as both a Health Professional Shortage Area (HPSA) and a Medically Underserved Area (MUA) by the federal government.

This designation indicates the need for additional health care resources in Jackson County.

- 4) In addition, the entire market area for this project has been designated as a HPSA by the federal government, and nearly all of the market area has been designated as an MUA or having a Medically Underserved Population (MUP) by the federal government).

- b. This project will not increase MHC's Authorized Beds in the Medical/Surgical category of service so it will not result in a maldistribution of Medical/Surgical beds in the hospital's market area.

In addition, please note the following facts as they relate to MHC's Medical/Surgical service.

- 1) MHC currently operates its Medical/Surgical Service above the target occupancy for this service, and projected utilization for this service will increase through the second complete year of operation after this project is completed.
- 2) MHC is located in Jackson County, which has been designated as both a Health Professional Shortage Area (HPSA) and a Medically Underserved Area (MUA) by the federal government.

This designation indicates the need for additional health care resources in Jackson County.

- 3) In addition, the entire market area for this project has been designated as a HPSA by the federal government, and nearly all of the market area has been designated as an MUA or having a Medically Underserved Population (MUP) by the federal government).

8. Criterion 1110.530(c)(3) Impact of Project on Other Area Providers

This criterion is not applicable to this project because MHC is not proposing to establish a new category of service.

9. Criterion 1110.530(d)(1) Deteriorated Facilities

a. This project involves modernization of the Intensive Care and Medical/Surgical categories of service as described below.

- A new addition will include 8 additional Intensive Care beds in private rooms.

This expansion of the ICU will include new construction of support space that is necessary for an ICU.

- A small area in the existing ICU will be modernized in order to connect it to the additional ICU space that will be constructed as part of this project.
- A new addition will include 6 private Medical/Surgical patient rooms, replacing 3 rooms that will be lost as a result of constructing the new addition and converting 3 existing semi-private rooms to private rooms. There will be no increase in Medical/Surgical authorized beds as a result of this construction.

This expansion of the Medical/Surgical nursing units will include both new construction and modernization of existing space for support space that is necessary for a Medical/Surgical nursing unit as well as the replacement of 1 toilet room in an existing Medical/Surgical patient room that will be lost when the new addition is constructed.

- A new addition will include construction of shell space that will be the subject of a future CON application to build-out the space as patient rooms for 15 Medical/Surgical patients.

After receiving a future CON permit to do so, the shell space will eventually be constructed as 11 private Medical/Surgical patient rooms and 2 semi-private Medical/Surgical patient rooms.

- In addition, some portions of the existing Medical/Surgical nursing units will be modernized in order to connect the existing space to the new nursing unit.

- Existing space will be modernized to construct shared support space for the ICU and Medical/Surgical nursing units, consisting of a Locker Room, Staff Lounge, and Conference Room.
- b. This modernization is necessary in order to address changes in standards of care, to provide space for an increase in Intensive Care authorized beds that are justified by historic utilization and projected increases in utilization, and to construct shell space for a future increase in Medical/Surgical authorized beds that will be justified by projected increases in utilization.
 - 1) Medical/Surgical patient rooms need to be modernized to meet contemporary standards.

- a) MHC has too few private Medical/Surgical patient rooms.

Private rooms, also known as single occupancy rooms, have become the standard for patient rooms for a number of reasons, which result in improved flexibility as well as patient satisfaction.

In fact, the Facilities Guidelines Institute has recommended single occupancy rooms in the 2010 edition of Guidelines for Design and Construction of Health Care Facilities, a reference source for hospital licensure written with assistance from the U.S. Department of Health and Human Services (HHS).

- i. Additional private rooms will increase the hospital's ability to maintain infection control.
 - ii. Private rooms reduce problems of gender and age cohorting in making room assignments.
 - iii. Private rooms enhance patient privacy, which is of increased importance due to the federal Health Insurance Portability and Accountability Act (HIPAA) requirements for patient confidentiality.
- b) Some patient rooms with 2 authorized beds meet minimum size standards for 2-bed rooms, but are too small to accommodate contemporary medical equipment and to permit medical teams to efficiently provide care to acutely ill patients when they are used as semi-private rooms.

10. Criterion 1110.530(d)(2) Documentation

MHC does not have any inspection reports from the Illinois Department of Public Health (IDPH) on behalf of the federal Centers for Medicare and Medicaid Services (CMMS) that relate to the Intensive Care or Medical/Surgical categories of service.

MHC's recent reports from the Joint Commission do not address the need for modernization of MHC's Intensive Care or Medical/Surgical nursing units.

11. Criterion 1110.530(d)(3) Documentation Related to Cited Problems

MHC does not have additional documentation that is applicable to the reasons for undertaking this project.

12. Criterion 1110.530(d)(4) Occupancy

The occupancy targets for the categories of service included in this project are shown below.

Intensive Care Category of Service: 60%

Medical/Surgical Category of Service: For modernization: 75%

MHC's utilization for the Intensive Care and Medical Surgical categories of service for the past 2 calendar years and for the first 2 years after this project becomes operational is shown below and on the next page.

	<u>Intensive Care Category of Service</u>			
	<u>CY2011</u>	<u>CY2012</u>	<u>FY2018</u>	<u>FY2019</u>
Admissions*	1,064*	1,111*	1,554*	1,560*
Patient Days*	3,330*	3,325*	4,864*	4,882*
Average Daily Census	9.1	9.1*	13.3	13.4
Average Length of Stay	3.1	3.0	3.1	3.1
Authorized Beds	13	13	21	21
Occupancy (%)	70%	70%	63%	64%

*Intensive Care admissions and patient days include transfers into the unit

**2012 was a leap year

	Medical/Surgical Category of Service			
	CY2011	CY2012	FY2018	FY2019
Admissions	7,207	7,323	8,602	8,759
Patient Days including Observation Days	27,501	26,702	31,872	32,496
Average Daily Census	75.3	73.0*	87.3	89.0
Average Length of Stay including Observation Days	3.8	3.8	3.7	3.7
Authorized Beds	85	85/91**	91	91
Occupancy (%)	88%	81%	96%	98%

*2012 was a leap year

**MHC increased its Medical/Surgical Authorized Beds from 85 to 91 effective March 5, 2012. The 2012 Medical/Surgical Occupancy has been calculated by pro-rating utilization based on 65 days' utilization of 85 authorized beds and 301 days' utilization of 91 authorized beds.

