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**Illinois Health Facilities and  
Services Review Board**

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SERVICES REVIEW BOARD

**Supplemental Information Filing**

**Project 13-072**

**Beloit Health System**

**NorthPointe Health and Wellness Campus**

**Roscoe, Illinois**

**Ambulatory Surgical Treatment Center**

April 14, 2014

Illinois Health Facilities and  
Services Review Board  
Supplemental Information Filing  
Project 13-072

Beloit Health System  
NorthPointe Health and Wellness Campus  
Roscoe, Illinois  
Ambulatory Surgical Treatment Center

April 14, 2014

April 14, 2014

Ms. Courtney R. Avery  
Administrator  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield IL 62761

Re: Project 13-072; Supplemental Information  
NorthPointe Health and Wellness Campus  
Ambulatory Surgical Treatment Center

Dear Ms. Avery:

On March 11, 2014 we requested a deferral of our Permit Application in order to:

- Respond to Review Board Member questions at the meeting
- Further respond to the applicable SAR areas of potential non-compliance
- Clarify certain material in our Permit Application for the Board's consideration
- Respond to new information presented during the public participation segment of the Review Board meeting.

Most importantly, on reading the meeting transcript, it appears the Review Board identified several areas where additional information and/or clarifications were desired; in particular, providing similar information as is published for Illinois hospitals for evaluation purposes.

These specific areas are:

1. Providing AHQ utilization and financial profile information. (Mr. Constantino provided an Excel format for this information)
2. Outlining the reasons for modernizing the Beloit Memorial Hospital surgical suite.
3. Clarifying the respective alternatives considered and the preferred choice to develop a 4-room ASTC at NorthPointe as the least costly option.

**At-Home Healthcare**  
1904 E. Huebbe Parkway  
Beloit, WI • (608) 363-5885

**Beloit Clinic**  
1905 E. Huebbe Parkway  
Beloit, WI • (608) 364-2200

**Clinton Clinic**  
307 Ogden Avenue  
Clinton, WI • (608) 676-2206

**Darien Clinic**  
300 N. Walworth Street  
Darien, WI • (262) 882-1151

**Janesville Clinic**  
1321 Creston Park  
Janesville, WI • (608) 757-1217

**NorthPointe Health & Wellness Campus**  
5605 E. Rockton Road  
Roscoe, IL • (815) 525-4000

**NorthPointe Terrace**  
5601 E. Rockton Road  
Roscoe, IL • (815) 525-4800

**Occupational Health Sports & Family Medicine Center**  
1650 Lee Lane  
Beloit, WI • (608) 362-0211

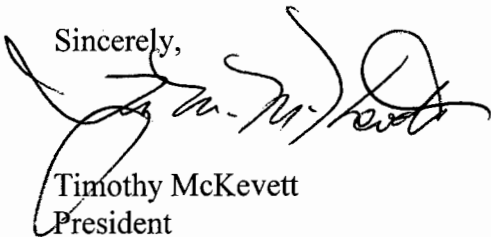
**Riverside Terrace**  
3055 S. Riverside Dr.  
Beloit, WI • (608) 365-7222

**West Side Clinic**  
1735 Madison Road  
Beloit, WI • (608) 363-7510

4. Describing the Beloit Health System, its market, programs, and services; in particular, NorthPointe.
5. Summarizing changes in healthcare delivery and Beloit Health Systems response and approach to integration, integrated care, and collaborative / strategic partnerships.
6. Clarifying the System's approach to Illinois ASTC licensing requirements.

We trust this supplemental material responds to the State Board's questions. Please let me know if further information is required. I can be reached at 608-365-5686 or by e-mail at [tmckevett@beloithealthsystem.org](mailto:tmckevett@beloithealthsystem.org)

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy McKeve", is written over the printed name and title.

Timothy McKeve  
President

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Introduction / Purpose

Beloit Health System (Beloit or BHS) proposes to develop a 4-room multi-specialty Ambulatory Surgical Treatment Center (ASTC) on its NorthPointe Health and Wellness Campus, Roscoe, Illinois. Such a development requires a CON permit approval by the Illinois Health Facilities and Services Review Board (IHFSRB or State Board) and ultimately, if approved and developed, an operational license by the Illinois Department of Public Health (IDPH).

The proposed 4-room ASTC is justified, in great part, by the volume attested to by certain physicians who plan to relocate cases and procedures from Beloit Memorial Hospital (BHS) to the NorthPointe ASTC. Other criteria and market considerations are also considered by the IHFSRB in making their determination to issue a Permit.

At the March 11, 2014 State Board meeting, Beloit requested a deferral by the members present in order to provide supplemental information necessary to clarify the underlying Permit Application and respond to questions raised at the meeting.

Beloit Health System appreciates the Review Board's thoughtful questions and observations and trust this supplemental material submission addresses your issues.

Project Background / Summary

The underlying Permit Application, public hearing presentations, project SAR, related submissions, and State Board meeting transcript provides extensive information on the proposed project, its need, alternatives considered, and related facts. Hence, this supplemental material focuses primarily on additional information which clarifies current project related documentation and responds to State Board questions and comments.

Certain facts pertaining to the proposed ASTC are on the record:

1. Beloit's NorthPointe Health and Wellness Campus was developed after the then State Board determined a CON was not required. This ambulatory focused campus was developed to serve Beloit System patients in the state-line region and respond to changing delivery models emphasizing ambulatory care and wellness programs.
2. Beloit Memorial Hospital needs to modernize its outdated surgery and procedural facilities and has demonstrated additional capacity is necessary to accommodate peak utilization patterns and restricted use special-purpose rooms (open heart, cystoscopy, and periodic C-section procedures).

The project SAR (Page 3, Criterion 1110.1540(f)) indicates 10 total operating and procedure rooms are justified on historical workload. Beloit Memorial Hospital has 6 operating rooms and 2 G.I. procedure rooms for a total of 8 rooms.

However, the effective capacity is only 4 operating rooms and 2 G.I. procedure rooms for a working total of 6 rooms assuming restricted capacity. (2-special rooms, cysto and open heart)

Assuming 10 operating and procedure rooms are justified based on State Board criteria, the proposed 4-room ASTC, when combined with the 6 available rooms at BMH, meet this utilization or establishment criteria

3. Physician attestation letters document the relocation of 3,457 cases which justify a 4-room multi-specialty ASTC (Criterion 1110.234) (Criterion 1110.1540).

4. Within the Beloit Integrated Health System, the proposed project intends to replace and not expand capacity as well as modernize certain facilities over time. That said, approval for the proposed multi-specialty ASTC also needs to consider existing hospitals and ASTC's regarding "Establishment of New Facility" criteria. This consideration is addressed herein. (Criterion 1110.1540(e) and 1110.1540(f))

It should be recognized, contrary to public hearing comments and public participation testimony, only one in-market ASTC does not meet State Board utilization criteria (Rockford Ambulatory Surgery Center) and five hospitals do not meet State Board utilization criterion; three of which have not objected to the Permit Application (Mercy Harvard, Rochelle Community, and OSF St. Anthony Hospital). Thus, the actual impact on existing facilities, if any, due to the relocated cases which do not increase market capacity or room availability, is judged to be significantly less than emotionally stated in the review process. In addition, certain in-market providers restrict access by Medicaid and charity care patients thereby restricting market access and discounting available OR and procedure rooms.

Integrated Health Systems  
Healthcare Reform (ACA), and  
Transformational Change

Beloit Health System is a fully integrated healthcare provider. The System has developed over several years in response to delivery system changes, market challenges, and anticipated reform initiatives.

The System provides a comprehensive range of services or continuum from physician clinics to hospital-based outpatient and inpatient care, and also long-term care / assisted living facilities. Its strategic focus on ambulatory / outpatient care is consistent with health delivery system trends and the more recent ACA legislation.

As an integrated system, Beloit provides those select services which can be delivered cost-effectively and efficiently while strategically associating with others to facilitate access to a full range of horizontally and vertically integrated health programs as described herein.

Two types of integrated health systems have evolved nationally:

- |                 |                                                                                                                            |
|-----------------|----------------------------------------------------------------------------------------------------------------------------|
| <u>Vertical</u> | Systems wherein there is common ownership of the various components of a delivery model.                                   |
| <u>Virtual</u>  | Systems wherein there are arms-length or contractual relationships through alliances, networks, ventures, or partnerships. |

Beloit is a hybrid, integrated system care model comprised of vertical and virtual elements. It “owns” select components including physician practices, and has virtual relationships with others like Rockford Health System for cardiology related services and University of Wisconsin for specialty programs like neurosurgery and cancer care. It does not aspire to directly own all delivery system components. Its limited market does not provide sufficient volume to cost-effectively own or provide a full array of healthcare programs and services. In addition, the reimbursement economics associated with the ACA do not foster such developments on a limited scale. Hence, the ACA fosters the national trend to consolidate providers into large systems which, in theory, can more efficiently provide care programs, based on economics of scale and managing care to improve population health.

In order to optimize value, successful integrated healthcare systems provide patient access to key functional, physician / caregiver, and clinical components and coordinate care between them in order to achieve mutually shared objectives focused on patient care and population health. The basic characteristics of an integrated health delivery system are: (shortell, et.al.)

- EHR / Information systems to link providers, patients, and payers to coordinate care
- Population health focus
- Matching services and capacity to market requirements
- Coordination of care across the continuum
- Reasonable and publically available cost, quality, outcome, and patient satisfaction information
- Appropriate and aligned financial incentives to achieve shared objectives / goals
- Continuous performance improvement
- Strategic relationships to ensure community health needs are met

Beloit has embraced these principles in developing its current integrated system. In addition, it is exploring the best way to develop an Accountable Care Organization (ACO) to effectively:

- Lower healthcare costs
- Enhance quality of care
- Improve healthcare outcomes

This new and evolving care model will embrace pay-for-performance in contrast to fee-for-service.

These strategic initiatives will require Beloit Health System to transition from the industry's current focus, by way of example, to a future state as outlined by the following matrix.

|    | Topical Area Considerations | Characteristics                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                          |
|----|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                             | Current Focus (Typical)                                                                                                                                 | Future Focus                                                                                                                                                                                                                                                                                                                                                                                             |
| 1. | Mission                     | Maintain / improve individual health (individual based illness perspective – provider focused role model)                                               | Improve health status of defined population (population-based community health status) (Public health role model)                                                                                                                                                                                                                                                                                        |
| 2. | Vision                      | Based on current strengths; local provider of choice; illness perspective; Service Area focus                                                           | Population health focus; broader program offering; health “facilitator” of choice ... access, compliance, individual health status                                                                                                                                                                                                                                                                       |
| 3. | Delivery Model              | Inpatient shifting to ambulatory care ... sickness / illness model ... fragmented care model ... non-integrated continuum of care; care-delivery silos. | Ambulatory care and individual compliance models with inpatient support ... health status and prevention model coupled with chronic care support systems ... integrated model based on managed continuum of care.                                                                                                                                                                                        |
| 4. | Caregivers                  | Primarily physician based and driven – episode / illness care model                                                                                     | Broader non-caregiver facilitators and non-physician providers in support of physicians ... enhanced cost efficiency and effectiveness ... maximize value. (Public policy issues)                                                                                                                                                                                                                        |
| 5. | Programs and Service Lines  | Acute illness and episodic illness focus                                                                                                                | Health maintenance, care management, and improved health status focus; program emphasis on chronic care ... <ul style="list-style-type: none"> <li>a. Weight management / Obesity</li> <li>b. Diabetes</li> <li>c. Vascular disease(s)</li> <li>d. Cancer</li> <li>e. Neurological disorders</li> <li>f. Sports medical and Orthopaedics</li> <li>g. Environmentally caused health conditions</li> </ul> |

|    | Topical Area Considerations | Characteristics                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                 |
|----|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                             | Current Focus (Typical)                                                                                                                                                                                                          | Future Focus                                                                                                                                                                                                                                                                                                                    |
| 6. | Information Systems         | Fragmented; non-integrated; EHR focus on acute / episodic illness (primarily); not comprehensive nor necessarily focused on managing population-based health and status                                                          | Integrated across continuum of care; Electronic Health Record (EHR) focus; outcomes oriented and maintenance / improvement of individual health status; chronic disease management ... all inclusive comprehensive individual health and health status records ... with analytics in order to evaluate and manage health status |
| 7. | General Summary (key words) | <u>Current</u><br>Illness based<br>Episodic Care<br>Acute Care<br>Service Area<br>Medical Based<br>Market<br>Fragmented Delivery<br>Care Silos<br>"Owned" Providers<br>Independent Providers<br>"Acute Programs"<br>Managed Care | <u>Moving to</u><br>Improved health status<br>Care Management<br>Chronic Care Management<br>Community<br>Broader "Providers"<br>Community<br>Integrated Delivery<br>Continuum of Care<br>Partners / Contracted<br>Collaborators / Partners<br>Broad Range<br>Care Management                                                    |

In summary, Beloit Health System has embraced change, is transforming itself, and the proposed NorthPointe ASTC is consistent with health delivery trends and related ACA initiatives focused on population health. Beloit NorthPointe Health and Wellness Campus is but one example of a response to ambulatory care and wellness programs; the proposed ASTC another.

Overview Characteristics

- Beloit Health System
- Beloit Memorial Hospital
- NorthPointe Health and Wellness Campus

Beloit Health System Overview

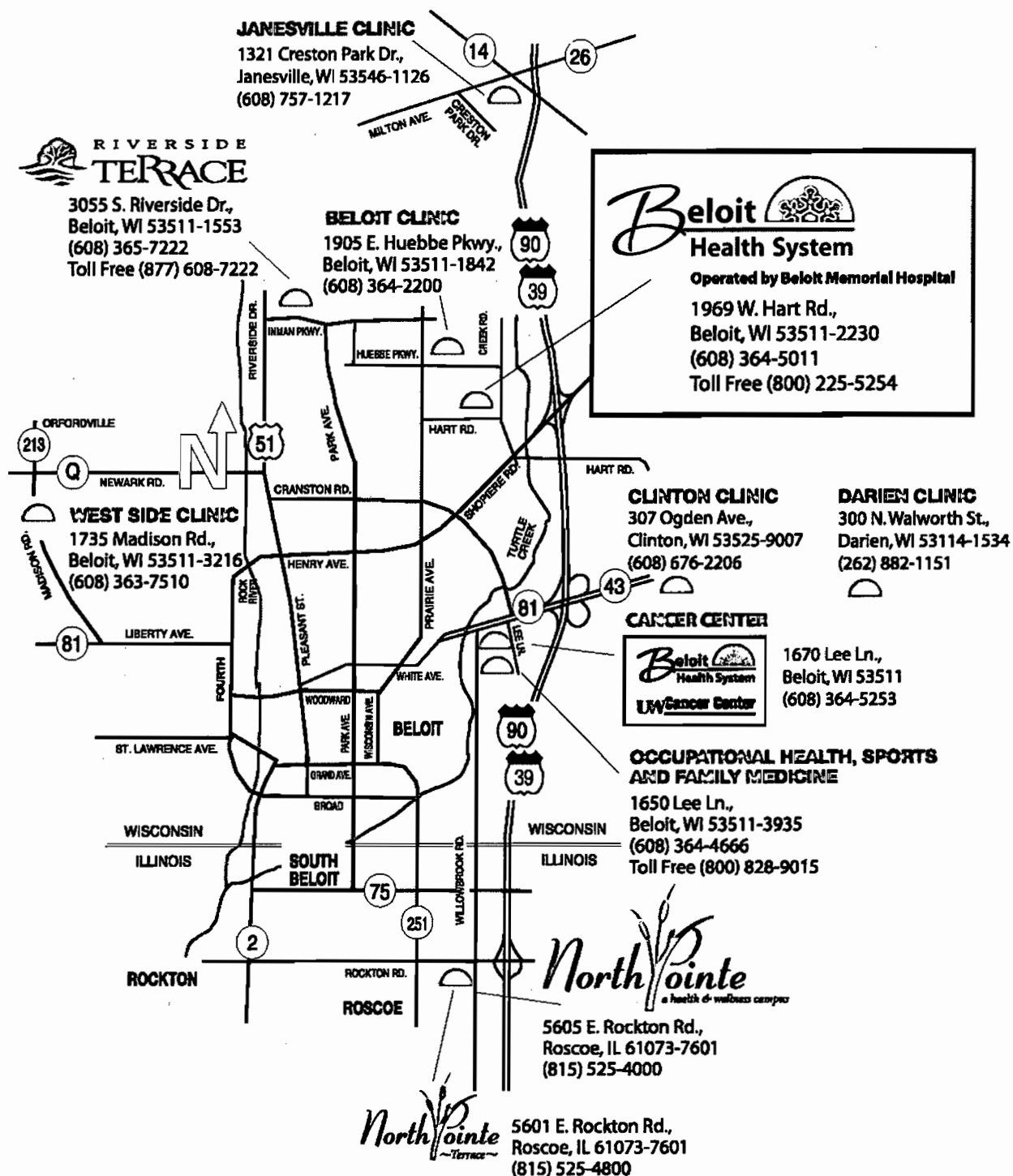
Beloit Health System, Inc. is located at 1969 W. Hart Road, Beloit, Wisconsin and is a fully integrated healthcare provider with facilities in the Southern Wisconsin and Northern Illinois state-line region (see map on the following page). It is comprised of Beloit Memorial Hospital, the Beloit Clinic, several satellite clinics in the region, and also assisted living facilities in Wisconsin and Illinois. The System has a regional Cancer Care Center in Wisconsin in conjunction with the University of Wisconsin. Beloit Memorial Hospital is a 256 bed community hospital type facility that includes a Dialysis Center, regional Stateline Emergency Care Center, and comprehensive range of services consistent with a community hospital provider. In December 2007, the hospital opened the \$35 million new health and wellness campus in Roscoe, Illinois called NorthPointe. NorthPointe includes an Assisted Living Center (NorthPointe Terrace), Fitness / Wellness Center, Immediate Care Center, Spa, and Physician Clinics. Laboratory and Imaging Services are also provided at NorthPointe.

Beloit Health System Mission

The mission of Beloit Health System, Inc. is to be the leader in regional health and wellness services that delivers high quality value and satisfaction to our patients and communities we serve.

Beloit Health System Relationships

As an integrated system, Beloit recognizes it cannot be “all-things-to-all-people” in that the geographic market is not large enough. The System provides those programs and services it can cost-effectively deliver and has strategic relationships with other organizations in Illinois and Wisconsin to complement its programs. By way of example, these are:



### **Beloit Health System Partnerships and Integration**

Student clinical sites:

- Blackhawk Technical College- MA, RN, pharmacy tech, radiologic tech
- St. Anthony's college of nursing- Nurse Practitioner clinical site
- Others on an as needed basis

Aurora St. Luke's in Milwaukee; Electrophysiology

University of Wisconsin Hospital & Clinic (Madison):

- UW-Neuro surgery clinics
- UW-Shoulder surgery clinic and some outpatient surgery
- UW Collaborative Agreement
- UW Cancer Care Center
- UW Stroke
- UW ER Residency
- UW with First Choice PPO Network
- UW Madison- nursing and pharmacy students
- UW Eau Claire and UW Rock County- BSN students

Shared ER call arrangements with Mercy (Janesville):

- Cardiothoracic Surgery
- ENT
- Ophthalmology
- Plastic
- Allergy (Ragotzy) contracted arrangement.

Rockford Health System (Rockford, Illinois):

- Agreement for perfusionists and RNFA for cardiology
- Rockford Health System with First Choice PPO Network

Rockford Nephrology - Medical director for dialysis and nephrologists

Stateline Anesthesia - anesthesia contract (Illinois and Wisconsin)

SWEA - Emergency Room and Immediate Care physician services

Paratech - Ambulance services

Beloit Health and Rehab - Nurse Practitioner agreement

Davita - Acute Dialysis services contract

Homecare Pharmacy – DME provider

Hononegah High School (Roscoe, Illinois) - Student nursing services

VHA/CSC (GPO)

School District of Beloit Wellness Clinic

Beloit College – Nurse Practitioner, Counseling Care Staff

Beloit Regional Hospice – Physician coverage, Medical Director

Provider Sponsored Managed Care Plans: Dean, Unity, Humana, Anthem BCBS (Illinois and Wisconsin)

A description of the Beloit System market is included as defined by Hospital related inpatient and outpatient registrations, physician encounters, wellness utilization, and aggregated totals. Almost 50% of Beloit's utilization originates from Illinois residents.

