



STATE OF ILLINOIS

HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET NO: H-08	BOARD MEETING: January 27, 2015	PROJECT NO: 14-043	PROJECT COST: Original: \$253,471,535
FACILITY NAME: St. Elizabeth's Hospital		CITY: O'Fallon	
TYPE OF PROJECT: Substantive			HSA: XI

PROJECT DESCRIPTION: The applicants (St. Elizabeth's Hospital of the Hospital Sisters of the Third Order of St. Francis Hospital Sisters Services, Inc, and Hospital Sisters Health System) are proposing the relocation of St. Elizabeth's Hospital, an existing acute care hospital, from its current campus at 211 South Third Street, Belleville, to the intersection of Interstate 64 and North Green Mount Road in O'Fallon, approximately 6.5 miles (13 minutes) away. As part of the relocation and replacement, the Hospital will retain all programs and services currently provided in Belleville, (except pediatrics) at the O'Fallon site and will reduce the total bed complement from 303 to 144 beds. Further, the project includes modernization of the existing campus in Belleville to accommodate outpatient and administrative services that will remain there, along with the addition of an UrgiCare center. The replacement hospital will have 352,130 GSF and cost \$253,471,535. **The anticipated completion date is December 31, 2017.**

Board Staff notes the applicants have also submitted a Certificate of Need application to lease space for ambulatory services and employed staff physicians in a building that will be constructed by a developer and attached to the replacement hospital in O'Fallon. The second application, Project #14-044, proposes to construct a 30,365 GSF Ambulatory Care Center (ACC) at an approximate cost of \$34,243,594.

This project was deferred from the December 16, 2014 State Board Meeting.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The applicants are proposing to construct a replacement hospital facility in O' Fallon, Illinois. Currently, St. Elizabeth's Hospital is located at 211 South Third Street, Belleville, is authorized for 303 beds which include 202 medical surgical beds, 30 obstetric beds, 24 intensive care beds, 33 rehabilitation beds, and 14 Pediatrics beds. The new facility, located at the intersection of Interstate 64 and North Green Mount Road, O'Fallon (6.5 miles away), will have 100 medical/surgical beds, 16 ICU beds, 16 rehabilitation beds, and 12 obstetrics beds, for a total of 144 beds. The replacement facility will reduce the beds in the F-01 planning area by 159 beds. The applicants are also proposing to discontinue its 14 bed pediatrics category of service. The total cost of the project is \$253,471,535. **The anticipated completion date is December 31, 2017.**
- The applicants were approved for the discontinuation of the 35 bed acute mental illness category of service at the Belleville site as Permit #13-034 in September of 2013. The expected completion date is January 15, 2016.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The project is before the State Board because the project proposes the discontinuation and establishment of a health care facility as defined by the Illinois Health Facilities Planning Act (20 ILCS 3960/3).

PURPOSE OF THE PROJECT:

- The applicants note the purpose of this project complies with the requirement of Section 1110.360, which states: "*The people of Illinois should have facilities which are modern, in accord with recognized standards of design, construction, operation, and which represent the most cost efficient alternative for the provision of quality care*". The current facility is over 60 years old, with design standards estimated to be 70 years old. The average age of the buildings is 55 years old. The current hospital is located in the middle of Belleville's business district, which according to the applicants has created access issues for patients, staff, and emergency medical personnel. The replacement facility will provide the service area with better access to care, in a modernized, contemporary facility.

PUBLIC COMMENT:

- A public hearing was held on October 22, 2014, from 4:00pm to 6:00pm, in the Lindenwood University Auditorium, at 2600 West Main Street, Belleville. The hearing was requested by the applicants, and Board member Bradley was in attendance. Approximately 500 individuals attended the public hearing.
- A second public hearing was conducted on December 2, 2014 after the release of this report.
- A number of support and opposition letters have been received by the State Board Staff.

NEED FOR THE PROJECT:

- The applicants have stated that the need for the project is based upon the age and obsolescence of the existing facility. The hospital has been in operation for over 100 years at its current location, when a hospital's central location was critical for city-wide access. The average age of the buildings is 55 years old. According to the applicants the facility has since become limited in its ability to modernize/expand in its current location. The State Board Staff believes the discontinuation of the existing 303 acute care hospital is warranted given the age and obsolescence of the existing hospital.
- The State Board has projected an excess of beds for all bed services in the F-01 planning area by CY 2015. See Table below.

EXECUTIVE SUMMARY					
TABLE ONE					
Bed Excess (Need) with discontinuation and establishment of Hospital					
Service	F-01 Planning Area Bed Calculation Excess (Need)	St. Elizabeth Hospital (Belleville) Current	F-01 Planning Area Bed Excess (Need) after discontinuation	St Elizabeth Hospital (O'Fallon) Establishment	F-01 Planning Area Bed Excess (Need) after Establishment of New Hospital
Medical Surgical Beds Pediatric Beds	584	202	368	100	468
Pediatric Beds ⁽¹⁾	0	14	0	0	0
Intensive Care Beds	12	24	(12)	16	4
OB/GYN	121	30	91	12	103
Acute Mental Illness Beds ⁽²⁾	34	0	34	0	34
Rehabilitation Beds	45	33	12	16	28
Total	796	303	493	144	637
1. The calculated need for pediatric beds is included in the calculated need for medical surgical beds. 2. St. Elizabeth's Hospital has 35 acute mental illness beds operating as of the date of this report. These 35 beds were discontinued per Permit #13-034 expected completion date is January 15, 2016					

- Current State Board rules do not address the relocation of an existing acute care hospital to a different site within the same planning area. Therefore the State Board Staff has reviewed this application as the discontinuation of a 303 bed acute care hospital in Belleville and the establishment of a new 144 bed acute care hospital in O'Fallon. Both cities are within the same planning area (F-01) and are 6.5 miles apart. This review has resulted in conflicting results. The State Board Staff believes the discontinuation is warranted given the age and obsolescence of the existing 303 bed hospital. However, there remains a calculated excess of beds in the F-01 planning area for all bed services being proposed except intensive care services. This calculated excess of beds in this planning area does not warrant additional beds under current State Board Rules. While the current State Board rules do not warrant additional beds the State Board Staff believes the new hospital is necessary to continue provide necessary services for all residents in the F-01 planning area.
- The applicants are justifying the number of beds being proposed and other clinical services on the historical utilization at the existing 303 bed acute care hospital in

Belleville. Approximately 87% of the applicants' historical workload comes from within the F-01 planning area as documented by the applicants. Based upon the historical utilization for the years 2012-2013 the applicants can justify 87 medical surgical beds, 24 intensive care beds, 10 obstetric beds, and 18 comprehensive physical rehabilitation beds for a total of 139 beds. In addition historical utilization also justified open heart and cardiac catheterization categories of service. For all other service lines being proposed except labor/delivery/recovery the applicants were able to justify the number of rooms/equipment being requested based upon the historical workload.

WHAT WE FOUND:

The applicants' addressed a total of 38 criteria and failed to meet the following:

State Board Standards Not Met	
Criteria	Reasons for Non-Compliance
Criteria 1110.234(b) Project Services Utilization	The applicants do not meet the State Board standard for the proposed 5 labor delivery recovery suites. The applicants projected utilization justifies 3 labor delivery recovery rooms.
Criterion 1110.530 (c) (1) Medical Surgical Obstetric and Intensive Care Beds -Planning Area Need	The State Board has determined that there is a calculated excess of 368 Medical Surgical/Pediatric Beds, and 91 obstetric beds, and a need for 12 intensive care beds in the F-01 planning area after the discontinuation of the 303 bed St. Elizabeth Hospital in Bellville. In addition the 16 intensive care beds being requested exceed the calculated need for 12 intensive care beds in the F-01 planning area. There are 10 facilities within 45 minutes that provide these services therefore it does not appear that service access will be improved with the establishment of this facility. Of these 10 facilities, one hospital is operating at target occupancy for medical surgical beds (Memorial Hospital-Belleville); two hospitals are at target occupancy for obstetric beds (Memorial Hospital Belleville and Anderson Hospital) and two hospitals at target occupancy for intensive care beds (Memorial Hospital-Bellville and Alton Memorial Hospital).
Criterion 1110.530 (d) (1) Unnecessary Duplication of Service	There are 8 facilities within 30 minutes of the proposed site. One hospital is operating at target occupancy for medical surgical beds (Memorial Hospital-Belleville) two hospitals for obstetric beds (Anderson Hospital and Memorial Hospital – Belleville) and one hospital for intensive care beds (Memorial Hospital – Bellville). It appears a duplication of service may result with the establishment of this service.

