

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED

AUG 19 2014

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Facility/Project Identification

Facility Name:	Centegra Specialty Hospital – Woodstock, South Street
Street Address:	527 West South Street
City and Zip Code:	Woodstock 60098
County:	McHenry Health Service Area: HSA-08 Health Planning Area: A-10

Applicant /Co-Applicant Identification

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

Exact Legal Name:	Memorial Medical Center – Woodstock d/b/a Centegra Specialty Hospital – Woodstock, South Street
Address:	527 West South Street, Woodstock, IL 60098
Name of Registered Agent:	Mr. Michael S. Eesley, FACHE
Name of Chief Executive Officer:	Mr. Michael S. Eesley, FACHE
CEO Address:	385 Millennium Drive, Crystal Lake, IL 60012
Telephone Number:	(815)788-5825

Type of Ownership of Applicant/Co-Applicant

☒ Non-profit Corporation	☐ Partnership
☐ For-profit Corporation	☐ Governmental
☐ Limited Liability Company	☐ Sole Proprietorship ☐ Other

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

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

Primary Contact

[Person to receive ALL correspondence or inquiries]

Name:	Ms. Hadley Streng
Title:	Director, Planning and Business Development
Company Name:	Centegra Health System
Address:	385 Millennium Drive, Crystal Lake, IL 60012
Telephone Number:	(815)788-5858
E-mail Address:	hstreng@centegra.com
Fax Number:	(815)788-5263

Additional Contact

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

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

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

Exact Legal Name:	Centegra Health System
Address:	385 Millennium Drive, Crystal Lake, IL 60012
Name of Registered Agent:	Mr. Michael S. Eesley, FACHE
Name of Chief Executive Officer:	Mr. Michael S. Eesley, FACHE
CEO Address:	385 Millennium Drive, Crystal Lake, IL 60012
Telephone Number:	(815)788-5825

Type of Ownership of Applicant/Co-Applicant

☒ Non-profit Corporation	☐ Partnership
☐ For-profit Corporation	☐ Governmental
☐ Limited Liability Company	☐ Sole Proprietorship
☐ Other	

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

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**Additional Contact****[Person who is also authorized to discuss the application for permit]**

Name:	Mr. Daniel J. Lawler
Title:	Partner
Company Name:	Barnes & Thornburg, LLP
Address:	1 N. Wacker Drive, Suite 4400, Chicago, IL 60606
Telephone Number:	(312)214-4861
E-mail Address:	daniel.lawler@btlaw.com
Fax Number:	(312)759-5646

Post Permit Contact

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

Name:	Ms. Hadley Streng
Title:	Director, Planning and Business Development
Company Name:	Centegra Health System
Address:	385 Millennium Drive, Crystal Lake, IL 60012
Telephone Number:	(815)788-5858
E-mail Address:	hstreng@centegra.com
Fax Number:	(815)788-5263

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Memorial Medical Center – Woodstock d/b/a Centegra Specialty Hospital – Woodstock, South Street
Address of Site Owner:	527 West South Street, Woodstock, IL 60098
Street Address or Legal Description of Site:	Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.
APPEND DOCUMENTATION AS <u>ATTACHMENT-2</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Operating Identity/Licensee

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

Exact Legal Name of Site Owner:	Memorial Medical Center – Woodstock d/b/a Centegra Specialty Hospital – Woodstock, South Street		
Address:	527 West South Street, Woodstock, IL 60098		
☒ Non-profit Corporation	☐ Partnership		
☐ For-profit Corporation	☐ Governmental		
☐ Limited Liability Company	☐ Sole Proprietorship	☐ Other	
- o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. - o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. - o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.			
APPEND DOCUMENTATION AS <u>ATTACHMENT-3</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Organizational Relationships

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

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

Flood Plain Requirements

[Refer to application instructions.]

Not applicable because this project does not include any construction or modernization.

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

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Not applicable because this project does not include any construction or modernization.

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

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

DESCRIPTION OF PROJECT**1. Project Classification**

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

Part 1110 Classification:



Substantive



Non-substantive

2. Narrative Description

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

This project proposes to discontinue Memorial Medical Center - Woodstock d/b/a Centegra Specialty Hospital – Woodstock, South Street (Centegra Specialty Hospital) as a licensed general hospital.

Implementation of this CON application is contingent upon approval of a CON application that is being submitted at the same time for the discontinuation of Centegra Specialty Hospital's General Long-Term Nursing Care Category of Service.

The discontinuation of Centegra Specialty Hospital as a general hospital is being requested because the discontinuation of its General Long-Term Nursing Care service will result in the facility having no inpatient hospital services.

The only other category of service that has operated at Centegra Specialty Hospital for the past 20 years is the Acute Mental Illness (AMI) Category of Service. A CON permit for the discontinuation of that category of service was granted to Centegra Specialty Hospital on April 22, 2014 (Project #14-003), at the same time a CON permit was granted to Centegra Hospital – Woodstock, Doty Road (Centegra Hospital – Woodstock) to relocate the AMI Category of Service to that facility. The facility, which was constructed in 1914, operated acute care services that were relocated to Centegra Hospital-Woodstock when that hospital was constructed and became licensed.

Both Centegra Specialty Hospital and Centegra Hospital – Woodstock are owned and operated by Centegra Health System.

The relocation of the AMI Category of Service is anticipated to occur by June 30, 2015.

This project is "Substantive" in accordance with the Illinois Health Facilities Planning Act (20 ILCS 3960/12(8)(b)(2)) because it proposes to discontinue a health care facility.

There are no capital costs associated with this project.

The health care facility will be discontinued no later than June 30, 2015, after the AMI Category of Service is relocated to Centegra Hospital – Woodstock.

Project Costs and Sources of Funds

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

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$0	\$0	\$0
Site Survey and Soil Investigation	\$0	\$0	\$0
Site Preparation	\$0	\$0	\$0
Off Site Work	\$0	\$0	\$0
New Construction Contracts	\$0	\$0	\$0
Modernization Contracts	\$0	\$0	\$0
Contingencies	\$0	\$0	\$0
Architectural/Engineering Fees	\$0	\$0	\$0
Consulting and Other Fees	\$0	\$0	\$0
Movable or Other Equipment (not in construction contracts)	\$0	\$0	\$0
Bond Issuance Expense (project related)	\$0	\$0	\$0
Net Interest Expense During Construction (project related)	\$0	\$0	\$0
Fair Market Value of Leased Space or Equipment	\$0	\$0	\$0
Other Costs To Be Capitalized	\$0	\$0	\$0
Acquisition of Building or Other Property (excluding land)	\$0	\$0	\$0
TOTAL USES OF FUNDS	\$0	\$0	\$0
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$0	\$0	\$0
Pledges	\$0	\$0	\$0
Gifts and Bequests	\$0	\$0	\$0
Bond Issues (project related)	\$0	\$0	\$0
Mortgages	\$0	\$0	\$0
Leases (fair market value)	\$0	\$0	\$0
Governmental Appropriations	\$0	\$0	\$0
Grants	\$0	\$0	\$0
Other Funds and Sources	\$0	\$0	\$0
TOTAL SOURCES OF FUNDS	\$0	\$0	\$0

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

Related Project Costs

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

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

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

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

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

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.	
Indicate the stage of the project's architectural drawings:	
☒ None or not applicable	☐ Preliminary
☐ Schematics	☐ Final Working
Anticipated project completion date (refer to Part 1130.140): <u>December 31, 2015</u>	
Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):	
Not applicable because this project does not include any capital expenditure.	
☐ Purchase orders, leases or contracts pertaining to the project have been executed.	
☐ Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies	
☐ Project obligation will occur after permit issuance.	
APPEND DOCUMENTATION AS <u>ATTACHMENT-8</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

State Agency Submittals

Are the following submittals up to date as applicable:
☒ Cancer Registry
☒ APORS
☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☒ All reports regarding outstanding permits
Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

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

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

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

Facility Bed Capacity and Utilization

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

FACILITY NAME: Centegra Specialty Hospital – Woodstock, South Street		CITY: Woodstock			
REPORTING PERIOD DATES: From: January 1, 2013 to: December 31, 2013					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	0	0	0	0	0
Obstetrics	0	0	0	0	0
Pediatrics	0	0	0	0	0
Intensive Care	0	0	0	0	0
Comprehensive Physical Rehabilitation	0	0	0	0	0
Acute/Chronic Mental Illness ¹	36 in 2013 0 effective 4/22/2014	940	6,904	0	0
Neonatal Intensive Care	0	0	0	0	0
General Long Term Care	40 0 Pending Approval ²	361	4,560		0
Specialized Long Term Care	0	0	0	0	0
Long Term Acute Care	0	0	0	0	0
Other ((identify))	0	0	0	0	0
TOTALS:	76 in 2013 40 effective 4/22/2014 0 Pending Approval ²	1,301	11,464	0	0

1. A CON permit was granted to Centegra Specialty Hospital – Woodstock, South Street on April 22, 2014 (Project No. 14-003), to discontinue its Acute Mental Illness (AMI) Category of Service.
2. A CON application to discontinue the General Long-Term Nursing Care Category of Service is being submitted simultaneously with this CON application.

CERTIFICATION

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

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

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



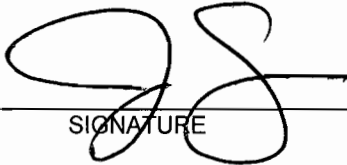
SIGNATURE

Michael S. Eesley

PRINTED NAME

Chief Executive Officer

PRINTED TITLE



SIGNATURE

Jason Sciarro

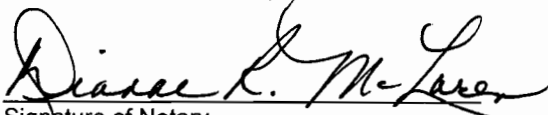
PRINTED NAME

President and Chief Operating Officer

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 7TH day of AUGUST, 2014



Signature of Notary

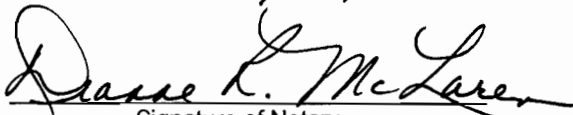
Seal



*Insert EXACT legal name of the applicant

Notarization:

Subscribed and sworn to before me
this 7TH day of AUGUST, 2014



Signature of Notary

Seal · OFFICIAL SEAL
DIANNE R MCLAREN
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 12/15/15

CERTIFICATION

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

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

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



SIGNATURE

Michael S. Eesley
 PRINTED NAME

Chief Executive Officer
 PRINTED TITLE



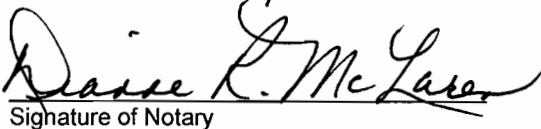
SIGNATURE

Jason Sciarro
 PRINTED NAME

President and Chief Operating Officer
 PRINTED TITLE

Notarization:

Subscribed and sworn to before me
 this 7th day of AUGUST, 2014



Signature of Notary

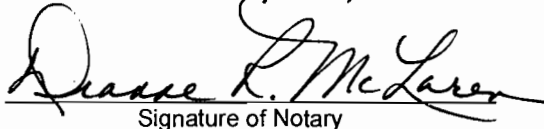
Seal



*Insert EXACT legal name of the applicant

Notarization:

Subscribed and sworn to before me
 this 7th day of AUGUST, 2014



Signature of Notary

Seal



SECTION II. DISCONTINUATION

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

Criterion 1110.130 - Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

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

REASONS FOR DISCONTINUATION

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

IMPACT ON ACCESS

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

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

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

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

XI. Safety Net Impact Statement

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

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

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

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

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

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

Total			
Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

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

XII. Charity Care Information

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

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

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

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

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

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

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

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
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27	Non-Hospital Based Ambulatory Surgery	
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29	Kidney Transplantation	
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	Financial and Economic Feasibility:	
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37	Financial Waiver	
38	Financial Viability	
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To all to whom these Presents Shall Come, Greeting:

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

MEMORIAL MEDICAL CENTER-WOODSTOCK, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 09, 1914, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1419901442

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

*In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 18TH
day of JULY A.D. 2014*

Jesse White

SECRETARY OF STATE



To all to whom these Presents Shall Come, Greeting:

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

CENTEGRA HEALTH SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JUNE 01, 1982, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1419901478

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

*In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 18TH
day of JULY A.D. 2014*

Jesse White

SECRETARY OF STATE

I.
Site Ownership

Memorial Medical Center – Woodstock d/b/a Centegra Specialty Hospital – Woodstock, South Street is the owner of the site as shown in the Commitment for Title Insurance found on pages 2 - 7 of this Attachment.