Beloit Health System Market

The Beloit organization serves the Illinois / Wisconsin state-line region and has had a physical presence in Illinois since 1991. It is not new to the market. Patients and their families are not hindered by geo-political boundaries. The Beloit Health System is a significant Illinois / Wisconsin regional provider.

The following tables indicate the volume of services or regional market dependency on Beloit Health System services (inpatient, outpatient, physician encounters, and wellness visits):

Hospital Inpatient and Outpatient Registrations  
Calendar Year 2012

| <u>Residence Location</u> |                 | <u>Service Location</u> |                    | <u>Total</u>   | <u>% Dist.</u> |
|---------------------------|-----------------|-------------------------|--------------------|----------------|----------------|
| <u>Illinois</u>           | <u>Zip Code</u> | <u>Beloit</u>           | <u>NorthPointe</u> |                |                |
| Rockton                   | 61072           | 1,729                   | 3,635              | 5,364          | 4.3%           |
| Roscoe                    | 61073           | 2,043                   | 4,355              | 6,398          | 5.1%           |
| S. Beloit                 | 61080           | 5,528                   | 3,885              | 9,413          | 7.5%           |
| Other IL                  | --              | <u>17,787</u>           | <u>1,921</u>       | <u>19,708</u>  | <u>15.6%</u>   |
| Subtotal IL               | --              | 27,087                  | 13,796             | 40,883         | <u>32.4%</u>   |
| % Dist.                   | --              | 66.3%                   | 33.7%              | 100%           | --             |
| <u>Wisconsin</u>          |                 |                         |                    |                |                |
| Beloit                    | 53511           | 73,488                  | 7,414              | 80,902         | 64.2%          |
| Other WI                  | --              | <u>1,638</u>            | <u>2,633</u>       | <u>4,271</u>   | <u>3.4%</u>    |
| Subtotal WI               | --              | 75,126                  | 10,047             | 85,173         | <u>67.6%</u>   |
| % Dist.                   | --              | 88.2%                   | 11.8%              | 100%           | --             |
| Total                     | --              | <u>102,213</u>          | <u>23,843</u>      | <u>126,056</u> | <u>100%</u>    |
| % Dist.                   |                 | 81.1%                   | 18.9%              | 100%           | --             |

This hospital-related summary data indicates that 32.4% of Hospital Inpatient and Outpatient registrations are from Illinois residents with 67.6% emanating from Wisconsin residents. The service delivery sites are distributed between Illinois (18.9%) and Wisconsin (81.1%) based locations. Clearly, the Beloit Health System is a significant regional state-line provider.

Physician Encounters  
Calendar Year 2012

| <u>Residence Location</u> |                 | <u>Service Location</u> |                    | <u>Total</u>   | <u>% Dist.</u> |
|---------------------------|-----------------|-------------------------|--------------------|----------------|----------------|
| <u>Illinois</u>           | <u>Zip Code</u> | <u>Beloit</u>           | <u>NorthPointe</u> |                |                |
| Rockton                   | 61072           | 4,155                   | 2,999              | 7,154          | 3.7%           |
| Roscoe                    | 61073           | 4,424                   | 4,089              | 8,513          | 4.4%           |
| S. Beloit                 | 61080           | 9,799                   | 3,116              | 12,915         | 6.7%           |
| Other IL                  | --              | <u>3,731</u>            | <u>2,737</u>       | <u>6,468</u>   | <u>3.4%</u>    |
| Subtotal IL               | --              | 22,109                  | 12,941             | 35,050         | <u>18.2%</u>   |
| % Dist.                   | --              | 63.1%                   | 36.9%              | 100%           | --             |
| <u>Wisconsin</u>          |                 |                         |                    |                |                |
| Beloit                    | 53511           | 114,370                 | 6,898              | 121,268        | 62.9%          |
| Other WI                  | --              | <u>34,519</u>           | <u>2,050</u>       | <u>36,569</u>  | <u>19.0%</u>   |
| Subtotal WI               | --              | 148,889                 | 8,948              | 157,837        | <u>81.8%</u>   |
| % Dist.                   | --              | 94.3%                   | 5.7%               | 100%           | --             |
| Total                     | --              | <u>170,998</u>          | <u>21,889</u>      | <u>192,887</u> | <u>100%</u>    |
| % Dist.                   |                 | <u>88.7%</u>            | <u>11.3%</u>       | <u>100%</u>    |                |

This physician-related summary data indicates that 18.2% of Beloit Clinic encounters are from Illinois residents with 81.8% from Wisconsin residents. The service delivery sites are distributed between Illinois (11.3%) and Wisconsin (88.7%) based locations. This data also indicates the Beloit Clinic is a significant regional state-line provider.

Wellness Visits  
Calendar Year 2012

| <u>Residence Location</u> |                 | <u>Service Location</u> |                |
|---------------------------|-----------------|-------------------------|----------------|
| <u>Illinois</u>           | <u>Zip Code</u> | <u>NorthPointe</u>      | <u>% Dist.</u> |
| Rockton                   | 61072           | 43,090                  | 23.2%          |
| Roscoe                    | 61073           | 68,188                  | 36.7%          |
| S. Beloit                 | 61080           | 21,827                  | 11.8%          |
| Other IL                  | --              | <u>14,495</u>           | <u>7.8%</u>    |
| Subtotal IL               | --              | <u>147,600</u>          | <u>79.5%</u>   |
| <u>Wisconsin</u>          |                 |                         |                |
| Beloit                    | 53511           | 35,645                  | 19.2%          |
| Other WI                  | --              | <u>2,538</u>            | <u>1.4%</u>    |
| Subtotal WI               | --              | <u>38,183</u>           | <u>20.6%</u>   |
| Total                     | --              | <u>185,783</u>          | <u>100%</u>    |

The NorthPointe wellness program-related data indicates 79.5% of the utilization emanates from Illinois residents with 20.6% from Wisconsin residents. Again, this data indicates the Beloit Health System is a significant Illinois and Wisconsin regional state-line provider.

Consolidated Activity  
Calendar Year 2012

|                        | <u>Resident of:</u> |                |                |                |
|------------------------|---------------------|----------------|----------------|----------------|
|                        | <u>IL</u>           | <u>WI</u>      | <u>Total</u>   | <u>% Dist.</u> |
| Hosp. Inp. / Opd. Reg. | 40,883              | 85,173         | 126,056        | 25.0%          |
| Physician Encounters   | 35,050              | 157,837        | 192,887        | 38.2%          |
| Wellness Visits        | <u>147,600</u>      | <u>38,183</u>  | <u>185,783</u> | <u>36.8%</u>   |
| Total                  | <u>223,533</u>      | <u>281,193</u> | <u>504,726</u> | <u>100%</u>    |
| % Dist.                | <u>44.3%</u>        | <u>55.7%</u>   | <u>100%</u>    |                |

On a consolidated basis, approximately 44.3% of Beloit Health Systems patient related activity originates from Illinois with the remaining 55.7% from Wisconsin residents thus demonstrating Beloit Health Systems' multi-state service area.

Beloit Memorial Hospital Utilization

Members of the State Board requested Hospital data formatted similar to that provided by Illinois hospitals in an AHQ format. This information is shown in the following Attachment 1 for the years 2010, 2011, 2012, and 2013.

NorthPointe Health and Wellness Campus (Roscoe, Illinois)

NorthPointe programs and services are provided in Attachment 2, which follows. The proposed ASTC will be an expansion of this existing facility and its related support programs including imaging and laboratory services.



## Page 17 of 76

| <u>Birth Data</u>                         |     | <u>Newborn Nursery Utilization</u> |         | <u>Organ Transplantation</u> |
|-------------------------------------------|-----|------------------------------------|---------|------------------------------|
| Number of Total Births:                   | 612 | Level 1 Patient Days               | 0       | Kidney:                      |
| Number of Live Births:                    | 608 | Level 2 Patient Days               | 1,558   | Heart:                       |
| Birthing Rooms:                           | 0   | Level 2+ Patient Days              |         | Lung:                        |
| Labor Rooms:                              | 0   | Total Nursery Patient days         | 1,558   | Heart/lung:                  |
| Delivery Rooms:                           | 0   |                                    |         | Pancreas:                    |
| Labor-Delivery-Recovery Rooms:            | 4   | Inpatient Studies                  | 213,653 | Liver:                       |
| Labor-Delivery-Recovery-Postpartum Rooms: | 0   | Outpatient Studies                 | 346,488 | Total:                       |
| C-Section Rooms:                          | 0   | Studies Performed Under Contract   |         |                              |
| C-Sections Performed:                     | 177 |                                    |         |                              |

NorthPointe  
Supplemental Information  
April 14, 2014  
Page 18 of 76

| Hospital Profile                                       |                 | FY 2010    |           | Beloit Memorial Hospital  |                | Beloit                                         |                     | Page 2                    |                          |                |            |   |
|--------------------------------------------------------|-----------------|------------|-----------|---------------------------|----------------|------------------------------------------------|---------------------|---------------------------|--------------------------|----------------|------------|---|
| Surgery and Operating Room Utilization                 |                 |            |           |                           |                |                                                |                     |                           |                          |                |            |   |
| Surgical Specialty                                     | Operating Rooms |            |           |                           | Surgical Cases |                                                | Surgical Hours      |                           |                          | Hours per Case |            |   |
|                                                        | Inpatient       | Outpatient | Combined  | Total                     | Inpatient      | Outpatient                                     | Inpatient           | Outpatient                | Total Hours              | Inpatient      | Outpatient |   |
| Cardiovascular                                         | 0               | 0          | 1         | 1                         | 34             | 1                                              | 231.88              | 1                         | 232.88                   | 6.82           | 1.00       |   |
| Dermatology                                            | 0               | 0          | 0         | 0                         | 0              | 0                                              | 0                   | 0                         | 0                        | 0.00           | 0.00       |   |
| General                                                | 0               | 0          | 1         | 1                         | 412            | 720                                            | 947.6               | 1202.4                    | 2150                     | 2.30           | 1.67       |   |
| Gastroenterology                                       | 0               | 0          | 0         | 0                         | 11             | 10                                             | 18.26               | 15                        | 33.26                    | 1.66           | 1.50       |   |
| Neurology                                              | 0               | 0          | 0         | 0                         | 0              | 0                                              | 0                   | 0                         | 0                        | 0.00           | 0.00       |   |
| OB/Gynecology                                          | 0               | 0          | 1         | 1                         | 315            | 404                                            | 686.7               | 565.6                     | 1252.3                   | 2.18           | 1.40       |   |
| Oral/Maxillofacial                                     | 0               | 0          | 0         | 0                         | 1              | 15                                             | 2.5                 | 33.9                      | 36.4                     | 2.50           | 2.26       |   |
| Ophthalmology                                          | 0               | 0          | 1         | 1                         | 0              | 692                                            | 0                   | 519                       | 519                      | 0.00           | 0.75       |   |
| Orthopedic                                             | 0               | 0          | 1         | 1                         | 339            | 802                                            | 945.81              | 1323.3                    | 2269.11                  | 2.79           | 1.65       |   |
| Otolaryngology                                         | 0               | 0          | 0         | 0                         | 10             | 308                                            | 17.5                | 363.44                    | 380.94                   | 1.75           | 1.18       |   |
| Plastic Surgery                                        | 0               | 0          | 0         | 0                         | 0              | 0                                              | 0                   | 0                         | 0                        | 0.00           | 0.00       |   |
| Podiatry                                               | 0               | 0          | 0         | 0                         | 9              | 175                                            | 14.49               | 271.25                    | 285.74                   | 1.61           | 1.55       |   |
| Thoracic                                               | 0               | 0          | 0         | 0                         | 0              | 0                                              | 0                   | 0                         | 0                        | 0.00           | 0.00       |   |
| Urology                                                | 0               | 0          | 1         | 1                         | 108            | 274                                            | 265.68              | 435.66                    | 701.34                   | 2.46           | 1.59       |   |
| Pain Management                                        | 0               | 0          | 0         | 0                         | 0              | 205                                            | 0                   | 205                       | 205                      | 0.00           | 1.00       |   |
| Totals                                                 | 0               | 0          | 6         | 6                         | 1239           | 3606                                           | 3130.42             | 4935.55                   | 8065.97                  | 2.53           | 1.37       |   |
| SURGICAL RECOVERY STATIONS                             |                 |            |           |                           |                |                                                |                     |                           |                          |                |            |   |
|                                                        |                 |            |           | Stage 1 Recovery Stations |                | 6                                              |                     | Stage 2 Recovery Stations |                          | 13             |            |   |
| Dedicated and Non-Dedicated Procedure Room Utilization |                 |            |           |                           |                |                                                |                     |                           |                          |                |            |   |
|                                                        | Procedure Rooms |            |           |                           | Surgical Cases |                                                | Surgical Hours      |                           |                          | Hours per Case |            |   |
|                                                        | Inpatient       | Outpatient | Combined  | Total                     | Inpatient      | Outpatient                                     | Inpatient           | Outpatient                | Total Hours              | Inpatient      | Outpatient |   |
| Gastrointestinal                                       | 0               | 0          | 2         | 2                         | 213            | 1205                                           | 213                 | 1205                      | 1418                     | 1              | 1          |   |
| Laser Eye Procedures                                   | 0               | 0          | 0         | 0                         | 0              | 0                                              | 0                   | 0                         | 0                        | 0              | 0          |   |
| Pain Management                                        | 0               | 0          | 0         | 0                         | 0              | 0                                              | 0                   | 0                         | 0                        | 0              | 0          |   |
| Cystoscopy                                             | 0               | 0          | 0         | 0                         | 0              | 0                                              | 0                   | 0                         | 0                        | 0              | 0          |   |
| Multipurpose Non-Dedicated Rooms                       |                 |            |           |                           |                |                                                |                     |                           |                          |                |            |   |
| PEDS GI                                                | 0               | 0          | 0         | 0                         | 0              | 0                                              | 0                   | 0                         | 0                        | 0              | 0          |   |
| Bronchoscopy                                           | 0               | 0          | 0         | 0                         | 0              | 0                                              | 0                   | 0                         | 0                        | 0              | 0          |   |
|                                                        | 0               | 0          | 0         | 0                         | 0              | 0                                              | 0                   | 0                         | 0                        | 0              | 0          |   |
| Emergency Trauma Care                                  |                 |            |           |                           |                |                                                |                     |                           |                          |                |            |   |
|                                                        |                 |            |           | Yes                       |                | Total Cardiac Cath Procedures:                 |                     |                           |                          |                |            |   |
| Certified Trauma Center                                |                 |            |           | Level 1                   |                | Diagnostic Catheterizations (0-14)             |                     | 0                         |                          |                |            |   |
| Level of Trauma Service                                |                 |            |           | Level 2                   |                | Diagnostic Catheterizations (15+)              |                     | 517                       |                          |                |            |   |
| Operating Rooms Dedicated for Trauma Care              |                 |            |           | -                         |                | Interventional Catheterizations (0.14):        |                     | 0                         |                          |                |            |   |
| Number of Trauma Visits:                               |                 |            |           | 501.00                    |                | Interventional Catheterization (15+)           |                     | 147                       |                          |                |            |   |
| Patients Admitted from Trauma                          |                 |            |           | 22.00                     |                | EP Catheterizations (15+)                      |                     | 86                        |                          |                |            |   |
| Emergency Service Type:                                |                 |            |           |                           |                |                                                |                     |                           |                          |                |            |   |
|                                                        |                 |            |           | Comprehensive             |                | Cardiac Surgery Data                           |                     |                           |                          |                |            |   |
| Number of Emergency Room Stations                      |                 |            |           | 21                        |                | Total Cardiac Surgery Cases:                   |                     |                           |                          |                |            |   |
| Persons Treated by Emergency Services:                 |                 |            |           | 27,843                    |                | Pediatric (0- 14 Years):                       |                     | 0                         |                          |                |            |   |
| Patients Admitted from Emergency:                      |                 |            |           | 3,263                     |                | Adult (15 Years and Older):                    |                     | 30                        |                          |                |            |   |
| Total ED Visits (Emergency+Trauma):                    |                 |            |           | 31,106                    |                | Coronary Artery Bypass Grafts (CABGs)          |                     | 25                        |                          |                |            |   |
|                                                        |                 |            |           |                           |                | performed of total Cardiac Cases:              |                     | 30                        |                          |                |            |   |
| Outpatient Service Data                                |                 |            |           |                           |                |                                                |                     |                           |                          |                |            |   |
|                                                        |                 |            |           |                           |                | Cardiac Catheterization Labs                   |                     |                           |                          |                |            |   |
| Total Outpatient Visits                                |                 |            |           |                           |                | Total Cath Labs (Dedicated+NonDedicated labs): |                     |                           |                          |                |            | 2 |
| Outpatient Visits at the Hospital / Campus:            |                 |            |           |                           |                | Cath Labs used for Angiography procedures      |                     |                           |                          |                |            | 2 |
| Outpatient Visits Offsite/off campus                   |                 |            |           |                           |                | Dedicated Diagnostic Catheterization Lab       |                     |                           |                          |                |            | 2 |
|                                                        |                 |            |           |                           |                | Dedicated Interventional Catheterization Labs  |                     |                           |                          |                |            | 2 |
|                                                        |                 |            |           |                           |                | Dedicated EP Catheterization Labs              |                     |                           |                          |                |            | 1 |
| Diagnostic/Interventional                              |                 |            |           |                           |                |                                                |                     |                           |                          |                |            |   |
| Equipment                                              | Owned           |            | Contract  |                           | Examinations   |                                                | Radiation Equipment |                           | Therapies/<br>Treatments |                |            |   |
|                                                        |                 |            | Inpatient | Outpt                     | Contract       |                                                | Owned               | Contract                  |                          |                |            |   |
| General Radiography/Fluoroscop                         | 19              |            | 7,467     | 35,177                    |                | Lithotripsy                                    |                     |                           |                          |                |            |   |
| Nuclear Medicine                                       | 2               |            | 362       | 3,272                     |                | Linear Accelerator                             |                     |                           | 6,992                    |                |            |   |
| Mammography                                            | 3               |            | 4         | 6,206                     |                | Image Guided Rad Therapy                       |                     |                           |                          |                |            |   |
| Ultrasound                                             | 4               |            | 824       | 6,660                     |                | Intensity Modulated Rad Thrp                   |                     |                           |                          |                |            |   |
| Angiography                                            |                 |            |           |                           |                | High Dose Brachytherapy                        |                     |                           |                          |                |            |   |
| Diagnostic Angiography                                 |                 |            |           |                           |                | Proton Beam Therapy                            |                     |                           |                          |                |            |   |
| Interventional Angiography                             |                 |            | 952       | 1,304                     |                | Gamma Knife                                    |                     |                           |                          |                |            |   |
| Positron Emission Tomography (PET)                     |                 | 1          | 6         | 37                        |                | Cyber Knife                                    |                     |                           |                          |                |            |   |
| Computerized Axial                                     | 3               |            | 2,507     | 9,249                     |                |                                                |                     |                           |                          |                |            |   |
| Magnetic Resonance Imaging                             | 2               |            | 590       | 3,759                     |                |                                                |                     |                           |                          |                |            |   |

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| <u>Birth Data</u>                         |     | <u>Newborn Nursery Utilization</u> |         | <u>Organ Transplantation</u> |
|-------------------------------------------|-----|------------------------------------|---------|------------------------------|
| Number of Total Births:                   | 608 | Level 1 Patient Days               | 0       | Kidney:                      |
| Number of Live Births:                    | 603 | Level 2 Patient Days               | 1,234   | Heart:                       |
| Birthing Rooms:                           | 0   | Level 2+ Patient Days              | -       | Lung:                        |
| Labor Rooms:                              | 0   | al Nursery Patient days            | 1,234   | Heart/lung:                  |
| Delivery Rooms:                           | 0   | <u>Laboratory Studies</u>          |         | Pancreas:                    |
| Labor-Delivery-Recovery Rooms:            | 4   | Inpatient Studies                  | 211,405 | Liver:                       |
| Labor-Delivery-Recovery-Postpartum Rooms: | 0   | Outpatient Studies                 | 475,356 | Total:                       |
| C-Section Rooms:                          | 0   | Studies Performed Under Contract   |         |                              |
| C-Sections Performed:                     | 195 |                                    |         |                              |