MHC's utilization during CY2011 and 2012 exceeded the target occupancy levels for the Intensive Care and Medical/Surgical categories of service, and its projected utilization for FY2018 and FY2019 is projected to exceed the target occupancy levels for the Intensive Care and Medical/Surgical categories of service as well.

13 Criterion 1110.530(e) Staffing Availability

MHC considered relevant clinical and professional staffing needs when it planned this project.

As the owner and operator of MHC as well as 2 other hospitals in near-by communities in Southern Illinois, Southern Illinois Hospital Services (SIHS) is experienced in the planning for the staffing for the expansion of a general acute care hospital in this area.

The staffing needs associated with this project will be achieved as described below.

Since this project will not become operational for nearly 3 years, it is premature to recruit additional nursing staff at this time.

Therefore, SIHS will utilize its regular staff recruitment procedures to recruit the staff that will be required to operate the increased authorized Intensive Care beds and operating rooms as well as projected increases in Medical/Surgical utilization that are proposed for this project.

SIHS maintains a reputation as a great place to work. That is evidenced by the fact that SIHS receives an average of 55 applications for Registered Nurses' (RN) positions each month and more than 50 applications for each Technician position.

SIHS uses the following methods of recruitment for new positions.

- Advertising
 - In newspapers in Southern Illinois, Western Kentucky, Southern Indiana, and Southeast Missouri
 - Online, using Google, Monster.com, and specialty websites based on the available positions
- RN Open Houses
- Job Fairs
- Versant Residency Training Program
- University/College Outreach Program
- Clinical affiliations with Universities/Colleges
- Job Shadowing participants
- Successful Internship participants

SIHS is confident that it will be able to recruit the additional staff that is needed without creating a staffing burden for any of the existing health care facilities in the region.

14. Criterion 1110.530.(f) - Performance Requirements - Bed Capacity Minimum

This project does not establish a new Medical/Surgical Category of Service. The purpose of this project is to modernize and expand clinical services within an

existing hospital that has 91 authorized Medical/Surgical beds. Therefore, the minimum bed capacity for a Medical-Surgical Category of Service within a Metropolitan Statistical Area (MSA) is not applicable to this project.

MHC meets the minimum bed capacity for an Intensive Care Unit because the hospital currently has 13 Intensive Care beds, and this project proposes to increase the hospital's authorized Intensive Care beds.

15. Criterion 1110.530.(g) - Assurances

A signed and dated statement attesting to the applicants' understanding that, by the second year of operation after the project completion, MHC will achieve and maintain the occupancy standards specified in 77 Ill. Adm. Code 1100 for the Medical-Surgical and Intensive Care Categories of Service is found on Page 20 of this Attachment.

MEMORIAL HOSPITAL OF CARBONDALE

FY2012 Inpatient Origin

Community	Zip Code	Admissions	Percentage		County	In PA F-07?	In Market Area?
			of Admissions	Cumulative %			
Carbondale}	62901	1,816			Jackson	Yes	Yes
Carbondale}	62902	276			Jackson	Yes	Yes
Carbondale}	62903	131	0.1822	18.22%	Jackson	Yes	Yes
Murphysboro	62966	1,120	0.0918	27.39%	Jackson	Yes	Yes
Marion	62959	737	0.0604	33.43%	Williamson	No	Yes
DuQuoin	62832	725	0.0594	39.37%	Perry	Yes	Yes
Herrin	62948	540	0.0442	43.80%	Williamson	No	Yes
Cartersville	62918	464	0.0380	47.60%	Franklin	No	Yes
West Frankfort	62896	456	0.0374	51.34%	Franklin	No	Yes
Anna	62906	388	0.0318	54.51%	Union	Yes	Yes
Harrisburg	62946	386	0.0316	57.68%	Saline	No	Yes
Benton	62812	353	0.0289	60.57%	Franklin	No	Yes
Pinckneyville	62274	321	0.0263	63.20%	Perry	Yes	Yes
De Soto	62924	210	0.0172	64.92%	Jackson	Yes	Yes
Johnston City	62951	188	0.0154	66.46%	Williamson	No	Yes
Cobden	62920	186	0.0152	67.99%	Union	Yes	Yes
Ava	62907	141	0.0116	69.14%	Jackson	Yes	Yes
Christopher	62822	154	0.0126	70.40%	Franklin	No	Yes
EIDorado	62930	152	0.0125	71.65%	Saline	No	Yes
Jonesboro	62952	136	0.0111	72.76%	Union	Yes	Yes
Elkville	62932	135	0.0111	73.87%	Jackson	Yes	Yes
Makanda	62958	132	0.0108	74.95%	Jackson	Yes	Yes
Chester	62233	127	0.0104	75.99%	Randolph	Yes	Yes
Dongola	62926	103	0.0084	76.84%	Union	Yes	Yes
Steelville	62888	57	0.0047	77.30%	Randolph	Yes	Yes
Cutler	62238	54	0.0044	77.75%	Perry	Yes	Yes
Alto Pass	62905	48	0.0039	78.14%	Union	Yes	Yes
Grand Tower	62942	46	0.0038	78.52%	Jackson	Yes	Yes
Dowell	62927	45	0.0037	78.88%	Jackson	Yes	Yes
Campbell Hill	62916	42	0.0034	79.23%	Perry	Yes	Yes
Gorham	62940	28	0.0023	79.46%	Jackson	Yes	Yes
Vergennes	62994	23	0.0019	79.65%	Jackson	Yes	Yes
Willisville	62997	23	0.0019	79.83%	Perry	Yes	Yes
Jacob	62950	15	0.0012	79.96%	Jackson	Yes	Yes
Wolf Lake	62998	11	0.0009	80.05%	Union	Yes	Yes
Other Zipcodes*		2,435	0.1995	100.00%			
Total, All of These Zipcodes		12,204					
Total Patients		12,204					
Total These Zipcodes within PA F-07			6,339				
Total, These Zipcodes within Market Area			9,769				



SOUTHERN ILLINOIS HEALTHCARE

August 28, 2013

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

Dear Ms. Avery:

I am the applicant representative of the co-applicants for this project (i.e., Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale and Southern Illinois Healthcare Enterprises, Inc.), who has signed the CON application to modernize Memorial Hospital of Carbondale's Medical/Surgical and Intensive Care categories of service.