State Board Standards Not Met	
Criteria	Reasons for Non-Compliance
1110.530 (c) (3) Impact on Area Providers	Although the applicants state the proposed discontinuation and establishment will have no impact on other facilities in the planning area it appears the proposed new hospital may impact other area facilities currently operating under State Board's target utilization standards.
Criterion 1110.530 (g) Performance Requirements	The applicants are proposing 100 medical/surgical beds, 16 ICU beds, and 12 obstetrics beds. To meet this requirement the applicants located in a Metropolitan Statistical Area (MSA) must request 100 medical surgical beds, 4 intensive care beds, and 20 obstetric beds. The number of OB beds requested does not meet this requirement.
Criterion 1110.630 (c) (1) Comprehensive Physical Rehabilitation Beds -Planning Area Need	The State Board has determined that there is a calculated excess of 12 comprehensive physical rehabilitation beds in the F-01 planning area after the discontinuation of the St. Elizabeth Hospital – Bellville. There are 3 facilities within 45 minutes none of which are operating at the target occupancy of 85%, therefore it does not appear that access will be improved with the establishment of this service.
Criterion 1110.630 (d) (1) Unnecessary Duplication of Service	There are 2 hospitals within 30 minutes providing comprehensive physical rehabilitation service. Neither hospital is operating at the target occupancy of 85% for this service; therefore it appears that a duplication of service may result with the establishment of this facility.
Criterion 1110.3030 (b) Clinical Service Areas Other Than Categories of Service	The applicants can justify 3 labor delivery recovery rooms based upon historical utilization and not the proposed 5 labor delivery recovery rooms.

STATE BOARD STAFF REPORT
St. Elizabeth's Hospital
PROJECT #14-043

APPLICATION CHRONOLOGY	
Applicants(s)	St. Elizabeth's Hospital of the Hospital Sisters of the Third Order of St. Francis Hospital Sisters Services, Inc. Hospital Sisters Health System
Facility Name	St. Elizabeth's Hospital-Ambulatory Care Center
Location	Belleville/O'Fallon
Permit Holder	St. Elizabeth's Hospital of the Hospital Sisters of the Third Order of St. Francis
Operating Entity/Licensee	St. Elizabeth's Hospital of the Hospital Sisters of the Third Order of St. Francis
Owner of the Site	St. Elizabeth's Hospital of the Hospital Sisters of the Third Order of St. Francis
Application Received	August 26, 2014
Application Deemed Complete	August 27, 2014
Review Period Extended by the State Board Staff?	No
Can the applicants request a deferral?	No
Applicant's Deferred	December 16, 2014 State Board Meeting
Public Hearing Conducted	October 22, 2014, December 2, 2014

I. The Proposed Project

The applicants are proposing the discontinuation of a 303 bed acute care hospital in Belleville, Illinois and the establishment of a 144 bed acute care hospital in O'Fallon, Illinois. The cost of the project is \$253,471,535 and the anticipated completion date is December 31, 2017.

II. Summary of Findings

- A. The State Board Staff finds the proposed project does **not** appear to be in conformance with the provisions of Part 1110.
- B. The State Board Staff finds the proposed project appears to be in conformance with the provisions of Part 1120.

III. General Information

The applicants are St. Elizabeth's Hospital of the Hospital Sisters of the Third Order of St. Francis Hospital Sisters Services, Inc, and Hospital Sisters Health System. St. Elizabeth's Hospital, is a 303-bed general acute care hospital, in Belleville, Illinois. The operating entity licensee and the owner of the site is St. Elizabeth's Hospital. The hospital is located in the HSA XI service area and Health Planning Area F-01. HSA XI consists of Madison, and St. Clair Counties, and portions of Clinton, and Monroe Counties.

The December 2014 Addendum to the Inventory of Inventory of Health Care Facilities shows an excess of 584 Medical Surgical Pediatric Beds, an excess of 121 obstetric beds, and an excess of 12 intensive care beds in the F-01 Health Planning Area. The State Board's target occupancy for medical surgical beds for a bed compliment of 100-199 beds is 85%. The State Board's target occupancy for 11-25 obstetric beds is 75%, and target occupancy for intensive care beds is 60% no matter the number of beds. The target occupancy for comprehensive physical rehabilitation beds in 85%.

While this project is a characterized as a replacement hospital, the State Board Staff is reviewing this project as the discontinuation of a 303 bed acute care hospital and the establishment of a 144 bed acute care hospital. However the applicants note the existing campus will not be discontinued. The applicants propose to modernize certain buildings at its current location and provide ambulatory services to include a same day clinic, and various clinical and non-clinical support services for the St. Elizabeth system.

IV. **Health Service Area and Health Planning Area**

Health Service Area 11 is comprised of the Illinois counties of Clinton, Madison, Monroe, and St. Clair. F-01 Planning Area is comprised of: Madison and St. Clair Counties; Monroe County Precincts 2, 3, 4, 5, 7, 10, 11, 14, 16, 17, 18, 19, 21, and 22; Clinton County Townships of Sugar Creek, Looking Glass, Germantown, Breese, St. Rose, Wheatfield, Wade, Sante Fe, Lake, Irishtown, Carlyle and Clement. There are 9 additional acute care hospitals in Health Service Area 11 and Health Planning Area F-01.

TABLE ONE				
Hospitals in the HSA XI Service Area				
Facility	City	Number of Beds	Planning Area	County
Alton Memorial Hospital	Alton	117	F-01	Madison
Anderson Hospital	Maryville	98	F-01	Madison
Gateway Regional Hospital	Granite City	166	F-01	Madison
Memorial Hospital	Belleville	175	F-01	St. Clair
Memorial Hospital-East	Shiloh	72	F-01	St. Clair
St. Anthony's Hospital	Alton	101	F-01	Madison
St. Joseph's Hospital	Highland	25	F-01	Madison
St. Joseph's Hospital	Breese	56	F-01	Clinton
Touchette Regional Hospital	Ceterville	66	F-01	St. Clair

V. **The Proposed Project – Details**

The applicants are proposing to discontinue a 303 acute hospital and establish a 144 bed replacement hospital in O'Fallon, approximately 6.5 miles (13 minutes) from the existing facility, in Belleville. The existing hospital campus will have select buildings modernized for use as ambulatory care services such as a same day access clinic, laboratory, general radiology, mammography, and outpatient therapies. Space will also be modernized for clinical and non-clinical support components for the existing hospital.

The replacement hospital will consist of 144 beds, 159 beds fewer than the current bed complement, and will be comprised of 351,130 GSF of space. Project cost is approximately \$253,471,535. The applicants also propose to lease 65,269 GSF of space from an attached Ambulatory Care Building (ACC), to be built under a separate

Certificate of Need (Project #14-044). The applicants report a cost of \$34,243,594, associated with leasing space in the proposed ACC.

Table Two illustrates the difference in the number of beds between the existing and replacement hospitals.

TABLE TWO Existing and Proposed Beds St. Elizabeth's Hospital			
Service	Existing Beds	Proposed Beds	Difference
Medical Surgical	202	100	(102)
Intensive Care	24	16	(8)
Obstetric	30	12	(18)
Pediatrics*	14	0	(14)
Rehabilitation	33	16	(17)
Total	303	144	(159)
*Category of Service will be discontinued.			