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| Hospital Profile                                       | FY 2011         | Beloit Memorial Hospital |                        |        |                                         | Beloit                       |                                                |                |                      | Page 2         |            |     |
|--------------------------------------------------------|-----------------|--------------------------|------------------------|--------|-----------------------------------------|------------------------------|------------------------------------------------|----------------|----------------------|----------------|------------|-----|
| Surgery and Operating Room Utilization                 |                 |                          |                        |        |                                         |                              |                                                |                |                      |                |            |     |
| Surgery and Operating Room U                           |                 |                          |                        |        |                                         |                              |                                                |                |                      |                |            |     |
| Surgical Specialty                                     | Operating Rooms |                          |                        |        | Surgical Cases                          |                              | Surgical Hours                                 |                |                      | Hours per Case |            |     |
|                                                        | Inpatient       | Outpatient               | Combined               | Total  | Inpatient                               | Outpatient                   | Inpatient                                      | Outpatient     | Total Hours          | Inpatient      | Outpatient |     |
| Cardiovascular                                         | 0               | 0                        | 1                      | 1      | 43                                      | 2                            | 291                                            | 4              | 294.68               | 6.76           | 2.00       |     |
| Dermatology                                            | 0               | 0                        | 0                      | 0      | 0                                       | 0                            | 0                                              | 0              | 0                    | 0.00           | 0.00       |     |
| General                                                | 0               | 0                        | 1                      | 1      | 420                                     | 599                          | 1613                                           | 1054           | 2667.04              | 3.84           | 1.76       |     |
| Gastroenterology                                       | 0               | 0                        | 0                      | 0      | 21                                      | 1                            | 36                                             | 4              | 40.33                | 1.73           | 4.00       |     |
| Neurology                                              | 0               | 0                        | 0                      | 0      | 0                                       | 4                            | 0                                              | 12             | 12                   | 0.00           | 3.00       |     |
| OB/Gynecology                                          | 0               | 0                        | 1                      | 1      | 312                                     | 401                          | 665                                            | 593            | 1258.04              | 2.13           | 1.48       |     |
| Oral/Maxillofacial                                     | 0               | 0                        | 0                      | 0      | 2                                       | 26                           | 4                                              | 56             | 59.64                | 2.00           | 2.14       |     |
| Ophthalmology                                          | 0               | 0                        | 1                      | 1      | 0                                       | 636                          | 0                                              | 700            | 699.6                | 0.00           | 1.10       |     |
| Orthopedic                                             | 0               | 0                        | 1                      | 1      | 322                                     | 694                          | 1597                                           | 1152           | 2749.16              | 4.96           | 1.66       |     |
| Otolaryngology                                         | 0               | 0                        | 0                      | 0      | 24                                      | 403                          | 39                                             | 463            | 502.81               | 1.64           | 1.15       |     |
| Plastic Surgery                                        | 0               | 0                        | 0                      | 0      | 0                                       | 2                            | 0                                              | 4              | 4                    | 0.00           | 2.00       |     |
| Podiatry                                               | 0               | 0                        | 0                      | 0      | 13                                      | 159                          | 20                                             | 251            | 270.72               | 1.50           | 1.58       |     |
| Thoracic                                               | 0               | 0                        | 0                      | 0      | 0                                       | 0                            | 0                                              | 0              | 0                    | 0.00           | 0.00       |     |
| Urology                                                | 0               | 0                        | 1                      | 1      | 101                                     | 253                          | 235                                            | 423            | 657.84               | 2.33           | 1.67       |     |
| Pain Management                                        | 0               | 0                        | 0                      | 0      | 0                                       | 217                          | 0                                              | 217            | 217                  | 0.00           | 1.00       |     |
| Totals                                                 | 0               | 0                        | 6                      | 6      | 1258                                    | 3397                         | 4499.56                                        | 4933.18        | 9432.86              | 3.58           | 1.45       |     |
| SURGICAL RECOVERY STATIONS                             |                 |                          |                        |        |                                         |                              |                                                |                |                      |                |            |     |
| Dedicated and Non-Dedicated Procedure Room Utilization |                 |                          |                        |        |                                         |                              |                                                |                |                      |                |            |     |
| Procedure Rooms                                        | Surgical Cases  |                          |                        |        | Surgical Hours                          |                              |                                                | Hours per Case |                      |                |            |     |
|                                                        | Inpatient       | Outpatient               | Combined               | Total  | Inpatient                               | Outpatient                   | Inpatient                                      | Outpatient     | Total Hours          | Inpatient      | Outpatient |     |
| Gastrointestinal                                       | 0               | 0                        | 2                      | 2      | 199                                     | 1299                         | 199                                            | 1299           | 1498                 | 1              | 1          |     |
| Laser Eye Procedures                                   | 0               | 0                        | 0                      | 0      | 0                                       | 0                            | 0                                              | 0              | 0                    | 0              | 0          |     |
| Pain Management                                        | 0               | 0                        | 0                      | 0      | 0                                       | 0                            | 0                                              | 0              | 0                    | 0              | 0          |     |
| Cystoscopy                                             | 0               | 0                        | 0                      | 0      | 0                                       | 0                            | 0                                              | 0              | 0                    | 0              | 0          |     |
| Multipurpose Non-Dedicated Rooms                       |                 |                          |                        |        |                                         |                              |                                                |                |                      |                |            |     |
| PEDS GI                                                | 0               | 0                        | 0                      | 0      | 0                                       | 0                            | 0                                              | 0              | 0                    | 0              | 0          |     |
| Bronchoscopy                                           | 0               | 0                        | 0                      | 0      | 0                                       | 0                            | 0                                              | 0              | 0                    | 0              | 0          |     |
|                                                        | 0               | 0                        | 0                      | 0      | 0                                       | 0                            | 0                                              | 0              | 0                    | 0              | 0          |     |
| Emergency Trauma Care                                  |                 |                          |                        |        |                                         |                              |                                                |                |                      |                |            |     |
| Certified Trauma Center                                |                 |                          |                        | Yes    | Total Cardiac Cath Procedures:          |                              |                                                |                |                      |                |            |     |
| Level of Trauma Service                                | Level 1         | Level 2                  | Level 3 (in Wisconsin) |        | Diagnostic Catheterizations (0-14)      |                              |                                                |                |                      |                |            | 1   |
|                                                        |                 |                          |                        |        | Diagnostic Catheterizations (15+)       |                              |                                                |                |                      |                |            | 696 |
| Operating Rooms Dedicated for Trauma Care              |                 |                          |                        | -      | Interventional Catheterizations (0-14): |                              |                                                |                |                      |                |            | 0   |
| Number of Trauma Visits:                               |                 |                          |                        | 589.00 | Interventional Catheterization (15+)    |                              |                                                |                |                      |                |            | 156 |
| Patients Admitted from Trauma                          |                 |                          |                        | 30.00  | EP Catheterizations (15+)               |                              |                                                |                |                      |                |            | 103 |
| Emergency Service Type:                                |                 |                          |                        |        |                                         |                              |                                                |                |                      |                |            |     |
| Number of Emergency Room Stations                      |                 |                          |                        | 27     | Total Cardiac Surgery Cases:            |                              |                                                |                |                      |                |            |     |
| Persons Treated by Emergency Services:                 |                 |                          |                        | 30,256 | Pediatric (0-14 Years):                 |                              |                                                |                |                      |                |            | 0   |
| Patients Admitted from Emergency:                      |                 |                          |                        | 3,393  | Adult (15 Years and Older):             |                              |                                                |                |                      |                |            | 38  |
| Total ED Visits (Emergency+Trauma):                    |                 |                          |                        | 33,649 | Coronary Artery Bypass Grafts (CABGs)   |                              |                                                |                |                      |                |            | 30  |
|                                                        |                 |                          |                        |        | performed of total Cardiac Cases:       |                              |                                                |                |                      |                |            | 38  |
| Outpatient Service Data                                |                 |                          |                        |        |                                         |                              |                                                |                |                      |                |            |     |
| Cardiac Catheterization Labs                           |                 |                          |                        |        |                                         |                              |                                                |                |                      |                |            |     |
| Total Outpatient Visits                                |                 |                          |                        |        |                                         |                              | Total Cath Labs (Dedicated+Nondedicated labs): |                |                      |                |            | 2   |
| Outpatient Visits at the Hospital / Campus:            |                 |                          |                        |        |                                         |                              | Cath Labs used for Angiography procedures      |                |                      |                |            | 2   |
| Outpatient Visits Offsite/off campus                   |                 |                          |                        |        |                                         |                              | Dedicated Diagnostic Catheterization Lab       |                |                      |                |            | 2   |
|                                                        |                 |                          |                        |        |                                         |                              | Dedicated Interventional Catheterization Labs  |                |                      |                |            | 2   |
|                                                        |                 |                          |                        |        |                                         |                              | Dedicated EP Catheterization Labs              |                |                      |                |            | 1   |
| Diagnostic/Interventional                              |                 |                          |                        |        |                                         |                              |                                                |                |                      |                |            |     |
| Equipment                                              | Examinations    |                          |                        |        | Radiation Equipment                     |                              |                                                |                | Therapies/Treatments |                |            |     |
|                                                        | Owned           | Contract                 | Inpatient              | Outpt  | Contract                                |                              | Owned                                          | Contract       |                      |                |            |     |
| General Radiography/Fluoroscop                         | 17              |                          | 7,490                  | 36,748 |                                         | Lithotripsy                  |                                                |                |                      |                |            |     |
| Nuclear Medicine                                       | 2               |                          | 389                    | 3,227  |                                         | Linear Accelerator           |                                                |                | 6,121                |                |            |     |
| Mammography                                            | 2               |                          | 7                      | 5,818  |                                         | Image Guided Rad Therapy     |                                                |                |                      |                |            |     |
| Ultrasound                                             | 6               |                          | 884                    | 6,871  |                                         | Intensity Modulated Rad Thrp |                                                |                |                      |                |            |     |
| Angiography                                            |                 |                          |                        |        |                                         | High Dose Brachytherapy      |                                                |                |                      |                |            |     |
| Diagnostic Angiography                                 |                 |                          |                        |        |                                         | Proton Beam                  |                                                |                |                      |                |            |     |
| Interventional Angiography                             |                 |                          | 1,595                  | 1,392  |                                         | Gamma Knife                  |                                                |                |                      |                |            |     |
| Positron Emission Tomography (PET)                     |                 | 1                        | 9                      | 167    |                                         | Cyber Knife                  |                                                |                |                      |                |            |     |
| Computerized Axial                                     | 3               |                          | 2,468                  | 9,814  |                                         |                              |                                                |                |                      |                |            |     |
| Magnetic Resonance Imaging                             | 2               |                          | 543                    | 3,748  |                                         |                              |                                                |                |                      |                |            |     |

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| Hospital Profile                                     | FY 2012                  | Beloit Memorial Hospital |        | Beloit                       | Page 1 |
|------------------------------------------------------|--------------------------|--------------------------|--------|------------------------------|--------|
| <u>Ownership, Management and General Information</u> |                          | <u>Patients by Race</u>  |        | <u>Patients by Ethnicity</u> |        |
| ADMINISTRATOR NAME:                                  | Timothy McKeve           | White                    | 80.1%  | Hispanic or Latino:          | 7.8%   |
| ADMINISTRATOR PHONE                                  | 608-364-5685             | Black                    | 19.0%  | Not Hispanic or Latino:      | 91.5%  |
| OWNERSHIP:                                           | Beloit Health System     | American Indian          | 0.0%   | Unknown                      | 0.7%   |
| OPERATOR:                                            | Beloit Memorial Hospital | Asian                    | 0.4%   | IDPH Number                  |        |
| MANAGEMENT:                                          | Not For Profit           | Hawaiian/                | 0.3%   | HPA                          |        |
| CERTIFICATION:                                       |                          | Unknown                  | 0.2%   | HSA                          |        |
| FACILITY DESIGNATION:                                | General Hospital         |                          |        |                              |        |
| ADDRESS                                              | 1969 W Hart Rd           | CITY                     | Beloit | COUNTY                       | Rock   |

| <u>Facility Utilization Data by Category of Service</u> |                                      |                                   |                |            |                   |                     |                              |                            |                            |                                    |
|---------------------------------------------------------|--------------------------------------|-----------------------------------|----------------|------------|-------------------|---------------------|------------------------------|----------------------------|----------------------------|------------------------------------|
| Clinical Service                                        | Authorized<br>CON Beds<br>12/31/2012 | Peak Beds<br>Setup and<br>Staffed | Peak<br>Census | Admissions | Inpatient<br>Days | Observation<br>Days | Average<br>Length<br>of Stay | Average<br>Daily<br>Census | CON<br>Occupancy<br>Rate % | Staffed Bed<br>Occupancy<br>Rate % |
| Medical/Surgical                                        | 256                                  |                                   |                | 3283       | 12886             | 1281                | 3.9                          | 35.3                       |                            |                                    |
| 0-14 Years                                              |                                      |                                   |                |            |                   |                     |                              |                            |                            |                                    |
| 15-44 Years                                             |                                      |                                   |                |            |                   |                     |                              |                            |                            |                                    |
| 45-64 Years                                             |                                      |                                   |                |            |                   |                     |                              |                            |                            |                                    |
| 65-74 Years                                             |                                      |                                   |                |            |                   |                     |                              |                            |                            |                                    |
| 75 Years +                                              |                                      |                                   |                |            |                   |                     |                              |                            |                            |                                    |
| Pediatric                                               |                                      |                                   |                | 94         | 223               |                     | 2.4                          | 0.6                        |                            |                                    |
| Intensive Care                                          |                                      |                                   |                | 360        | 1767              |                     | 4.9                          | 4.8                        |                            |                                    |
| Direct Admission                                        |                                      |                                   |                |            |                   |                     |                              |                            |                            |                                    |
| Transfers                                               |                                      |                                   |                |            |                   |                     |                              |                            |                            |                                    |
| Obstetric/Gynecology                                    |                                      |                                   |                | 258        | 1479              |                     | 5.7                          | 4.1                        |                            |                                    |
| Maternity                                               |                                      |                                   |                |            |                   |                     |                              |                            |                            |                                    |
| Clean Gynecology                                        |                                      |                                   |                |            |                   |                     |                              |                            |                            |                                    |
| Neonatal                                                |                                      |                                   |                |            |                   |                     |                              |                            |                            |                                    |
| Long Term Care                                          |                                      |                                   |                |            |                   |                     |                              |                            |                            |                                    |
| Swing Beds                                              |                                      |                                   |                |            |                   |                     |                              |                            |                            |                                    |
| Acute Mental Illness                                    |                                      |                                   |                |            |                   |                     |                              |                            |                            |                                    |
| Rehabilitation                                          |                                      |                                   |                |            |                   |                     |                              |                            |                            |                                    |
| Long-Term Acute Care                                    |                                      |                                   |                |            |                   |                     |                              |                            |                            |                                    |
| Dedicated Observation                                   |                                      |                                   |                |            |                   |                     |                              |                            |                            |                                    |
| Facility Utilization                                    | 256                                  |                                   |                | 3,995      | 16,355            | 1,281               | 4.1                          | 44.8                       |                            |                                    |
| (Includes ICU Direct Admissions Only)                   |                                      |                                   |                |            |                   |                     |                              |                            |                            |                                    |

| <u>Inpatients and Outpatients Served by Payer Source</u> |          |          |              |                   |             |              |        |
|----------------------------------------------------------|----------|----------|--------------|-------------------|-------------|--------------|--------|
|                                                          | Medicare | Medicaid | Other Public | Private Insurance | Private Pay | Charity Care | Totals |
| Inpatients                                               | 64%      | 13%      |              | 19%               | 0%          | 4%           |        |
|                                                          | 10,413   | 2,099    |              | 3,075             | 69          | 699          | 16,355 |
| Outpatients                                              |          |          |              |                   |             |              |        |

| <u>Financial Year Reported</u> | <u>1/1/2012 to 12/31/2012</u> |            | <u>Inpatient and Outpatient Net Revenue by Payer Source</u> |                   |             |              |  | <u>Total Charity<br/>Care Expense</u> |
|--------------------------------|-------------------------------|------------|-------------------------------------------------------------|-------------------|-------------|--------------|--|---------------------------------------|
|                                | Medicare                      | Medicaid   | Other Public                                                | Private Insurance | Private Pay | Charity Care |  |                                       |
| Inpatient (%)                  | 42.9%                         | 8.5%       |                                                             | 37.6%             | 11.0%       | Expense      |  | \$ 15,092,000                         |
| Revenue (\$)                   | 20,455,000                    | 4,076,000  |                                                             | 17,933,000        | 5,266,000   | 4,167,000    |  | Total Charity                         |
| Outpatient (%)                 | 23.7%                         | 9.3%       |                                                             | 58.8%             | 8.2%        |              |  | Net Revenue                           |
| Revenue (\$)                   | 35,483,000                    | 13,849,000 | 0                                                           | 88,083,000        | 122,790,000 | 10,925,000   |  | 8.3%                                  |

| <u>Birth Data</u>                         |     |                                  | <u>Newborn Nursery Utilization</u> |  |  | <u>Organ Transplantation</u> |  |  |
|-------------------------------------------|-----|----------------------------------|------------------------------------|--|--|------------------------------|--|--|
| Number of Total Births:                   | 559 | Level 1 Patient Days             | 0                                  |  |  | Kidney:                      |  |  |
| Number of Live Births:                    | 553 | Level 2 Patient Days             | 1,146                              |  |  | Heart:                       |  |  |
| Birthing Rooms:                           | 0   | Level 2+ Patient Days            | -                                  |  |  | Lung:                        |  |  |
| Labor Rooms:                              | 0   | atal Nursery Patient days        | 1,146                              |  |  | Heart/lung:                  |  |  |
| Delivery Rooms:                           | 0   |                                  |                                    |  |  | Pancreas:                    |  |  |
| Labor-Delivery-Recovery Rooms:            | 4   | Inpatient Studies                | 191,606                            |  |  | Liver:                       |  |  |
| Labor-Delivery-Recovery-Postpartum Rooms: | 0   | Outpatient Studies               | 494,482                            |  |  | Total:                       |  |  |
| C-Section Rooms:                          | 0   | Studies Performed Under Contract |                                    |  |  |                              |  |  |
| C-Sections Performed:                     | 164 |                                  |                                    |  |  |                              |  |  |