In accordance with 77 Ill. Adm. Code 1110.530.g., I hereby attest to the understanding of the co-applicants for this project that, by the second year of operation after this project is completed, Memorial Hospital of Carbondale will achieve and maintain the occupancy standards specified in 77 Ill. Adm. Code 1100 for the Medical/Surgical and Intensive Care categories of service.

The occupancy standard for modernization of a hospital's Medical/Surgical category of service with between 25 and 99 beds is 75% occupancy of the authorized beds on an annual basis (77 Ill. Adm. Code 1100.520(c)(1)).

The occupancy standard for a hospital's Intensive Care category of service is 60% occupancy of the authorized beds on an annual basis (77 Ill. Adm. Code 1100.540(c)).

Sincerely,

Rex P. Budde
President and CEO
Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale



Susan M Roark
8-28-2013

VII.R.3.(c)(2), (c)(3)(B)

Service Specific Review Criteria: Clinical Service Areas Other than Categories of Service:

Service Modernization: Necessary Expansion
Utilization - Services

The project includes the modernization of the following Clinical Service Areas that are not Categories of Service, all of which currently exist at Memorial Hospital of Carbondale (MHC).

Surgery
Post-Anesthesia Recovery Unit (PACU, Recovery Phase I)
Surgical Prep (for both A.M. Admits and Same-Day Surgery Patients) and
Post-Anesthesia Recovery Phase II (Stage II Recovery)
Pharmacy
Central Sterile Processing /Distribution

The project includes new construction and the modernization of existing space for the following Clinical Service Areas Other than Categories of Service that are included in this project.

Modernization and expansion of Surgery in both new construction and modernized space

Replacement of the Post-Anesthesia Recovery Unit (PACU) in reduced space in new construction

Replacement and expansion of Surgical Prep/Post-Anesthesia Recovery Phase II in new construction

Modernization and expansion of Pharmacy in modernized space

Replacement and expansion of Central Sterile Processing/Distribution in modernized space

It should be noted that only the following Clinical Service Areas are listed in 77 Ill. Adm. Code 1110.3030(a)(1) as being subject to this Attachment.

Surgery
Pharmacy

However, utilization standards for Surgery as well as for Post-Anesthesia Recovery Phases I and II are identified in 77 Ill. Adm. Code 1110.APPENDIX B.

- A. The proposed project meets the specified review criterion: Necessary Expansion (77 Ill. Adm. Code 1110.3030(c)(2)).

The clinical service areas included in this project that are not categories of service need to be replaced and/or expanded for the following reasons.

1. Surgery

This project proposes to expand the Surgical Suite in order to accommodate the current and proposed utilization in the Surgery Service.

- a. Expansion of the Surgery Suite is necessary because MHC has too few operating rooms to accommodate the hospital's surgical utilization.

MHC currently has a total of 7 operating rooms, which are too few operating rooms to accommodate the historic surgical volume.

Total surgical cases at MHC increased by 4.9% during the 5 year period from 2008 through 2012.

Total surgical hours at MHC increased by 28.6% during the 5 year period from 2008 through 2012.

Surgical volume has continued to increase each year during the past 4 years, as evidenced by reports on the hospital's IDPH Annual Hospital Questionnaire.

Based on CY12 surgical utilization, MHC can justify a total of 11 operating rooms utilizing the Health Facilities and Service Review Board's standard of 1,500 surgical hours per operating room.

- b. Expansion of MHC's operating rooms will continue to be necessary to enable MHC to handle its surgical volume, which is projected to increase in the future as MHC continues to implement its Physician Recruitment Plan. During the past 2 years, the implementation of this Physician Recruitment Plan has already resulted in the recruitment of 32 physicians, including 11 surgeons (listed as Surgeons and Obstetricians/Gynecologists), who represent a wide range of medical and surgical specialties, including extensive representation of sub-specialists.

As of October, 2013, the following surgeons have been recruited to MHC's medical staff.

- 2 General Surgeons
- 1 Cardiothoracic Surgeon
- 1 Colon-Rectal Surgeon
- 1 Surgical Oncologist
- 1 Orthopedic Surgeon
- 1 Otolaryngologist
- 1 Plastic Surgeon
- 1 Urologist
- 2 Obstetricians/Gynecologists

Total surgical cases at MHC are projected to increase by 41% by FY2018, the first complete year of operation after the expansion of the Surgical Suite is completed. This increase is projected to be experienced in both cardio-thoracic cases and in cases that will be performed in the general (multi-specialty) operating rooms.

Total surgical hours at MHC are projected to increase by 28% by FY2018. This increase is projected to be experienced in both cardio-thoracic cases and in cases that will be performed in the general (multi-specialty) operating rooms.

- c. Expansion of MHC's operating rooms will continue to be necessary in the future, despite the hospital's efforts to increase the efficiency of its operating room procedures, because it is projected that newly recruited specialty and sub-specialty surgeons will perform an increased number of cases that have longer surgical times. Such surgical cases include the following: colon resection; vascular surgery; thoracic surgery; robotic cases.
- d. The expansion of MHC's surgical capacity is particularly important because, as a result of recruiting additional surgical sub-specialists, MHC, will be able to reduce outmigration from its market area for both inpatient and outpatient surgical care.

The reduction of outmigration is particularly important because of the designation of MHC's entire market area as a Health Professional Shortage Area and the designation of much of its market area as Medically Underserved Areas.