The new hospital will consists of six levels. On the first level of the new hospital will be emergency services, radiology/fluoroscopy, emergency observation beds, preadmission testing, non-invasive cardiology, nuclear medicine, ultrasound, MRI, computerized tomography, central sterile supply, cardiac rehabilitation unit, public spaces, patient access and registration, mechanical, and the ambulance garage. The second level will have intensive care service, medical surgical service, on-call rooms, respiratory therapy/pulmonary function, Phase I and Phase II recovery stations, endoscopy, surgery, cardiac catheterization laboratory, central utility plant, mammography, women's ultrasound, and bone densitometry and outpatient physical medicine. The third level will have medical surgical services, postpartum, nursery, labor/delivery recovery, C-Section Suite, Phase I recovery, pain management clinical and procedure rooms, and infusion center. The fourth level includes medical surgical beds, on call rooms, patient access office, and SIU residency clinic. The fifth level will consists of inpatient physical, occupational, rehabilitation gyms, inpatient rehabilitation beds, inpatient hemodialysis, pastoral care, dining, laboratory pathology blood bank and information technology offices. The sixth level will house the mechanical penthouse.

VI. Project Costs and Sources of Funds

The applicants are funding the project with cash and securities of \$75,386,353, gifts and bequests of \$4,632,457, and a bond issue of \$173,452,725. The application file contains audited financial statements for Hospital Sisters Health System (HSBS) for the years 2012 and 2013. The application also contains proof of an AA-/F1+ bond rating from FitchRatings Service (application, p. 310), and AA-/Stable bond rating from Standard & Poor's (application, p. 315). The applicants have supplied sufficient verification of financial viability. Table Four illustrates the specific project costs and sources of funding. Per the applicants gift and bequests for this project has been secured.

TABLE THREE Project Costs and Sources of Funds St. Elizabeth's Hospital			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$1,168,100	\$623,291	\$1,791,391
Site Survey and Soil Investigation	\$96,918	\$51,715	\$148,632
Site Preparation	\$3,972,789	\$2,119,855	\$6,092,645
Off Site Work	\$3,153,968	\$1,682,938	\$4,836,905
New Construction Contracts	\$83,027,409	\$44,302,907	\$127,330,316
Contingencies	\$8,302,741	\$4,430,291	\$12,733,032
Architectural/Engineering Fees	\$4,358,939	\$2,325,903	\$6,684,842
Consulting and Other Fees	\$5,351,610	\$2,855,586	\$8,207,196
Movable or Other Equipment (not in construction contracts)	\$34,082,558	\$802,353	\$34,884,911
Bond Issuance Expense (project related)	\$1,702,957	\$908,687	\$2,611,644
Net Interest Expense During Construction (project related)	\$10,217,739	\$5,452,122	\$15,669,861
Other Costs To Be Capitalized	\$13,777,160	\$8,444,066	\$22,221,226
Other Costs to be Capitalized (Belleville Health Ctr.)	\$976,802	\$5,904,185	\$6,880,987
Other Costs to be Capitalized (O'Fallon Health Ctr.)	\$957,542	\$2,420,406	\$3,377,948
TOTAL USES OF FUNDS	\$171,147,232	\$82,324,304	\$253,471,535
SOURCE OF FUNDS			
Cash and Securities			\$75,386,353
Gifts and Bequests			\$4,632,457
Bond Issues (project related)			\$173,452,725
TOTAL SOURCES OF FUNDS	\$171,147,232	\$82,314,304	\$253,471,535

The applicants received an incentive package from the City of O'Fallon to locate to the proposed site. The applicants stated the following: *"The process of acquiring this property included negotiating an incentive package from the City of O'Fallon worth approximately \$15,000,000 to HSHS. This incentive package includes \$10,000,000 earmarked for mine remediation and \$5,000,000 for infrastructure improvements on and around the property. The infrastructure improvements will include the widening of local roads, the installation of traffic signals on the property, financial assistance with site preparation, and water and sewer rates guaranteed at the then lowest rates offered by the City for the next 23 years. In addition, the City agreed to modify their Comprehensive Plan for zoning to allocate a large subarea of their plan as the Green Mount Medical Campus. This subarea would surround, include, and buffer the acreage purchased by HSHS in order to ensure that all future development of the area would be made up of conforming use. This incentive package and the commitments from the City were memorialized in an annexation agreement, an amendment to the city's 2006 Comprehensive Plan, and a Tax Increment Financing (TIF) development agreement."*

Modernization of the Belleville Campus

As part of this project that applicants are proposing to modernize certain buildings at its current location (Belleville). These buildings will continue to provide ambulatory services including a same day access clinic, laboratory, general radiology, mammography and outpatient therapies, (physical, occupational, speech, and Back to Work program). Independent physician practices will continue to lease space and operate primary care offices on the site. Other services to remain on the Belleville campus include the Southern Illinois Divisional Business Office, clinical education, health information services coders, information technology offices, physician billing, purchasing, marketing and communications, and print shop.

Modernization of the Existing O'Fallon Medical Building

For 18 years, the applicants have leased space in a building currently known as the O'Fallon Medical Building, which is located directly across the street from the proposed project site. The Hospital currently utilizes part of this space for outpatient clinical services and subleases the remaining space to primary care and specialist physicians. Upon completion of the replacement hospital and associated ambulatory care center/physician office building, some services and physician offices located in the current O'Fallon Medical Building will be relocated to the new buildings. The O'Fallon Medical Office Building will continue to provide physician office and related space

VII. Cost/Space Requirements

The applicants are proposing to construct 210,184 gross square feet of clinical space and 140,946 gross square feet of non clinical space for total gross square feet of 351,130 for the replacement hospital. Table Four illustrates the specific clinical spatial allotments, with the nonclinical subtotal below.

TABLE FOUR Costs Space Requirements					
Department	Costs	Existing GSF	Proposed GSF	New Construction	Vacated Space
Medical Surgical	\$45,133,544	60,625	55,428	55,428	60,625
ICU	\$8,233,932	10,598	10,112	10,112	10,598
Obstetrics	\$5,914,882	10,304	7,264	7,264	10,304
Newborn Nursery	\$1,491,749	2,237	1,832	1,832	2,237
Comprehensive Rehabilitation	\$8,569,413	19,427	10,524	10,524	19,427
Invasive Cardiac Labs	\$5,648,614	12,233	6,937	6,937	12,233
Surgery	\$22,254,091	22,663	27,330	27,330	22,663
Endoscopy	\$2,041,383	3,741	2,507	2,507	3,741
PACU Phase I	\$2,280,780	3,013	2,801	2,801	3,013
Prep/PACU Phase II	\$14,236,755	8,740	17,484	17,484	8,740
Emergency Services	\$14,384,953	12,621	17,666	17,666	12,621
ED Observation	\$3,500,561	0	4,299	4,299	0
Gen Radiology/Fluoroscopy	\$5,210,535	6,595	6,399	6,399	6,595
Ultrasound	\$1,453,478	470	1,785	1,785	470
Computerized Tomography	\$1,889,928	4,616	2,321	2,321	4,616
Magnetic Resonance Imaging	\$1,310,166	4,129	1,609	1,609	4,129
Nuclear Medicine	\$1,135,911	1,632	1,395	1,395	1,632

TABLE FOUR Costs Space Requirements					
Department	Costs	Existing GSF	Proposed GSF	New Construction	Vacated Space
LDR Suite	\$5,149,465	4,630	6,324	6,324	4,630
C-Section Suite	\$2,615,446	1,808	3,212	3,212	1,808
Non-Invasive Cardiodiagnostics	\$5,107,123	8,243	6,272	6,272	8,243
Respiratory Therapy/Pulmonary	\$1,569,105	2,659	1,927	1,927	2,659
Inpatient Physical Medicine	\$3,217,194	0	3,951	3,951	0
Preadmission Testing	\$1,957,513	0	2,404	2,404	0
Pharmacy	\$2,613,003	3,567	3,209	3,209	3,567
Central Sterile Processing	\$2,753,058	3,122	3,381	3,381	3,122
Acute Dialysis Service	\$1,474,649	1,014	1,811	1,811	1,014
Total Clinical	\$171,147,232	208,677	210,184	210,184	208,677
Total Non-Clinical	\$82,324,304	223,266	140,946	140,946	223,266
Total Project	\$253,471,535	431,943	351,130	351,130	431,943

VIII. Background of Applicant

Criterion 1110.530 (b) (1) (3) – Background of Applicants

To address this criterion the applicants must provide a listing of all health care facility as defined by the State Board, an attestation that they have not had any adverse action within the past 3 years and that the State Board and the Illinois Department of Public Health can access any and all information to verify information in the application for permit.