Commitment for Title Insurance

American Land
Title Association
Commitment - 1966

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

This Commitment shall be effective only when the identity of the proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A hereof

by the Company, either at the time of the issuance of this Commitment or by subsequent endorsement.

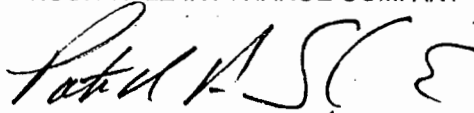
This Commitment is preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate 180 days after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company.

This Commitment shall not be valid or binding until countersigned below by an authorized signatory of the Company.

Issued by:
NORTHERN LAND TITLE CORPORATION
666 RUSSELL COURT
WOODSTOCK, IL 60098
(815) 338-6570

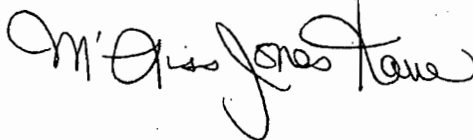
TICOR TITLE INSURANCE COMPANY

By



President

Attest



Secretary


Authorized Signatory

SCHEDULE A

Commitment No.: M26305A AMENDED I.

Effective Date of Commitment: MARCH 19, 2002 @ 1:05 P.M.

Your Reference:

Prepared For: BELL, BOYD & LLOYD

Inquiries Should be Directed to: HERBERT J SCHILLER
(815) 338-6570

1. POLICY OR POLICIES to be issued:

ALTA OWNER'S POLICY - FORM B - 1987

PROPOSED INSURED:

ALTA Loan Policy 1987

AMOUNT: \$ 1,000,000.00

PROPOSED INSURED:

TO BE DETERMINED

2. The estate or interest in the land described or referred to in this Commitment and covered herein is:

Fee Simple.

3. Title to said estate or interest in said land is at the effective date hereof vested in:

MEMORIAL MEDICAL CENTER-WOODSTOCK, A NOT-FOR-PROFIT CORPORATION

SCHEDULE A CONTINUED

Commitment No. M26305A

4. The land referred to in this Commitment is located in the County of MCHENRY State of Illinois and described as follows:

PARCEL 1:

THAT PART OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 44 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF THE SAID NORTHEAST QUARTER; THENCE NORTH 89 DEGREES 17 MINUTES 45 SECONDS WEST ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER, 895.40 FEET; THENCE SOUTH 0 DEGREES 38 MINUTES 48 SECONDS EAST, 33.93 FEET TO THE PLACE OF BEGINNING, BEING ALSO THE NORTHEAST CORNER OF LANDS DESCRIBED IN BOOK 150 OF DEEDS, PAGE 409; THENCE NORTH 89 DEGREES 12 MINUTES 26 SECONDS EAST, 100.00 FEET; THENCE NORTH 0 DEGREES 38 MINUTES 47 SECONDS WEST, 33.78 FEET TO THE NORTH LINE OF SAID NORTHEAST QUARTER; THENCE SOUTH 89 DEGREES 17 MINUTES 45 SECONDS EAST ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER, 137.76 FEET; THENCE SOUTH 0 DEGREES 45 MINUTES 05 SECONDS EAST ALONG A LINE PARALLEL WITH THE EAST LINE OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, 33.56 FEET; THENCE CONTINUING SOUTH 0 DEGREES 45 MINUTES 05 SECONDS EAST, 339.89 FEET; THENCE SOUTH 89 DEGREES 42 MINUTES 20 SECONDS WEST, 238.44 FEET ALONG THE NORTH LINE OF LANDS DESCRIBED IN BOOK 155 OF DEEDS, PAGE 582, TO THE EAST LINE OF LOT 9 IN WESTMAN'S ADDITION TO THE CITY OF WOODSTOCK BEING A SUBDIVISION OF PART OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 44 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF, RECORDED DECEMBER 14, 1949 AS DOCUMENT NO. 226517 IN BOOK 10 OF PLATS, PAGE 122, IN MCHENRY COUNTY, ILLINOIS; THENCE SOUTH 0 DEGREES 38 MINUTES 48 SECONDS EAST ALONG THE EAST LINE OF SAID WESTMAN'S ADDITION BEING ALSO THE WESTERLY LINE OF LANDS DESCRIBED IN BOOK 155 OF DEEDS, PAGE 582, 68.95 FEET TO THE SOUTHEAST CORNER OF LOT 10 OF SAID WESTMAN'S ADDITION; THENCE SOUTH 89 DEGREES 42 MINUTES 11 SECONDS WEST ALONG THE SOUTH LINE OF SAID LOT 10, 120.14 FEET TO THE SOUTHWEST CORNER OF SAID LOT 10, SAID POINT BEING ALSO ON THE EAST RIGHT-OF-WAY LINE OF BLAKELY AVENUE; THENCE NORTH 0 DEGREES 39 MINUTES 46 SECONDS WEST ALONG SAID EAST RIGHT-OF-WAY LINE, 405.47 FEET; THENCE NORTH 89 DEGREES 12 MINUTES 26 SECONDS EAST, FOR A DISTANCE OF 120.25 FEET ALONG THE NORTH LINE OF LANDS DESCRIBED IN BOOK 150 OF DEEDS, PAGE 409, TO THE PLACE OF BEGINNING, IN MCHENRY COUNTY, ILLINOIS.

PARCEL 2:

PART OF LOT 125 OF THE ASSESSOR'S PLAT OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 44 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH LINE OF SAID LOT, 2 RODS WEST FROM THE SOUTHEAST CORNER THEREOF (SAID POINT BEING 34 RODS WEST OF THE EAST LINE OF SAID SECTION); AND RUNNING THENCE WEST ALONG SAID SOUTH LINE, 7 RODS; THENCE NORTH PARALLEL WITH THE EAST LINE OF SAID LOT, 18 RODS TO THE NORTH LINE OF SAID LOT; THENCE EAST ALONG SAID NORTH LINE, 7 RODS; THENCE SOUTH 18 RODS TO THE PLACE OF BEGINNING, AND THE WEST 7 RODS IN WIDTH OF LOT 125 OF THE ASSESSOR'S PLAT OF SECTION 6 (AND OTHER SECTIONS) IN TOWNSHIP 44 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 13, 1862 IN BOOK 1 OF PLATS, PAGE 1, AND RE-RECORDED IN BOOK 3 OF PLATS, PAGE 17, DESCRIBED AS FOLLOWS: BEGINNING AT A POST ON THE SECTION LINE, 41 RODS WEST OF THE SOUTHEAST CORNER OF SAID SECTION 6 AND RUNNING THENCE NORTH ON A LINE PARALLEL WITH THE WEST LINE OF SAID LOT 125, 330 FEET TO THE NORTH LINE OF SAID LOT; THENCE WEST ON THE NORTH LINE OF SAID LOT, 7 RODS TO THE NORTHWEST CORNER OF SAID LOT; THENCE SOUTH ON

THE WEST LINE OF SAID LOT, 330 FEET TO THE SOUTH LINE OF SAID LOT; THENCE EAST ON THE SOUTH LINE OF SAID LOT AND ON THE SECTION LINE, 7 RODS TO THE PLACE OF BEGINNING; SAID LOT BEING A PART OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 6; AND ALSO PART OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 44 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION, 32 RODS EAST OF THE SOUTHWEST CORNER OF SAID SOUTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER AND IN THE CENTER OF THE HIGHWAY, AND RUNNING THENCE WEST ALONG THE SECTION LINE, 60 FEET; THENCE NORTH PARALLEL WITH THE 40 LINE, 20 1/2 RODS; THENCE EAST PARALLEL WITH SAID SECTION LINE, 60 FEET; THENCE SOUTH 20 1/2 RODS TO THE POINT OF BEGINNING, (EXCEPTING THEREFROM THAT PART DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION, 32 RODS (524.64 FEET AS MEASURED) EAST OF THE SOUTHWEST CORNER OF SAID SOUTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER AND IN THE CENTER OF THE HIGHWAY, AND RUNNING THENCE WEST ALONG THE SECTION LINE, 60 FEET; THENCE NORTH PARALLEL WITH THE 40 LINE, 192.44 FEET; THENCE EAST PARALLEL WITH SAID SECTION LINE, 60 FEET; THENCE SOUTH 192.44 FEET TO THE PLACE OF BEGINNING.), IN THE CITY OF WOODSTOCK, IN MCHENRY COUNTY, ILLINOIS.

PARCEL 3

LOT 11 IN WESTMAN'S ADDITION TO THE CITY OF WOODSTOCK BEING A SUBDIVISION OF PART OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 44 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF, RECORDED DECEMBER 14, 1949 AS DOCUMENT NO. 226517 IN BOOK 10 OF PLATS, PAGE 122, IN MCHENRY COUNTY, ILLINOIS.

SCHEDULE B

Commitment No. M26305A

I. The following are the requirements to be complied with:

1. Instruments necessary to create the estate or interest to be insured must be properly executed, delivered and duly filed for record.

II. Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. Standard Exceptions:
 - (a) Rights or claims of parties in possession not shown by the public records.
 - (b) Easements, or claims of easements, not shown by the public records.
 - (c) Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey or inspection of the premises.
 - (d) Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

3. SPECIAL EXCEPTIONS:

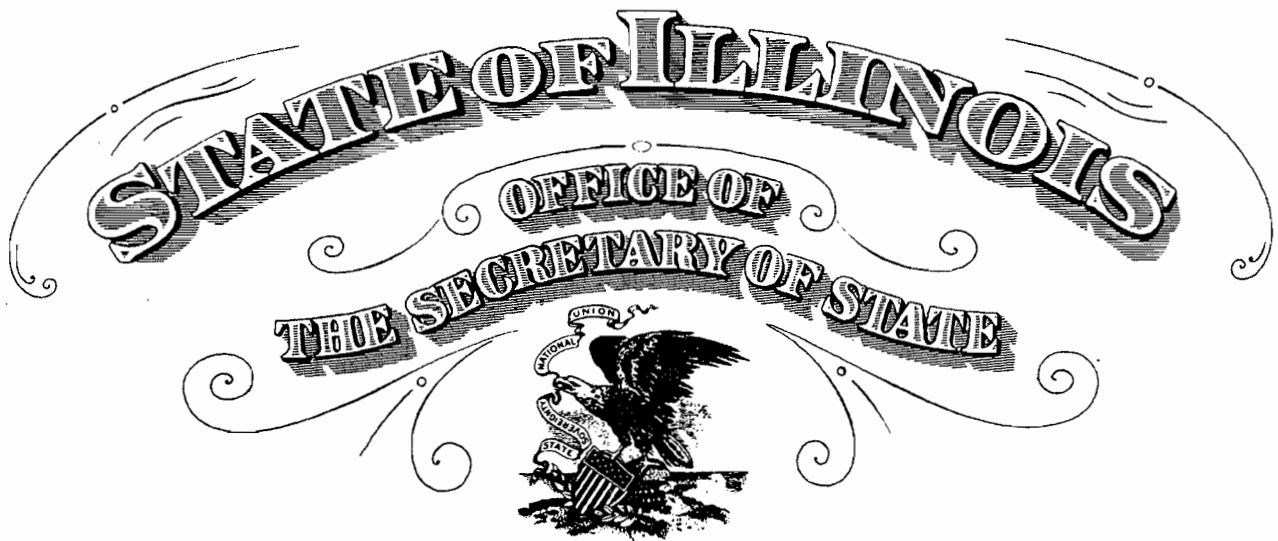
1. GENERAL TAXES FOR THE YEAR 2001 AND 2002, NOT YET DUE AND PAYABLE.
13-07-227-001; 13-07-227-039; 13-06-480-047
2. RIGHTS OF THE STATE OF ILLINOIS, THE MUNICIPALITY AND THE PUBLIC IN AND TO THAT PART OF THE LAND WHICH MAY FALL IN STREETS AND HIGHWAYS.
3. RIGHTS OF WAY FOR DRAINAGE DITCHES, TILES, FEEDERS AND LATERALS, IF ANY.
4. PERMIT TO CHICAGO TELEPHONE COMPANY, BY JOHN R. KELLOGG AND ALICE M. KELLOGG, DATED SEPTEMBER 4, 1914 AND FILED SEPTEMBER 23, 1914 IN BOOK 2 OF MISCELLANEOUS RECORDS, PAGE 454, GRANTING AUTHORITY TO CONSTRUCT AND MAINTAIN ITS LINE OF TELEPHONE AND TELEGRAPH UPON, OVER AND ACROSS PROPERTY IN WHICH THE GRANTORS HAVE AN INTEREST AND UPON THE ROADS ADJOINING SAID PROPERTY, WITH THE RIGHT TO TRIM TREES, ETC. AFFECTS PARCELS 1 AND 3.
5. COVENANTS AND AGREEMENTS RELATING TO CONNECTING TO A SANITARY SEWER AS CONTAINED IN DEEDS FROM WESLEY D. COONRAD AND MAUDE COONRAD, TO FRANK WESTMAN AND LENA WESTMAN, DATED JULY 12, 1940 AND FILED JULY 13, 1940 IN BOOK 239 OF DEEDS, PAGE 536 AND FROM FRANK WESTMAN AND LENA WESTMAN TO ALVIN J. WESTMAN AND ZELDA WESTMAN, DATED NOVEMBER 7, 1945 AND FILE NOVEMBER 28, 1945 IN BOOK 279 OF DEEDS, PAGE 255.