- e. One of the 3 new multi-specialty operating rooms will be designed to convert to a hybrid imaging/operating room in the future.

A hybrid room combines a standard operating room with advanced imaging functions, thereby incorporating both the imaging and surgical technologies required for a range of both minimally invasive and open surgical procedures on high-risk patients. As a result, a surgical patient will be able to undergo required imaging procedures during surgery without having to be moved to a different room.

2. Post-Anesthesia Recovery Unit (PACU, Recovery Phase I)

This project proposes to replace MHC's existing PACU in order to vacate space adjacent to the Surgical Suite so that an appropriately sized and configured replacement Central Sterile Processing/Distribution Department may be constructed.

The new PACU will provide appropriately sized and configured post-surgical facilities for MHC's surgical patients in a location that is adjacent to the expanded Surgical Suite. The contiguity of the Surgical Suite and the PACU is mandated under Illinois Hospital Licensing Requirements (77 Ill. Adm. Code 250.2440(i)(4) and 250.2630(i)(3).

3. Surgical Prep (for both A.M. Admission of Surgical Inpatients and Same-Day Surgical Patients) and Post-Anesthesia Recovery Phase II

This project proposes to replace and expand MHC's existing Recovery Phase II Department (Stage II Recovery) for the following reasons.

- a. The hospital needs to vacate the space currently occupied by the existing Stage II Recovery Department in order to construct a replacement Central Sterile Processing/Distribution Department that is appropriately sized and configured for contemporary needs adjacent to the Surgical Suite.
- b. The current Stage II Recovery Department does not meet state licensing requirements because it has only 16 stations.
- c. It was determined to provide appropriately sized and configured facilities for surgical patients arriving at the hospital on the morning of surgery who will either undergo ambulatory surgery and be discharged to their homes or be admitted to the hospital subsequent to surgery within the same department as Stage II Recovery.
- d. The new Surgical Prep/Stage II Recovery Department will include the following functions.

- a) Pre-surgical preparation and holding for ambulatory surgical patients and A.M. surgical admissions.

A.M. surgical admissions are surgical patients who arrive at the hospital the morning of surgery and are admitted as inpatients. They receive the same pre-operative care as ambulatory surgical patients and are admitted to an inpatient bed after surgery and their discharge from the PACU.

- b) Stage II Recovery for ambulatory surgical patients.

Adequate space consisting of an appropriate number of patient bays sized and configured for this function as well as all required support space is required in order to meet the Illinois Hospital Licensing Requirements, as stated in 77 Ill. Adm. Code 250.2440(i)(5).

- c) The patient bays will be used for both pre-operative and post-surgical patients, and there must be a sufficient number of patient bays to accommodate patients both before surgery and after their stay in the PACU.

- d) Ambulatory surgery patients require varying lengths of time for Stage II recovery before they are discharged to their homes, and there must be an adequate number of patient bays to permit patients to stay in this department as long as necessary before discharge.

4. Pharmacy

MHC's existing Pharmacy Department needs to be replaced in order to provide space in one contiguous department for expansion to accommodate the department's workload.

- a. Expansion is necessary in order to increase the space available for storage.
- b. The existing department needs to be modernized in order to fulfill the requirements of U.S. Pharmacopeia (USP) – 797 for compounding sterile preparations.

5. Central Sterile Processing/Distribution

Central Sterile Processing/Distribution needs to be replaced in order to create an appropriately sized and configured department on the 1st floor adjacent to surgery.

a. This department will include the following functions.

- 1) Receipt and holding of soiled items and case carts from operating rooms, PACU, Surgical Prep/Stage II Recovery, as well as from other departments and nursing units in the hospital
- 2) Decontamination, washing, and sanitization areas for soiled surgical supplies, instruments, and case carts
- 3) Packaging, sterilization, prep, and staging areas for sterile surgical supplies and instruments
- 4) Clean case cart staging and holding area with workstation and space for case carts
- 5) Storage space for sterile supplies, including a high-density storage area for instrument packs and surgical supplies that will load into the surgical case carts

b. Expansion of the Central Sterile Processing and Distribution Department was necessary in order to have an appropriately sized and configured case cart assembly and storage system for the Surgery Department.

The establishment of a case cart system is advantageous for the following reasons.

- 1) A case cart system increases the efficiency of the surgical supply distribution system because the supplies and surgical instruments for each surgical case are able to be prepared in advance and placed in a case cart where they are brought into the operating room during the set-up for that operation.
- 2) The use of a case cart system facilitates the flow of both clean and soiled surgical instruments.

Surgical instruments need to be decontaminated (cleaned) and sterilized following their use and before being packaged

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for use on new surgical trays, which will then be assembled in case carts for use in operating rooms.

When a case cart system is used, the surgical instruments and supplies for each case are assembled in advance and taken in a closed, sterile container to the Surgical Department before the day's surgical cases begin.

- c. The presence of a Central Sterile Processing/Distribution Department adjacent to the Surgical Suite minimizes the transportation of both soiled and sterile supplies between this department and the Surgical Suite.

B. Utilization for Services Other than Categories of Service

The Illinois certificate of need (CON) Rules include State Guidelines (77 Ill. Adm. Code 1110.APPENDIX B) for the following Clinical Service Areas Other than Categories of Service that are included in this project.

- Surgery (Surgical Suite)
- Post-Anesthesia Recovery Unit (PACU, Recovery Phase I)
- Post-Anesthesia Recovery Phase II (Stage II Recovery) - at MHC, this department will include Surgical Prep for both A.M. Admits and Same-Day Surgery Patients)

There are no State Guidelines (77 Ill. Adm. Code 1110.APPENDIX B) for the following Clinical Service Areas that are included in this project.

- Pharmacy
- Central Sterile Processing/Distribution

Space programs for all Clinical Service Areas included in this project that are not categories of service are found in Attachment 14 and in this Attachment.

The chart on the next page identifies the State Guidelines for each of the Clinical Service Areas included in this project that are not Categories of Service for which State Guidelines exist.