St. Elizabeth's Hospital has served Belleville and the surrounding area since 1875. Through the years the Hospital has established many collaborative efforts within St. Clair County including the Family Practice Residency program with Scott Air Force Base. They also have collaborative programs with the St. Clair County Health Department including free health screenings, the WIC program and regional planning; the regional EMS System; local schools; and many others.

The applicants own the Illinois hospitals identified in the table below. The applicants have attested that they have not had any adverse actions within the past 3 years and the State Board and Illinois Department of Public Health can access any and all information to verify information in the application for permit. The State Board Staff has reviewed information with the Illinois Department of Public Health Office of Health Care Regulation and there have been no adverse actions within the past three years. St. Elizabeth's Hospital is currently in compliance with Medicare and Medicaid Conditions of Participation.

TABLE FIVE Facilities owned by the applicants			
Facility	Location	Illinois Department of Public Health License Number	Joint Commission Accreditation Number
St. Elizabeth's Hospital	Belleville	2345	ID #2345
St. Joseph's Hospital	Highland	2543	ID #2825
St. Anthony's Memorial Hospital	Effingham	2279	ID #7335
St. Francis Hospital	Litchfield	2386	ID #7374
St. John's Hospital	Springfield	2451	ID #7432
St. Joseph's Hospital	Breese	2527	ID #7250
St. Mary's Hospital	Decatur	2592	ID#4605
St. Mary's Hospital	Streator	2659	ID #7436
Prairie Diagnostic Center at St. John's Hospital	Springfield	7003157	ID #7432
St. John's Surgery Suites Montvale	Springfield	7003187	ID #7432

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH THE CRITERION BACKGROUND OF APPLICANT (77 IAC 1110.530 (b) (1) (3))

IX. Criterion 1110.130 – Discontinuation

To determine if the discontinuation of the hospital is warranted the applicants must provide the clinical services that are to be discontinued and the reasons for discontinuation.

The applicants are proposing to discontinue a 303 acute care hospital in Belleville, Illinois and establish a 144 bed acute hospital in O'Fallon, Illinois. The applicants will discontinue 202 medical surgical beds, 14 pediatric beds, 24 intensive care beds, 30 obstetric beds, and 33 rehabilitation beds. In addition the applicants are proposing to discontinue open heart and cardiac catheterization category of service at this location.

Planning Area F-01

The State Board is currently projecting an excess of 584 medical surgical pediatric beds, 12 intensive care beds, and 121 obstetric beds in the F-01 Hospital Planning Area by CY 2015. The State Board is also projecting an excess of 34 acute mental illness beds, and 45 rehabilitation beds in the HSA 11 Acute Mental Illness and HSA 11 Comprehensive Rehabilitation Planning Areas by CY 2015. With the discontinuation of St Elizabeth's Hospital bed services the F-01 hospital planning area and the HSA 11 Acute Mental Illness and Rehabilitation Planning areas will have the following calculated bed numbers:

TABLE SIX Bed Need with discontinuation of St. Elizabeth Hospital-Bellville			
Service	F-01 Planning Area Bed Calculation Excess (Need)	St. Elizabeth Hospital (Current)	F-01 Planning Area Bed Calculation Excess (Need)
Medical Surgical Beds Pediatric Beds	584	202	368
Pediatric Beds ⁽¹⁾	0	14	0
Intensive Care Beds	12	24	-12
OB/GYN	121	30	91
Acute Mental Illness Beds ⁽²⁾	34	0	34
Rehabilitation Beds	45	33	12
Total	796	303	493
3. The calculated need for pediatric beds is included in the calculated need for medical surgical beds. 4. St. Elizabeth's Hospital has 35 acute mental illness beds operating as of the date of this report. These 35 beds were discontinued per Permit #13-034 expected completion date is January 15, 2016			

Reasons for Discontinuation

According to the applicants St. Elizabeth's Hospital was designed in the late 1940's as an acute care, inpatient focused hospital. Built in the 1950's, the main hospital facility is over 60 years old and functionally obsolete. The Hospital building is at the end of its useful life, and requires constant costly maintenance. The Hospital has cramped space for employee and medical staff use, and poor visitor way finding. The current building footprint does not allow for nursing pods that are sized to be cost effective to operate, for better patient room access and observation. There are currently no design standard or pending building deficiencies that the Hospital is addressing with the Illinois Department of Public Health as open items. However, due to the age of the building, in order to be life safety code compliant, significant monies are expended on a regular basis in simply maintaining the core structure, electrical, plumbing and HV AC functions. The floor to ceiling height makes it impossible to significantly upgrade electrical and HVAC. The parking structure is vertical and does not contain adequate space for visitor, employee and/or patient parking. The ORs are too small based on current equipment and OR standards. There is not enough room for recovery space. The Hospital was built when computers were not used. In today's environment, technology is pervasive and the Hospital's current structure makes it difficult to provide state of art technology. The Hospital building and campus is on cramped ground space. It is difficult to provide state of art technology for its regional market that extends beyond St. Clair County.

Current rooms were designed as semi-private rooms. While the current Hospital offers many private rooms, they were not originally designed as private and are awkward in design and set up as a result. Many do not have private washrooms. Patient care rooms, when utilized as semi-private, do not have minimum clearance. Hand-washing facilities

are not available in the patient rooms. Hand-washing stations are not convenient to those entering and leaving a patient room. Bathing facilities are not provided in each patient room. Toilets and hand-washing facilities are not provided in central bathing facilities. In the isolation rooms hand-washing facilities are not available in each patient room. In the protective environment rooms are not available for profoundly immune suppressed patients. In the patient care unit support areas convenient hand-washing facilities are not available. Work counters and hand-washing stations are not available in medicine preparation rooms. Soiled workrooms do not universally have flushing rim clinical service sinks. Many floors / units do not have staff toilet facilities. Visitor family lounges are not available on each unit / floor.

Overall there is insufficient space for support space, storage space and equipment storage to accommodate utilization. Patient rooms are outdated; some rooms have no doors which compromise HIPPA compliance, noise suppression, privacy and potentially infection control. Elevator sizes do not accommodate required clearance space for patient transport, staff support, nor necessary equipment. ICU rooms do not conform to necessary clearance standards and the existing structure column grid precludes modernization to achieve a contemporary room. (See pages 71-80 of the application for permit for a complete discussion)

There are 11 acute care hospitals within 45 minutes of St. Elizabeth Hospital. These 11 hospitals have excess capacity as evidenced by the table below. Of these 11 hospitals only 1 hospital is operating at target occupancy for medical surgical beds (Memorial Hospital-Belleville), 2 hospitals are operating at target occupancy for intensive care beds (Memorial Hospital-Belleville and Alton Memorial Hospital) 1 hospital for obstetric beds (Memorial Hospital-Belleville) and none of the hospitals that provide comprehensive rehabilitation services are at target occupancy.