CONTINUED

Ticor Title Insurance Company

6. THE MORTGAGE WHICH WE HAVE BEEN ASKED TO INSURE SHOULD BE PLACED OF RECORD AND OUR SEARCHES CONTINUED TO COVER THE RECORDING.
7. WE SHOULD BE FURNISHED A CERTIFIED COPY OF THE DIRECTORS' RESOLUTIONS AUTHORIZING THE CONVEYANCE OR MORTGAGE TO BE INSURED. SAID RESOLUTIONS SHOULD EVIDENCE THE AUTHORITY OF THE PERSONS EXECUTING THE CONVEYANCE OR MORTGAGE. IF THEY DO NOT, A CERTIFIED COPY OF THE CORPORATE BY-LAWS ALSO SHOULD BE FURNISHED.
8. ENCROACHMENT OF THE CONCRETE WALK AND CONCRETE WALL LOCATED ALONG THE SOUTHERLY PORTION OF PARCEL 1 AND OVER AND ONTO THE LAND SOUTH AND ADJOINING AS DISCLOSED BY SURVEY MADE BY CHARLES A. MIONSKE, DATED DECEMBER 7, 1992, NO. 92522.
9. UNRECORDED EASEMENT TO MAINTAIN THE ILLINOIS BELL TELEPHONE COMPANY UNDERGROUND CABLE ALONG THE SOUTHERLY LINE OF PARCEL 2 AS DISCLOSED BY SURVEY MADE BY CHARLES A. MIONSKE, DATED DECEMBER 7, 1992, NO. 92522.

**** Schedule B consists of 2 pages ****



To all to whom these Presents Shall Come, Greeting:

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

MEMORIAL MEDICAL CENTER-WOODSTOCK, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 09, 1914, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1419901442

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*In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 18TH
day of JULY A.D. 2014*

Jesse White

SECRETARY OF STATE

I.
Organizational Relationships

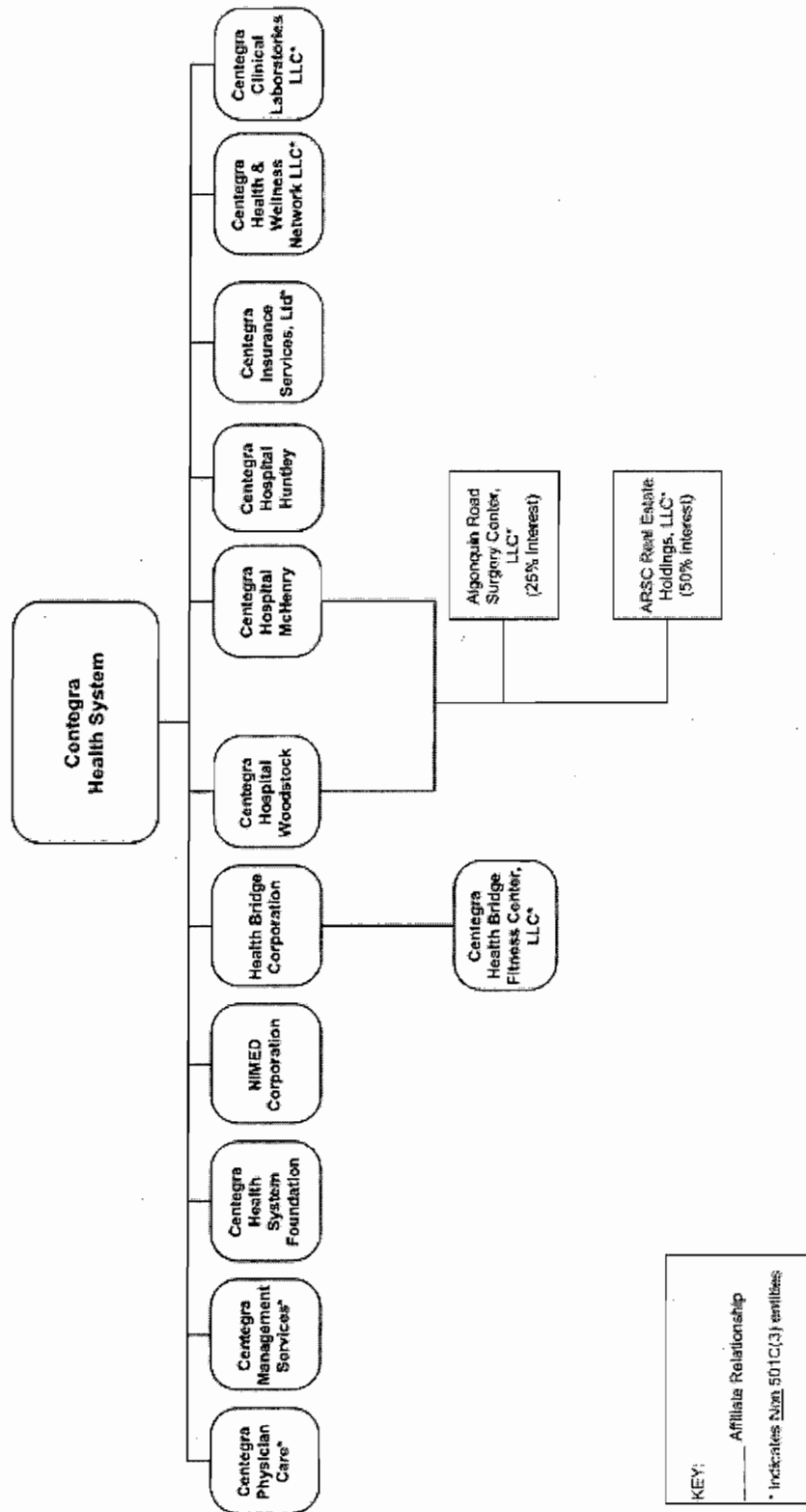
This project has 2 co-applicants: Centegra Specialty Hospital – Woodstock, South Street and Centegra Health System.

As will be seen on the Organizational Chart that appears on the following page, Centegra Health System is the sole corporate member of Centegra Specialty Hospital – Woodstock, South Street.

Centegra Health System currently operates 3 hospitals: Northern Illinois Medical Center d/b/a Centegra Hospital - McHenry; Memorial Medical Center – Woodstock d/b/a Centegra Hospital - Woodstock; and Memorial Medical Center - Woodstock d/b/a Centegra Specialty Hospital - Woodstock, South Street. Centegra Health System also is the sole corporate member of Centegra Hospital – Huntley which was granted a CON permit by the Illinois Health Facilities and Services Review Board on July 24, 2012 but is not yet operational.

A Corporate Organization Chart will be found on the next page.

CORPORATE STRUCTURE AND GOVERNANCE The following chart depicts the corporate relationships among the System and its affiliates.



I.
Flood Plain Requirements

This section is not applicable because the application does not involve construction.

I.
Historic Preservation Requirements

This section is not applicable because the application is not a:

1. Project involving demolition of any structure; or
2. Construction of new buildings; or
3. Modernization of existing buildings

I.
Cost Space Requirements

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
N/A*	0	0	0	0	0	0	0
Total Clinical	0	0	0	0	0	0	0
NON REVIEWABLE							
Total Non-clinical	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0

* A CON application to discontinue the General Long-Term Nursing Care Category of Service is being submitted simultaneously with this CON application.

II. Discontinuation

A. General Information Requirements

1. This project proposes to discontinue Centegra Specialty Hospital - Woodstock, South Street (Centegra Specialty Hospital) as a licensed general hospital.

This CON application is being submitted simultaneously with a CON application to discontinue Centegra Specialty Hospital's General Long-Term Nursing Care Category of Service, which has an authorized capacity of 40 beds. Implementation of this CON application is contingent upon the approval of that CON application.

The only other category of service that has operated at Centegra Specialty Hospital for the past 20 years is the AMI Category of Service, a CON permit for the discontinuation of which was granted to Centegra Specialty Hospital on April 22, 2014 (Project No. 14-003).

After the CON application to discontinue the hospital's General Long-Term Nursing Care Category of Service is approved, Centegra Specialty Hospital will not have CON approval to operate any categories of service. As a result, the hospital will be discontinued as a licensed health care facility once both the General Long-Term Nursing Care Category of Service and the Acute Mental Illness (AMI) Category of Service discharge their last patients and cease to operate.

The General Long-Term Nursing Care Category of Service is anticipated to cease operation by December 31, 2014.

The discontinuation of the AMI service is anticipated to occur by June 30, 2015 after the replacement AMI Category of Service is constructed and licensed at Centegra Hospital – Woodstock, Doty Road pursuant to the CON permit approved in Project No. 14-004.

2. Centegra Specialty Hospital currently operates Standby Emergency Treatment Service and Radiology Services. Pursuant to IDPH regulations, the emergency services include a registered nurse on duty in the hospital available for emergency services at all times and a licensed physician on call to the emergency department at all times. Radiology services consist of general radiology (x-ray) only. When Centegra Specialty Hospital is discontinued as a general hospital, these services will no longer be provided.
3. The anticipated date of discontinuation of Centegra Specialty Hospital as a licensed general hospital is no later than June 30, 2015. That date coincides with the anticipated date of discontinuation of Centegra Specialty Hospital's AMI Category of Service (Project No. 14-003), following the relocation of that Category of Service to Centegra Hospital – Woodstock, Doty Road, as approved in Project No. 14-004.

4. There are limited plans for the reuse of the space currently occupied by the Centegra Specialty Hospital.

The plans for the relocation of the space currently occupied by the AMI and General Long-Term Nursing Care Categories of Service have been discussed in the CON applications to discontinue those categories of service. As discussed earlier in this Attachment, those are the only two categories of service authorized for this hospital.

A summary of the plans for the reuse of the space currently occupied by the hospital is provided in this section.

Hospice of Northeastern Illinois (Journey Care) will continue to lease the space it currently leases for a residential hospice program.

None of the space currently occupied by the AMI or the General Long-Term Nursing Categories of Service will be reused for licensed inpatient care or for inpatient clinical service areas.

The vacated space is contemplated for use as offices for administrative departments or for storage. At the present time, it is anticipated that Outpatient Behavioral Health Services will remain in operation at this facility in the existing space, not in the space currently occupied by the Skilled Nursing Unit.

Centegra Health System, the owner and operator of Centegra Specialty Hospital, has assessed the hospital's equipment and furnishings -and determined that the disposition of these items will be in one of the following ways:

- a. Some equipment or furniture may be able to be relocated to other Centegra Health System facilities.
 - b. Any furniture that is beyond its useful life but is still in decent condition will be donated to non-profit organizations in the area.
 - c. Any of the equipment (e.g., beds) that is beyond its useful life will be disposed of by donating it to third world organizations, sold to a used equipment buyer or scrapped if it is made of metal and has residual value.
 - d. Any remaining items will be discarded.
5. In accordance with Centegra Health System's Records Management Policy, all patient records will be retained as follows: complete records for adult patients will be retained for 10 years in accordance with 210 ILCS 85.6.17(c); the complete records for minors will be retained for 10 years after the patient's age of majority in accordance with 210 ILCS 85.6.17(c).