<u>CLINICAL SERVICE AREA</u>	<u>STATE GUIDELINES</u>
Surgery	1,500 hours of surgery per operating room* 2,750 DGSF per operating room
Recovery (Post-Anesthesia Recovery Phase I)	180 DGSF per Recovery Station
Stage II Recovery (Post-Anesthesia Recovery Phase II)**	400 DGSF per Recovery Station

*MHC currently has 1 dedicated Cardio-Thoracic operating room and 6 general multi-specialty operating rooms;
MHC is proposing to have 1 dedicated Cardio-Thoracic operating room and 9 general multi-specialty operating rooms

**Please note that Stage II Recovery is combined with Surgical Prep for A.M. Admissions and Same-Day Surgical Patients

The only Clinical Service Area included in this project that is not a Category of Service for which there are State Guidelines based upon utilization is Surgery.

The following chart identifies historic utilization (Surgical hours) and projected utilization for the first 2 years of operation of this project for Surgery.

	<u>HISTORIC YEARS</u>		<u>PROJECTED YEARS</u>	
<u>CLINICAL SERVICE AREAS</u>	<u>CY2011</u>	<u>CY2012</u>	<u>FY2018</u>	<u>FY2019</u>
Cardio-Thoracic Surgery Cases	701	358	818	811
Cardio-Thoracic Surgery Hours	2,815	2,698	4,385	4,455
Other Surgery Cases	6,883	6,793	9,253	9,321
Other Surgery Hours	11,044	12,722	15,348	15,447
Total Cases	7,584	7,151	10,071	10,132
Total Hours	13,859	15,420	19,733	19,902

The assumptions underlying the projected increase in Surgery Hours are as follows.

1. MHC's surgical hours have increased annually since 2009.
2. MHC's 2012 surgical hours justified 11 operating rooms based upon the Illinois CON State Guidelines (77 Ill. Adm. Code 1110.APPENDIX B).
3. MHC's surgical utilization is projected to continue to increase in the future, as indicated by the assumptions underlying presented below and in Attachment 15.
 - a. Total surgical cases at MHC increased by 4.9% during the 5 year period from 2008 through 2012.
 - b. Total surgical hours at MHC increased by 28.6% during the 5 year period from 2008 through 2012.
 - c. Total surgical cases at MHC are projected to increase by 41% by FY2018, the first complete year of operation after the expansion of the Surgical Suite is completed. This increase is projected to be experienced in both cardio-thoracic cases and in cases that will be performed in the general (multi-specialty) operating rooms.

This increase in surgical cases is expected to be due to the following factors.

- The projected increase in the number of surgical cases at MHC is anticipated due to implementation of MHC's Physician Recruitment Plan, which has already resulted in the recruitment of 11 surgeons (9 surgeons plus 2 Obstetricians/Gynecologists) representing a wide range of surgical specialties, including extensive representation of sub-specialists.

As of October, 2013, the following surgeons have been recruited to MHC's medical staff over the past 2 years.

2 General Surgeons
1 Cardiothoracic Surgeon
1 Colon-Rectal Surgeon
1 Surgical Oncologist
1 Orthopedic Surgeon
1 Otolaryngologist
1 Plastic Surgeon

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1 Urologist
2 Obstetricians/Gynecologists

In addition, the recent recruitment of 2 Emergency Physicians is projected to result in increased surgical referrals from the Emergency Department.

- As a result of recruiting additional surgeons to MHC's medical staff, particularly surgical sub-specialists, MHC will be able to reduce outmigration from its market area for both inpatient and outpatient surgery.

This result is particularly important because of the designation of MHC's entire market area as a Health Professional Shortage Area and the designation of much of its market area as Medically Underserved Areas.

- d. Total surgical hours at MHC are projected to increase by 28% by FY2018, the first complete year of operation after the expansion of the Surgical Suite is completed. This increase is projected to be experienced in both cardio-thoracic cases and in cases that will be performed in the general (multi-specialty) operating rooms.

The increased surgical hours will be due to both an increased number of surgical cases and the increased surgical time that is required to perform an increased number of more lengthy surgical cases, as discussed below.

- As a result of MHC's physician recruitment plan, it is projected that newly recruited specialty and sub-specialty surgeons will perform an increased number of cases that have longer surgical times. Such surgical cases include the following: colon resection; vascular surgery; thoracic surgery; robotic cases.
- Performing an increased number of the more lengthy surgical cases will result in increased surgical time per case.

Although MHC projects that it will be performing an increased number of more lengthy surgical cases, the hospital is currently working on the following projects to increase the efficiency of its operating room procedures: reducing turn-around time between surgical cases; maximizing the number of surgical cases that start on time; and ensuring that "block" scheduling is properly used.

Justification for the number of key rooms and square footage proposed for each Clinical Service Area for which State Guidelines exist is presented on the following pages of this Attachment, based upon projected volume for FY2019, the second complete year of operation after this project is completed.

CLINICAL SERVICE AREA	STATE GUIDELINE (UNITS/ ROOM)	PROJECTED FY2019 VOLUME	TOTAL EXISTING ROOMS/ STATIONS	TOTAL APPROVABLE ROOMS/ STATIONS
Surgery:				
Open Heart	1,500 hours/ operating room	4,455 hours	1	3
General	1,500 hours/ operating room	15,447 hours	6	11
Total Surgery		19,902 hours	7	14
Recovery (Post-Anesthesia Recovery Phase I, PACU)	N/A*	N/A*	10 stations	N/A*
Stage II Recovery (Post-Anesthesia Recovery Phase II)**	N/A**	N/A**	16 stations	N/A*

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

**Please note that Stage II Recovery is combined with Surgical Prep for A.M. Admissions and Same-Day Surgery Patients

Surgery is the only Clinical Service Area included in this project for which there is a State Guideline for the number of rooms or stations.

The proposed number of operating rooms and stations for these clinical service areas is shown in the following chart.