TABLESEVEN Facilities within 45 minutes of St. Elizabeth Hospital (Belleville)										
			Medical Surgical		Intensive Care		Obstetric		Comprehensive Rehab	
Facilities	City	Minutes	Beds	Occ.	Beds	Occ.	Beds	Occ.	Beds	Occ.
St. Elizabeth Hospital	Belleville	0	202	36.80%	24	58.50%	30	22.20%	33	45.00%
Memorial Hospital	Belleville	9	175	89.00%	19	78.50%	8	164.70%	0	0.00%
Touchette Regional Hospital	Centreville	12	66	21.10%	8	31.60%	33	11.10%	0	0.00%
Memorial Hospital	Shiloh	14	72	0.00%	6	0.00%	16	0.00%	0	0.00%
Anderson Hospital	Maryville	27	98	51.30%	12	54.70%	24	75.10%	20	64.70%
Gateway Regional Hospital	Granite City	28	166	23.90%	12	29.40%	27	7.10%	14	20.60%
Red Bud Regional Hospital	Red Bud	28	25	29.10%	0	0.00%	0	0.00%	0	0.00%
St. Joseph's Hospital	Breese	41	56	11.80%	4	1.00%	6	59.70%	0	0.00%
St. Joseph's Hospital	Highland	43	25	34.20%	0	0.00%	0	0.00%	0	0.00%
OSF St. Clare's Hospital	Alton	43	0	0.00%	0	0.00%	0	0.00%	28	38.10%
Alton Memorial Hospital	Alton	44	117	48.00%	12	86.40%	25	18.00%	0	0.00%
OSF Saint Anthony's Health Ctr.	Alton	46	101	24.20%	19	49.50%	20	12.90%	0	0.00%

X. Section 1110.130 – Discontinuation (Pediatrics)

The applicants seek the discontinuation of the 14-bed Pediatrics service immediately upon approval of the Certificate of Need application for this project. The applicants propose to continue providing Pediatric care at the replacement hospital in O’Fallon, but will do so through the med/surg unit, eliminating the need for a dedicated Pediatrics bed complement. The applicants cite a declining need for a dedicated Peds unit, based on declining utilization for the past two years. The applicants note their outpatient pediatric care initiatives will remain in place, and Pediatric care clinics currently offered at St. Elizabeth’s will be offered at the new hospital. The applicants reiterate the hospital will not be discontinued in its entirety, the vacated space will be used for non-clinical support functions, and all medical records will be archived and transferred to the new facility. The applicants also addressed the discontinuation of the following categories of service in this section, but note these services will be re-established at the replacement hospital, in O’Fallon, in a modernized setting.

Given the calculated excess of beds in the F-01 Planning Area, the number of services at the acute care hospitals within 45 minutes of St. Elizabeth Hospital not operating at target occupancy and the age of the existing facility; it would appear that the discontinuation of the hospital is justified.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION DISCONTINUATION (77 IAC 1110.130)

XI. Section 1110.230 - Project Purpose, Safety Net Impact and Alternatives

A) Criterion 1110.230 (a) - Purpose of the Project

The applicant shall document that the project will provide health services that improve the health care or well-being of the market area population to be served. The applicant shall define the planning area or market area, or other, per the applicant's definition.

The applicants stated the following regarding the purpose of the project.

“The project proposes to replace St. Elizabeth's Hospital at a new site. The general purpose of the replacement is to address the requirement of Section 1100.360 of the Illinois Health Facilities Planning Act that "The people of Illinois should have facilities which are modern, in accord with recognized standards of design, construction, operation, and which represent the most cost effective alternative for the provision of quality care. The current hospital is more than 60 years old; it is based on a 70-year old design standards. It is located in the middle of the City of Belleville, which was a convenient location over 100 years ago when the original hospital was established, but not now given traffic and growth.

Generally, the proposed project will provide better access to care in a setting that is more appropriate for the current health care environment. It will improve access to emergency and same day clinic care which are a prevalent need within the community. At the same time, the purpose is to outline the current Hospital's mission of providing care to all, regardless of ability to pay. The location of the project will place the Hospital in an area that is geographically accessible. The proposed site will be at least, if not more, accessible to the poor and Medicaid and Medicare recipients than the current site.

The purpose of the proposed replacement of St. Elizabeth's Hospital is to improve the health care and the well-being of the market population to be served. This purpose is fully consistent with the mission of St. Elizabeth's Hospital and the Hospital Sisters Health System. The proposed replacement facility will improve the health care and well-being of the Hospital's established service area in the Metro East region of Southwestern Illinois by substantially improving access, providing contemporary facilities that can efficiently and effectively provide inpatient, observation, and outpatient care, and delivering high quality care with demonstrable outstanding clinical outcomes and safety for patients and staff.

St. Elizabeth's Hospital has defined the market area of the replacement facility in O'Fallon based on its current patient origin. There will be no change in the patient origin by zip code when the Hospital relocates except for the exclusion of acute mental illness patients because this service will not be relocated to the O'Fallon site.

TABLE EIGHT Market Area of St. Elizabeth's Hospital		
	Number of Patients	Percent of Patients
Market Area	7,458	83.9%
Extended Market Area	1,426	16.1%
Total	8,884	100%
Excludes Pediatric and Acute Mental Illness category of service		

Of St. Elizabeth's total patients, 83.9 percent reside in the defined market area and 16.1 percent are from beyond that area. A map of the Hospital's total service area is attached. The proposed relocated hospital will provide health services to improve the health and well-being of the market population to be served.

Considerations Used to Determine Priority Initiatives to Improve the Health and Well-Being of the Service Area Population

In order to identify and prioritize recruitment, program development, and community outreach alternatives, St. Elizabeth's Hospital studies a range of population characteristics and evaluates their impact on the health and well-being of the area. The Hospital uses Illinois data as a benchmark.

Market Area Population 2013-2019

The current adult population of St. Elizabeth's proposed market area for the replacement hospital is 316,774 people; the population is expected to increase 4.2 percent between 2013 and 2019, the second full year of operation of the proposed replacement facility.

TABLE NINE Market Area Population by Age Cohort, 2013					
Age Cohort	15-44	45-64	65-74	75+	Total
	155,494	108,737	27,161	25,381	316,774

TABLE TEN Market Area Population by Age Cohort, 2019					
Age Cohort	15-44	45-64	65-74	75+	Total
	157,779	111,203	33,734	27,310	330,026

TABLE ELEVEN Percent Change by Age Cohort, 2019					
Age Cohort	15-44	45-64	65-74	75+	Total
	1.5%	2.3%	24.2%	7.6%	4.2%

The obstetric population is expected to increase modestly. The population in the 45-64 age cohort is expected to experience growth overall while the senior age groups (65-74 and 75+) are expected to show strong growth in the market area. The increasing proportion of seniors in the population will place additional demands on health care providers since seniors are more likely to have one or more chronic conditions as well as

acute episodes and therefore require more physician office visits as well as more intensive care, medical-surgical and rehabilitation inpatient and outpatient services than do the younger age cohorts. Population growth between 2012 and 2017 (the latest year provided by DataBay Resources) is expected to be 3.3 percent for St. Clair County and 3.05 percent for Illinois suggesting that the County's population growth is slightly stronger than Illinois overall

St. Clair County has been designated as a Health Manpower Shortage Area and a Medically Underserved Area/Population by the Health Resources and Services Administration. (Federal Register, June 25, 2014). According to the Health Resources and Services Administration, St. Clair County has a shortage of 18 primary care and mental health physicians and dentists and is designated as a MUA/Population (medically underserved area/population). These data were also reported in the June 25, 2014 Federal Register.

Both the "County Health Rankings & Roadmaps: A Healthier Nation, County by County" and the section of this application related to the Comparison of Demographic Characteristics, St. Clair County and Illinois describe an area that will require more health care services than many other counties in Illinois.

St. Elizabeth's Hospital is attending to the identified health care needs in St. Clair County and the Metro East region in the following ways. First, St. Elizabeth's is investing capital to establish a modern and accessible hospital, on a campus with an ambulatory care building that anticipates the continued trend toward outpatient care. Second, the Hospital will continue to partner with local providers and other agencies to improve all of the factors that contribute to the health and wellness of the population and to develop a comprehensive integrated care delivery model in the region. Third, the Hospital is actively recruiting physicians, developing new clinical programs and expanding others where there is evidence of need to serve this growing, high risk population.