All medical records are and will continue to be stored with the medical records for all Centegra Health System hospitals. Medical records from prior to April, 2012,

are housed off-site at a HIPAA-compliant storage company. Medical records created since April, 2012, are scanned from the paper records, and the resulting electronic health records are kept on computer servers that are located off-site.

6. This CON application seeks the discontinuation of the entire hospital facility.

A certification by Michael S. Eesley, the Chief Executive Officer of Centegra Health System, which is found on Page 8 of this Attachment documents the following: all questionnaires and data required by the Illinois Health Facilities and Services Review Board or the Illinois Department of Public Health (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and the required information will be submitted no later than 60 days following discontinuation.

B. Reasons for Discontinuation

This application seeks approval to discontinue Centegra Specialty Hospital (i.e., discontinuing the entire facility) as a licensed general hospital for the reasons provided below:

1. As noted earlier in this Attachment, this CON application is being submitted simultaneously with a CON application to discontinue Centegra Specialty Hospital's General Long-Term Nursing Care Category of Service, which has an authorized capacity of 40 beds.

The discontinuation of Centegra Specialty Hospital is being sought because Centegra Specialty Hospital has already received a CON permit to discontinue its AMI Category of Service (Project No. 14-003, approved on April 22, 2014) and, after its CON application to discontinue the hospital's General Acute Care Long-Term Nursing Care Category of Service is approved and implemented, the hospital will not be operating any categories of service, which will require the hospital's discontinuation as a licensed health care facility.

2. Centegra Specialty Hospital was constructed in 1914, and it is a 100 year old health care facility.

Because of the age of the building, deficiencies can be difficult to correct, and it is difficult to modernize the facility to current hospital standards.

Although the hospital is currently in compliance with federal certification requirements for hospitals and nursing homes participating in Medicare and/or Medicaid programs, Centegra Specialty Hospital is not a contemporary facility, and it has been cited in recent years for its deficiencies.

3. Prior to submitting its CON applications to discontinue the AMI and General Long-Term Nursing Care Categories of Service, Centegra Specialty Hospital secured commitments from providers of these categories of service that are located within the planning area that they would be able to accept the facility's existing caseload for these services.

- a. Centegra Hospital – Woodstock, Doty Road secured a CON permit (Project No. 14-004) to assume Centegra Specialty Hospital's entire AMI caseload and provide this Category of Service in its 20-year old hospital facility.

Centegra Hospital – Woodstock, Doty Road is located approximately eight minutes travel time from Centegra Specialty Hospital (based on travel time calculated using www.mapquest.com and adjusted by multiplying the travel time by 1.15, in accordance with 77 Ill. Adm. Code 1100.510(d)(2), and in the same planning area for AMI Services (Planning Area 8 A-10). The two hospitals are owned and operated by Centegra Health System.

Centegra Hospital – Woodstock, Doty Road submitted an impact letter that is included in the CON application to discontinue the AMI Category of Service at Centegra Specialty Hospital (Project #14-003) and a copy can be found on page 9 of this Attachment.

- b. Four nursing homes that provide the General Long-Term Nursing Care Category of Service have indicated that they are prepared to assume Centegra Specialty Hospital's entire caseload for this category of service. Each of these facilities is located within 45 minutes travel time of Centegra Specialty Hospital (based on travel time calculated using www.mapquest.com and adjusted by multiplying the travel time by 1.15, in accordance with 77 Ill. Adm. Code 1100.510(d)(2)), and they are all located in the same planning area as Centegra Specialty Hospital (Planning Area HSA 8 McHenry)

Crossroads Care Center of Woodstock, Woodstock
Hearthstone Manor, Woodstock
The Springs at Crystal Lake Rehabilitation Center, Crystal Lake
Valley Hi Nursing & Rehabilitation, Woodstock

These nursing homes submitted impact letters that are included in the CON application to discontinue the General Long-Term Nursing Category of Service at Centegra Specialty Hospital.

4. Prior to submitting its CON applications to discontinue the AMI and General Long-Term Nursing Care Categories of Service, in accordance with 77 Ill. Adm. Code 1110.130.HFSRB NOTE, Centegra Specialty Hospital sent letters to the two general hospitals that are located within 45 minutes travel time of this facility that provide the same categories of service as those that have been provided at Centegra Specialty Hospital in order to ascertain whether they would be able to accept Centegra Specialty Hospital's existing caseload for the category of service that each provides. These facilities were determined based on travel time calculated using www.mapquest.com and adjusted by multiplying the travel time by 1.15, in accordance with 77 Ill. Adm. Code 1100.510(d)(2). The MapQuest data are found in Appendix 1 of this CON

application.

Presence Saint Joseph Hospital, Elgin
Mercy Harvard Hospital Care Center, Harvard

Neither of these facilities responded to these requests.

Copies of the requests sent to these hospitals are included in Appendix 2 along with documentation that they were sent by certified mail and were received at the facilities.

C. Impact on Access

1. The discontinuation of Centegra Specialty Hospital as a licensed general hospital will not have an adverse effect upon access to care for residents of the planning areas.

The AMI Category of Service has already received a CON permit to be discontinued (Project No. 14-003, approved on April 22, 2014) and this CON application is being submitted simultaneously with a CON application to discontinue the General Long-Term Nursing Care Category of Service.

Those CON applications documented that there will be no adverse impact on the market areas for these categories of service, which are defined by the co-applicants as identical with the Illinois Health Facilities Services and Review Board's planning areas for these categories of service. The lack of adverse impact is because facilities that provide these services and that are located within 45 minutes adjusted travel time of the hospital have indicated that they are prepared to assume its entire caseload for these categories of service.

Copies of the letters documenting the willingness of existing facilities in these planning areas to assume Centegra Specialty Hospital's caseload for these categories of service, which appeared in the CON applications to discontinue these categories of service, will be found on Pages 9 through 14 of this Attachment.

This CON application seeks approval for the discontinuation of Centegra Specialty Hospital as a general hospital. As such, the Rules relating to Impact on Access (77 Ill. Adm. Code 1110.130.HFSRB NOTE) pertain to hospitals that currently provide the AMI and General Long-Term Nursing Care Categories of Service.

As discussed earlier in this Attachment, the facilities that have indicated they are prepared to assume Centegra Specialty Hospital's entire caseload for these categories of service are not the hospitals that currently provide these categories of service.

A copy of the written requests for impact statements that were sent to these facilities is found in Appendix 2, together with documentation that each request was sent by certified mail and received at each facility.

Presence Saint Joseph Hospital, Elgin
Mercy Harvard Hospital Care Center, Harvard

The Map Quest travel time information will be found in Appendix 1 of this CON application.

2. As noted above, there are two general hospitals that provide either the AMI or the General Long-Term Nursing Care Category of Service that are located within 45 minutes adjusted travel time of Centegra Specialty Hospital. The hospital that provides the AMI Category of Service (Presence Saint Joseph Hospital, Elgin) is located in a different planning area (Planning Area 8 A-11, North Kane County), while the hospital that provides the General Long-Term Nursing Care Category of Service is located in Planning Area HSA 8 McHenry, the same planning area as Centegra Specialty Hospital.

These facilities were sent written requests, asking them to provide impact statements, indicating the extent to which each will absorb Centegra Specialty Hospital's AMI or general long-term nursing care workload without conditions, limitations, or discrimination.

A copy of the written requests for impact statements that were sent to these facilities along with proof that these letters were sent by certified mail is found in Appendix 2, followed by documentation that the requests were received at the facilities.

<u>Facility and Town</u> <u>Planning Area</u>	<u>Adjusted Travel Time*</u>
Mercy Harvard Hospital Care Center, Harvard Planning Area HSA 8 McHenry	21 minutes
Presence Saint Joseph Hospital, Elgin Planning Area 8 A-11, North Kane County	41 minutes

*Travel Time was calculated using www.mapquest.com and adjusted by multiplying the travel time by 1.15, in accordance with 77 Ill. Adm. Code 1100.510(d)(2)

3. Centegra Specialty Hospital did not receive any responses to these requests. However, as discussed earlier in this Attachment, it received the following Impact Statements documenting that other facilities have agreed to absorb Centegra Specialty Hospital's workload in these categories of service without conditions, limitations, or discrimination.

- a. As noted earlier in this Attachment, Centegra Hospital – Woodstock, Doty Road, provided an Impact Statement, stating that it is willing and able to accommodate all of the AMI caseload from Centegra Specialty Hospital – Woodstock. Centegra Hospital – Woodstock, Doty Road received a CON permit on April 22, 2014 (Project #14-004) to establish an AMI Category of Service as a replacement for Centegra Specialty Hospital's AMI Service.
- b. In addition, Centegra Specialty Hospital received responses from the following facilities that currently provide the General Long-Term Nursing Care Category of Service, all of which are located within 45 minutes adjusted travel time and in the same planning area as Centegra Specialty Hospital, indicating that these facilities are prepared to assume its entire caseload for this category of service.

Crossroads Care Center of Woodstock, Woodstock
Hearthstone Manor, Woodstock
The Springs at Crystal Lake Rehab. Center, Crystal Lake
Valley Hi Nursing & Rehabilitation, Woodstock

The impact statements received from these facilities are found on Pages 9 through 14 of this Attachment and in Appendix 2.

August 7, 2014

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson, Second Floor
Springfield, Illinois 62761

Dear Ms. Avery:

On behalf of Centegra Health System and Centegra Specialty Hospital - Woodstock, South Street, I hereby certify the following in connection with the proposed discontinuation of Centegra Specialty Hospital - Woodstock, South Street.

All questionnaires and data required by the Illinois Health Facilities and Services Review Board or the Illinois Department of Public Health (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and all the required information will be submitted no later than 60 days following the date of discontinuation.

Sincerely,



Michael S. Eesley
Chief Executive Officer
Centegra Health System

SUBSCRIBED and SWORN to before me
this 7TH day of AUGUST, 2014.



Notary Public



December 27, 2013

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62702

Dear Ms. Avery:

Centegra Specialty Hospital-Woodstock and Centegra Health System have submitted a certificate of need (CON) application to discontinue the Acute Mental Illness (AMI) Category of Service at Centegra Specialty Hospital-Woodstock in order to relocate this Category of Service to Centegra Hospital-Woodstock.

Centegra Hospital-Woodstock is located in the same planning area for AMI Services as Centegra Specialty Hospital-Woodstock (Planning Area 8-A10), both hospitals have the same service area, and the 2 hospitals are located 4 miles apart, with a travel time between them of approximately 8 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)).

Both Centegra Hospital-Woodstock and Centegra Specialty Hospital-Woodstock are owned and operated by Centegra Health System.

The purpose of this letter is to certify that, once Centegra Hospital-Woodstock's AMI Category of Service becomes operational, it will continue to provide care to the same AMI patients as currently receive care in this category of service at Centegra Specialty Hospital-Woodstock. The discontinuation of Centegra Specialty Hospital-Woodstock's AMI Category of Service and the establishment of this category of service at Centegra Hospital-Woodstock will not result in the discontinuation of AMI services currently provided to patients at Centegra Specialty Hospital-Woodstock.

This letter is being written to document and affirm the commitment of Centegra Health System and Centegra Hospital-Woodstock that, in accordance with 77 Ill. Adm. Code 1110.130(c), once the AMI Category of Service becomes operational at Centegra Hospital-Woodstock, we will willingly continue to provide service to all of our patients, thereby assuming Centegra Specialty Hospital-Woodstock's workload for the AMI Category of service without conditions, limitations, or discrimination. Centegra Hospital-Woodstock attests to our ability and willingness to continue to accommodate Centegra Specialty Hospital-Woodstock's AMI patient caseload in its AMI Unit.

The discontinuation of Centegra Specialty Hospital-Woodstock's AMI Category of Service and its relocation to Centegra Hospital-Woodstock will not have an adverse effect on the healthcare delivery system because it will not create a demand for services that cannot be met at Centegra Hospital-Woodstock. All of Centegra Specialty Hospital-Woodstock's AMI patients will be able to continue to receive care at Centegra Hospital-Woodstock.