| Hospital Profile                                       | FY 2012         | Beloit Memorial Hospital | Beloit    | Page 2        |                                                |                        |                                         |            |                |           |            |     |
|--------------------------------------------------------|-----------------|--------------------------|-----------|---------------|------------------------------------------------|------------------------|-----------------------------------------|------------|----------------|-----------|------------|-----|
| Surgery and Operating Room Utilization                 |                 |                          |           |               |                                                |                        |                                         |            |                |           |            |     |
| Surgery and Operating Room 1                           |                 |                          |           |               |                                                |                        |                                         |            |                |           |            |     |
| Surgical Specialty                                     | Operating Rooms |                          |           |               | Surgical Cases                                 |                        | Surgical Hours                          |            | Hours per Case |           |            |     |
|                                                        | Inpatient       | Outpatient               | Combined  | Total         | Inpatient                                      | Outpatient             | Inpatient                               | Outpatient | Total Hours    | Inpatient | Outpatient |     |
| Cardiovascular                                         | 0               | 0                        | 1         | 1             | 47                                             | 0                      | 309.26                                  | 0          | 309.26         | 6.58      | 0.00       |     |
| Dermatology                                            | 0               | 0                        | 0         | 0             | 0                                              | 1                      | 0                                       | 1          | 1              | 0.00      | 1.00       |     |
| General                                                | 0               | 0                        | 1         | 1             | 350                                            | 618                    | 934.5                                   | 1112.4     | 2046.9         | 2.67      | 1.80       |     |
| Gastroenterology                                       | 0               | 0                        | 0         | 0             | 20                                             | 13                     | 36                                      | 24.44      | 60.44          | 1.80      | 1.88       |     |
| Neurology                                              | 0               | 0                        | 0         | 0             | 0                                              | 1                      | 0                                       | 2          | 2              | 0.00      | 2.00       |     |
| OB/Gynecology                                          | 0               | 0                        | 1         | 1             | 264                                            | 384                    | 546.48                                  | 702.72     | 1249.2         | 2.07      | 1.83       |     |
| Oral/Maxillofacial                                     | 0               | 0                        | 0         | 0             | 2                                              | 48                     | 4                                       | 87.84      | 91.84          | 2.00      | 1.83       |     |
| Ophthalmology                                          | 0               | 0                        | 1         | 1             | 0                                              | 653                    | 0                                       | 724.83     | 724.83         | 0.00      | 1.11       |     |
| Orthopedic                                             | 0               | 0                        | 1         | 1             | 304                                            | 747                    | 750.88                                  | 941.22     | 1692.1         | 2.47      | 1.26       |     |
| Otolaryngology                                         | 0               | 0                        | 0         | 0             | 11                                             | 369                    | 16.5                                    | 472.32     | 488.82         | 1.50      | 1.28       |     |
| Plastic Surgery                                        | 0               | 0                        | 0         | 0             | 0                                              | 1                      | 0                                       | 0          | 0              | 0.00      | 0.00       |     |
| Podiatry                                               | 0               | 0                        | 0         | 0             | 14                                             | 132                    | 21                                      | 217.8      | 238.8          | 1.50      | 1.65       |     |
| Thoracic                                               | 0               | 0                        | 0         | 0             | 0                                              | 0                      | 0                                       | 0          | 0              | 0.00      | 0.00       |     |
| Urology                                                | 0               | 0                        | 1         | 1             | 97                                             | 251                    | 236.68                                  | 353.91     | 590.59         | 2.44      | 1.41       |     |
| Pain Management                                        | 0               | 0                        | 0         | 0             | 0                                              | 250                    | 0                                       | 250        | 250            | 0.00      | 1.00       |     |
| Totals                                                 | 0               | 0                        | 6         | 6             | 1109                                           | 3468                   | 2855.30                                 | 4890.48    | 7745.78        | 2.57      | 1.41       |     |
| SURGICAL RECOVERY STATIONS                             |                 |                          |           |               |                                                |                        |                                         |            |                |           |            |     |
| Dedicated and Non-Dedicated Procedure Room Utilization |                 |                          |           |               |                                                |                        |                                         |            |                |           |            |     |
|                                                        | Procedure Rooms |                          |           |               | Surgical Cases                                 |                        | Surgical Hours                          |            | Hours per Case |           |            |     |
|                                                        | Inpatient       | Outpatient               | Combined  | Total         | Inpatient                                      | Outpatient             | Inpatient                               | Outpatient | Total Hours    | Inpatient | Outpatient |     |
| Gastrointestinal                                       | 0               | 0                        | 2         | 2             | 749                                            | 2660                   | 749                                     | 2660       | 3409           | 1         | 1          |     |
| Laser Eye Procedures                                   | 0               | 0                        | 0         | 0             | 0                                              | 0                      | 0                                       | 0          | 0              | 0         | 0          |     |
| Pain Management                                        | 0               | 0                        | 0         | 0             | 0                                              | 0                      | 0                                       | 0          | 0              | 0         | 0          |     |
| Cystoscopy                                             | 0               | 0                        | 0         | 0             | 0                                              | 0                      | 0                                       | 0          | 0              | 0         | 0          |     |
| Multipurpose Non-Dedicated Rooms                       |                 |                          |           |               |                                                |                        |                                         |            |                |           |            |     |
| PEDS GI                                                | 0               | 0                        | 0         | 0             | 0                                              | 0                      | 0                                       | 0          | 0              | 0         | 0          |     |
| Bronchoscopy                                           | 0               | 0                        | 0         | 0             | 0                                              | 0                      | 0                                       | 0          | 0              | 0         | 0          |     |
|                                                        | 0               | 0                        | 0         | 0             | 0                                              | 0                      | 0                                       | 0          | 0              | 0         | 0          |     |
| Emergency Trauma Care                                  |                 |                          |           |               | Cardiac Catheterization Utilization            |                        |                                         |            |                |           |            |     |
| Certified Trauma Center                                |                 |                          |           | Yes           | Total Cardiac Cath Procedures:                 |                        |                                         |            |                |           |            |     |
| Level of Trauma Service                                |                 |                          |           | Level 1       | Level 2                                        | Level 3 (In Wisconsin) | Diagnostic Catheterizations (0-14)      |            |                |           |            | 0   |
|                                                        |                 |                          |           |               |                                                |                        | Diagnostic Catheterizations (15+)       |            |                |           |            | 585 |
| Operating Rooms Dedicated for Trauma Care              |                 |                          |           |               |                                                |                        | Interventional Catheterizations (0-14): |            |                |           |            | 0   |
| Number of Trauma Visits:                               |                 |                          |           | 598.00        |                                                |                        | Interventional Catheterization (15+)    |            |                |           |            | 193 |
| Patients Admitted from Trauma                          |                 |                          |           | 31.00         |                                                |                        | EP Catheterizations (15+)               |            |                |           |            | 88  |
| Emergency Service Type:                                |                 |                          |           | Comprehensive | Cardiac Surgery Data                           |                        |                                         |            |                |           |            |     |
| Number of Emergency Room Stations                      |                 |                          |           | 27            | Total Cardiac Surgery Cases:                   |                        |                                         |            |                |           |            |     |
| Persons Treated by Emergency Services:                 |                 |                          |           | 32,991        | Pediatric (0-14 Years):                        |                        |                                         |            |                |           |            | 0   |
| Patients Admitted from Emergency:                      |                 |                          |           | 3,428         | Adult (15 Years and Older):                    |                        |                                         |            |                |           |            | 42  |
| Total ED Visits (Emergency+Trauma):                    |                 |                          |           | 36,419        | Coronary Artery Bypass Grafts (CABGs)          |                        |                                         |            |                |           |            | 34  |
|                                                        |                 |                          |           |               | performed of total Cardiac Cases:              |                        |                                         |            |                |           |            | 42  |
| Outpatient Service Data                                |                 |                          |           |               | Cardiac Catheterization Labs                   |                        |                                         |            |                |           |            |     |
| Total Outpatient Visits                                |                 |                          |           |               | Total Cath Labs (Dedicated+Nondedicated labs): |                        |                                         |            |                |           |            | 2   |
| Outpatient Visits at the Hospital / Campus:            |                 |                          |           |               | Cath Labs used for Angiography procedures      |                        |                                         |            |                |           |            | 2   |
| Outpatient Visits Offsite/off campus                   |                 |                          |           |               | Dedicated Diagnostic Catheterization Lab       |                        |                                         |            |                |           |            | 2   |
|                                                        |                 |                          |           |               | Dedicated Interventional Catheterization Labs  |                        |                                         |            |                |           |            | 2   |
|                                                        |                 |                          |           |               | Dedicated EP Catheterization Labs              |                        |                                         |            |                |           |            | 1   |
| Diagnostic/Interventional                              |                 |                          |           |               | Radiation Equipment                            |                        |                                         |            |                |           |            |     |
| Equipment                                              | Examinations    |                          |           |               | Owned                                          | Contract               | Therapies/                              |            |                |           |            |     |
|                                                        | Owned           | Contract                 | Inpatient | Outpt         |                                                |                        | Treatments                              |            |                |           |            |     |
| General Radiography/Fluoroscopi                        | 17              |                          | 7,080     | 38,857        |                                                |                        | Lithotripsy                             |            |                |           |            |     |
| Nuclear Medicine                                       | 2               |                          | 295       | 3,420         |                                                |                        | Linear Accelerator                      |            |                |           |            |     |
| Mammography                                            | 2               |                          | 4         | 5,562         |                                                |                        | Image Guided Rad Therapy                |            |                |           |            |     |
| Ultrasound                                             | 6               |                          | 833       | 7,346         |                                                |                        | Intensity Modulated Rad Thrp            |            |                |           |            |     |
| Angiography                                            |                 |                          |           |               |                                                |                        | High Dose Brachytherapy                 |            |                |           |            |     |
| Diagnostic Angiography                                 |                 |                          |           |               |                                                |                        | Proton Beam                             |            |                |           |            |     |
| Interventional Angiography                             |                 |                          | 1,019     | 1,690         |                                                |                        | Gamma Knife                             |            |                |           |            |     |
| Positron Emission Tomography (PET)                     |                 | 1                        | 3         | 196           |                                                |                        | Cyber Knife                             |            |                |           |            |     |
| Computerized Axial                                     | 3               |                          | 2,379     | 10,396        |                                                |                        |                                         |            |                |           |            |     |
| Magnetic Resonance Imaging                             | 2               |                          | 505       | 3,838         |                                                |                        |                                         |            |                |           |            |     |

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| <u>Birthing Data</u>                      |     | <u>Newborn Nursery Utilization</u> |         | <u>Organ Transplantation</u> |
|-------------------------------------------|-----|------------------------------------|---------|------------------------------|
| Number of Total Births:                   | 532 | Level 1 Patient Days               | 0       | Kidney:                      |
| Number of Live Births:                    | 529 | Level 2 Patient Days               | 1,168   | Heart:                       |
| Birthing Rooms:                           | 0   | Level 2+ Patient Days              | -       | Lung:                        |
| Labor Rooms:                              | 0   | al Nursery Patient days            | 1,168   | Heart/lung:                  |
| Delivery Rooms:                           | 0   | <u>Laboratory Studies</u>          |         | Pancreas:                    |
| Labor-Delivery-Recovery Rooms:            | 4   | Inpatient Studies                  | 153,301 | Liver:                       |
| Labor-Delivery-Recovery-Postpartum Rooms: | 0   | Outpatient Studies                 | 453,399 | Total:                       |
| C-Section Rooms:                          | 0   | Studies Performed Under Contract   |         |                              |
| C-Sections Performed:                     | 178 |                                    |         |                              |

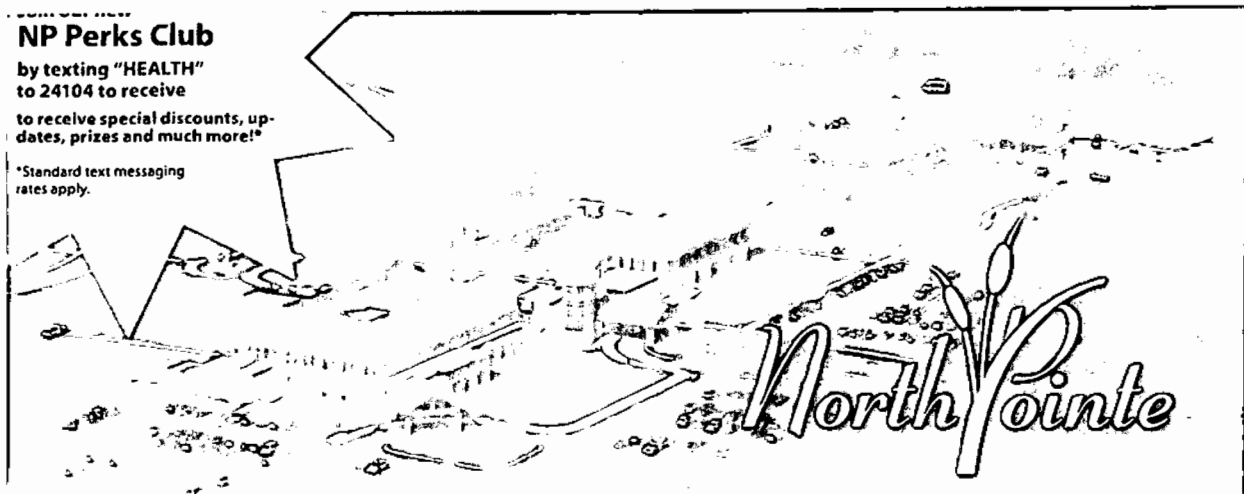
| Hospital Profile                                       | FY 2013         | Beloit Memorial Hospital |                        |               |                                                | Beloit     |                |                              |                       | Page 2         |            |
|--------------------------------------------------------|-----------------|--------------------------|------------------------|---------------|------------------------------------------------|------------|----------------|------------------------------|-----------------------|----------------|------------|
| Surgery and Operating Room Utilization                 |                 |                          |                        |               |                                                |            |                |                              |                       |                |            |
| Surgery and Operating Room                             |                 |                          |                        |               |                                                |            |                |                              |                       |                |            |
| Surgical Specialty                                     | Operating Rooms |                          |                        |               | Surgical Cases                                 |            | Surgical Hours |                              |                       | Hours per Case |            |
|                                                        | Inpatient       | Outpatient               | Combined               | Total         | Inpatient                                      | Outpatient | Inpatient      | Outpatient                   | Total Hours           | Inpatient      | Outpatient |
| Cardiovascular                                         |                 |                          |                        | 0             | 90                                             | 0          | 592            | 0                            | 592                   | 6.58           | 0.00       |
| Dermatology                                            |                 |                          |                        | 0             | 0                                              | 0          | 0              | 0                            | 0                     | 0.00           | 0.00       |
| General                                                |                 |                          |                        | 0             | 332                                            | 645        | 886            | 1161                         | 2047                  | 2.67           | 1.80       |
| Gastroenterology                                       |                 |                          |                        | 0             | 20                                             | 15         | 36             | 28                           | 64                    | 1.80           | 1.88       |
| Neurology                                              |                 |                          |                        | 0             | 0                                              | 0          | 0              | 0                            | 0                     | 0.00           | 0.00       |
| OB/Gynecology                                          |                 |                          |                        | 0             | 313                                            | 441        | 648            | 807                          | 1455                  | 2.07           | 1.83       |
| Oral/Maxillofacial                                     |                 |                          |                        | 0             | 0                                              | 0          | 0              | 0                            | 0                     | 0.00           | 0.00       |
| Ophthalmology                                          |                 |                          |                        | 0             | 0                                              | 559        | 0              | 620                          | 620                   | 0.00           | 1.11       |
| Orthopedic                                             |                 |                          |                        | 0             | 403                                            | 806        | 995            | 1016                         | 2011                  | 2.47           | 1.26       |
| Otolaryngology                                         |                 |                          |                        | 0             | 9                                              | 564        | 14             | 722                          | 736                   | 1.50           | 1.28       |
| Plastic Surgery                                        |                 |                          |                        | 0             | 0                                              | 0          | 0              | 0                            | 0                     | 0.00           | 0.00       |
| Podiatry                                               |                 |                          |                        | 0             | 0                                              | 104        | 0              | 172                          | 172                   | 0.00           | 1.65       |
| Thoracic                                               |                 |                          |                        | 0             | 0                                              | 0          | 0              | 0                            | 0                     | 0.00           | 0.00       |
| Urology                                                |                 |                          |                        | 0             | 81                                             | 242        | 198            | 341                          | 539                   | 2.44           | 1.41       |
| Pain Management                                        |                 |                          |                        | 0             | 0                                              | 142        | 0.00           | 142.00                       | 142                   | 0.00           | 1.00       |
| Totals                                                 | 0               | 0                        | 0                      | 0             | 1248                                           | 3518       | 3369           | 5009                         | 8378                  | 2.70           | 1.42       |
| SURGICAL RECOVERY STATIONS                             |                 |                          |                        |               |                                                |            |                |                              |                       |                |            |
| Dedicated and Non-Dedicated Procedure Room Utilization |                 |                          |                        |               |                                                |            |                |                              |                       |                |            |
| Procedure Rooms                                        | Surgical Cases  |                          |                        |               | Surgical Hours                                 |            |                | Hours per Case               |                       |                |            |
|                                                        | Inpatient       | Outpatient               | Combined               | Total         | Inpatient                                      | Outpatient | Inpatient      | Outpatient                   | Total Hours           | Inpatient      | Outpatient |
| Gastrointestinal                                       | 0               | 0                        | 0                      | 0             | 488                                            | 3754       | 488            | 3754                         | 4242                  | 1.00           | 1.00       |
| Laser Eye Procedures                                   | 0               | 0                        | 0                      | 0             | 0                                              | 0          | 0              | 0                            | 0                     | 0              | 0          |
| Pain Management                                        | 0               | 0                        | 0                      | 0             | 0                                              | 0          | 0              | 0                            | 0                     | 0              | 0          |
| Cystoscopy                                             | 0               | 0                        | 0                      | 0             | 0                                              | 0          | 0              | 0                            | 0                     | 0              | 0          |
| Multipurpose Non-Dedicated Rooms                       |                 |                          |                        |               |                                                |            |                |                              |                       |                |            |
| PEDS GI                                                | 0               | 0                        | 0                      | 0             | 0                                              | 0          | 0              | 0                            | 0                     | 0              | 0          |
| Bronchoscopy                                           | 0               | 0                        | 0                      | 0             | 0                                              | 0          | 0              | 0                            | 0                     | 0              | 0          |
|                                                        | 0               | 0                        | 0                      | 0             | 0                                              | 0          | 0              | 0                            | 0                     | 0              | 0          |
| Emergency Trauma Care                                  |                 |                          |                        |               |                                                |            |                |                              |                       |                |            |
| Cardiac Catheterization Utilization                    |                 |                          |                        |               |                                                |            |                |                              |                       |                |            |
| Certified Trauma Center                                |                 |                          |                        | Yes           | Total Cardiac Cath Procedures:                 |            |                |                              |                       |                |            |
| Level of Trauma Service                                | Level 1         | Level 2                  | Level 3 (In Wisconsin) |               | Diagnostic Catheterizations (0-14)             |            |                |                              |                       |                | 0          |
|                                                        |                 |                          |                        |               | Diagnostic Catheterizations (15+)              |            |                |                              |                       |                | 687        |
| Operating Rooms Dedicated for Trauma Care              |                 |                          |                        | -             | Interventional Catheterizations (0-14):        |            |                |                              |                       |                | 0          |
| Number of Trauma Visits:                               |                 |                          |                        | -             | Interventional Catheterization (15+)           |            |                |                              |                       |                | 179        |
| Patients Admitted from Trauma                          |                 |                          |                        | 503.00        | EP Catheterizations (15+)                      |            |                |                              |                       |                | 91         |
|                                                        |                 |                          |                        | 29.00         |                                                |            |                |                              |                       |                |            |
| Cardiac Surgery Data                                   |                 |                          |                        |               |                                                |            |                |                              |                       |                |            |
| Emergency Service Type:                                |                 |                          |                        | Comprehensive | Total Cardiac Surgery Cases:                   |            |                |                              |                       |                |            |
| Number of Emergency Room Stations                      |                 |                          |                        | 27            | Pediatric (0- 14 Years):                       |            |                |                              |                       |                | 0          |
| Persons Treated by Emergency Services:                 |                 |                          |                        | 37,281        | Adult (15 Years and Older):                    |            |                |                              |                       |                | 56         |
| Patients Admitted from Emergency:                      |                 |                          |                        | 3,609         | Coronary Artery Bypass Grafts (CABGs)          |            |                |                              |                       |                | 42         |
| Total ED Visits (Emergency+Trauma):                    |                 |                          |                        | 40,890        | performed of total Cardiac Cases :             |            |                |                              |                       |                | 56         |
| Outpatient Service Data                                |                 |                          |                        |               |                                                |            |                |                              |                       |                |            |
| Cardiac Catheterization Labs                           |                 |                          |                        |               |                                                |            |                |                              |                       |                |            |
| Total Outpatient Visits                                |                 |                          |                        |               | Total Cath Labs (Dedicated+NonDedicated labs): |            |                |                              |                       |                | 2          |
| Outpatient Visits at the Hospital / Campus:            |                 |                          |                        |               | Cath Labs used for Angiography procedures      |            |                |                              |                       |                | 2          |
| Outpatient Visits Offsite/off campus                   |                 |                          |                        |               | Dedicated Diagnostic Catheterization Lab       |            |                |                              |                       |                | 2          |
|                                                        |                 |                          |                        |               | Dedicated Interventional Catheterization Labs  |            |                |                              |                       |                | 2          |
|                                                        |                 |                          |                        |               | Dedicated EP Catheterization Labs              |            |                |                              |                       |                | 1          |
| Diagnostic/Interventional                              |                 |                          |                        |               |                                                |            |                |                              |                       |                |            |
| Equipment                                              | Examinations    |                          |                        |               | Radiation Equipment                            |            |                |                              | Therapies/ Treatments |                |            |
|                                                        | Owned           | Contract                 | Inpatient              | Outpt         | Contract                                       | Owned      | Contract       |                              |                       |                |            |
| General Radiography/Fluorosc.                          | 18              |                          | 7,018                  | 55,614        |                                                |            |                | Lithotripsy                  |                       |                |            |
| Nuclear Medicine                                       | 2               |                          | 363                    | 2,987         |                                                |            |                | Linear Accelerator           |                       |                | 10,304     |
| Mammography                                            | 2               |                          | 4                      | 5,562         |                                                |            |                | Image Guided Rad Therapy     |                       |                |            |
| Ultrasound                                             | 7               |                          | 673                    | 8,967         |                                                |            |                | Intensity Modulated Rad Ther |                       |                |            |
| Angiography                                            |                 |                          |                        |               |                                                |            |                | High Dose Brachytherapy      |                       |                |            |
| Diagnostic Angiography                                 |                 |                          |                        |               |                                                |            |                | Proton Beam                  |                       |                |            |
| Interventional Angiography                             |                 |                          | 972                    | 1,374         |                                                |            |                | Gamma Knife                  |                       |                |            |
| Positron Emission Tomography (PET)                     |                 | 1                        | 3                      | 196           |                                                |            |                | Cyber Knife                  |                       |                |            |
| Computerized Axial                                     | 3               |                          | 499                    | 2,103         |                                                |            |                |                              |                       |                |            |
| Magnetic Resonance Imaging                             | 2               |                          | 420                    | 3,483         |                                                |            |                |                              |                       |                |            |

Attachment 2  
NorthPointe Health and Wellness Campus  
Programs and Services

### NP Perks Club

by texting "HEALTH"  
to 24104 to receive  
to receive special discounts, up-  
dates, prizes and much more!