<u>CLINICAL SERVICE AREA</u>	<u>TOTAL APPROVABLE ROOMS</u>	<u>TOTAL PROPOSED ROOMS/ STATIONS</u>	<u>MET STANDARD?</u>
Surgery:			
Open Heart	3	1	Yes
General	11	9	Yes
Total Surgery	14	10	Yes
Recovery (Post-Anesthesia Recovery Phase I, PACU)	N/A*	10 Recovery Bays (Stations)	N/A
Stage II Recovery (Post-Anesthesia Recovery Phase II)**	N/A*	31 Stations	N/A

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

**Please note that Stage II Recovery is combined with Surgical Prep for A.M. Admissions and Same-Day Surgery Patients

Surgery is the only Clinical Service Area included in this project for which there is a State Guideline for the number of rooms or stations, and MHC is proposing to have fewer operating rooms than permitted under the State Guideline for the number of operating rooms, as shown in the table above.

The proposed square footage for these Clinical Service Areas is shown on the chart on the next page.

<u>CLINICAL SERVICE AREA</u>	<u>STATE GUIDELINE (DGSF/ROOM OR UNIT)</u>	<u>TOTAL PROPOSED ROOMS OR UNITS</u>	<u>TOTAL DGSF JUSTIFIED PER PROGRAM</u>	<u>TOTAL PROPOSED DGSF</u>
Surgery	2,750 DGSF per operating room	10 Operating Rooms (9 multi- specialty Operating Rooms + 1 Cardio- Thoracic Room)	27,500	25,649
Recovery (Post- Anesthesia Recovery Phase I, PACU)	180 DGSF per recovery station	10 Recovery Bays (Stations)	1,800	1,782
Surgical Prep/Stage II Recovery (Post- Anesthesia Recovery Phase II)*	400 DGSF per recovery station	31 stations	12,400	12,210

*Please note that Stage II Recovery is combined with Surgical Prep for
A.M. Admissions and Same-Day Surgery Patients

As seen in the table above, the proposed square footage for each of the Clinical Service Areas that are not Categories of Service for which State Guidelines exist is within the State Guidelines found in 77 Ill. Adm. Code 1110.APPENDIX B.

SPACE PROGRAM

SURGICAL SUITE

THIS PROJECT ONLY

- 3 Operating Rooms, 1 of which will be designed to convert to a Hybrid Operating Room
- 10 Bed/Stretcher Alcoves
- 3 Scrub Stations

- 1 Cart Staging Area
- 1 Sub-Sterile Area
- 1 Sterilizer/Blanket Warmer Room
- 1 Equipment Room for Hybrid Operating Room
- 1 Control Room
- 1 Equipment Storage Room
- 1 Storage Alcove for C-Arms and O-Arms
- 1 Alcove
- 1 Return Cart Alcove

- 2 Consultation Rooms

- 1 Locker Room Toilet

- 1 Soiled Holding Room

- 1 Quiet Lounge

- 1 Staff Lounge

- 1 Physicians' Work Room

- 1 Anesthesia Office
- 1 Office
- 1 Education Office

SPACE PROGRAM

POST-ANESTHESIA RECOVERY UNIT (PACU, RECOVERY PHASE I)

9 PACU Private Recovery Cubicles

1 Isolation PACU Recovery Cubicle

1 Nursing Station - shared with Recovery Phase II

1 Clean Supply/Medication Room - shared with Recovery Phase II

1 Soiled Utility Room - shared with Recovery Phase II

1 Storage Alcove - shared with Recovery Phase II

1 Staff Toilet - shared with Recovery Phase II

SPACE PROGRAM

SURGICAL PREPARATION FOR A.M. ADMITS/SAME-DAY SURGERY PATIENTS AND POST-ANESTHESIA RECOVERY PHASE II

- 17 Surgical Prep/Stage II Private Recovery Cubicles
- 3 Surgical Prep/Stage II Semi-Private Recovery Cubicles (2 patients each)
- 8 Open Patient Stations
- 5 Patient Toilet Rooms, 2 of which have showers
- Reception/Registration Area
- 3 Nursing Stations, 1 of which is shared with PACU
- 2 Clean Supply/Medication Rooms, 1 of which is shared with PACU
- 2 Soiled Holding Rooms, 1 of which is shared with PACU
- 1 Nourishment Station
- 1 Equipment Room
- 1 Storage Alcove - shared with PACU
- 1 Supply Alcove
- 1 Manager's Office
- 1 Staff Lounge
- 1 Staff Toilet - shared with PACU
- 1 Janitorial Closet

SPACE PROGRAM

PHARMACY

Receiving/Unit Dose

Work Area/Storage/Supplies/IT WS

Ante-Room

Chemo Preparation Room

IV Solution Preparation Room

4 Workstations for Pharmacists and Pharmacy Technicians

Janitorial Closet

Manager's Office

Supervisor's Office

Staff Kitchen/Lounge/Lockers

SPACE PROGRAM

CENTRAL STERILE PROCESSING/DISTRIBUTION

Decontamination Area

Cart Washing Area

Main Work Area

Sterilization Area

Supply/Delivery Area

Cart Staging Area

Instrument Room

1 Office

1 Staff Lounge

1 Locker Room with a toilet room

1 Changing Rooms

PROOF OF "A+" BOND RATING

**STANDARD
& POOR'S**
RATINGS SERVICES

130 East Randolph Street
Suite 2900
Chicago, IL 60601
tel 312 233-7001
reference no.: 642951

June 12, 2012

Southern Illinois Health System
1239 East Main Street
Carbondale, IL 62901
Attention: Mr. Michael Kasser, Chief Financial Officer

Re: *Illinois Finance Authority (Southern Illinois Healthcare Enterprise)*

Dear Mr. Kasser:

Standard & Poor's has reviewed the Standard & Poor's underlying rating (SPUR) on the above-referenced obligations. After such review, we have affirmed the "A+" rating and stable outlook. A copy of the rationale supporting the rating and outlook is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

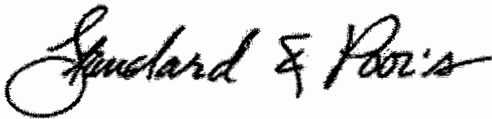
Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would facilitate the process. You must promptly notify us of all material changes in the financial information and the documents. Standard & Poor's may change, suspend, withdraw, or place on CreditWatch the rating as a result of changes in, or unavailability of, such information. Standard & Poor's reserves the right to request additional information if necessary to maintain the rating.