The discontinuation of the AMI Category of Service at Centegra Specialty Hospital-Woodstock and the establishment of this category of service at Centegra Hospital-Woodstock will not cause residents of Planning Area 8 A-10, the planning area for AMI services in which both of these hospitals are located, unnecessary hardship by the limitation of access to needed services because all of Centegra Specialty

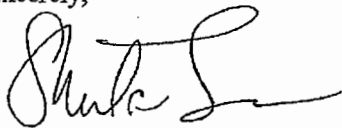
Centegra Hospital - Woodstock
3701 Doty Road
Woodstock, IL 60098
815-338-2500

Hospital-Woodstock's AMI patients will continue to receive care in the Psychiatric Unit at Centegra Hospital-Woodstock, which is located within the same municipality and the same planning area as Centegra Specialty Hospital-Woodstock, and the hospitals share a common service area.

The proposed relocation of Centegra Specialty Hospital-Woodstock's AMI Category of Service will not limit the ability of low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups to obtain needed health care.

The goal of our project is to relocate inpatient AMI services for Planning Area 8 A-10 into modern facilities in an accessible location in order to best meet the needs of the patients served by this service.

Sincerely,



Dr. Sheila Senn, Psy.D.
Vice President and Site Administrator
Centegra Hospital - Woodstock



309 McHenry Avenue, Woodstock, Illinois 60098 Phone: (815) 338-1700 Fax: (815) 338-1765
www.crossroadscarecenter.com

7/21/2014

Michael Eesley
Centegra Corporate Office
385 Millennium Drive
Crystal Lake, IL 60012

Dear Mr. Eesley,

Please accept this letter as our impact statement in reference to the notification by you of the plans for the certificate of need discontinuation for the South Street campus. After review of the letter we are confident that these changes will not have an adverse affect on our facility, Crossroads Care Center. Furthermore, in the event that there is a need to accommodate your case load through this transition and an ongoing basis, we would be able to accommodate and average of 10-11 patients per day.

If you have any further questions regarding this information please feel free to call at your convenience.

Respectfully,

A handwritten signature in black ink, appearing to read "Lynette M Rugg".

Lynette M Rugg
Administrator

July 18, 2014

Michael S. Eesley
Chief Executive Officer
Centegra Corporate Office
385 Millennium Drive
Crystal Lake, Illinois 60012

Dear Mr. Eesley,

We are in receipt of your July 9, 2014 letter regarding the proposed discontinuation of the General Long-Term Care Category of Service at Centegra's Specialty Hospital on South Street in Woodstock. Based on several factors, we believe Hearthstone Manor could effectively accommodate more than half of the caseload that is currently being served at Centegra's Specialty Hospital.

In May of 2014, Hearthstone Manor completed a thorough remodeling of our Medicare Rehabilitation Unit, in effect, increasing the capacity of private patient rooms along with a new rehab gym and private entrance. Based on the average daily census of 13 at Hearthstone Manor over the past two fiscal years, we could accommodate a minimum of eight additional patients if Centegra's Long-Term Care unit at South Street was no longer in operation. Since Hearthstone associates have managed Centegra's unit at South Street for the past two years, we know the type of patients served there, and can provide the same level and quality of service at the Manor.

Please feel free to contact me with any questions you may have. We look forward to a continued strong partnership with Centegra Health System.

Sincerely,



Terry Egan
President and CEO

The Springs at Crystal Lake *Rehabilitation Center*

Centegra Health System
Corporate Office
385 Millennium Drive
Crystal Lake, IL 60012

July 17, 2014

Dear Mr. Easley,

We are in receipt of your letter dated July 9, 2014 regarding the planned discontinuation of General Long-term Care Category of Service at Centegra Specialty Hospital-Woodstock, South Street and the discontinuation of Centegra Specialty Hospital-Woodstock, South Street

We appreciate our relationship with Centegra Health System in providing high quality healthcare services to our community. We agree with the opinion of Centegra Health System that the discontinuation of General Long-term Care Category of Service at Centegra Specialty Hospital-Woodstock, South Street and the discontinuation of Centegra Specialty Hospital-Woodstock, South Street will not have an adverse effect upon access to care for residents of Planning Area HSA-8 McHenry County the market area of the hospital or cause any unnecessary hardship or limitation of access to needed services.

Per your request, we are responding with our availability for those patients who would have received care at the Woodstock, South Street location. Currently The Springs at Crystal Lake has a capacity of 97 beds. Our Average daily census for the past year has been 55.5, which gives us an average of 41.5 beds available on a daily basis to accommodate the entire additional average census of 12.49 described in your letter. We are accustomed to handling 5-8 admissions per day and are capable of handling more if the need arises.

We continue to focus our efforts on advancing the coordination of care with Centegra Health System in order to provide high quality healthcare services to the patients we serve.

Sincerely,



Stephanie Dimitrenko R.N./N.H.A.



July 17, 2014

Michael Eesley, CEO
Centegra Corporate Office
385 Millennium Drive
Crystal Lake, IL 60012

Re: Certificate of Need Response Letter Related to the Discontinuation of the General Long-Term Care Category of Service

Dear Mr. Eesley-

The purpose of this letter is to provide Centegra with the responses requested in the 7-9-2014 letter regarding the discontinuation of the General Long-Term Care Category of Service at South Street. Valley Hi has reviewed your letter and agrees with your assessment that the discontinuation of services at South Street will have minimal impact on Valley Hi.

We have also discussed the possibility of accommodating the caseload and are able to accept residents to our Facility provided that an appropriate bed is available. We will happily review all referrals sent to Valley Hi for consideration of placement.

Please feel free to contact me should you have any questions or require any additional information. I can be reached directly at 815-334-2806.

Sincerely,

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

Thomas Annarella
Administrator



XI.

Safety Net Impact Statement

1. The project's material impact, if any, on essential safety net services in the community.

This project will not have any impact on essential safety net services in Planning Area HSA 8 McHenry for the following reasons.

- a. The discontinuation of Centegra Specialty Hospital is contingent upon approval of a CON application to discontinue the hospital's General Long-Term Nursing Care Category of Service that is being submitted simultaneously with it.

After the CON application to discontinue the hospital's General Long-Term Nursing Care Category of Service is approved, Centegra Specialty Hospital will not have CON approval to operate any categories of service.

As noted earlier in this application, Centegra Specialty Hospital has already received a CON permit to discontinue its Acute Mental Illness (AMI) Category of Service (Project No. 14-003, approved on April 22, 2014), which was the only other category of service authorized at this hospital.

- b. Both the CON application to discontinue the AMI Category of Service and the CON application to discontinue the General Long-Term Nursing Care Category of Service documented that there will be no adverse impact on the planning areas for these services, both of which are McHenry County (Planning Area A-10 for the AMI Category of Service and Planning Area HSA 8 McHenry for the General Long-Term Nursing Care Category of Service).

The lack of adverse impact is because facilities that provide these services and that are located within 45 minutes travel time of the hospital (as calculated using www.mapquest.com and adjusted by multiplying the travel time by 1.15, in accordance with 77 Ill. Adm. Code 1100.510(d)(2)) have indicated that they are prepared to assume its entire caseload for these categories of service.

Centegra Specialty Hospital received Impact Statements from the following facilities documenting that they have agreed to absorb Centegra Specialty Hospital's workload in these categories of service without conditions, limitations, or discrimination.

- 1) Centegra Hospital – Woodstock, Doty Road, provided an Impact Statement, stating that it is willing and able to accommodate all of the AMI caseload from Centegra Specialty Hospital – Woodstock. Centegra Hospital – Woodstock, Doty Road received a CON permit on April 22, 2014 (Project #14-004) to establish an AMI Category of Service as a replacement for Centegra Specialty Hospital's AMI Service.

- 2) Centegra Specialty Hospital received Impact Statements from the following facilities that currently provide the General Long-Term Nursing Care Category of Service, all of which are located within 45 minutes adjusted travel time and in the same planning area as Centegra Specialty Hospital, indicating that these facilities are prepared to assume its entire caseload for this category of service.

Crossroads Care Center of Woodstock, Woodstock
Hearthstone Manor, Woodstock
The Springs at Crystal Lake Rehabilitation Center, Crystal Lake
Valley Hi Nursing & Rehabilitation, Woodstock

Copies of the letters documenting the willingness of these facilities in the same planning area as Centegra Specialty Hospital to assume its caseload for these categories of service, which appeared in the CON applications to discontinue these categories of service, will be found on Pages 9 through 14 of Attachment 10 of this application.

This CON application seeks approval for the discontinuation of Centegra Specialty Hospital as a general hospital. As such, the Rules relating to Impact on Access (77 Ill. Adm. Code 1110.130.HFSRB NOTE) pertain to hospitals that currently provide the AMI and General Long-Term Nursing Care Categories of Service.

It should be noted that the facilities that have indicated they are prepared to assume Centegra Specialty Hospital's entire caseload for these categories of service are not the hospitals that currently provide these categories of service.

Presence Saint Joseph Hospital in Elgin is the only hospital that is located within 45 minutes adjusted travel time of Centegra Specialty Hospital (per 77 Ill. Adm. Code 1100.510(d)(2)) that provides the AMI Category of Service.

Mercy Harvard Memorial Care Center in Harvard is the only hospital that is located within 45 minutes adjusted travel time of Centegra Specialty Hospital that provides the General Long-Term Nursing Care Category of Service. This category of service is provided in the Mercy Harvard Hospital Care Center, which is part of the hospital.

<u>Facility and Town</u> <u>Planning Area</u>	<u>Adjusted Travel Time*</u>
Mercy Harvard Hospital Care Center, Harvard Planning Area HSA 8 McHenry	21 minutes
Presence Saint Joseph Hospital, Elgin Planning Area 8 A-11, North Kane County	41 minutes

*Travel Time was calculated using www.mapquest.com and adjusted by multiplying the travel time by 1.15, in accordance with 77 Ill. Adm. Code 1100.510(d)(2)

The Map Quest travel time information will be found in Appendix 1 of this CON application.

Written requests were sent to each of these facilities, asking them to provide impact statements, indicating the extent to which each will absorb Centegra Specialty Hospital's AMI or general long-term nursing care workload without conditions, limitations, or discrimination.

Neither responded to the request.

A copy of the written requests for impact statements that were sent to these facilities is found in Appendix 2, together with documentation that each request was sent by certified mail and received at each facility.

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

The project will not adversely impact the ability of other providers or healthcare systems to cross-subsidize Safety Net Services.

As discussed under Item 1 above, Centegra Specialty Hospital sent impact letters to the two hospitals that provide the AMI Category of Service and the General Long-Term Nursing Care Category of Service that are located within 45 minutes adjusted travel time, and neither responded that it would be adversely impacted in any way by the project.

Furthermore, as noted above, one new provider of the AMI Category of Service that will replace Centegra Specialty Hospital's AMI Service and four current non-hospital providers of the General Long-Term Nursing Care Category of Service provided impact letters stating that each could accommodate all, or nearly all, of the patient volume at Centegra Specialty Hospital in these categories of service.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community.

This application seeks approval for the discontinuation of Centegra Specialty Hospital as a licensed general hospital.

The project will not adversely impact the remaining safety net providers in the community as documented by the fact that the discontinuation of Centegra Specialty Hospital is contingent upon approval of a CON application that is being submitted simultaneously with it, which means that it will only take place if Centegra Specialty Hospital does not operate any categories of service. As discussed under Items 1 and 2 above, Centegra Specialty Hospital sent impact letters to the two hospitals that provide the AMI Category of Service and the General Long-Term Nursing Care Category of Service that are located within 45 minutes adjusted travel time, and neither responded that it would be adversely impacted in any way by the project.

Furthermore, as noted in Items 1 and 2 above, one new provider of the AMI Category of Service that will replace Centegra Specialty Hospital's AMI Service and four current non-hospital providers of the General Long-Term Nursing Care Category of Service provided impact letters stating that each could accommodate all, or nearly all, of the patient volume at Centegra Specialty Hospital in these categories of service.

These letters and all of the responses are found in Attachment 10 and Appendix 2 of this CON application.

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

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act.

As stated above, this project has two co-applicants: Centegra Specialty Hospital – Woodstock, South Street and Centegra Health System.

A notarized certification describing the amount of charity care provided in 2011 through 2013 by each of the hospitals that are members of Centegra Health System is found on Page 6 of this Attachment.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

A notarized certification describing the amount of care provided to Medicaid patients in 2011 through 2013 by each of the hospitals that are members of Centegra Health System is found on Page 7 of this Attachment.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A Safety Net Information Table per PA 96-0031 in the specified format must be provided as part of Attachment 40.