\*Standard text messaging  
rates apply.



**NorthPointe is a state-of-the-art health and wellness campus owned and operated by Beloit Health System, where we continue to make a difference in the northern Illinois community by providing excellent healthcare for life.**

Set on 122 acres of natural woods and rolling prairies, the campus offers a natural, healing environment for all ages.

Beloit Health System was the first hospital-affiliated healthcare provider to bring services to the Roscoe area in 1991.

#### **NorthPointe Health**

Provides advanced primary care, specialty physicians, immediate care, diagnostic needs, therapies such as physical, speech, audiology, spa and more.

#### **NorthPointe Wellness**

Offers medically-integrated fitness programs for members who want to "Live Life to the Fittest". Day guest passes are available.

#### **The Campus provides the following services:**

- Immediate Care- Board certified emergency physicians, seven days a week, from 9 a.m. – 9 p.m.
- Physician Clinics- Expert primary and specialty clinicians available
- Diagnostic- Full radiology, a new CT/MRI and Sleep Lab
- Rehabilitation Services- Physical and Occupational therapies, Speech Pathology, Audiology and Sports Medicine
- Aquatic Center- A glass-enclosed 7-lane lap pool and warm water pool
- NorthPointe Terrace Assisted Living- A caring, 24-unit senior living facility accepting new residents
- Retail Center- NorthPointe Café, full-service Spa and other health services
- Walking/jogging Trails- Two miles through beautiful wooded acres and restored prairie open to the public
- Community Education Rooms- Available to area businesses and service organizations for meetings and catering
- NorthPointe Sleep Solutions- Comprehensive sleep diagnostics



5605 E. Rockton Rd.,  
Roscoe

Located conveniently near I-90  
and Rockton Roads.

For more information call 815-525-4000 or visit [www.NorthPointeHealth.org](http://www.NorthPointeHealth.org).

## Health Care

### Immediate Care

When your need is greatest, NorthPointe Immediate Care is your destination to find emergency-type services. Our Immediate Care physicians are board certified in emergency medicine and have access to our full diagnostic services and women's healthcare imaging center. When treatment for your immediate care needs is completed, our physicians can transition you to work with our licensed physical, occupational and speech therapists. It's the unique advantage of NorthPointe Health and Wellness facility – with access to the NorthPointe Wellness fitness center, NorthPointe integrates all of your healthcare needs into one convenient location.

### Primary and Specialized Care

See your primary care physician at NorthPointe! Whatever your healthcare need, the primary care physicians at NorthPointe Clinic are ready to treat you and your family. It's the same old friendly doctor's office, but in a resort-like environment. And all of the physicians at NorthPointe have access to the most technologically advanced equipment available, along with the support of a team covering more than 10 different specialties. Appointments can be made by calling (815) 525-4500.

Come and see why the future of health and wellness is here at NorthPointe Health and Wellness campus.

## Dermatology Suite at NorthPointe

NorthPointe has the expertise of two board certified Dermatologists in a designated Dermatology Suite. Dr. Paul Segal and Dr. Roger Kapoor are dermatologists with outstanding credentials in the changing world of skin and cosmetic needs.

The 4,000 square foot Dermatology Suite and Surgery area offers the space, new technology and services you are looking for. All patients are seen by a physician at each visit.

Find the newest cosmetic enhancements and advance laser treatments for removal of hair, facial veins, reduction of wrinkles and acne scars. Talk to Drs. Kapoor and Segal about your dermatology needs by calling 815-525-4070.

## Diagnostic Center

With the newest in diagnostic technology available, NorthPointe physicians and staff are experts at determining your illness and injury, as well as the best course of treatment.

At NorthPointe, our medically integrated facility means you'll get the highest-level of expertise and treatment in northern Illinois. By utilizing our state-of-the-art all digital environment, your physician has immediate access to filmless images to give you faster and more accurate treatment. It's an advantage that goes beyond our convenient location.

### Services Offered

- Full-service diagnostics and laboratory
- X-Ray, MRI and CT scans
- Completely PACS (Picture Archiving and Communication System) environment for filmless imaging that delivers images to physicians immediately and are viewable from remote locations
- Digital mammography machine

- Bone density testing
- Ultrasound and echocardiography
- Cardiac stress testing
- Audiology

For more information about NorthPointe Diagnostic Center, call (815) 525-4200.

### **NorthPointe Sleep Solutions**

One of the emerging issues in health and wellness today is the diagnosis and treatment of sleep disorders. At NorthPointe we offer the most comprehensive sleep diagnostics in the area including polysomnography and multiple sleep latency testing to diagnose common sleep disorders like obstructive sleep apnea. Our Sleep Technologists are certified by the American Association of Sleep Technologists and our Pulmonologist is a Fellow in Pulmonary and Critical Care Medicine and certified by the American Board of Internal Medicine.

For more information about NorthPointe Sleep Solutions, call (815) 525-4810.

## **Immediate Care**

### **Emergency care without the emergency room wait**

When the need for emergency care arises, our medical staff is here, ready and qualified to give you the care and services you expect. Our Immediate Care physicians are board certified in emergency medicine. With emergency-type care, immediate diagnosis and treatment for your family's emergencies, as well as X-Ray, CT, MRI and a full-service laboratory, you can be confident that you're getting the highest level of care available. NorthPointe also features Instymed – an electronic pharmacy dispensing system that will fill your prescriptions immediately. As an added benefit, Instymed accepts all insurance. It's emergency care the way it should be – expert, immediate and right in your community.

**Open daily from 9:00 a.m. – 9:00 p.m.**

## **Laboratory Services**

We meet your all testing & calibration needs by our Laboratory Services area.

NorthPointe offers a complete spectrum of laboratory services for outpatient needs.

NorthPointe Laboratory is open from:

Monday- Friday 8 a.m.- 7 p.m.

Saturday- Sunday 9 a.m.- 7 p.m.

For questions, call 815-525-4221

## **NorthPointe Clinic**

Your doctor is in.

Whether you're expecting a baby, your toddler comes down with the chickenpox, you've got a cold that you just can't shake or your grandmother needs help with her medications, the physicians at NorthPointe are available to help you get well!

Staffed with nearly 30 physicians offering expert individual care, NorthPointe Clinic brings the traditional doctor's office into a resort-like environment. Featuring the most technologically advanced equipment in one convenient location, NorthPointe gives your primary care physician the support needed to provide extensive healthcare services. Expertise and experience. It's what you need and expect from your physician and it's what you'll receive at NorthPointe Health and Wellness Campus. Whether it's individual care or care for your entire family, you can be confident that you're receiving the best that northern Illinois has to offer. And it all comes in a peaceful setting that will make you and your family feel welcome and comfortable.

Come to NorthPointe to see your physician. Call us with your questions, we'll be happy to discuss the availability of any one of our expert physicians practicing at NorthPointe Health!

For either questions or appointments, call 815-525-4500.

## Occupational Health

**Employee Health and Wellness- your company's most important benefit.**

NorthPointe offers employers a variety of corporate programs to meet their health and wellness goals. Studies have proven that a company-based wellness program can increase employee productivity, reduce absenteeism, lower insurance premiums and positively impact the bottom line- not to mention giving your company a competitive edge in recruiting and retaining employees.

**Our professional staff can provide services to:**

Treat work-related injuries

Provide OSHA testing

Offer pre-employment physicals

Provide drug tests for local companies and school programs.

## Premier Oral Surgery

Since 2010, Premier Oral & Maxillofacial Surgery added an office at NorthPointe Health and Wellness Campus, as well as their offices in Janesville and Monroe.

Premier Oral and Maxillofacial Surgery specializes in dental extractions, dental implants, wisdom tooth removal, oral diseases and jaw surgery. Their board certified surgeons are also skilled in trauma and periodontal diseases of the gums, teeth and jaw.

Premier has provided oral surgery in the northern Illinois and southern Wisconsin region since 1990 (previously as Southern Wisconsin Oral Surgery).

They can be reached by calling 815-525-4700. [For more information check out this website.](#)

## Rehabilitation Services

NorthPointe offers a wide range of rehabilitation services to put people of all ages on the road to recovery. Our licensed physical, occupational and speech therapists have access to the NorthPointe Wellness fitness center, indoor and outdoor walking areas as well as a seven lane lap pool and warm water therapy pool for rehabilitation to guide you through our uniquely integrated approach and get you back to your active lifestyle.

**Therapies offered:**

- Comprehensive assessments and rehabilitation of orthopedic/sports, geriatric, neurological, industrial, pediatric, vestibular and balance issues and speech and language pathology services
  - Individual exercise programs
  - Upper extremity and lower extremity rehabilitation
  - Spine rehabilitation
  - Traction, electrical stimulation, ultrasound
  - Joint and soft tissue mobilization
  - Pain and stress reduction
  - Acute and chronic pain management
  - Audiology services including hearing screens, advanced hearing testing, hearing aid fitting and sales as well as customer ear plugs and customer hearing protection
- For more information, call (815) 525-4410.

Project Need Regarding  
Surgery / Procedural Facilities

Beloit Memorial Hospital was designed and constructed in the 1960's long before healthcare programs shifted to the outpatient / ambulatory environment. Over the years, the Hospital has adapted its facilities to accommodate outpatients. The trends leading to emphasize outpatient / ambulatory care are inherent in, and supported by, the Affordable Care Act (ACA).

Probably the most significant trend emphasizing ambulatory care has occurred in the surgical environment as evidenced by the proliferation of free-standing Ambulatory Surgical Treatment Centers in the United States. Considering hospital-based surgery, the percentage of ambulatory to inpatient cases has increased significantly with ambulatory / outpatient surgery cases exceeding 75% in many hospitals. The Beloit Memorial Hospital outpatient percentage is approximately 70% for surgery suite-related cases and 89% for G.I. procedures.

The Hospital is faced with modernizing and expanding its current surgical and procedural facilities based on several over-arching factors:

1. Additional surgery and procedure rooms are required based on current utilization.
2. The current surgery and G.I. procedural suites were not designed to accommodate ambulatory patients.
3. The current surgery and procedure rooms do not meet contemporary standards. They are outdated based on the facility being over 40-years old. In addition, two have restricted use.
4. Modernization / expansion, in-place, to meet demonstrated current procedural needs, would extend construction due to phasing and may compromise patient care given the need for a specialized environment.

More specifically, project need is based on the following factors in addition to those previously identified as outlined in the Permit Application, as noted in the SAR, and provided in follow-up responses and/or testimony.

1. The current surgery suite has 6 operating rooms, two of which are special purpose rooms (dedicated to cysto and cardiothoracic cases). Thus, coupled with the need to provide for

emergency C-sections, the effective capacity is 4 operating rooms or less on a daily basis. The OR room need, based on peak case hours over the last 3 years (SAR, Table 8), adjusting for cysto and heart cases is for 6 – 7 general operating rooms plus consideration for general purpose cysto and cardiothoracic rooms for a total of 8 to 9 operating rooms, a 2 to 3 room deficiency.

2. The current G.I. procedure suite has 2 procedure rooms. The peak case hours over the period 2010 – 2012 justify 3 procedure rooms as noted in the original Permit Application. Thus, there is a deficit of 1 room.
3. Historical utilization can justify, based on Review Board guidelines, 2 to 3 additional operating rooms and 1 G.I. procedure room for a combined total need of 11 to 12 rooms.
4. The lack of adequate capacity compromises scheduling thereby delaying surgery and compromising patient care quality.
5. Current surgery room sizes do not meet contemporary standards as outlined by the Facility Guidelines Institute, the basis for Medicare compliance, JCAHO accreditation, and State licensing requirements, as may be accepted. The current 2014 guideline indicates a minimum clear floor area per OR of 500 sq. ft. in renovated facilities. The guideline is 600 sq. ft. in new facilities (Section 1.1 – 3.3.2.1). Beloit is below these contemporary space requirements necessary to accommodate increasing technology.
6. Appropriate space is not provided for pre-and post-operative ambulatory support, such as private rooms for infection control, infectious patients, disruptive patients, and family support as well as Phase II recovery area for outpatients.
7. Existing OR and procedure room sizes compromise the use of image guided procedures which were not contemplated when the Hospital was developed.

8. The respective surgery and G.I. areas do not have sufficient storage area to accommodate the equipment utilized for surgical and G.I. procedures; technology has expanded since the facility was planned.
9. ASTC's have demonstrated patient care quality is improved and patient satisfaction increased as compared to mixing outpatient surgery within an inpatient environment.

By way of summary, the projects need is justified by:

1. A radical change in the surgery delivery model which emphasizes ambulatory care.
2. Demonstrable need for additional capacity.
3. Current facilities are not contemporary from several perspectives thereby requiring modernization and expansion. They were developed based on an inpatient not ambulatory care model.
4. The need to respond to patient and family considerations including enhanced care quality inherent in contemporary ASTC design principles including privacy considerations.
5. Requisite referral letters justifying a 4 room ASTC (Permit Application and original SAR, Table 5, Page 13).

Alternative of Choice

At the March 11, 2014 State Board meeting a question was raised regarding the alternatives considered and whether or not it would be more cost effective to develop a 4 room ASTC on the Beloit Memorial Hospital Campus rather than at NorthPointe. The following intends to respond to and clarify the Permit Application information.

The draft Review Board transcript, page 119, states:

“I wanted to go back the alternatives that you considered.

No. 3, am I correct that what you’re talking about in this particular option is a six-room ambulatory surgery center, and what you’re actually proposing here is a four-room ambulatory surgery center. So, in effect, wouldn’t that make the cost of putting an ambulatory surgery center on your campus cheaper than it is putting it in at NorthPointe?

And, also, I’m trying to figure out – there’s two separate pieces to that, 3A and 3B.

And 3B is actually cheaper to build it on your existing campus rather than in Illinois.

I’m trying to understand why you wouldn’t use that option.”

To clarify, Beloit considered both a 4-room ASTC on the Hospital Campus and a 4-room ASTC at its NorthPointe Health and Wellness Campus (Alternative 5.)

A 4-room ASTC at NorthPointe is the least cost alternative and the alternative of choice. The 4-room, on campus ASTC is Alternative 4 in the Permit Application, see Attachment 13, Page 119, it is included on the following page:

Alternative 4. New, on-campus 4-Room ambulatory focused surgery and GI facility (ASTC) comparable to NorthPointe option.

| <u>a. IHFSRB Hospital Space Allocation Guidelines</u> |                                        | <u>Estimated Sq. Ft.</u> |
|-------------------------------------------------------|----------------------------------------|--------------------------|
| 1.                                                    | 2 Class C OR's @ 2,750 dgsf            | 5,500 sq. ft.            |
| 2.                                                    | 2 Class B Procedure Rooms @ 1,100 dgsf | 2,200 sq. ft.            |
| 3.                                                    | 2 Recovery Stations @ 180 dgsf         | 360 sq. ft.              |
| 4.                                                    | 14 Phase II Stations @ 400 dgsf        | 5,600 sq. ft.            |
| 5.                                                    | Corridor connector allowance (8 x 50)  | <u>400 sq. ft.</u>       |
| Total DGSF                                            |                                        | 14,060 sq. ft.           |
| DGSF:BGSF conversion                                  |                                        | 1.25                     |
| Estimated Total BGSF                                  |                                        | <u>17,570 sq. ft.</u>    |

| <u>b. IHFSRB ASTC Space Allocation Guidelines</u> |                                       |                       |
|---------------------------------------------------|---------------------------------------|-----------------------|
| 1.                                                | 4 OR / Procedure Rooms @ 2,200 dgsf   | 8,800 sq. ft.         |
| 2.                                                | Corridor connector allowance (8 x 50) | <u>400 sq. ft.</u>    |
| Total DGSF                                        |                                       | 9,200 sq. ft.         |
| DGSF:BGSF conversion                              |                                       | 1.25                  |
| Estimated Total BGSF                              |                                       | <u>11,500 sq. ft.</u> |

The following page reproduces the 6-room on-campus ASTC alternative. This option assumes the Hospital would only serve inpatients, the ASTC outpatients.

Alternatives 3A and 3B were 6-room ASTC options developed on the Hospital Campus. A 6-room ASTC would accommodate all of Beloit's ambulatory surgery cases, not just those attested to which would be relocated. These cases support the development of a 4-room ASTC. A 6-room ASTC would be more expensive regardless of its location either on the Hospital Campus or at NorthPointe due to its sq. ft. size. These costs are included below from Attachment 13, Page 121 of the Permit Application. Given the health status of some ambulatory surgery patients, their care is better served in a hospital environment or on a hospital campus. Hence, not all ambulatory cases could be relocated to NorthPointe.

Alternative 3a – New 6-room surgical pavilion, on-campus

IHFSRB Hospital space guidelines

|                            |                     |
|----------------------------|---------------------|
| Area                       | 26,000 bgsf         |
| Cost / sq. ft.             | <u>\$450.00</u>     |
| Subtotal                   | \$11,700,000        |
| Contingency @ 10%          | <u>1,170,000</u>    |
| Subtotal                   | \$12,870,000        |
| Conversion to Project Cost | <u>÷ 0.65</u>       |
| Estimated Project Cost     | <u>\$19,800,000</u> |

Alternative 3b – New 6-room ASTC pavilion, on-campus

IHFSRB ASTC space guidelines

|                            |                     |
|----------------------------|---------------------|
| Area                       | 17,000 bgsf         |
| Cost / sq. ft.             | <u>\$450.00</u>     |
| Subtotal                   | \$7,650,000         |
| Contingency @ 10%          | <u>765,000</u>      |
| Subtotal                   | \$8,415,000         |
| Conversion to Project Cost | <u>÷ 0.65</u>       |
| Estimated Project Cost     | <u>\$12,946,150</u> |

Alternatives 4a and 4b develop an on-campus 4-room ASTC utilizing Hospital and ASTC space guidelines, respectively. These costs are included below from Attachment 13, Page 122 of the Permit Application.

Alternative 4a – New on-campus 4-room ASTC

IHFSRB Hospital space guidelines

|                            |                     |
|----------------------------|---------------------|
| Area                       | 17,570 bgsf         |
| Cost / sq. ft.             | <u>\$450.00</u>     |
| Subtotal                   | \$7,906,500         |
| Contingency @ 10%          | <u>790,650</u>      |
| Subtotal                   | \$8,697,150         |
| Conversion to Project Cost | <u>÷ 0.65</u>       |
| Estimated Project Cost     | <u>\$13,380,230</u> |

Alternative 4b – New on-campus 4-room ASTC

IHFSRB ASTC space guidelines

|                            |                    |
|----------------------------|--------------------|
| Area                       | 11,500 bgsf        |
| Cost / sq. ft.             | <u>\$450.00</u>    |
| Subtotal                   | \$5,175,000        |
| Contingency @ 10%          | <u>517,500</u>     |
| Subtotal                   | \$5,692,500        |
| Conversion to Project Cost | <u>÷ 0.65</u>      |
| Estimated Project Cost     | <u>\$8,757,690</u> |

Alternative 5, a new 4-room ASTC on the NorthPointe Campus was selected as the least costly alternative and option of choice. These costs are included below from Attachment 13, Page 123 of the Permit Application.