Please send all information to:

Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

If you have any questions, or if we can be of help in any other way, please feel free to call or contact us at nypublicfinance@standardandpoors.com. For more information on Standard & Poor's, please visit our website at www.standardandpoors.com. We appreciate the opportunity to work with you and we look forward to working with you again.

Sincerely yours,

The logo for Standard & Poor's, featuring the company name in a stylized, cursive script.

Standard & Poor's Ratings Services
a Standard & Poor's Financial Services LLC business.

sp
enclosure

cc: Mr. Geoff Andres
Ms. Pamela A. Lenane

Standard & Poor's Ratings Services
Terms and Conditions Applicable To Public Finance Ratings

You understand and agree that:

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All Rating Actions in Ratings Services' Sole Discretion. Ratings Services may assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, at any time, in Ratings Services' sole discretion. Ratings Services may take any of the foregoing actions notwithstanding any request for a confidential or private rating or a withdrawal of a rating, or termination of this Agreement. Ratings Services will not convert a public rating to a confidential or private rating, or a private rating to a confidential rating.

Publication. Ratings Services reserves the right to use, publish, disseminate, or license others to use, publish or disseminate the rating provided hereunder and any analytical reports, including the rationale for the rating, unless you specifically request in connection with the initial rating that the rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private rating or the existence of a confidential or private rating subsequently becomes public through disclosure other than by an act of Ratings Services or its affiliates, Ratings Services reserves the right to treat the rating as a public rating, including, without limitation, publishing the rating and any related analytical reports. Any analytical reports published by Ratings Services are not issued by or on behalf of you or at your request. Notwithstanding anything to the contrary herein, Ratings Services reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public ratings that have been withdrawn, regardless of the reason for such withdrawal. Ratings Services may publish explanations of Ratings Services' ratings criteria from time to time and nothing in this Agreement shall be construed as limiting Ratings Services' ability to modify or refine its ratings criteria at any time as Ratings Services deems appropriate.

Information to be Provided by You. For so long as this Agreement is in effect, in connection with the rating provided hereunder, you warrant that you will provide, or cause to be provided, as promptly as practicable, to Ratings Services all information requested by Ratings Services in accordance with its applicable published ratings criteria. The rating, and the maintenance of the rating, may be affected by Ratings Services' opinion of the information received from you or your agents or advisors. You further warrant that all information provided to Ratings Services by you or your agents or advisors regarding the rating or, if applicable, surveillance of the rating, as of the date such information is provided, (i) is true, accurate and complete in all material respects and, in light of the circumstances in which it was provided, not misleading and (ii) does not infringe or violate the intellectual property rights of a third party. A material breach of the warranties in this paragraph shall constitute a material breach of this Agreement.

Confidential Information. For purposes of this Agreement, "Confidential Information" shall mean verbal or written information that you or your agents or advisors have provided to Ratings Services and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is "Confidential". Notwithstanding the foregoing, information disclosed by you or your agents or advisors to Ratings Services shall not be deemed to be Confidential Information, and Ratings Services shall have no obligation to treat such information as Confidential Information, if such information (i) was known by Ratings Services or its affiliates at the

time of such disclosure and was not known by Ratings Services to be subject to a prohibition on disclosure, (ii) was known to the public at the time of such disclosure, (iii) becomes known to the public (other than by an act of Ratings Services or its affiliates) subsequent to such disclosure, (iv) is disclosed to Ratings Services or its affiliates by a third party subsequent to such disclosure and Ratings Services reasonably believes that such third party's disclosure to Ratings Services or its affiliates was not prohibited, (v) is developed independently by Ratings Services or its affiliates without reference to the Confidential Information, (vi) is approved in writing by you for public disclosure, or (vii) is required by law or regulation to be disclosed by Ratings Services or its affiliates. Ratings Services is aware that U.S. and state securities laws may impose restrictions on trading in securities when in possession of material, non-public information and has adopted securities trading and communication policies to that effect.

Ratings Services' Use of Information. Except as otherwise provided herein, Ratings Services shall not disclose Confidential Information to third parties. Ratings Services may (i) use Confidential Information to assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, and (ii) share Confidential Information with its affiliates engaged in the ratings business who are bound by appropriate confidentiality obligations; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. Ratings Services may also use, and share Confidential Information with any of its affiliates or agents engaged in the ratings or other financial services businesses who are bound by appropriate confidentiality obligations ("Relevant Affiliates and Agents"), for modelling, benchmarking and research purposes; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. With respect to structured finance ratings not maintained on a confidential or private basis, Ratings Services may publish data aggregated from Confidential Information, excluding data that is specific to and identifies individual debtors ("Relevant Data"), and share such Confidential Information with any of its Relevant Affiliates and Agents for general market dissemination of Relevant Data; you confirm that, to the best of your knowledge, such publication would not breach any confidentiality obligations you may have toward third parties. Ratings Services will comply with all applicable U.S. and state laws, rules and regulations protecting personally-identifiable information and the privacy rights of individuals. Ratings Services acknowledges that you may be entitled to seek specific performance and injunctive or other equitable relief as a remedy for Ratings Services' disclosure of Confidential Information in violation of this Agreement. Ratings Services and its affiliates reserve the right to use, publish, disseminate, or license others to use, publish or disseminate any non-Confidential Information provided by you, your agents or advisors.

Ratings Services Not an Expert, Underwriter or Seller under Securities Laws. Ratings Services has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. Ratings Services is not an "underwriter" or "seller" as those terms are defined under applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation Sections 11 and 12(a)(2) of the U.S. Securities Act of 1933. Rating Services has not performed the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with this engagement.