- a. The Table required by PA 96-0031 is found on page 8 of this Attachment.
- b. A copy of Centegra Health System's 2013 Report to the Community is appended to this Attachment starting on page 9.
- c. During FY2013, Centegra Health System provided more than \$4,500,000 in community benefits, an increase from FY2012.

- d. Centegra Health System is a core team member that conducted the 2014 McHenry County Healthy Community Study, which is a collaborative effort with the McHenry County Department of Health and in which more than 10 organizations participated. The results were presented to the community in May 2014. Centegra has also participated in the prior studies.
- e. Centegra Health System has been an active participant in the McHenry County Health Department's MAPP (Mobilizing for Action through Planning and Partnerships), an ongoing effort which is currently in its action phase.

August 7, 2014

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson, Second Floor
Springfield, Illinois 62761

Dear Ms. Avery:

Centegra Health System hereby certifies that it provided the amount of charity care at cost that is shown below for the three audited fiscal years prior to submission of this certificate of need application.

	<u>CHARITY CARE</u>		
	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>
<u>Centegra Hospital - McHenry</u>			
Inpatients	\$3,122,403	\$3,034,156	\$3,513,146
Outpatients	\$1,840,401	\$1,898,986	\$2,709,832
Total	\$4,962,804	\$4,933,142	\$6,222,978
<u>Centegra Hospital - Woodstock</u>			
Inpatients	\$1,692,160	\$1,644,603	\$1,728,190
Outpatients	\$1,620,743	\$1,601,008	\$1,727,954
Total	\$3,312,903	\$3,245,611	\$3,456,144
<u>Centegra Specialty Hospital – Woodstock South Street</u>			
Inpatients	\$ 726,949	\$ 864,137	\$934,427
Outpatients	\$ 0	\$ 8,403	\$13,000
Total	\$ 726,949	\$ 872,540	\$947,427

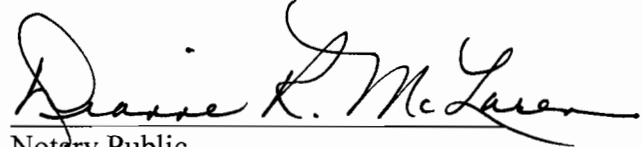
These amounts were calculated in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act.

Sincerely,

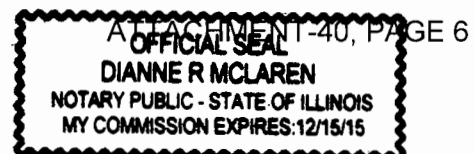


Michael S. Eesley
Chief Executive Officer
Centegra Health System

SUBSCRIBED and SWORN to before me
this 7TH day of August, 2014.



Notary Public



August 7, 2014

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson, Second Floor
Springfield, Illinois 62761

Dear Ms. Avery:

Centegra Health System hereby certifies that it provided the amount of Medicaid that is shown below for the three audited fiscal years prior to submission of this certificate of need application.

	<u>MEDICAID NET REVENUE</u>		
	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>
<u>Centegra Hospital - McHenry</u>			
Inpatients	\$8,314,827	\$6,149,882	\$5,560,904
Outpatients	\$5,790,092	\$5,166,129	\$4,232,101
<u>Centegra Hospital - Woodstock</u>			
Inpatients	\$6,190,103	\$6,731,097	\$5,255,660
Outpatients	\$2,486,947	\$3,465,923	\$1,542,046
<u>Centegra Specialty Hospital – Woodstock, South Street</u>			
Inpatients	\$ 678,527	\$ 404,518	\$713,803
Outpatients	\$ 543,040	\$ 237,465	\$649,194

This information is provided in a manner consistent with information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source," as required by the Illinois Health Facilities and Services Review Board under Section 13 of the Illinois Health Facilities Planning Act and published in the Annual Hospital Profile.

Sincerely,



Michael S. Eesley
Chief Executive Officer
Centegra Health System

SUBSCRIBED and SWORN to before me
this 7TH day of AUGUST, 2014.


Notary Public

Centegra Specialty Hospital – Woodstock (South Street)

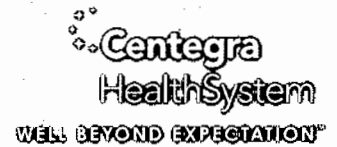
Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year FY11	Year FY12	Year FY13
Inpatient	183	197	159
Outpatient	173	178	91
Total	356	375	250
Charity (cost in dollars)			
Inpatient	\$726,949	\$864,137	\$934,427
Outpatient	\$0	\$8,403	\$13,000
Total	\$726,949	\$872,540	\$947,427
MEDICAID			
Medicaid (# of patients)	Year FY11	Year FY12	Year FY13
Inpatient	197	172	177
Outpatient	118	87	107
Total	315	259	284
Medicaid (revenue)			
Inpatient	\$678,527	\$404,518	\$713,803
Outpatient	\$543,040	\$237,465	\$649,194
Total	\$1,221,567	\$641,983	\$1,362,997



WELL BEYOND EXPECTATION™

Annual Report FY2013

Annual Report FY2013



Welcome

Dear Friends,

Thank you for joining us as we review Centegra Health System's fiscal year 2013. It was a remarkable year, one filled with great advances that show our dedication to excellence and to building a healthier future.

Each day our Associates and Physicians provided excellent personalized care to our patients and their families. I'm always amazed at the many facets of patient care. Every clinician has to have the right combination of compassion, persistence, intelligence and thoughtfulness. At Centegra, our health care team is unmatched.

We carefully develop services according to the health needs of the community. In 2013 Centegra Physician Care introduced a 24-hour hospitalist program. These physicians specialize in inpatient care at our health care facilities. Hospitalists see patients whose physicians do not provide inpatient care. They also provide care to patients who do not have a primary care physician. Our hospitalists are available at a moment's notice to support the rest of the health care team.

In 2013 our teams also finished the final planning phases of Centegra Hospital-Huntley, which will open in 2016. We have worked closely with nurses, Physicians and Associates to design a high tech hospital that will provide state of art clinical care in an aesthetically pleasing environment.

The past year was a demanding and exciting time for Centegra Health System. We have witnessed continued growth and development in the provision of services to the people that live in our community.

We invite you to learn more about Centegra's advances and our focus on our community in this annual report to the community. Please join us in the future as we continue to provide high-tech, high-quality health and wellness services for the entire McHenry County area.

Sincerely,

Michael S. Eesley
Chief Executive Officer
Centegra Health System

Annual Report FY2013

Community Benefits

Community Events 2013

As part of our mission to promote wellness for the greater McHenry County area, Centegra Health System planned, supported or participated in more than 320 events throughout the community in fiscal year 2013. Here are just a few examples:

Free blood pressure and diabetes screenings once every month during food distributions
Kiwanis Santa Run for Kids – December 2012
Chamber Memberships – 2013
Big Brothers Big Sisters Partnership – 2013
Corporate Sponsorship Hospice of Northeastern IL – 2013
Raue Center for the Arts Corporate Sponsorship – 2013
Corporate Sponsorship Pioneer Center – 2013
Health, Fitness & Nutrition Expo – January 2013
Centegra Weigh Less, Live More Expo – January 2013
8 Community Expos – January through May 2013
Centegra Health Strong Woman Event – February 2013
4 Community Parades – 2013
United Way Human Race – April 2013
Healthy Kids Day Sage YMCA – April 2013
Bob Blazier Run for the Arts – May 2013
March of Dimes March for Babies – May 2013
Sun City Feeling Great is Ageless Health Fair – May 2013
Girls on the Run – May 2013
American Cancer Society Relays for Life – June 2013
Wheeler's Children's Health and Safety Fair – June 2013
McHenry County Children's Health & Safety Fair – July 2013
Hearthstone Centegra Senior Fair – August 2013
Taste of Home – September 2013
Huntley Fall Fest – September 2013
Family Health Partnership Care 4 Breast Cancer Walk – October 2013
Algonquin/LITH Fall Expo – October 2013

Community Events – Highlights

Supported or sponsored more than 326 community events in FY13.
These events touched more than 241,194 individuals.
Conducted the Weigh Less, Live More Expo providing more than 577 free screenings and introducing the new Centegra Weight-Loss Institute.
Sold out Centegra Health Strong Woman Event, conducting 1,495 screenings and providing a Lunch and Learn segment that introduced 26 providers to more than 500 attendees. Planned the Hearthstone Senior Fair and conducted free screenings for 222 attendees.

Annual Report FY2013



Partnered with the Sun City Ageless Fair and conducted 615 free screenings.

Conducted the eighth Annual Health Care Career Fair at the Woodstock North High School.

The fair featured a variety of clinical health care careers and encouraged McHenry County's eighth-grade students to experience a hands-on, simulated environment while teaching them about all aspects of health care careers. This event has attracted more than 9,400 participants over the last several years.

Community Service

Our Associates and physicians volunteer more than 75,000 hours of their time to the community each year.

Wellness

Baseline concussion screenings were provided to youth sporting groups and local high schools, with more than 2,200 baselines performed. With the high demand of post-injury screenings that came in following the baselines, the Centegra Concussion Clinic launched in June 2013 for post injury in conjunction with neuro-rehabilitation.

Del Webb launched well checks to be hosted on-site for all Del Webb residents.

The wellness department hosted the second Break Your Boundaries (BYB) weight-loss program to almost 800 participants. Competitors lost a total of 4,032 pounds, 3,189 inches in an eight-week program designed to address healthier lifestyles through exercise, healthy eating and behavior change.

In January 2013, 1,612 Centegra Associates and just more than 100 spouses completed their Health Risk Assessment (HRA) screenings, the highest participation rates ever.

Accreditation and Quality Recognition

Centegra Gavers Breast Center was named to the National Accreditation Program for Breast Centers (NAPBC).

Centegra earned the United Healthcare Premium Designation Interventional Cardiac Care and Rhythm Management for interventional cardiac services.

Centegra was a recipient of the American College of Cardiology Foundation's National Cardiovascular Data Registry (NCDR) ACTION Registry – Get With the Guidelines (GWTG) Silver Performance Achievement Award for acute coronary syndrome patients.

Centegra was a recipient of the American Heart Association's Mission: Lifeline Bronze Quality Achievement Award.

Centegra was recognized by Blue Cross and Blue Shield of Illinois as one of the first hospitals in the nation to receive a Blue Distinction Center+ designation in the area of cardiac care.

Centegra successfully completed the Laboratory College of American Pathologist standards.

Centegra implemented the McKesson Paragon Hospital Information System for Electronic Medical Record (EMR) and achieved Healthcare Information Management and System Society (HIMSS) EMR Adoption Model (EMRAM) Stage 5 Level. This implementation replaced both our clinical and financial systems and included additional workstation and thin station rollouts, mobile clinical computing, remote access improvements and monitor integration.

Annual Report FY2013

Magnet

Centegra Health System's application for Magnet designation was accepted and the document was submitted to the American Nurses Credentialing Center (ANCC) April 1. The document was approved and three ANCC appraisers scheduled a three-day on-site visit. This visit was the final phase of Centegra's Journey to Magnet Excellence, which began more than three years ago. Fewer than 400 hospitals in the world have this distinct designation, which recognizes quality patient care, nursing excellence and innovations in professional nursing practice.

System Awards and Recognition

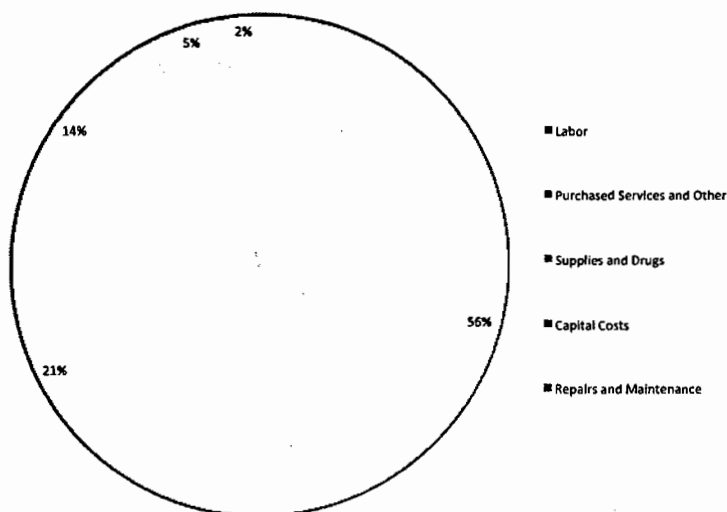
Centegra Physician Care was named to Modern Healthcare's Best Places to Work in Healthcare 2012 list. The Modern Healthcare Best Places to Work designation has been recognizing outstanding places of employment in the health care industry including health care providers, suppliers and payers since 2008. Centegra Physician Care was named 74th in the Top 100.