Alternative 5 – New 4-room ASTC on the Beloit Health System, NorthPointe Campus  
(Based on actual estimated costs)

|                                  |                    |
|----------------------------------|--------------------|
| Area                             | 10,530 bgsf        |
| Cost / sq. ft.                   | <u>\$379.60</u>    |
| Subtotal                         | \$3,997,567        |
| Contingency @ 7%                 | <u>280,000</u>     |
| Subtotal                         | \$4,277,567        |
| Other Allocated Project          | 3,160,861          |
| Costs @ ÷ 0.58 conversion factor | ÷ 0.58             |
| Subtotal                         | <u>\$7,438,428</u> |

Summary

The alternative costs are summarized below. They indicate a 4-room NorthPointe-based ASTC is the least costly alternative and less costly than developing on the hospital campus.

| Alternative           | 3a      | 3b      | 4a      | 4b     | 5      |
|-----------------------|---------|---------|---------|--------|--------|
| Est. Project Cost (M) | \$19.80 | \$12.95 | \$13.38 | \$8.76 | \$7.44 |

The least costly ASTC option based on this alternatives analysis is Option 5; develop a new 4-room ASTC on the NorthPointe Campus.

Reimbursement Consideration  
Available Capacity

Beloit Health System, an integrated healthcare provider, does not discriminate based on a patient's ability to pay. The system accepts Medicare, Medicaid, other public third-party payers, as well as private pay in addition to providing charity care. This policy is in place at NorthPointe and will be utilized for the proposed ASTC.

In reviewing the underlying Permit Application, we suggest the State Board consider the following information in that certain assertions have been made which are inconsistent with publicly available or stated information presented during the review process, to date. These assertions have challenged the System's reimbursement policies with respect to the proposed ASTC as well as the available in-market capacity to accommodate related cases. In addition, a State Board member requested Beloit clarify its reimbursement policies.

The following reflects 2012 reimbursement data, as submitted for Beloit Memorial Hospital, and published 2012 AHQ and ASTC Questionnaire data for in-market providers. This information is being provided to better reflect market realities.

Beloit Memorial Hospital

| <u>Payor Source</u>                                 | <u>Medicare</u> | <u>Medicaid</u> | <u>Other Public</u> | <u>Insurance</u> | <u>Private</u> | <u>Charity</u> | <u>Total</u> |
|-----------------------------------------------------|-----------------|-----------------|---------------------|------------------|----------------|----------------|--------------|
| Inpatient %                                         | 64              | 13              | --                  | 19               | --             | 4              | 100%         |
| Outpatient %                                        | NA              | NA              | NA                  | NA               | NA             | NA             | NA           |
| Inpatient \$ %                                      | 42.9            | 8.5             | --                  | 37.6             | 11.0           | --             | 100%         |
| Outpatient \$ %                                     | 23.7            | 9.3             | --                  | 58.8             | 8.2            | --             | 100%         |
| <u>Total Charity Care Expense</u>                   |                 |                 |                     |                  |                | \$15,092,000   |              |
| <u>Total Charity Care as percent of net revenue</u> |                 |                 |                     |                  |                | 8.3%           |              |

Source: System Records; a computer system change did not allow the outpatient data to be retrieved; additionally, the data is kept by provider not patient.

Note: From a Beloit Health System perspective the NorthPointe Immediate Care Center Medicaid payer source approximated 24% in 2012 ... 15.6% from Illinois Medicaid and 8.4% from Wisconsin Medicaid.

OSF St. Anthony Medical Center

| <u>Payor Source</u>                                 | <u>Medicare</u> | <u>Medicaid</u> | <u>Other Public</u> | <u>Insurance</u> | <u>Private</u> | <u>Charity</u> | <u>Total</u> |
|-----------------------------------------------------|-----------------|-----------------|---------------------|------------------|----------------|----------------|--------------|
| Inpatient %                                         | 48.1            | 8.7             | 0.8                 | 35.9             | 0.8            | 5.8            | 100%         |
| Outpatient %                                        | 37.0            | 14.4            | 0.4                 | 41.5             | 3.0            | 3.6            | 100%         |
| Inpatient \$ %                                      | 37.3            | 7.3             | 0.6                 | 54.3             | 0.1            | --             | 100%         |
| Outpatient \$ %                                     | 23.0            | 5.7             | 0.6                 | 65.3             | 5.5            | --             | 100%         |
| <u>Total Charity Care Expense</u>                   |                 |                 |                     |                  |                |                | \$8,825,481  |
| <u>Total Charity Care as percent of net revenue</u> |                 |                 |                     |                  |                |                | 2.8%         |

OSF St. Anthony Medical Center did not respond to the required impact letter, public hearing request, or State Board meeting public participation opportunity. Thus, it appears the organization is not opposed to the proposed project and implicitly it will have no impact on their facilities.

Rockford Memorial Hospital

| <u>Payor Source</u>                                 | <u>Medicare</u> | <u>Medicaid</u> | <u>Other Public</u> | <u>Insurance</u> | <u>Private</u> | <u>Charity</u> | <u>Total</u> |
|-----------------------------------------------------|-----------------|-----------------|---------------------|------------------|----------------|----------------|--------------|
| Inpatient %                                         | 36.4            | 24.0            | 7.2                 | 24.9             | 0.5            | 7.1            | 100%         |
| Outpatient %                                        | 20.6            | 31.5            | 5.7                 | 28.1             | 10.5           | 3.5            | 100%         |
| Inpatient \$ %                                      | 27.0            | 24.4            | 5.7                 | 42.3             | 0.6            | --             | 100%         |
| Outpatient \$ %                                     | 17.0            | 9.4             | 4.6                 | 61.8             | 7.2            | --             | 100%         |
| <u>Total Charity Care Expense</u>                   |                 |                 |                     |                  |                |                | \$8,963,540  |
| <u>Total Charity Care as percent of net revenue</u> |                 |                 |                     |                  |                |                | 2.9%         |

Rockford Memorial has expressed the proposed NorthPointe multi-specialty ASTC will impact their facility, yet they have met the State Board Standard for operating rooms and have no capacity (March 11 Review Board meeting, SAR, Table 7) to accept additional cases based on Review Board Standards.

Swedish American Hospital (Rockford)

| <u>Payor Source</u>                                 | <u>Medicare</u> | <u>Medicaid</u> | <u>Other Public</u> | <u>Insurance</u> | <u>Private</u> | <u>Charity</u> | <u>Total</u> |
|-----------------------------------------------------|-----------------|-----------------|---------------------|------------------|----------------|----------------|--------------|
| Inpatient %                                         | 41.4            | 24.5            | 1.0                 | 27.3             | 1.1            | 4.7            | 100%         |
| Outpatient %                                        | 28.7            | 25.1            | 1.0                 | 34.9             | 7.2            | 3.2            | 100%         |
| Inpatient \$ %                                      | 33.8            | 17.4            | 0.7                 | 34.0             | 14.0           | --             | 100%         |
| Outpatient \$ %                                     | 14.6            | 4.2             | 0.8                 | 56.2             | 24.3           | --             | 100%         |
| <u>Total Charity Care Expense</u>                   |                 |                 |                     |                  |                | \$12,000,213   |              |
| <u>Total Charity Care as percent of net revenue</u> |                 |                 |                     |                  |                |                | 3.4%         |

Swedish American Hospital (Rockford) has indicated the proposed NorthPointe multi-specialty ASTC will negatively impact their organization and they have capacity to accept additional cases; yet, the facility does not provide G.I. procedures per their published AHQ data. Thus, their public statements are subject to further scrutiny regarding available capacity.

Swedish American Hospital (Belvidere)

| <u>Payor Source</u>                                 | <u>Medicare</u> | <u>Medicaid</u> | <u>Other Public</u> | <u>Insurance</u> | <u>Private</u> | <u>Charity</u> | <u>Total</u> |
|-----------------------------------------------------|-----------------|-----------------|---------------------|------------------|----------------|----------------|--------------|
| Inpatient %                                         | 60.0            | 0.0             | 0.0                 | 40.0             | 0.0            | 0.0            | 100%         |
| Outpatient %                                        | 21.5            | 33.6            | 0.6                 | 35.4             | 5.4            | 3.4            | 100%         |
| Inpatient \$ %                                      | 29.6            | 6.0             | 0.0                 | 64.4             | 0.0            | --             | 100%         |
| Outpatient \$ %                                     | 12.6            | 6.7             | 0.2                 | 56.7             | 23.8           | --             | 100%         |
| <u>Total Charity Care Expense</u>                   |                 |                 |                     |                  |                | \$292,884      |              |
| <u>Total Charity Care as percent of net revenue</u> |                 |                 |                     |                  |                |                | 2.2%         |

Swedish American Hospital (Belvidere) has indicated the proposed NorthPointe multi-specialty ASTC will negatively impact their organization and they have capacity to accept additional cases; yet, the facility does not provide G.I. procedures per their published AHQ data. Thus, their public statements are subject to further scrutiny regarding available capacity.

Mercy Harvard

Rochelle Community Hospital

These hospitals are 34 minutes and 43 minutes distant from the NorthPointe Campus respectively. Rochelle Community Hospital responded to the required impact letter indicating there would be no adverse impact.

Mercy Harvard has chosen not to respond to the proposed NorthPointe ASTC project impact letter.

Rockford Ambulatory Surgery Center (ASTC)

| <u>Payor Source</u>                                 | <u>Medicare</u> | <u>Medicaid</u> | <u>Other Public</u> | <u>Insurance</u> | <u>Private</u> | <u>Charity</u> | <u>Total</u> |
|-----------------------------------------------------|-----------------|-----------------|---------------------|------------------|----------------|----------------|--------------|
| Outpatient %                                        | 51.0            | 0               | 0.1                 | 46.6             | 2.2            | 0              | 100%         |
| Outpatient \$ %                                     | 25.8            | 0               | --                  | 58.9             | 15.3           | --             | 100%         |
| <u>Total Charity Care Expense</u>                   |                 |                 |                     |                  |                |                | \$0          |
| <u>Total Charity Care as percent of net revenue</u> |                 |                 |                     |                  |                |                | 0%           |

Rockford Ambulatory Surgery Center has indicated the proposed NorthPointe multi-specialty ASTC will negatively impact their organization and that capacity is available to accept additional cases. However, the facility does not have G.I. procedure rooms; and less than 1% of its volume is for G.I. cases performed in operating rooms.

Given the fact that this organization does not provide charity care nor does it have G.I. procedure room capability, its opposition to the proposed NorthPointe project is questionable. Based on the fact it does not accept Medicaid cases or charity care cases, this ASTC constrains patient access.

Rockford Endoscopy Center (Single specialty ASTC)

| <u>Payor Source</u>                                 | <u>Medicare</u> | <u>Medicaid</u> | <u>Other Public</u> | <u>Insurance</u> | <u>Private</u> | <u>Charity</u> | <u>Total</u> |
|-----------------------------------------------------|-----------------|-----------------|---------------------|------------------|----------------|----------------|--------------|
| Outpatient %                                        | 36.6            | 6.1             | 0.2                 | 55.0             | 1.3            | 0.7            | 100%         |
| Outpatient \$ %                                     | 17.3            | 1.7             | 0.2                 | 71.1             | 9.7            | --             | 100%         |
| <u>Total Charity Care Expense</u>                   |                 |                 |                     |                  |                |                | \$63,360     |
| <u>Total Charity Care as percent of net revenue</u> |                 |                 |                     |                  |                |                | 1.0%         |

Rockford Endoscopy Center, a single specialty, 4 procedure room ASTC, has indicated the proposed NorthPointe multi-specialty ASTC will negatively impact their organization and they have capacity for additional G.I. cases and have presented testimony they are currently operating at 75% of available capacity. Based on State Board standards, their reported case hours can justify 9 procedure rooms (March 11 Review Board meeting, SAR, Table 7). Thus, it appears their actual capacity is misstated in that by State Board standards the Center is over utilized and has no capacity..

Assuming a 75% utilization on a 4 room center as stated by this provider in the public testimony, 1 room should be available for additional cases. Based on their reported 12,854 cases in 2012 and 4,500 utilized capacity (1,500 hours x 3 rooms), the calculated case time approximates 21 minutes whereas the publicly reported case time is 60 minutes per case. The data suggested in public testimony is inconsistent with that reported and not reflective of other centers across Illinois.

Rockford Orthopedic Surgery Center (ASTC)

| <u>Payor Source</u>                                 | <u>Medicare</u> | <u>Medicaid</u> | <u>Other Public</u> | <u>Insurance</u> | <u>Private</u> | <u>Charity</u> | <u>Total</u> |
|-----------------------------------------------------|-----------------|-----------------|---------------------|------------------|----------------|----------------|--------------|
| Outpatient %                                        | 24.2            | 4.3             | 0                   | 71.2             | 0.3            | 0              | 100%         |
| Outpatient \$ %                                     | 9.7             | 1.0             | 0                   | 81.6             | 7.7            | 0              | 100%         |
| <u>Total Charity Care Expense</u>                   |                 |                 |                     |                  |                |                | \$0          |
| <u>Total Charity Care as percent of net revenue</u> |                 |                 |                     |                  |                |                | 0%           |

Rockford Orthopedic is essentially a single specialty provider (orthopedics, podiatry, and pain.) This ASTC has indicated the proposed NorthPointe multi-specialty ASTC will negatively impact their organization and capacity is available for additional cases.

Based on the March 11 Review Board SAR, Table 7, the center does not have additional capacity. In addition, they do not provide the full range of services as proposed to be relocated, as attested, from Beloit Memorial Hospital to NorthPointe. In addition, charity care patients are not accepted thereby constraining access.

Summary

Beloit Health System does not discriminate based on a patient's ability to pay and its historical payer source reimbursement meets or exceeds characteristics reported by applicable Rockford-based hospitals, particularly as it related to charity care. Its Medicaid participation is consistent with reported AHQ data.

In contrast, the in-market ASTC's, except for Rockford Endoscopy Center, do not provide services to charity care patients and Rockford Endoscopy has minimal charity care. From a Medicaid perspective, Rockford Ambulatory Surgery Center does not accept Medicaid patients nor provide charity care.

These reimbursement facts, coupled with the constrained procedural capacity of each in-market provider, suggests the NorthPointe multi-specialty ASTC will not impact on local providers in that their stated procedural capacity is not available, as testified to, or their reimbursement policies restrict patient access to care.

Beloit has met the State Board standard justifying the proposed 4-room ASTC; has no barriers to patient access with respect to ability to pay; and, one can conclude, enhances market access due to its more generous reimbursement policies.

Establishment and  
Impact on Other Facilities

The previous supplemental material section reviewed both the current reimbursement status of potentially impacted facilities and their probability of accepting new ASTC volume based on both facility capacity utilizing State Board standards and their respective reimbursement policies. The analysis concluded that procedural capacity was not available to accommodate the 3,457 cases proposed to be relocated from Beloit Memorial Hospital to its NorthPointe Campus for several primary reasons:

- Certain facilities do not have the capacity for new cases based on State Board standards, regardless of their public testimony.
- Certain facilities do not provide for either the proposed surgical specialties or G.I. procedures proposed to be relocated based on State Board standards and publicly reported data.
- Certain facilities have reimbursement policies which limit access to Medicaid and charity care patients, in particular, two of the in-market ASTC's.

Establishment Criterion 1110.1540(f) compliance is based on 1,500 case hours per OR or G.I. procedure room. The March 11, 2014 SAR for the proposed project concluded Beloit Memorial Hospital can justify 6 operating rooms and 2 G.I. procedure rooms based on historical 3-year average utilization for a total of 8 justified rooms, not a system-wide total of 12 (8 existing; plus the 4 additional proposed in the NorthPointe ASTC).

As previously stated, of the 6 existing operating rooms, only 3 – 4 are available due to the fact that one (1) is a dedicated cysto room and the another a dedicated cardiothoracic room. In addition, another operating room is not generally available due to emergency C-sections and ED trauma cases. Hence, the effective capacity is nominally 3 to 4 operating rooms and 2 G.I. rooms, considering functional and operational practices. Hence, the total effective procedural capacity is 5 to 6, not 8 rooms; 3 to 4 in surgery and 2 in the G.I. suite.

Based on historical peak utilization and an upward trend in G.I. procedural volume based on recent physician recruitment, 3 G.I. rooms can be justified from an operational, if not Review Board, perspective. Beloit suggests 8 to 9 available OR rooms are required; 5 to 6 in the OR and 3 for G.I. procedures, plus the two restricted OR's (cysto and open heart) for a total of 10 to 11.

The NorthPointe ASTC proposes to replace the capacity of 4 rooms. The resulting operational capacity will be:

| <u>Beloit Memorial Hospital</u> | <u>Existing</u> | <u>Proposed<br/>ASTC</u> | <u>System<br/>Total</u> | <u>Operational<br/>Capacity<br/>Generally<br/>Available*</u> |
|---------------------------------|-----------------|--------------------------|-------------------------|--------------------------------------------------------------|
| <u>Surgery Suite</u>            | 4               | 2                        | 6                       | 6                                                            |
| Available                       | <u>2</u>        | --                       | <u>2</u>                | <u>0</u>                                                     |
| Subtotal                        | 6               | 2                        | 8                       | 6                                                            |
| <u>G.I. Suite</u>               | <u>2</u>        | <u>2</u>                 | <u>4</u>                | <u>4</u>                                                     |
| Total                           | <u>8</u>        | <u>4</u>                 | <u>12</u>               | <u>10</u>                                                    |

\* Discounted for the two restricted rooms

The physician attestation letters justify a 4-room ASTC. Beloit Health System will not staff more rooms than economically feasible as justified by actual utilization. As such, the existing Hospital-based room complement, when modernization takes place, will be adjusted to reflect then current need and total system procedural capacity is expected to be modified.

Review Board Meeting Questions / Summary

Review Board members identified several questions regarding the Permit Application, the project, related SAR, and public testimony / participation comments. A great majority are covered in various sections of this supplemental material and referenced / summarized below:

Discussion Point (Transcript page #)

Facility Modernization (108)

The project proposes to develop a 4-room ASTC to allow modernization of Beloit Memorial Hospital surgical suite. The ASTC utilization has been established through physician attestation letters and accepted in the SAR analysis.

Outpatient Trends (108)

Beloit Memorial Hospital was developed as an inpatient facility. The Hospital has adapted to provide outpatient services consistent with national trends. The existing NorthPointe Health and Wellness Campus is an outpatient facility. The proposed NorthPointe ASTC will complement the facilities existing programs and be supported by current on-site services such as imaging and laboratory.

Beloit Health System Market (109)

As profiled herein, the System already serves the state-line regional market with almost 50% of the organizations' activity coming from Illinois residents. The ASTC justification relocates existing cases; hence, there should be no challenge to, or impact on, existing providers in that Beloit already serves the market.

Physician Compensation (109)

Beloit Health System is a vertically integrated provider and its' wholly owned Beloit clinic physicians are salaried based on a production model similar to other organizations as referenced at the Review Board meeting.

Phased Modernization (110)

Beloit Memorial Hospital surgery suite modernization is needed. The proposed 4-room NorthPointe ASTC, if approved, will allow for a construction process without severely disrupting current Hospital and procedural-related operations in that certain space will be vacated to allow phased modernization to occur.

AHQ Type Information (111, 112, 113)

Mr. Constantino provided an Excel format for the requested AHQ information which is provided herein. The format does not print well in comparison to published AHQ data; thus, a disc has been provided to State Board staff in order to recreate the format the State Board is used to reviewing for Illinois hospitals.

Charity Care (113)

Beloit Health Systems charity care is profiled in this supplemental material. The System does not discriminate based on ability to pay and provides charity care comparable to other in-market hospitals in contrast to the in-market ASTC's who do not accept charity care and whose Medicaid payer mix is generally low to non-existent. Beloit serves the Illinois – Wisconsin region very well compared to some other providers in the market and does not restrict access to its services.

Community Characteristics / Hospital Profile (113)

The Rockford to Beloit state-line region is very similar in socioeconomic and employment characteristics. Hospital economics are also similar as evidenced by the Beloit data provided herein pertaining to hospital reimbursement and charity care. The Beloit Memorial Hospital data is provided in a comparable AHQ format for review purposes, as requested.

Opposition (114)

Information has been provided in this supplemental submission which more accurately reflects or clarifies the Permit Application in contrast to those organizations presenting inaccurate or misinformation in public testimony. Hopefully, this submission provides additional facts to assist the Review Board in its determination.