Office of Foreign Assets Control. As of the date of this Agreement, (a) neither you nor the issuer (if you are not the issuer) or any of your or the issuer's subsidiaries, or any director or corporate officer of any of the foregoing entities, is the subject of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC Sanctions"), (b) neither you nor the issuer (if you are not the issuer) is 50% or more owned or controlled, directly or indirectly, by any person or entity ("parent") that is the subject of OFAC Sanctions, and (c) to the best of your knowledge, no entity 50% or more owned or controlled by a direct or indirect parent of you or the issuer (if you are not the issuer) is the subject of OFAC sanctions. For so long as this Agreement is in effect, you will promptly notify Ratings Services if any of these circumstances change.

Ratings Services' Use of Confidential and Private Ratings. Ratings Services may use confidential and private ratings in its analysis of the debt issued by collateralized debt obligation (CDO) and other investment vehicles. Ratings Services may disclose a confidential or private rating as a confidential credit estimate or assessment to the managers of CDO and similar investment vehicles. Ratings Services may permit CDO managers to use and disseminate credit estimates or assessments on a limited basis and subject to various restrictions; however, Ratings Services cannot control any such use or dissemination.

Entire Agreement. Nothing in this Agreement shall prevent you, the issuer (if you are not the issuer) or Ratings Services from acting in accordance with applicable laws and regulations. Subject to the prior sentence, this Agreement, including any amendment made in accordance with the provisions hereof, constitutes the complete and entire agreement between the parties

on all matters regarding the rating provided hereunder. The terms of this Agreement supersede any other terms and conditions relating to information provided to Ratings Services by you or your agents and advisors hereunder, including without limitation, terms and conditions found on, or applicable to, websites or other means through which you or your agents and advisors make such information available to Ratings Services, regardless if such terms and conditions are entered into before or after the date of this Agreement. Such terms and conditions shall be null and void as to Ratings Services.

Limitation on Damages. Ratings Services does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a rating or the results obtained from the use of such information. RATINGS SERVICES GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. Ratings Services, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to you, your affiliates or any person asserting claims on your behalf, directly or indirectly, for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to the rating provided hereunder or the related analytic services even if advised of the possibility of such damages or other amounts except to the extent such damages or other amounts are finally determined by a court of competent jurisdiction in a proceeding in which you and Ratings Services are parties to result from gross negligence, intentional wrongdoing, or willful misconduct of Ratings Services. In furtherance and not in limitation of the foregoing, Ratings Services will not be liable to you, your affiliates or any person asserting claims on your behalf in respect of any decisions alleged to be made by any person based on anything that may be perceived as advice or recommendations. In the event that Ratings Services is nevertheless held liable to you, your affiliates, or any person asserting claims on your behalf for monetary damages under this Agreement, in no event shall Ratings Services be liable in an aggregate amount in excess of US\$5,000,000 except to the extent such monetary damages directly result from Ratings Services' intentional wrongdoing or willful misconduct. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence), or otherwise. Neither party waives any protections, privileges, or defenses it may have under law, including but not limited to, the First Amendment of the Constitution of the United States of America.

Termination of Agreement. This Agreement may be terminated by either party at any time upon written notice to the other party. Except where expressly limited to the term of this Agreement, these Terms and Conditions shall survive the termination of this Agreement.

No Third-Party Beneficiaries. Nothing in this Agreement, or the rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of the rating. No person is intended as a third party beneficiary of this Agreement or of the rating when issued.

Binding Effect. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns.

Severability. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, impaired, or invalidated, and each such term and provision shall be valid and enforceable to the fullest extent permitted by law.

Amendments. This Agreement may not be amended or superseded except by a writing that specifically refers to this Agreement and is executed manually or electronically by authorized representatives of both parties.

Reservation of Rights. The parties to this Agreement do not waive, and reserve the right to contest, any issues regarding sovereign immunity, the applicable governing law and the appropriate forum for resolving any disputes arising out of or relating to this Agreement.

PROJECT COSTS TO BE FUNDED USING DEBT FINANCING

ATTACHMENT-42



SOUTHERN ILLINOIS HEALTHCARE

August 28, 2013

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

Re: Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale and
Southern Illinois Healthcare Enterprises, Inc.

Dear Ms. Avery:

The undersigned, as authorized representatives of Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale and Southern Illinois Healthcare Enterprises, Inc., in accordance with 77 Ill. Adm. Code 1120.140(a)(1) and the requirements of Section X.A.1 of the CON Application for Permit, hereby attest to the following:

The selected form of debt financing for this project will be tax exempt revenue bonds issued through the Illinois Finance Authority;

The selected form of debt financing for this project will be at the lowest net cost available to the co-applicants.

Signed and dated as of August 28, 2013.

Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale
Southern Illinois Healthcare Enterprises, Inc.
Illinois Not-for-Profit Corporations

Rex P. Budde, President and CEO
Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale



Susan M. Roark
8-28-2013

Michael Kasser, Vice President/CFO/Treasurer
Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale



Valerie K. Cawvey
8-29-2013

XII.**Charity Care Information**

1. The amount of charity care for the last 3 audited fiscal years for Memorial Hospital of Carbondale, the cost of charity care, and the ratio of that charity care cost to net patient revenue are presented below.

MEMORIAL HOSPITAL OF CARBONDALE

	FY2011	FY2012	FY2013
Net Patient Revenue	\$208,545,744	\$196,783,000	\$220,054,000
Amount of Charity Care (charges)	\$22,298,684	\$19,840,834	\$23,152,731
Cost of Charity Care	\$7,605,617	\$6,067,367	\$7,228,336
Ratio of Charity Care to Net Patient Revenue (Based on Charges)	10.69%	10.08%	10.52%
Ratio of Charity Care to Net Patient Revenue (Based on Costs)	3.65%	3.08%	3.28%

2. This chart reports data for Memorial Hospital of Carbondale, which is an assumed name (d/b/a) of Southern Illinois Hospital Services. The charity costs and patient revenue are only for Memorial Hospital of Carbondale and are not consolidated with any other entities that are part of Southern Illinois Hospital Services or its parent, Southern Illinois Healthcare.
3. Because Memorial Hospital of Carbondale is an existing facility, the data are reported for the latest three audited fiscal years.