Again this year, McHenry County residents voted Centegra Health System and Centegra Health Bridge Fitness Centers as their choice for health and wellness. In June 2013, a special section honoring the community's choices for the "Best of Fox 2013 awards" was published in the Northwest Herald. Best Hospital category was eliminated. Below are the categories in which Centegra achieved awards:

- | | |
|-------------------------------|---------------------------------|
| Best Health Club | One of the Best Medical Clinics |
| Best Home Healthcare Provider | One of the Best Women's |
| Best Personal Trainer | Health Care Centers |
| Best Pilates | One of the Best Yoga |
| Best Family Physician Office | One of the Best Swim Lessons |
| Best Pediatrician Office | |

Consolidated Expenses Chart

Labor—56%
Purchased Services and Other—21%
Supplies and Drugs—14%
Capital Costs—5%
Repairs and Maintenance—2%
Insurance—1%
TOTAL 100%



Annual Report FY2013



Centegra Physician Care

History and Background

Centegra Hospital-McHenry and Centegra Hospital-Woodstock have a rich history in their communities, dating from 1914 and 1956.

Centegra Physician Care (CPC), formerly Centegra Primary Care, is an Illinois not-for-profit corporation and the leading healthcare provider in the greater McHenry County area. We are known for our high quality, state-of-the-art medical services and our genuine, compassionate patient care.

Our mission is to serve our community by providing the highest quality care in an environment of outstanding service, access and convenience. The focus of our practice is on preventative care, education and patient involvement.

Community Involvement

As the only clinic of its kind in our county, Centegra Physician Care Associates and the Family Health Partnership Clinic employees have provided screenings, physicals, chronic disease management and sick care to people in need for the past 15 years. In FY2013, our doctors volunteered 376 hours serving more than 600 people at the clinic to provide quality health care to the residents of McHenry County.

Every one of our Centegra locations is committed to giving the highest level of service to all patients, regardless of their ability to pay.

Our providers also volunteer their time to give health-related lectures and presentations for people of our region. Providers speak at nursing homes, colleges, non-profit organizations, fitness centers, high schools and senior living communities to help people understand topics such as heart disease, cancer, chronic illnesses, orthopedics, parenting and wellness. In FY2013, 625 people received education at 33 lectures.

Retention and Growth

Centegra Physician Care doctors understand the importance of CPC's role in the community and commit themselves and their careers to our mission. About 30 percent of our doctors have five or more years with CPC and 15 percent have 10 or more years of service. Our retention rates have improved from 83 percent to 88 percent.

In terms of headcount, Centegra Physician Care has grown 291 percent since 2006.

Annual Report FY2013

1997: Acquires two medical groups to form an employed physician group

2007: Adds endocrinology

2011: Adds rheumatology

2013: Adds surgery as a specialty

2013: 24/7 hospitalist coverage is available at both hospitals



2008: Establishes two immediate care centers

2006: Adds hospitalist program

2003: Adds occupational medicine

2013: Adds Psychiatry and Behavioral Health services

2012: Adds cardiology and emergency medicine

2010: Adds chiropractic program

Expansion of Specialties

As Centegra Health System continues to grow, so do our specialty capabilities. In FY2011, Centegra offered chiropractic, endocrinology, family practice, hospitalist, immediate care, internal medicine, OB/GYN, occupational medicine, pediatrics and rheumatology services. Later, in FY2012, we developed cardiology, emergency medicine and neurology. Most recently, we began offering behavioral health and psychiatry. Presenting "What's Right in Healthcare."

In 2013, The Studer Group selected Centegra Physician Care as one of 25 organizations to present at "What's Right in Healthcare" in Atlanta, Ga. This is the largest educational institute offered by The Studer Group and is attended by health care organizations from around the world.

Centegra Physician Care was selected due to consistency in outstanding patient perception of quality care and service.

CPC Specialties

Back & Spine	Family Practice	Pediatrics
Behavioral Health	Internal Medicine	Rheumatology
Cardiology	Neurology	Surgery
Counseling	Obstetrics & Gynecology	Wound Care
Endocrinology		

Annual Report FY2013

New in 2013



Andrea's Story (Family Practice)

Andrea "What really separates my Centegra primary care physician from others is her sincere interest in me and my family. She always takes her time and explains things to me. My doctor shares her life experiences and relates them to mine; it makes me a lot more comfortable knowing she's a person just like me.

Whenever I call for an appointment the schedulers always take such good care to get me a convenient appointment. When I show up at my appointment my doctor is very respectful of my time and she's always on time.

All the staff at Centegra are incredibly compassionate. When I delivered both of my daughters at Centegra, the nurses were attentive and reassuring at a time when I was very nervous. Even when my daughters had their tonsils removed at Centegra Hospital-McHenry the doctors and nurses were so warm and genuine, they really helped to calm my daughters and me.

What also makes Centegra such a perfect fit for my family is the convenience of their locations throughout all of McHenry County. Centegra Physician Care, immediate cares, hospitals with emergency departments are all close to my home. The staff who work at Centegra truly care about keeping me and my family healthy.

I was sick for three and a half years before I finally went to the doctor. By the end of March, I could barely take care of myself because I was so exhausted all the time. I did a lot of research and thought I had a hormonal imbalance based on my symptoms, so I started looking for a gynecologist. I had a lot of trouble finding someone who understood what I wanted, until my boyfriend's mom (a nurse at Centegra Hospital-Woodstock) recommended Dr. Favia.

I was able to get an appointment with Dr. Favia right away and she took great care of me. On March 29, she did some blood tests and sent me to a hematologist, Dr. Zahir, because the blood tests showed that I had anemia and low platelets. I saw Dr. Zahir on April 1 and he recommended a rheumatologist, Dr. Malik, because he thought I may also have lupus. I saw Dr. Malik on April 15 and started treatment on May 1. Within three days, I started feeling better.

Dr. Malik is great. He is so in tune with what I say; he listens really well. He was able to piece things together and help me quickly. He is so wonderful that I took my mom to him. She was diagnosed with lupus a few years ago but Dr. Malik found out she has fibromyalgia instead. I couldn't ask for a better doctor."

Annual Report FY2013



Michelle's Story (Rheumatology)

Michelle "My hair was falling out, my joints constantly ached and I was so exhausted. This went on for three years just not feeling well and not knowing why. I had almost completely withdrawn socially because of my extreme exhaustion. It was affecting my personal and professional relationships. Finally, my mother persuaded me to go get some blood work done. The tests were abnormal and the results finally led me to Dr. Malick. He quickly diagnosed me with lupus disease and started me on medication. Within days I could feel the medication working and my energy level returning to normal. Eventually I started feeling so much better, I returned to many of my activities and socializing again. I am so grateful to Dr. Malick. I finally had some answers to why I was feeling the way I did. My doctor has recommended exercise and a healthy diet as a part of my ongoing recovery. I exercise, I eat right and I know what I need to do now to stay well, thanks to my Centegra doctor."



Janis' Story (WellBridge)

Janis "After my bariatric surgery, Dr. Heydari referred me to the WellBridge program. I needed to improve my health because of my diabetes, my high blood pressure and my high cholesterol. My doctor wanted me to have the resources to keep improving my health so I joined Centegra Health Bridge Fitness Center. I never would have imagined in my wildest dreams working out could be so much fun. I absolutely love my aquatics classes. I love my teachers and I'm there three to four times a week. They really make it a lot of fun. I've seen significant improvements. For example, I've lost 111 pounds. I was on five different medications before my surgery and now I'm down to one. My blood pressure is in the normal range now, too. The whole program gave me the tools and resources I needed to get better and stay well. I'm so grateful to my doctor for taking such great care of me."



Kerri's Story (Centegra Weight-Loss Institute)

Kerri "I was in total shock at how heavy I had gotten and I wanted to do something about it, so I joined the Optifast program at Centegra. I've lost 40 pounds and two pant sizes in the first 11 weeks! Optifast takes the focus off food by providing me healthy meal replacements. There's medical oversight provided, which gives me peace of mind. What really makes this program so much better than any other program is the amount of support you receive. I couldn't do it without the support of the nutritionist, behaviorist, fitness trainers and my support group. I'm discovering why I had poor eating habits, learning tools to cope and learning how to eat right while exercising. I'm still working toward my final goal but now I know I can do it."



Tiffany's Story (Medical Nutrition Therapy)

Tiffany "I was shopping for bigger sized clothing. My energy level was way down and I'm a busy wife and full-time mom of a 2-year-old and a 5-year-old.

At a checkup for a thyroid condition, my endocrinologist, Dr. Achal Ahmed, voiced what what I had been thinking.

She told me I really had to lose weight or one day we'd be talking about diabetes. That really scared me. I told Dr. Ahmed, 'Give me six months to see what I can do. I was already a member of Centegra Health Bridge Fitness Center, so I scheduled a fitness assessment with a personal trainer. Spending just one hour at the gym most days of the week became a priority. I also worked closely with one of Centegra's registered dietitians. I learned to cook and shop differently.

After just six months, I've dropped 42 pounds and lost 8½ inches from my waist. I really needed the one-on-one help from a personal trainer, nutrition expert and the encouragement from my doctor. Now my glucose, cholesterol and thyroid levels are all in the normal range and the doctor said I reversed my risk of developing diabetes."

Annual Report FY2013

Awards

Centegra Physician Care is committed to providing the highest level of health care to our patients. While awards are not why we do our jobs, we are honored to have received the following accolades:

Crain's Chicago Business Top 25 Physician Groups

Ranked No. 20 in the Chicago Metropolitan area in 2013

Modern Healthcare

100 Best Places to Work in Healthcare in 2013

Northwest Herald's Readers' Choice Awards 2013

Best Family Physician Office in McHenry County

Best Pediatric Office in McHenry County

One of The Best Medical Clinics in McHenry County

Patient Satisfaction

Clinician & Group Consumer Assessment of Health Care Providers & Systems

The Clinician and Group Consumer Assessment of Health Care Providers and Systems surveys sent to patients found a 90 percent satisfaction trend in 2013

Studer Group Lecture: Best Practices

Selected by the Studer Group in 2013 to speak at a national conference to share best practices (based on scores to the right, the sustainability indicates that the best practices are consistently hardwired).

Q: Would you recommend this provider's office? 91 percent of our patients said YES!*

*Average taken over 2013 fiscal year

July 2012 – 91 %	January 2013 – 90 %
August 2012 – 94 %	February 2013 – 89 %
September 2012 – 88 %	March 2013 – 92 %
October 2012 – 90 %	April 2013 – 92 %
November 2012 – 92 %	May 2013 – 90 %
December 2012 – 93 %	June 2013 – 87 %

XII.

Charity Care Information

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three audited fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.

Centegra Health System, a co-applicant for this project, is the sole corporate member of Centegra Hospital – McHenry, Centegra Hospital – Woodstock, Centegra Specialty Hospital – Woodstock, South Street and Centegra Hospital - Huntley. Centegra Hospital – Huntley is not operational and therefore does not have Charity Care information available.

The charts presented below document the amount of charity care for the last three audited fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue for each of these hospitals.

Centegra Hospital – McHenry CHARITY CARE			
	FY11	FY12	FY13
Net Patient Revenue	\$246,545,773	\$248,781,809	\$240,896,275
Amount of Charity Care (charges)	\$16,653,704	\$16,836,463	\$21,094,842
Cost of Charity Care	\$4,962,804	\$4,933,142	\$6,222,978
Ratio of Charity Care Cost to Net Patient Revenue	2.0%	2.0%	2.6%

Centegra Hospital – Woodstock CHARITY CARE			
	FY11	FY12	FY13
Net Patient Revenue	\$138,015,277	\$140,197,892	\$136,566,603
Amount of Charity Care (charges)	\$9,859,831	\$9,986,495	\$10,634,288
Cost of Charity Care	\$3,312,903	\$3,245,611	\$3,456,144
Ratio of Charity Care Cost to Net Patient Revenue	2.4%	2.3%	2.5%

Centegra Specialty Hospital – Woodstock, South Street CHARITY CARE			
	FY11	FY12	FY13
Net Patient Revenue	\$14,824,286	\$15,033,470	\$12,508,547
Amount of Charity Care (charges)	\$2,163,539	\$2,684,737	\$2,915,161
Cost of Charity Care	\$726,949	\$872,540	\$947,427
Ratio of Charity Care Cost to Net Patient Revenue	4.9%	5.8%	7.6%

2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.