ACA and Integrated Care Organizations (114 – 118)

As outlined herein, Beloit Health System is an integrated healthcare provider. As such, it manages care delivery throughout the continuum on a value-added basis focusing on population health consistent with ACA principles. It only provides those wholly-owned services which can be cost effectively and efficiently supported within the market. The System does not duplicate services. The proposed 4-room NorthPointe ASTC essentially relocates utilization to its ambulatory campus, NorthPointe, and replaces outdated hospital-designed procedural facilities into appropriately designed and developed ambulatory surgical facilities.

In addition, the Beloit Health System has many strategic and contractual alliances, as noted in this supplemental material, which allow care coordination outside of “owned” programs in order to further enhance and develop an integrated care delivery system which does not duplicate services.

With respect to the proposed ASTC, the project proposes to replace current programs in new appropriately designed outpatient / ambulatory care space. If the System were to consider contracting with others, if they were available for appropriate outpatient surgery programs, it would not be in a hospital setting, and the in-market ASTC’s either do not have truly available capacity nor are willing to accept Medicaid or charity care patients as is the Beloit System. Hence, access is restricted by these providers and not available to Beloit Health System patients.

Alternatives Considered (119)

An ASTC developed on the Beloit Hospital Campus was identified as potentially less expensive than the proposed NorthPointe ASTC. To clarify, the ASTC is but one component of a larger, more inclusive project as outlined in the Permit Application.

A 4-room ASTC on the NorthPointe Campus was considered (Alternative 4 in the Permit Application) and Alternative 5, a 4-room ASTC on the NorthPointe Health and Wellness Campus, was determined to be less costly, more responsive to local geographic access, and, as such, the preferred alternative.

The various referenced alternatives 3A, 3B, 4, and 5 are included in this supplemental material for reference purposes.

Licensing Considerations

ASTC licensing has been a secondary consideration for Beloit Health System pending State Board approval of the proposed project. The following attestation letter is being provided to demonstrate the licensing issue was considered in planning for the NorthPointe ASTC.

April 8, 2014

Ms. Courtney R. Avery  
Administrator  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield IL 62761

Re: NorthPointe ASTC Licensing Requirements  
210 ILCS 5/6

Dear Ms. Avery:

We are fully aware that any physician utilizing our proposed NorthPointe based multi-specialty ASTC must be appropriately licensed, be on the medical staff of an Illinois Hospital, and be privileged to perform requisite surgical procedures.

We cannot license a facility which does not exist; therefore, we have considered physician related compliance with Illinois ASTC Licensing regulations a second step in the ASTC's implementation after CON permit approval by the Illinois Health Facilities and Services Review Board.

I attest to the facts that we have had confidential discussions with several Illinois Hospitals regarding physician privileges and we will meet all licensing, regulatory, and accreditation requirements applicable to an Illinois based ASTC. The hospitals with which we have had preliminary discussions wish to have their confidences maintained until the proposed ASTC facility secures an approved CON Permit.

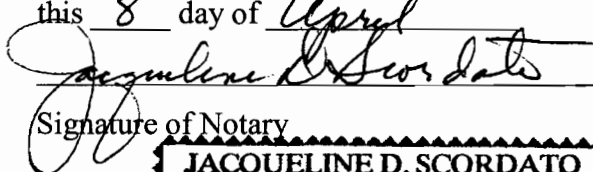
I trust this attestation letter answers the questions raised regarding licensure.

Sincerely,

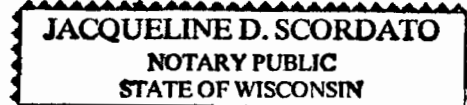
  
Timothy McKeve  
President

Notarization:

Subscribed and sworn to before me  
this 8 day of April

  
Signature of Notary

Seal



**At-Home Healthcare**  
1904 E. Huebbe Parkway  
Beloit, WI • (608) 363-5885

**Beloit Clinic**  
1905 E. Huebbe Parkway  
Beloit, WI • (608) 364-2200

**Clinton Clinic**  
307 Ogden Avenue  
Clinton, WI • (608) 676-2206

**Darien Clinic**  
300 N. Walworth Street  
Darien, WI • (262) 882-1151

**Janesville Clinic**  
1321 Creston Park  
Janesville, WI • (608) 757-1217

**NorthPointe Health & Wellness Campus**  
5605 E. Rockton Road  
Roscoe, IL • (815) 525-4000

**NorthPointe Terrace**  
5601 E. Rockton Road  
Roscoe, IL • (815) 525-4800

**Occupational Health Sports & Family Medicine Center**  
1650 Lee Lane  
Beloit, WI • (608) 362-0211

**Riverside Terrace**  
3055 S. Riverside Dr.  
Beloit, WI • (608) 365-7222

**West Side Clinic**  
1735 Madison Road  
Beloit, WI • (608) 363-7510

Non-Compliance Considerations Summary

Project Size (Criterion 1110.234a)

Impact on Other Facilities (Criterion 1110.1540(e))

Establishment (Criterion 1110.1540(f))

Reasonableness of Project and Related Costs (Criterion 1120.140(c))

New Construction and Contingencies

A & E Fees

Moveable Equipment

### Non-Compliance Considerations Summary

The March 11, 2014 Review Board meeting SAR regarding Project 13-072, NorthPointe Health and Wellness Campus, Ambulatory Surgery Treatment Center, outlined a few areas of noncompliance. This Supplemental Material section intends to summarize previous material as presented herein and clarify select information for Review Board purposes.

#### Project Size (Criterion 1110.234a)

The State Board standard is based on historical free-standing ASTC projects and not State Board standards for hospitals.

By policy, the Beloit Health System directed its architects to plan and design the 4-room multi-specialty ASTC utilizing hospital standards in order to provide the same type and quality of space as contemporary hospital facilities. The built environment can impact on care quality and safety. As such, Beloit wishes to maintain similar environments in the ambulatory as well as inpatient environment.

The State Board standard for similar hospital-based outpatient facilities is 13,220 DGSF; and in an ASTC, 8,800 DGSF. The NorthPointe 4-room multi-specialty ASTC is sized at 10,531 DGSF or 1,731 DGSF (19.7%) greater than the State Board standard due to providing for additional privacy in pre- and post-facilities to accommodate families and respond to HIPPA considerations as well as procedural space similar to the hospital environment.

#### Impact on Other Facilities (Criterion 1110.1540d)

Based on State Board criterion related to 1,500 case hours per operating room or G.I. procedure room, there is calculated additional capacity within the geographic market based solely on reported utilization. However, on further analysis, many of the providers do not provide the services proposed for the NorthPointe 4-room, multi-specialty ASTC; there are also restrictions on accepting Medicaid and charity care patients, and there are no assurances privileges would be granted to the physicians attesting to relocate cases if they were sought.

The establishment and impact on other facilities section in this supplemental material further explores this issue. Beloit Health System continues to assert it believes there will be no impact on other in-market facilities and market capacity is not available to relocate the proposed cases due to service availability and restricted reimbursement policies.

In addition, if the proposed relocated case load was distributed to other facilities outside the Beloit System, this fragmentation in care could be expected to reduce physician productivity, increase care delivery costs, reduce quality, compromise care / case management, and hinder care due to less integrated / managed care delivery and lack of an integrated health record. Why consider fragmenting an already integrated care delivery model? Beloit Health System's integrated delivery model provides for physician productivity, reduces care delivery costs, and embraces quality through patient / case management. These benefits could not be achieved if the proposed volume were dispersed to several geographically remote facilities.

Establishment of New Facilities (Criterion 1110.1540f)

In reality, the proposed project replaces existing ambulatory surgery related cases into a well-designed ASTC. The development, however, is considered an "establishment" under Review Board criteria.

Data and information in this supplemental material further clarifies in-market calculated capacity, its potential restrictions on availability, and Beloit Memorial Hospital's true room complement and need. This analysis demonstrates conformance with Review Board criteria when one discounts facility "capacity" by considering operational and restricted specialty / restricted-use rooms like cystoscopy and open heart.

Beloit Health System believes it has complied with the intent of this criterion which is to not over build or duplicate facilities in a given market. It has the utilization / workload to justify the proposed 4-room ASTC. The SAR concludes, Page 20, ... "the historical workload will only justify the 8 OR's not the 12 proposed." If the conclusion is modified and discounts the 12 by two special purpose and restricted rooms ... cysto and open heart ... the criterion is met.

Reasonableness of Project and Related Cost (Criterion 1120.140c)

(Exhibit 1, Attachment 7, from the Permit Application is provided as a reference)

- New Construction and Contingencies

The State Board standard of \$379.69 per sq. ft. is assumed to be based on average / adjusted Means data which may not reflect local construction markets.

The proposed estimated cost based on a schematic design and outline specifications is \$403.80 per sq. ft. or 6.3% above the calculated standard. This estimate by the independent Concord Group takes into consideration local conditions. The local market is 9.6% above the average considering local conditions.

In addition, the greatest majority of clinical space (96.6%) is for the proposed ASTC. Although not applicable to ASTC's, the Cost Complexity Index (Section 1120, Appendix A) would suggest high level D&T areas, like surgery, at 1.23 of a baseline cost, could be considered in evaluating the proposed ASTC sq. ft. as to its reasonableness. An ASTC must meet essentially the same codes and development criteria as a hospital based surgical suite.

Based on these factors, the proposed construction cost can be considered reasonable.

- A & E Fees

The SAR profiles these fees as a percentage of clinical costs, not the entire project (clinical and non-clinical); and concludes them to be excessive. The total A & E fee (\$823,300), as a percentage of total new construction, modernization, and contingencies (\$10,297,544) approximates 8% which is within the State Board standard and can be considered reasonable for an entire project given its proposed scope.

The original A & E fee distribution between the clinical and non-clinical categories can be considered an allocation anomaly.

- Moveable Equipment

The SAR applied the total moveable equipment costs to the ASTC cost standard. The Permit allocation did not differentiate between the ASTC and other building areas. In addition, the equipment list included some equipment items which should be expensed. The project cost should only account for capitalized equipment per State Board rules.

To clarify the equipment list, the costs were allocated as indicated in Exhibit 2. This analysis concludes the capitalized ASTC equipment to be \$446,625 per room or 3.2% below the State Board standard.

Exhibit 1

**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                                                                                                                              | 45,000           | 20,000           | 65,000            |
| Site Survey and Soil Investigation                                                                                                             | 5,600            | 3,400            | 9,000             |
| Site Preparation                                                                                                                               | 155,000          | 66,404           | 221,404           |
| Off Site Work                                                                                                                                  | 0                | 0                | 0                 |
| New Construction Contracts (Bldg. Only)                                                                                                        | 4,101,217        | 5,697,447        | 9,798,644         |
| Modernization Contracts                                                                                                                        | 48,900           | 0                | 48,900            |
| Contingencies                                                                                                                                  | 300,000          | 150,000          | 450,000           |
| Architectural/Engineering Fees                                                                                                                 | 620,000          | 203,300          | 823,300           |
| Consulting and Other Fees                                                                                                                      | 41,800           | 13,918           | 55,718            |
| Movable or Other Equipment (not in construction contracts)                                                                                     | 2,700,000        | 301,200          | 3,001,200         |
| Bond Issuance Expense (project related)                                                                                                        | 217,000          | 133,000          | 350,000           |
| Net Interest Expense During Construction (project related)                                                                                     | 253,600          | 155,400          | 409,000           |
| Fair Market Value of Leased Space or Equipment                                                                                                 | 0                | 0                | 0                 |
| Other Costs To Be Capitalized                                                                                                                  | 886,000          | 221,518          | 1,107,518         |
| Acquisition of Building or Other Property (excluding land)                                                                                     | 0                | 0                | 0                 |
| <b>TOTAL USES OF FUNDS</b>                                                                                                                     | <b>9,374,117</b> | <b>6,965,587</b> | <b>16,339,704</b> |
| SOURCE OF FUNDS                                                                                                                                | CLINICAL         | NONCLINICAL      | TOTAL             |
| Cash and Securities                                                                                                                            | 799,404          | 0                | 799,404           |
| Pledges                                                                                                                                        |                  |                  | 0                 |
| Gifts and Bequests                                                                                                                             |                  |                  | 0                 |
| Bond Issues (project related)                                                                                                                  | 8,574,713        | 6,965,587        | 15,540,300        |
| Mortgages                                                                                                                                      |                  |                  | 0                 |
| Leases (fair market value)                                                                                                                     |                  |                  | 0                 |
| Governmental Appropriations                                                                                                                    |                  |                  | 0                 |
| Grants                                                                                                                                         |                  |                  | 0                 |
| Other Funds and Sources                                                                                                                        |                  |                  | 0                 |
| <b>TOTAL SOURCES OF FUNDS</b>                                                                                                                  | <b>9,374,117</b> | <b>6,965,587</b> | <b>16,339,704</b> |
| NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. |                  |                  |                   |

Exhibit 2  
Project Costs and Sources of Funds  
Attachment 7, Clarification / Distribution  
Moveable or Other Equipment

| <u>Functional Area</u>        | <u>Clinical</u>    | <u>Non-Clinical</u> | <u>Total</u>       |
|-------------------------------|--------------------|---------------------|--------------------|
| <u>ASTC Related</u>           |                    |                     |                    |
| Capitalized                   | \$1,786,500        | \$203,200           | \$1,989,700        |
| Expensed                      | <u>\$ 178,100</u>  | <u>\$ 34,500</u>    | <u>\$ 212,600</u>  |
| Subtotal                      | \$1,964,600        | \$237,700           | \$2,202,300        |
| <u>Other Building Related</u> |                    |                     |                    |
| Capitalized                   | \$696,900          | \$60,000            | \$756,900          |
| Expensed                      | <u>\$ 38,500</u>   | <u>\$ 3,500</u>     | <u>\$ 42,000</u>   |
| Subtotal                      | \$735,400          | \$63,500            | \$798,900          |
| Total                         | <u>\$2,700,000</u> | <u>\$301,200</u>    | <u>\$3,001,200</u> |

For State Board review purposes, the ASTC project cost for equipment is \$1,786,500 or \$446,625 per room as clarified above. The Permit Application should not have included "expensed" or non-capitalized equipment per State Board rules.

The State Board standard for ASTC capitalized equipment is \$461,361 ... the proposed cost for the NorthPointe ASTC is 3.2% below the standard on a per room basis.

Public Participation Comments

Local in-market providers provided comment on the proposed project at both a required Public Hearing and during the Public Participation portion of the March 11, 2014 Review Board meeting. Their perspectives were partially addressed in previous material submitted by Beloit. Related portions of this Supplemental Material, in particular the reimbursement and in-market capacity sections, also address many of their comments. This section summarizes the Review Board meeting points; transcript pages are shown in ( ) for reference purposes.

Rockford Endoscopy (Pages 18 – 20) (single specialty ASTC)

- Room Availability (operating efficiency)

Based on State Board standards, this ASTC does not have any available capacity. In fact, the statistics presented are in conflict with published IDPH data.

- Reimbursement (charge master fees)

Charge masters do not reflect actual reimbursement. Beloit reimbursement is considered to be consistent with other in-market hospital providers. Beloit anticipates no cost increases to its patients or payers. The system will bill in the same manner as currently in place. Payer reimbursement will not increase as a result of moving cases to the proposed new ASTC.

Rockford Ambulatory Treatment Center (Pages 24 – 26) (Multi-specialty ASTC)

- Physician Licensure

This consideration is attested to herein and is not a State Board review criterion.

- Charge Master

See the Rockford Endoscopy response above. The facts alluded to by Rockford Endoscopy are inaccurate.

- Inaccurate Case Times

The case times in the Permit Application are actual Beloit Memorial Hospital experience applied to the ASTC analysis. On a comparative basis, they are similar to and reflect reported AHQ, IDPH, HSA-1, PSA-201, regional and state-wide data. It appears the public testimony information is in conflict with, or is at least inconsistent with, publicly reported data.

In addition, the proposed ASTC replaces outpatient surgical capacity and does not duplicate facilities in the Illinois geographic service area.

- Open Medical Staff and Capacity

There are no assurances the respective Beloit physicians would be granted privileges at another organization.

The Center's calculated capacity indicates a justification for 4 rooms leaving 1 room potentially available for use which will not accommodate the attested to relocated cases and the Center does not accept Medicaid or charity cases which further restricts their capacity to accept Beloit Health System patients.

- Expense to Illinois Citizens

As profiled herein, Beloit Health System already serves the market and there will be no increase in costs based on current / proposed billing policies.

- Beloit Hospital Modernization

See other material presented in this Supplemental material. This point has been addressed.

Rockford Orthopedic Surgery Center (Page 26 – 30)

(essentially a single-specialty ASTC; orthopedics, podiatry, and pain-related cases)

- Under-utilized Market Capacity

This point has been previously responded to. Market capacity is not available due to several factors including specialty, distance, actual capacity, and restricted reimbursement policies pertaining to Medicaid and charity care. In fact, based on State Board standards, this Center has no additional capacity.

- Case Transfer

The physician attestation letters confirm their intent to relocate 3,467 cases which justify the 4-room multi-specialty NorthPointe ASTC. The project is in conformance with Criterion 1110.1540d (SAR, Page 16).

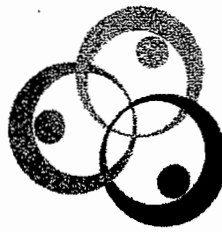
- Under-utilized Operating Rooms in Beloit

This assertion has been addressed within this Supplemental Information document and the surgical capacity criterion attested to in the Permit Application.

Summary

In general, the assertions presented in the public input process regarding this Permit Application, are contradicted by published facts and data, in-market provider operational policies, and the Permit Application itself when considering clarifying and additional information.