Location and Site

The current St. Elizabeth's Hospital campus dates to 1880 when the Hospital Sisters chose this site for a new 58-bed facility because it was near the railroad station; railroads were the most common means of transportation for patients more than 130 years ago. This location is now part of downtown Belleville and must be accessed by city streets that carry substantial traffic. The Hospital is bounded by many one-way streets, and has limited parking spaces. In addition to poor location and access, the site is very small. It contains only 17 acres and currently 98 percent of the site is covered with buildings and parking so that any future development on the site would require phasing over many years that would cause both disruption to patients and others using the facilities as well as substantial additional project cost. Further, this poor site contributes to unnecessary patient outmigration to Missouri.

Hospital Facility

The current hospital facility opened on the existing site in the 1950s; based on a 1940s design. Consistent with health care delivery 70 years ago, the design of the building is bed-centric and at one time housed 506 beds; it does not adapt well to either the

expanding volume and special requirements of outpatient services or the increasing importance of observation capabilities. Not only is the building operationally dysfunctional, it has extensive deficiencies that encompass both the infrastructure and the patient care and support areas. It cannot support contemporary medical technology. Operational and maintenance costs for the building are high reflecting the age, design and size of the building. There are significant additional costs to modernize the current building.”

Quality

The Hospital Sisters have always provided the highest quality care consistent with the times. They continually adapted better techniques and methods to improve quality and to this day quality of care is the highest priority of the Hospital Sisters. However, its continued ability to do so is jeopardized by the existing physical impediments of the aging St. Elizabeth's facility. The new location will allow for a host of opportunities to improve quality of care through a more modern and state-of-the art facility.

B) Criterion 1110.230 (b) - Safety Net Impact Statement

The applicants stated the following:

The applicants provided the following information regarding the safety net impact of the proposed project. See pages 331-346 of the application for permit.

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.

To the applicants' knowledge, St. Elizabeth's proposed project will have no material impact on essential safety net services as to the community. St. Elizabeth's Hospital (St. Elizabeth's, Hospital) will maintain all services except for inpatient pediatrics.

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.

To the applicants' knowledge, the project will have no impact on the ability of any other provider or health care system to cross subsidize safety net services.

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.

To the applicants' knowledge, neither the discontinuation of pediatrics nor the discontinuation and re-establishment of St. Elizabeth's Hospital will impact safety net services in the Hospital's market area. In fact, the proposed replacement will bring safety net services closer to the most vulnerable population because of improved access to the proposed site. The new hospital will be located closer to a greater number of communities with people living at or below the poverty line and will generally be easier to get to because it is right off Interstate 64, with two exits going either direction.

See pages 331-346 of the application for permit.

The St. Clair County Health Department submitted a letter in response to statements in the applicants Safety Net Impact Statement. Board Staff appended this letter to the

State Board Staff Report (SBSR). The applicants provided a response to St. Clair County Health Department letter which is also appended.

TABLE TWELVE			
Safety Net Impact			
	2013	2012	2011
Net Patient Revenue	\$158,547,048	\$170,284,906	\$176,696,159
Charity Care			
Charity (# of patients) ⁽¹⁾			
Inpatient	889	1,293	825
Outpatient	5,090	6,531	4,945
Total	5,979	7,824	5,770
Charity (cost In dollars)			
Inpatient	\$2,224,944	\$2,103,347	\$2,549,547
Outpatient	\$2,173,917	\$2,456,260	\$2,212,403
Total	\$4,398,861	\$4,559,607	\$4,761,950
% of Net Revenue	2.77%	2.68%	2.69%
Medicaid			
Medicaid (# of patients)			
Inpatient	1,257	1,622	1,267
Outpatient	9,960	10,115	7,923
Total	11,217	11,737	9,190
Medicaid (revenue)			
Inpatient	\$10,536,449	\$11,246,900	\$12,280,693
Outpatient	\$7,931,793	\$7,381,253	\$10,674,926
Total	\$18,468,242	\$18,628,153	\$22,955,618
% of Net Revenue	11.65%	10.94%	12.99%
1. The information 2012 and 2011 Annual Hospital Questionnaires numbers for charity care patients was originally reported as a total of 716 and 1,265 in 2012 and 2011 respectively.			

C) Criterion 1110.230 (c) - Alternatives to the Proposed Project

The applicant shall document that the proposed project is the most effective or least costly alternative for meeting the health care needs of the population to be served by the project.

The applicants considered four alternatives to the proposed project, beginning on page 102 of the application. The applicants note having previously recognized the fact that the hospital's location has resulted in a significant barrier that did not exist 50 years ago. The four alternatives are:

TABLE THIRTEEN Alternatives to the Proposed Project		
Alternatives	Project Cost	Reason for Rejection
Replace on Existing Site	\$364.8 Million	Extensive cost, does not address inadequate size of the current site, and geographically-based access issues from facility being centrally located. The alternative chosen would require multi-year phasing, including demolition and reconstruction that would interfere with patient access/patient care.
Modernize Current Hospital Building	\$352.9 Million	The current building's footprint does not allow for a design that would be consistent with modern delivery of healthcare. On-site modernization would require demolition, modernization, and reconstruction that would be disruptive to patient access and care, resulting in significant access issues for the multi-year duration of the proposed project.
Exit the Market	\$193.6 Million	While cost effective, this option would place a significant burden on area health care providers, jeopardize various relationships with providers committed to serving the health care needs of the region, and contribute to an already-present issue of unemployment. The applicants acknowledge this alternative would result in a patient "out-migration" to Missouri, when seeking healthcare in a faith-based environment.
Relocate St. Elizabeth's to a Different Site.	\$253.5 Million	Option Chosen. The applicants' note having considered sites in Fairview Heights, and another area of Belleville, but cited ongoing issues regarding access, space, and an unwillingness to sell land. The applicants chose to relocate the hospital to O'Fallon, based on its size (114 acres), its accessibility to Interstate 64 (2 exits nearby), and the ability to continue to serve the at-risk population in the metro-East St. Louis area with little to no disruption in services.

XII. Size of Project

Criterion 1110.234 (a) Size of Project

To demonstrate compliance with 77 IAC 1110.234(a) Size of the Project the applicant provided the departmental gross square footage for all areas being established and modernized.

This project would essentially relocate an acute care hospital in its entirety, downsizing in areas underutilized, and increasing space in areas requiring the extra spatial allocation for the provision of modern health care. As can be seen by the table the applicant has met the requirement of this criterion. See pages 112-113 of the application for permit.

TABLE FOURTEEN Size of Project Replacement Hospital					
	Number of Beds/Units Proposed	Proposed GSF per Service	Proposed GSF per Room	State Standard	Met Standard?
Intensive Care	16	10,112	632	10,960 GSF 685 GSF/Room	Yes
Medical/Surgical	100	55,428	554	66,000 GSF 660 GSF/Room	Yes
Obstetric	12 Beds	7,264	605	660GSF/Bed	Yes
Postpartum	12 Cribs	1,832	160	153 GSF/Crib	Yes
Nursery	16 Beds	10,524	658	10,560 GSF 660 GSF/Bed	Yes
Comprehensive Rehab	4 Labs	6,937	1,734	7,200 GSF 1,800 GSF/Lab	Yes
Cardiac Cath	10 Class C Suites	27,330	2,733	27,500GSF 2,750 GSF/Rm	Yes
Surgery	2 C- Section Suites	<u>3,212</u> 30,542	1,606	5,500 GSF 2,750 GSF/Rm	Yes
Endoscopy	3 Rooms	2,507	836	3,300 GSF 1,100 GSF/Rm	Yes
PACU Phase I	16	2,801	175	2,880 GSF 180 GSF/Rm	Yes
Prep/PACU Phase II	47	17,484	372	18,800 GSF 400 GSF/Rm	Yes
ED	25	17,666	707	22,500 GSF 900 GSF/Rm	Yes
Gen. Radiology	5	6,399	1,280	6,650 GSF 1,330 GSF/Rm	Yes
Ultrasound	2	1,785	893	1,800 GSF 900 GSF/Rm	Yes
Computerized Tomography	2	2,321	1,161	3,600 GSF 1,800GSF/Rm	Yes
MRI	1	1,609	1,609	1,800 GSF 1,800 GSF/Rm	Yes
Nuclear Medicine	2	4,185	2,093	4,800 GSF	Yes