The reporting provided on the charts above is for each individual facility.

3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

This section does not apply.

APPENDIX-1
MAPQUEST TRAVEL TIMES



Trip to: Mercy Harvard Hospital Care Center
901 Grant St
Harvard, IL 60033-1821
13.12 miles / 18 minutes

Notes



527 W South St, Woodstock, IL 60098-3756

Download
Free App



1. Start out going **west** on **W South St** toward **Blakely St.** [Map](#)

0.2 Mi



2. Turn **right** onto **S Hill St.** [Map](#)

0.1 Mi



3. Turn **left** onto **W Jackson St.** [Map](#)

0.5 Mi



4. **W Jackson St** becomes **Kishwaukee Valley Rd / County Hwy-30.** [Map](#)

0.3 Mi



5. Turn **right** onto **US Highway 14 / US-14 W.** Continue to follow **US-14 W.** [Map](#)

11.7 Mi



6. Turn **right** onto **E McKinley St.** [Map](#)

0.3 Mi



7. Turn **left** onto **Grant St.** [Map](#)

0.01 Mi



8. **901 GRANT ST** is on the **right.** [Map](#)



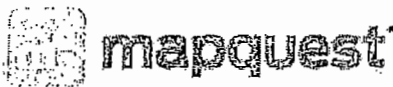
901 Grant St, Harvard, IL 60033-1821

Total Travel Estimate: **13.12 miles - about 18 minutes**

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Adjusted Travel Time:

18 minutes * 1.15 = 21 minutes



Trip to: *Presence*

~~Provena~~ Saint Joseph Hospital
77 N Airlite St

Elgin, IL 60123
(847) 697-4476

23.73 miles / 36 minutes

Notes



527 W South St, Woodstock, IL 60098-3756

Download
Free App

1. Start out going east on W South St toward Putnam St. [Map](#) 0.6 Mi



2. Turn slight right onto Lake Ave. [Map](#) 0.9 Mi



3. Turn right onto S Eastwood Dr / IL-47. Continue to follow IL-47 S. [Map](#) 13.0 Mi



4. Merge onto I-90 E / Jane Addams Memorial Tollway via the ramp on the left toward Chicago (Portions toll). [Map](#) 5.5 Mi



5. Take the Randall Rd exit. [Map](#) 0.3 Mi



6. Keep right to take the ramp toward Elgin. [Map](#) 0.05 Mi



7. Merge onto Randall Rd. [Map](#) 2.2 Mi



8. Turn left onto Highland Ave. [Map](#) 0.8 Mi



9. Take the 3rd right onto N Airlite St. [Map](#) 0.4 Mi



10. 77 N AIRLITE ST. [Map](#)



Provena Saint Joseph Hospital
77 N Airlite St, Elgin, IL 60123
(847) 697-4476

Total Travel Estimate: 23.73 miles - about 36 minutes

FREE NAVIGATION APP
SELECT: ☐ IPHONE ☐ ANDROID

Enter your mobile number

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Adjusted Travel Time:
36 minutes * 1.15 = 41 minutes

APPENDIX-2
IMPACT ON ACCESS

July 9, 2014

Katherine Kus
Mercy Harvard Hospital Care Center
901 Grant Street
Harvard, IL 60033

Dear Ms. Kus,

This letter is to notify you that Centegra Health System will be seeking a certificate of need (CON) to (1) discontinue the General Long-Term Care Nursing Category of Service at Centegra Specialty Hospital-Woodstock, which is located at 527 West South Street, Woodstock, and to (2) discontinue Centegra Specialty Hospital-Woodstock, South Street as a licensed hospital.

We propose to discontinue the Skilled Nursing Service at Centegra Specialty Hospital-Woodstock, South Street by December 31, 2014.

In addition, you may be aware that Centegra Specialty Hospital-Woodstock, South Street received a CON permit on April 22, 2014, to discontinue its Acute Mental Illness (AMI) Category of Service during our current fiscal year, which will end in June 30, 2015, in order to relocate that service to Centegra Hospital-Woodstock.

Upon the discontinuation of the Skilled Nursing Service and AMI Service at Centegra Specialty Hospital-Woodstock, South Street, there will not be any inpatient services operating at Centegra Specialty Hospital-Woodstock, South Street. Consequently, Centegra Health System proposes to discontinue Centegra Specialty Hospital-Woodstock, South Street as a licensed General Hospital.

Centegra Specialty Hospital-Woodstock, South Street is located in Planning Area HSA 8 McHenry County for General Long-Term Care and in Planning Area A-10 for hospital services.

Centegra Specialty Hospital-Woodstock, South Street has 40 authorized Skilled Nursing beds.

Utilization of the General Long-Term Care Category of Service at Centegra Specialty Hospital-Woodstock for the past 2 complete years is shown below.

<u>Period</u>	<u>Admissions</u>	<u>Patient Days</u>	<u>Average Daily Census</u>
CY2012	445	4,259	11.64
CY2013	361	4,560	12.49

We do not believe that the discontinuation of the existing General Long-Term Care Category of Service at Centegra Specialty Hospital-Woodstock, South Street will cause residents of

Planning Area HSA 8 McHenry County, which is the market area for this hospital, unnecessary hardship by the limitation of access to needed services because we believe that there are an adequate number of beds available to provide care for all residents of the planning area, as well as residents of nearby planning areas served by Centegra Specialty Hospital-Woodstock, South Street.

We do not believe that this proposed discontinuation of either Centegra Specialty Hospital-Woodstock, South Street's General Long-Term Care Category of Service or its general hospital license will have an adverse effect upon access to care for residents of Planning Area HSA 8 McHenry County, which is both the planning area and the market area for this hospital. We do not believe that the proposed discontinuation will limit the ability of low-income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups to obtain needed health care services because adequate facilities are available to provide this service for residents of the planning area.

In accordance with the requirements of the Illinois CON program, please assess the impact of the discontinuation of the General Long-Term Care Category of Service at Centegra Specialty Hospital-Woodstock, South Street or of the discontinuation of Centegra Specialty Hospital-Woodstock, South Street on your facility's caseload, indicating in writing whether your facility has capacity available to accommodate a portion or all of the General Long-Term Care caseload that will be discontinued at Centegra Specialty Hospital-Woodstock, South Street without conditions, limitations, or discrimination. If possible, please quantify the average number of beds that you will have available on a daily basis to accommodate our caseload.

Please note that the Review Board's rules also provide that the failure to respond to this request for an impact statement within 15 days following your receipt of this letter constitutes a non-rebuttable assumption that the discontinuation will not have an adverse impact upon your facility.

If you have any questions relating to this project, please do not hesitate to contact me.

Sincerely,



Michael S. Eesley
Chief Executive Officer
Centegra Health System

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Return Receipt Fee (Endorsement Required)		\$2.70
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.49

0014

08

07/09/2014

Katherine Kus

Mercy Harvard Hospital Care Center

901 GRANT STREET

Harvard, IL 60033

Instructions

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- ☒ Print your name and address on the reverse so that we can return the card to you.
- ☒ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mercy Harvard Hospital Care Center
 Katherine Kus
 901 GRANT STREET
 Harvard, IL 60033

2. Article Number
 (Transfer from service label)

7012 3460 0003 3258 1317

PS Form 3811, July 2013

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☐ Agent

☐ Addressee

B. Received by (Printed Name)

[Handwritten Name]

C. Date of Delivery

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☐ Return Receipt for Merchandise

☐ Insured Mail

☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee)

☐ Yes

December 13, 2013

Michael S. Eesley
Chief Executive Officer

Mr. Eugene McMahon
Presence Saint Joseph Hospital
77 North Airlite Street
Elgin, IL 60123

Dear Mr. McMahon:

This letter is to notify you that Centegra Health System will be seeking a certificate of need (CON) to relocate its Acute Mental Illness (AMI) Category of Service from Centegra Specialty Hospital-Woodstock, located at 527 West South Street in Woodstock, to Centegra Hospital-Woodstock, located at 3701 Doty Road in Woodstock. For this purpose, we will be submitting CON applications to the Illinois Health Facilities and Services Review Board ("Review Board") to discontinue the 36-bed AMI Category of Service at Centegra Specialty Hospital-Woodstock and to establish a 34-bed AMI Category of Service at Centegra Hospital-Woodstock.

Both hospitals are located in the same planning area for AMI Services (Planning Area 8, A-10) and the two hospitals are located 4 miles apart, with a travel time between them of approximately 8 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)). Both hospitals are owned and operated by Centegra Health System.

We anticipate that the Psychiatric Unit at Centegra Hospital-Woodstock will become operational by June 30, 2015, and the AMI Category of Service at Centegra Specialty Hospital-Woodstock will be discontinued at that time.

Inpatient utilization of the AMI Service at Centegra Specialty Hospital-Woodstock for the past 2 complete years as well as the last 12 months is shown below.

<u>Period</u>	<u>Admissions</u>	<u>Patient Days</u>	<u>Average Daily Census</u>
CY2011	1,156	7,050	19.3
CY2012	988	7,245	19.8
November, 2012- October, 2013	957	6,995	19.2

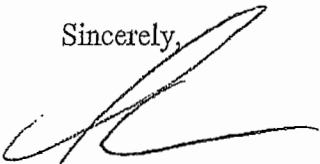
The discontinuation of the existing AMI Category of Service at Centegra Specialty Hospital-Woodstock will not cause residents of AMI Planning Area 8, A-10 unnecessary hardship by the limitation of access to needed services because all residents of the planning area, as well as residents of nearby planning areas served by Centegra Specialty Hospital-Woodstock, will be able to receive care at our proposed new AMI facility at Centegra Hospital-Woodstock. In addition, all patients currently receiving acute psychiatric care in the AMI Category of Service at Centegra Specialty Hospital-Woodstock will continue to receive care in the Psychiatric Unit that we are proposing to establish at Centegra Hospital-Woodstock under a separate CON application.

This proposed discontinuation and replacement of the AMI Category of Service will not limit the ability of low-income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups to obtain needed health care services.

The discontinuation of the AMI Category of Service at Centegra Specialty Hospital-Woodstock will not have any impact on your hospital's caseload because the caseload will be accommodated at the new AMI Category of Service at Centegra Hospital-Woodstock. The Review Board's rules require, though, that we send this notice to you and invite your written response to me as to whether your facility has capacity available to accommodate a portion or all of the AMI caseload that will be discontinued at Centegra Specialty Hospital-Woodstock without conditions, limitations, or discrimination, should any patient choose to use your hospital rather than Centegra Hospital-Woodstock for AMI services. Please note that the Review Board's rules also provide that the failure to respond to this request for an impact statement within 15 days following your receipt of this letter constitutes a non-rebuttable assumption that the discontinuation will not have an adverse impact upon your facility.

If you have any questions relating to this project, please do not hesitate to contact me.

Sincerely,



Michael S. Eesley
Chief Executive Officer
Centegra Health System

7012 3460 0003 3258 4066

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Return Receipt Fee (Endorsement Required)	\$ 2.55
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 6.11
Postmark Here 12/13/2013	
Sent To <u>Mr. Eugene McMahon</u>	
Street, Apt. No., or PO Box No. <u>77 N. Airlite St</u>	
City, State, ZIP+4 [®] <u>Elgin, IL 60123</u>	
PS Form 3800, August 2005 See Reverse for Instructions	

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1. Article Addressed to: <u>Mr. Eugene McMahon</u> <u>Presence St. Joseph Hosp.</u> <u>77 N. Airlite St.</u> <u>Elgin, IL 60123</u>		3. Service Type ☒ Certified Mail ☐ Express Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.	
2. Article Number (Transfer from service label) 7012 3460 0003 3258 4066		4. Restricted Delivery? (Extra Fee) ☐ Yes	
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