Wisconsin Hospitals:  
Connecting With Our Communities

**2010 WHA Community Benefit**

**Beloit Memorial Hospital**

|                                       | Persons       | Total<br>Expense  | Offsetting<br>Revenue | Net<br>Benefit    |
|---------------------------------------|---------------|-------------------|-----------------------|-------------------|
| <b>Facility Specific Data</b>         |               |                   |                       |                   |
| Traditional Charity Care              | 0             | 5,555,879         | 0                     | 5,555,879         |
| Unpaid Cost of Medicaid               | 0             | 16,951,792        | 11,796,351            | 5,155,441         |
| Community Health Improvement Services | 27,421        | 159,713           | 7,806                 | 151,907           |
| Health Professions Education          | 196           | 98,769            | 0                     | 98,769            |
| Subsidized Health Services            | 287           | 6,839             | 0                     | 6,839             |
| Financial and In-Kind Contributions   | 1,467         | 16,919            | 0                     | 16,919            |
| Community Building Activities         | 0             | 875               | 0                     | 875               |
| <b>Totals - Community Benefit</b>     | <b>29,371</b> | <b>22,790,786</b> | <b>11,804,157</b>     | <b>10,986,629</b> |

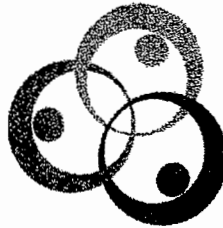
**Volume Group 5  
(9,501 – 15,000)**

|                                       |                  |                    |                    |                    |
|---------------------------------------|------------------|--------------------|--------------------|--------------------|
| Traditional Charity Care              | 21,414           | 61,365,948         | 0                  | 61,365,948         |
| Unpaid Cost of Medicaid               | 38,670           | 255,635,305        | 146,386,141        | 109,249,164        |
| Means-Tested Programs                 | 605              | 4,827,543          | 1,784,760          | 3,042,783          |
| Community Health Improvement Services | 2,213,263        | 11,641,305         | 1,098,612          | 10,542,693         |
| Health Professions Education          | 12,494           | 18,392,147         | 1,798,734          | 16,593,413         |
| Subsidized Health Services            | 9,966            | 31,892,973         | 15,217,668         | 16,675,305         |
| Research                              | 3,773            | 1,381,383          | 0                  | 1,381,383          |
| Financial and In-Kind Contributions   | 133,861          | 6,092,938          | 827                | 6,092,111          |
| Community Building Activities         | 74,992           | 1,378,311          | 0                  | 1,378,311          |
| Community Benefit Operations          | 455              | 590,249            | 15,100             | 575,149            |
| <b>Totals - Community Benefit</b>     | <b>2,509,493</b> | <b>393,198,102</b> | <b>166,301,842</b> | <b>226,896,260</b> |

**Total Net Benefit  
Group Average**

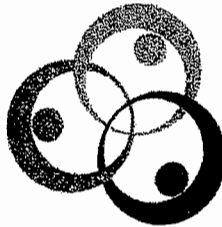
**Volume Group 5**

|                                       |                  |
|---------------------------------------|------------------|
| Traditional Charity Care              | 2,668,084        |
| Unpaid Cost of Medicaid               | 4,749,963        |
| Means-Tested Programs                 | 132,294          |
| Community Health Improvement Services | 458,377          |
| Health Professions Education          | 721,452          |
| Subsidized Health Services            | 725,013          |
| Research                              | 60,060           |
| Financial and In-Kind Contributions   | 264,874          |
| Community Building Activities         | 59,926           |
| Community Benefit Operations          | 25,006           |
| <b>Totals - Community Benefit</b>     | <b>9,865,049</b> |



Wisconsin Hospitals:  
Connecting With Our Communities

|                                                   | <b>Persons</b> | <b>Benefits</b>   |
|---------------------------------------------------|----------------|-------------------|
| <b>Community Health Improvement Services (A)</b>  |                |                   |
| Community Health Education (A1)                   | 26,688         | 140,197           |
| Community Based Clinical Services (A2)            | 619            | 10,626            |
| Health Care Support Services (A3)                 | 114            | 1,084             |
| <b>**** Community Health Improvement Services</b> | <b>27,421</b>  | <b>151,907</b>    |
| <b>Health Professions Education (B)</b>           |                |                   |
| Physicians/Medical Students (B1)                  | 0              | 1,587             |
| Nurses/Nursing Students (B2)                      | 1              | 29,704            |
| Other Health Professional Education (B3)          | 195            | 67,478            |
| <b>**** Health Professions Education</b>          | <b>196</b>     | <b>98,769</b>     |
| <b>Subsidized Health Services (C)</b>             |                |                   |
| Women's and Children's Services (C5)              | 287            | 6,839             |
| <b>**** Subsidized Health Services</b>            | <b>287</b>     | <b>6,839</b>      |
| <b>Financial and In-Kind Contributions (E)</b>    |                |                   |
| In-kind Donations (E3)                            | 1,467          | 16,919            |
| <b>**** Financial and In-Kind Contributions</b>   | <b>1,467</b>   | <b>16,919</b>     |
| <b>Community Building Activities (F)</b>          |                |                   |
| Community Health Improvement Advocacy (F7)        | 0              | 875               |
| <b>**** Community Building Activities</b>         | <b>0</b>       | <b>875</b>        |
| <b>Traditional Charity Care</b>                   |                |                   |
| Traditional Charity Care                          | 0              | 5,555,879         |
| <b>**** Traditional Charity Care</b>              | <b>0</b>       | <b>5,555,879</b>  |
| <b>Government Sponsored Health Care</b>           |                |                   |
| Unpaid Cost of Medicaid                           | 0              | 5,155,441         |
| <b>**** Government Sponsored Health Care</b>      | <b>0</b>       | <b>5,155,441</b>  |
| <b>Totals - Community Benefit</b>                 | <b>29,371</b>  | <b>10,986,629</b> |



Wisconsin Hospitals:  
Connecting With Our Communities

**2011 WHA Community Benefit**

**Beloit Memorial Hospital**

|                                       | <b>Persons</b> | <b>Total<br/>Expense</b> | <b>Offsetting<br/>Revenue</b> | <b>Net<br/>Benefit</b> |
|---------------------------------------|----------------|--------------------------|-------------------------------|------------------------|
| <b>Facility Specific Data</b>         |                |                          |                               |                        |
| Traditional Charity Care              | 0              | 17,721,962               | 0                             | 17,721,962             |
| Unpaid Cost of Medicaid               | 0              | 26,444,492               | 16,952,174                    | 9,492,318              |
| Community Health Improvement Services | 17,120         | 185,926                  | 9,062                         | 176,864                |
| Health Professions Education          | 192            | 196,641                  | 0                             | 196,641                |
| Financial and In-Kind Contributions   | 16,536         | 88,251                   | 0                             | 88,251                 |
| <b>Totals - Community Benefit</b>     | <b>33,848</b>  | <b>44,637,272</b>        | <b>16,961,236</b>             | <b>27,676,036</b>      |

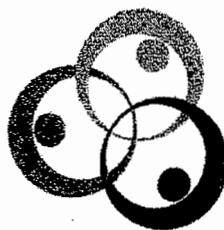
**Volume Group 6  
(15,101-24,000)**

|                                       |                  |                    |                    |                    |
|---------------------------------------|------------------|--------------------|--------------------|--------------------|
| Traditional Charity Care              | 33,842           | 52,066,967         | 0                  | 52,066,967         |
| Unpaid Cost of Medicaid               | 37,738           | 286,488,615        | 92,830,896         | 193,657,719        |
| Means-Tested Programs                 | 2,199            | 7,800,529          | 4,263,888          | 3,536,641          |
| Community Health Improvement Services | 3,605,265        | 19,375,993         | 1,377,109          | 17,998,884         |
| Health Professions Education          | 11,743           | 12,398,370         | 3,293,998          | 9,104,372          |
| Subsidized Health Services            | 52,196           | 39,837,969         | 15,107,866         | 24,730,103         |
| Research                              | 544,216          | 804,851            | 0                  | 804,851            |
| Financial and In-Kind Contributions   | 535,345          | 5,080,618          | 68,690             | 5,011,928          |
| Community Building Activities         | 312,784          | 680,084            | 5,920              | 674,164            |
| Community Benefit Operations          | 891              | 434,891            | 0                  | 434,891            |
| <b>Totals - Community Benefit</b>     | <b>5,136,219</b> | <b>424,968,887</b> | <b>116,948,367</b> | <b>308,020,520</b> |

**Total Net Benefit  
Group Average**

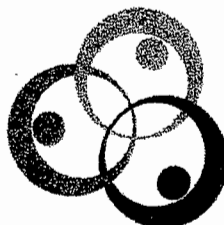
**Volume Group 6**

|                                       |                   |
|---------------------------------------|-------------------|
| Traditional Charity Care              | 3,062,767         |
| Unpaid Cost of Medicaid               | 11,391,631        |
| Means-Tested Programs                 | 208,038           |
| Community Health Improvement Services | 1,058,758         |
| Health Professions Education          | 535,552           |
| Subsidized Health Services            | 1,454,712         |
| Financial and In-Kind Contributions   | 47,345            |
| Community Building Activities         | 39,656            |
| Community Benefit Operations          | 25,582            |
| <b>Totals - Community Benefit</b>     | <b>17,824,041</b> |



Wisconsin Hospitals:  
Connecting With Our Communities

|                                                   | <b>Persons</b> | <b>Benefits</b>   |
|---------------------------------------------------|----------------|-------------------|
| <b>Community Health Improvement Services (A)</b>  |                |                   |
| Community Health Education (A1)                   | 16,414         | 156,357           |
| Community Based Clinical Services (A2)            | 648            | 19,412            |
| Health Care Support Services (A3)                 | 58             | 1,095             |
| <b>**** Community Health Improvement Services</b> | <b>17,120</b>  | <b>176,864</b>    |
| <b>Health Professions Education (B)</b>           |                |                   |
| Nurses/Nursing Students (B2)                      | 16             | 60,480            |
| Other Health Professional Education (B3)          | 176            | 136,161           |
| <b>**** Health Professions Education</b>          | <b>192</b>     | <b>196,641</b>    |
| <b>Financial and In-Kind Contributions (E)</b>    |                |                   |
| In-kind Donations (E3)                            | 16,536         | 88,251            |
| <b>**** Financial and In-Kind Contributions</b>   | <b>16,536</b>  | <b>88,251</b>     |
| <b>Traditional Charity Care</b>                   |                |                   |
| Traditional Charity Care                          | 0              | 17,721,962        |
| <b>**** Traditional Charity Care</b>              | <b>0</b>       | <b>17,721,962</b> |
| <b>Government Sponsored Health Care</b>           |                |                   |
| Unpaid Cost of Medicaid                           | 0              | 9,492,318         |
| <b>**** Government Sponsored Health Care</b>      | <b>0</b>       | <b>9,492,318</b>  |
| <b>Totals - Community Benefit</b>                 | <b>33,848</b>  | <b>27,676,036</b> |



Wisconsin Hospitals:  
Connecting With Our Communities

**2012 WHA Community Benefit**

**Beloit Memorial Hospital**

|                                       | Persons       | Total Expense     | Offsetting Revenue | Net Benefit       |
|---------------------------------------|---------------|-------------------|--------------------|-------------------|
| <b>Facility Specific Data</b>         |               |                   |                    |                   |
| Traditional Charity Care              | 0             | 7,143,261         | 0                  | 7,143,261         |
| Unpaid Cost of Medicaid               | 0             | 28,907,178        | 19,297,376         | 9,609,802         |
| Community Health Improvement Services | 15,932        | 190,296           | 9,025              | 181,271           |
| Health Professions Education          | 103           | 85,818            | 0                  | 85,818            |
| Financial and In-Kind Contributions   | 2,869         | 88,636            | 0                  | 88,636            |
| Community Building Activities         | 0             | 402               | 0                  | 402               |
| Community Benefit Operations          | 100           | 1,042             | 0                  | 1,042             |
| <b>Totals - Community Benefit</b>     | <b>19,004</b> | <b>36,416,633</b> | <b>19,306,401</b>  | <b>17,110,232</b> |

**Volume Group 6 (17 Hospitals)  
(15,101-24,000)**

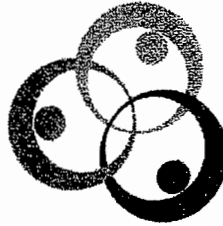
|                                       |                  |                    |                    |                    |
|---------------------------------------|------------------|--------------------|--------------------|--------------------|
| Traditional Charity Care              | 49,442           | 79,447,172         | 0                  | 79,447,172         |
| Unpaid Cost of Medicaid               | 60,035           | 328,873,045        | 151,731,544        | 177,141,501        |
| Means-Tested Programs                 | 1,463            | 11,894,147         | 8,464,792          | 3,429,355          |
| Community Health Improvement Services | 3,832,763        | 20,419,021         | 1,057,114          | 19,361,907         |
| Health Professions Education          | 12,903           | 14,159,000         | 1,116,749          | 13,042,251         |
| Subsidized Health Services            | 50,312           | 39,027,580         | 17,792,535         | 21,235,045         |
| Research                              | 4,038            | 421,260            | 23,000             | 398,260            |
| Financial and In-Kind Contributions   | 278,985          | 4,997,801          | 60,494             | 4,937,307          |
| Community Building Activities         | 267,121          | 873,336            | 0                  | 873,336            |
| Community Benefit Operations          | 96,330           | 771,096            | 0                  | 771,096            |
| <b>Totals - Community Benefit</b>     | <b>4,653,392</b> | <b>500,883,458</b> | <b>180,246,228</b> | <b>320,637,230</b> |

**Volume Group 6**

**Total Net Benefit  
Group Average**

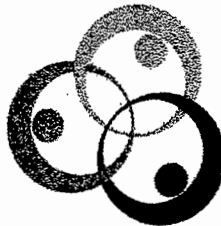
|                                       |                   |
|---------------------------------------|-------------------|
| Traditional Charity Care              | 4,673,363         |
| Unpaid Cost of Medicaid               | 10,420,088        |
| Means-Tested Programs                 | 201,727           |
| Community Health Improvement Services | 1,138,936         |
| Health Professions Education          | 767,191           |
| Subsidized Health Services            | 1,249,120         |
| Financial and In-Kind Contributions   | 290,430           |
| Community Building Activities         | 51,373            |
| Community Benefit Operations          | 45,359            |
| <b>Totals - Community Benefit</b>     | <b>18,837,587</b> |

**Volume group** – A classification system created by BHI, based upon total hospital discharges (hospitalizations), adjusted to account for both inpatient and outpatient volume. GMS hospitals are ranked from lowest to highest and assigned to a group from 1 to 7. Psychiatric, AODA, rehabilitation and state-operated mental health facilities are not assigned a volume group.



Wisconsin Hospitals:  
Connecting With Our Communities

|                                                                                  | Persons       | Benefits          |
|----------------------------------------------------------------------------------|---------------|-------------------|
| <b>Single Reporting Unit: Beloit Memorial Hospital</b>                           |               |                   |
| <b>Executive Summary Excluding Non Community Benefit (Medicare and Bad Debt)</b> |               |                   |
| <b>4th Quarter 2011</b>                                                          |               |                   |
| <b>Community Health Improvement Services (A)</b>                                 |               |                   |
| Community Health Education (A1)                                                  | 14,626        | 160,604           |
| Community-Based Clinical services (A2)                                           | 1,306         | 19,739            |
| Health Care Support Services (A3)                                                | 0             | 928               |
| <b>**** Community Health Improvement Services</b>                                | <b>15,932</b> | <b>181,271</b>    |
| <b>Health Professions Education (B)</b>                                          |               |                   |
| Nurses/Nursing Students (B2)                                                     | 4             | 16,128            |
| Other Health Professions Education (B3)                                          | 99            | 69,690            |
| <b>**** Health Professions Education</b>                                         | <b>103</b>    | <b>85,818</b>     |
| <b>Financial and In-Kind Contributions (E)</b>                                   |               |                   |
| In-Kind Donations (E3)                                                           | 2,869         | 88,636            |
| <b>**** Financial and In-Kind Contributions</b>                                  | <b>2,869</b>  | <b>88,636</b>     |
| <b>Community Building Activities (F)</b>                                         |               |                   |
| Advocacy for Community Health Improvements (F7)                                  | 0             | 402               |
| <b>**** Community Building Activities</b>                                        | <b>0</b>      | <b>402</b>        |
| <b>Community Benefit Operations (G)</b>                                          |               |                   |
| Community Health Needs/Health Assets Assessments (G2)                            | 100           | 1,042             |
| <b>**** Community Benefit Operations</b>                                         | <b>100</b>    | <b>1,042</b>      |
| <b>Traditional Charity Care</b>                                                  |               |                   |
| Traditional Charity Care                                                         | 0             | 7,143,261         |
| <b>**** Traditional Charity Care</b>                                             | <b>0</b>      | <b>7,143,261</b>  |
| <b>Government Sponsored Health Care</b>                                          |               |                   |
| Unpaid Cost of Medicaid                                                          | 0             | 9,609,802         |
| <b>**** Government Sponsored Health Care</b>                                     | <b>0</b>      | <b>9,609,802</b>  |
| <b>Totals - Community Benefit</b>                                                | <b>19,004</b> | <b>17,110,232</b> |



Wisconsin Hospitals:  
Connecting With Our Communities

**2013 WHA Community Benefit**

**Beloit Memorial Hospital**

|                                       | <b>Persons</b> | <b>Total<br/>Expense</b> | <b>Offsetting<br/>Revenue</b> | <b>Net<br/>Benefit</b> |
|---------------------------------------|----------------|--------------------------|-------------------------------|------------------------|
| <b>Facility Specific Data</b>         |                |                          |                               |                        |
| Traditional Charity Care              | 0              | 20,805,841               | 0                             | 20,805,841             |
| Unpaid Cost of Medicaid               | 0              | 28,105,462               | 17,766,172                    | 10,339,290             |
| Community Health Improvement Services | 14,638         | 164,724                  | 0                             | 164,724                |
| Health Professions Education          | 4              | 98,320                   | 0                             | 98,320                 |
| Financial and In-Kind Contributions   | 1,637          | 41,236                   | 0                             | 41,236                 |
| Community Building Activities         | 650            | 5,996                    | 0                             | 5,996                  |
| <b>Totals - Community Benefit</b>     | <b>16,929</b>  | <b>49,221,579</b>        | <b>17,766,172</b>             | <b>31,455,407</b>      |

**Volume Group 6 (18 Hospitals)  
(15,101-24,000)**

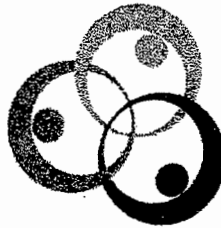
|                                       |                  |                    |                    |                    |
|---------------------------------------|------------------|--------------------|--------------------|--------------------|
| Traditional Charity Care              | 5,261            | 76,749,385         | 0                  | 78,186,673         |
| Unpaid Cost of Medicaid               | 83,744           | 381,151,428        | 158,063,756        | 230,384,281        |
| Means-Tested Programs                 | 2,765            | 15,868,229         | 6,339,197          | 9,529,032          |
| Community Health Improvement Services | 2,499,332        | 19,412,582         | 647,791            | 18,764,791         |
| Health Professions Education          | 12,589           | 15,430,355         | 1,312,254          | 14,118,101         |
| Subsidized Health Services            | 64,612           | 68,669,607         | 41,148,681         | 27,520,926         |
| Research                              | 5,069            | 927,307            | 39,230             | 888,077            |
| Cash and In-Kind Contributions        | 41,671           | 1,312,819          | 1                  | 1,312,818          |
| Financial and In-Kind Contributions   | 545,084          | 4,855,580          | 19,797             | 4,835,783          |
| Community Building Activities         | 104,827          | 1,303,087          | 0                  | 1,303,087          |
| Community Benefit Operations          | 6,108            | 1,611,078          | 0                  | 1,611,078          |
| <b>Totals - Community Benefit</b>     | <b>3,371,062</b> | <b>587,291,457</b> | <b>207,570,707</b> | <b>388,454,647</b> |

**Total Net Benefit  
Group Average**

**Volume Group 6**

|                                       |                   |
|---------------------------------------|-------------------|
| Traditional Charity Care              | 4,343,704         |
| Unpaid Cost of Medicaid               | 12,799,127        |
| Means-Tested Programs                 | 529,391           |
| Community Health Improvement Services | 1,042,488         |
| Health Professions Education          | 784,339           |
| Subsidized Health Services            | 1,528,940         |
| Research                              | 49,338            |
| Cash and In-Kind Contributions        | 72,934            |
| Financial and In-Kind Contributions   | 268,655           |
| Community Building Activities         | 72,394            |
| Community Benefit Operations          | 89,504            |
| <b>Totals - Community Benefit</b>     | <b>21,580,813</b> |

**Volume group** – A classification system created by BHI, based upon total hospital discharges (hospitalizations), adjusted to account for both inpatient and outpatient volume. GMS hospitals are ranked from lowest to highest and assigned to a group from 1 to 7. Psychiatric, AODA, rehabilitation and state-operated mental health facilities are not assigned a volume group.



Wisconsin Hospitals:  
 Connecting With Our Communities

**2013 WHA Community Benefit**

**STATEWIDE REPORT**

|                                       | <b>Persons</b>    | <b>Total<br/>Expense</b> | <b>Offsetting<br/>Revenue</b> | <b>Net<br/>Benefit</b> |
|---------------------------------------|-------------------|--------------------------|-------------------------------|------------------------|
| <b>Facility Specific Data</b>         |                   |                          |                               |                        |
| Traditional Charity Care              | 64,228            | 309,993,397              | 1,442,197                     | 271,450,769            |
| Unpaid Cost of Medicaid               | 619,728           | 1,915,901,796            | 923,944,956                   | 997,965,969            |
| Means-Tested Programs                 | 23,145            | 70,126,782               | 40,665,061                    | 29,461,721             |
| Community Health Improvement Services | 7,706,509         | 78,061,547               | 5,850,596                     | 72,210,951             |
| Community Health Services             | 4,068             | 1,216,022                | 241,785                       | 974,237                |
| Health Professions Education          | 62,670            | 241,909,404              | 28,620,330                    | 213,289,074            |
| Subsidized Health Services            | 125,979           | 280,899,331              | 193,092,035                   | 87,807,296             |
| Research                              | 12,869            | 23,548,253               | 5,154,794                     | 18,393,459             |
| Cash and In-Kind Contributions        | 76,402            | 3,692,202                | 134,869                       | 3,557,333              |
| Financial and In-Kind Contributions   | 1,352,896         | 25,635,513               | 262,671                       | 25,372,842             |
| Community Building Activities         | 1,482,350         | 10,218,261               | 347,954                       | 9,870,307              |
| Community Benefit Operations          | 657,088           | 5,681,542                | 494,274                       | 5,187,268              |
| <b>Totals - Community Benefit</b>     | <b>12,187,932</b> | <b>2,969,700,017</b>     | <b>1,200,251,522</b>          | <b>1,735,541,226</b>   |

**Nursing Home Losses**

**15,452,645**