TABLE FOURTEEN Size of Project Replacement Hospital					
	Number of Beds/Units Proposed	Proposed GSF per Service	Proposed GSF per Room	State Standard	Met Standard?
				1,600 GSF/Rm	
LDR incl. OB Triage	5	6,324	1,265	8,000 GSF 1,600 GSF/Rm	Yes

Based on the spatial allocations presented in Table Twelve, it appears the applicants have met the requirements of this criterion.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION SIZE OF PROJECT (77 IAC 1110.234(a))

B) Criterion 1110.234 (b) - Project Services Utilization

The applicant shall document that, by the end of the second year of operation, the annual utilization of the clinical service areas or equipment shall meet or exceed the utilization standards specified in Appendix B.

The applicants do not meet the State Board standard for Labor Delivery Recovery. **The State Board Staff Notes** that the applicants' projected utilization will justify 104 medical surgical beds, 12 obstetric beds, 24 intensive care beds and 18 comprehensive physical rehabilitation beds at the State Board's target occupancy of 85%, 60% and 85% respectively. These projections exceed the number of beds being requested by the applicants. **See page 115 of the application for permit.**

TABLE FIFTEEN Projected Utilization						
Department Service	Beds/Units/Rooms Proposed	2012	2013	2019	Number beds/rooms Justified	Met Standard
		Historical		Projected		
Medical Surgical	100 beds	26,247	27,157	32,344	104 Beds	Yes
Obstetrics	12 beds	2,920	2,436	2,822	12 beds	Yes
Intensive Care	16 Beds	5,014	5,121	5,121	24 beds	Yes
Comprehensive Physical Rehabilitation	16 Beds	5,026	5,416	5,416	18 beds	Yes
Labor/Delivery/Recovery	5 Rooms	1,119	887	981	3 rooms	No
Open Heart	1 room	111	147	150	1 room	Yes
Cardiac Catheterization	4 labs	1,642	1,873	1,455	4 rooms	Yes
Surgery ⁽¹⁾	10 Rooms	12,794	12,650	13,182	9 rooms	Yes
C-Section Suites	2 Rooms	1,119	887	887	2 rooms	Yes
Endoscopy	3 Rooms	2,798	2,852	3,280	3 rooms	Yes
Emergency Services	25 Rooms	53,402	59,532	59,532	30 rooms	Yes
General Radiology	5 Units	75,336	59,470	59,470	8 Rooms	Yes
Ultrasound	2 Units	9,074	7,782	7,782	3 Units	Yes
CT	2 Units	14,052	15,370	15,371	3 Units	Yes

TABLE FIFTEEN Projected Utilization						
Department Service	Beds/Units/Rooms Proposed	2012	2013	2019	Number beds/rooms Justified	Met Standard
MRI	1 Unit	2,856	2,868	2,868	2 Units	Yes
Nuclear Medicine	2 Units	1,624	2,556	2,556	2 Units	Yes
1. One room is being dedicated to open hear and emergency services.						

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT DOES NOT APPEAR TO BE IN CONFORMANCE WITH THE PROJECT UTILIZATION CRITERION (77 IAC 1110.234(b)).

XIII. Section 1110.530 Medical Surgical, Pediatric Beds

A) Criterion 1110.530 (c) - Planning Area Need

The applicant shall document that the number of beds to be established or added is necessary to serve the planning area's population.

The applicants are proposing to establish 100 medical surgical beds, 16 intensive care beds, and 12 obstetrics/gynecology beds and 16 comprehensive rehabilitation beds in O'Fallon, Illinois.

1110.530 (c)(1) The State Board has calculated an excess of 584 medical surgical pediatric beds, 12 intensive care beds, and 121 obstetric gynecology beds in the F-01 Planning Area. If the State Board accepts the discontinuation of the St. Elizabeth Hospital – Belleville there will be an excess of 370 medical surgical pediatric beds, and 91 obstetric beds and a need for 12 intensive care beds. Based upon the State Board's methodology the number of beds for medical surgical pediatrics, obstetrics, and intensive care services to be established in O'Fallon Illinois exceeds the number of beds needed for medical surgical, obstetrics and intensive care beds.

TABLE SIXTEEN Planning Area F-01 Calculated Excess or (Need) for Beds			
Service	F-01 Planning Area Bed Calculation Excess (Need)	St. Elizabeth Hospital	F-01 Planning Area Bed Calculation Excess (Need) After Discontinuation
Medical Surgical Beds Pediatric Beds	584	202	370
Pediatric Beds ⁽¹⁾		14	0
Intensive Care Beds	12	24	-12
OB/GYN	121	30	91
Acute Mental Illness Beds ⁽²⁾	34	0	34
Rehabilitation Beds	45	33	12
Total	798	303	495
1. The calculated need for pediatric beds is included in the calculated need for medical			

TABLE SIXTEEN Planning Area F-01 Calculated Excess or (Need) for Beds			
Service	F-01 Planning Area Bed Calculation Excess (Need)	St. Elizabeth Hospital	F-01 Planning Area Bed Calculation Excess (Need) After Discontinuation
surgical beds. 2. St. Elizabeth's Hospital has 35 acute mental illness beds operating as of the date of this report. These 35 beds were discontinued per Permit #13-034 expected completion date is January 15, 2016			

1110.530 (c) (2) - Service to Planning Area Residents

Applicants proposing to establish or add beds shall document that the primary purpose of the project will be to provide necessary health care to the residents of the area in which the proposed project will be physically located (i.e., the planning or geographical service area, as applicable), for each category of service included in the project.

The applicants have provided the patient origin by zip code at page 128 of the application for permit for the proposed new hospital. The **primary service area** includes the communities of Belleville, Fairview Heights, Lebanon, Mascoutah, O'Fallon and the **secondary service area** includes the communities of Glen Carbon, Madison, Maryville, Venice, East St. Louis, Breese, Caseyville, Collinsville, Freeburg, Highland, Lezbug, Marissa, Millstadt, New Athens, New Baden, Red Bud, Saint Jacob, Smithton, Sparta, Trenton, Troy, and Waterloo. The applicants are currently a provider of health care services to residents of the F-01 planning area, including low-income, racial and ethnic minorities, handicapped and other underserved groups. The applicants currently participate in the Medicare and Medicaid programs. To determine whether all residents of the service area would continue to have access to a hospital's proposed services, the applicants provided a copy of its current and proposed admission policy. The admission policy provides the overall guiding principles of the facility as to the types of patients that are appropriate candidates to use the facility and any assurances regarding access to treatment. The policy outlines the process/criteria that the hospitals use to admit patients for acute care services. The policy also includes the necessary language to ensure all residents of the service area would have access to services at the proposed hospital.

To determine whether the elderly would have access or continue to have access to the proposed services, the department uses Medicare certification as the measure to make that determination. Documents provided in supplemental information that the applicants intend to maintain this status at the proposed hospital. To determine whether low-income residents would have access to the proposed services, the applicants intend to be Medicaid certified. For this project, a review of the applicants financial includes Medicare and Medicaid revenues.

\ The applicants' charity care policy confirms that all residents of the service area including low-income, racial and ethnic minorities, handicapped and other underserved groups have, will have access to healthcare services of the applicant. The policy includes

the process one must use to access charity care at the facility. The State Board Staff' review of this policy indicated all residents of the service area will be served.

1110.530 (c) (4) -Service Demand – Establishment of Bed Category of Service

The number of beds proposed to establish a new category of service is necessary to accommodate the service demand experienced annually by the existing applicant facility over the latest two-year period, as evidenced by historical and projected referrals, or, if the applicant proposes to establish a new hospital, the applicant shall submit projected referrals.

Based on historical data (2012 and 2013), inpatient statistics from St. Elizabeth Hospital –Belleville were used to project the number of beds that were being proposed for medical surgical, intensive care and obstetric services at the O'Fallon facility. The length of stay was held constant for these three service lines. Overall growth is based upon historical data and upon management assertions that they do not expect any growth in patient days for these services. Based upon the 2-year average historical utilization the applicants can justify 87 medical surgical beds, 24 intensive care beds and 10 obstetric beds at the State Board' target occupancies.

TABLE SEVENTEEN						
Projected Number of Beds Based upon historical data						
	Beds Proposed	State Board Standard	2012	2013	Average	Number of Beds Justified
			ADC			
Medical Surgical	100	85%	71.9	74.4	73.15	87
Intensive Care	16	60%	13.7	14	13.85	24
Obstetrics/Gynecology	12	75%	8	6.7	7.35	10

1110.530 (c) (5) Service Accessibility

The number of beds being established or added for each category of service is necessary to improve access for planning area residents.

To determine if the proposed hospital will improve access in the F-01 planning area all hospital within 45 minutes must be at target occupancy for medical surgical (85%) obstetric (65%) and intensive care (60%) 1110.530 (c) (5) (v).

No evidence has been provided of restrictive admission policies or access limitations due to payor status of patients in the planning area. Certain sections of St. Clair and Madison County in the F-01 planning area are considered medically underserved areas by the U.S Secretary of Health and Human Services. There are 10 providers of medical surgical obstetric and intensive care services within 45 minutes of the proposed facility. All of these hospitals provide Medicare, Medicaid and charity care services as evidenced by the 2013 Hospital Profile Information. As can be seen by the table below there are a number of facilities within 45 minutes not operating at target occupancy. One hospital is operating at target occupancy for medical surgical beds (Memorial Hospital-Belleville); two hospitals are at target occupancy for obstetric services (Anderson Hospital and

Memorial Hospital- Belleville) and two hospitals at target occupancy for intensive care services (Memorial Hospital – Belleville and Alton Memorial Hospital).

TABLE EIGHTEEN
Facilities within 45 minutes and their historical utilization

			Medical Surgical		Intensive Care		Obstetric	
		Minutes (1)	Beds	Occ. (2)	Beds	Occ.	Beds	Occ.
Memorial Hospital (3)	Shiloh	5	72	0.00%	6	0.00%	16	0.00%
Memorial Hospital	Belleville	18	175	89.00%	19	78.50%	8	164.70%
St. Elizabeth Hospital	Belleville	18	202	36.80%	24	58.50%	30	22.20%
Touchette Regional Hospital	Centreville	18	66	21.10%	8	31.60%	33	11.10%
Anderson Hospital	Maryville	18	98	51.30%	12	54.70%	24	75.10%
Gateway Regional Hospital	Granite City	23	166	23.90%	12	29.40%	27	7.10%
St. Joseph's Hospital	Breese	24	56	11.80%	4	0.00%	6	59.70%
St. Joseph's Hospital	Highland	29	25	34.20%	0	0.00%	0	0.00%
Alton Memorial Hospital	Alton	38	117	48.00%	12	86.40%	25	18.00%
OSF Saint Anthony's Health Center	Alton	40	101	24.20%	19	49.50%	20	12.90%

1. Minutes determined by MapQuest
2. Utilization information taken from 2013 Hospital Profile Information
3. Memorial Hospital East approved as permit 11-017 to establish a 94 bed hospital in Shiloh, Illinois as Permit #10-017, not yet operational.
4. St. Clare Hospital in Alton provides rehabilitation and long term care services only.

There is a calculated excess for medical surgical and obstetric beds in the F-01 planning area. There is a calculated need for intensive care beds in the F-01 planning area.

While St. Clair County has been determined to have medically underserved areas there appears to be existing facilities within 45 minutes of the proposed facility not operating at target occupancy, therefore the State Board Staff has concluded the applicants have not met the planning area need.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION PLANNING AREA NEED (77 IAC 1110.530 (c))

B) Criterion 1110.530 (d) Unnecessary Duplication/Maldistribution of Service

1110.530 (d)(1) To determine if an unnecessary duplication of service will result with the establishment of the proposed hospital the applicants must provide documentation of all facilities are operating at target occupancy for services proposed by the project that are within 30 minutes of the proposed services.

There are eight facilities within 30 minutes of the proposed site. One hospital is operating at target occupancy for medical surgical beds (Memorial Hospital-Belleville), two hospitals are at target occupancy for obstetric services (Anderson Hospital and Memorial Hospital- Belleville) and one hospital is at target occupancy for intensive care services (Memorial Hospital – Belleville).

TABLE NINETEEN
Facilities within 30 minutes of the proposed site

		Minutes (1)	Medical Surgical		Intensive Care		Obstetric	
			Beds	Occ. (2)	Beds	Occ.	Beds	Occ.
Memorial Hospital (3)	Shiloh	5	72	0.00%	6	0.00%	16	0.00%
Memorial Hospital	Belleville	18	175	89.00%	19	78.50%	8	164.70%
St. Elizabeth Hospital	Belleville	18	202	36.80%	24	58.50%	30	22.20%
Touchette Regional Hospital	Centreville	18	66	21.10%	8	31.60%	33	11.10%
Anderson Hospital	Maryville	18	98	51.30%	12	54.70%	24	75.10%
Gateway Regional Hospital	Granite City	23	166	23.90%	12	29.40%	27	7.10%
St. Joseph's Hospital	Breese	24	56	11.80%	4	0.00%	6	59.70%
St. Joseph's Hospital	Highland	29	25	34.20%	0	0.00%	0	0.00%
			860		85		144	

1. Minutes determined by MapQuest
2. Utilization information taken from 2013 Hospital Profile Information
3. Memorial Hospital East approved as permit 11-017 to establish a 94 bed hospital in Shiloh, Illinois as Permit #10-017, not yet operational.
4. St. Clare Hospital in Alton provides rehabilitation and long term care services only.

1110.530 (d) (2) To determine if the planning area has an excess supply of facilities, beds and services the applicant must provide the ratio of beds to population in the planning area for all services being proposed.

The total population of the zip codes within 30 minutes is 380,319. The 2013 State of Illinois estimate population is 12,882,135. The ratio of beds per thousand in the 30 minute area is 2.86 beds per thousand and the State of Illinois ratio per thousand 2.25 beds. It does not appear to be a surplus of beds (1.5x the State of Illinois ratio) in this 30 minute area.

1110.530 (d) (3) The applicant shall document that, within 24 months after project completion, the proposed project will not lower the utilization of other area providers below the occupancy standards specified in 77 Ill. Adm. Code 1100; and will not lower, to a further extent, the utilization of other area hospitals that are currently (during the latest 12-month period) operating below the occupancy standards.

The State Board Staff concludes the proposed facility will result in a duplication of service in the planning area.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION UNNECESSARY DUPLICATION OF SERVICE/MALDISTRIBUTION (77 IAC 1110.530 (d))

C) Criterion 1110.530 (f) - Staffing Availability

To address this criterion the applicants must document that they will be able to meet all IDPH licensure and JCAHO staffing requirements.

The current hospital in Belleville, Illinois is JCAHO accredited and the proposed new hospital is expected to meet JCAHO accreditation standards. The proposed new hospital will also be Medicare and Medicaid certified and will meet Medicare and Medicaid Conditions of Participation for staffing levels for all services being proposed. It is expected that staff from the St. Elizabeth Hospital will relocate to the proposed new hospital. It appears there will be sufficient staff available and the proposed hospital will meet licensure and JCAHO accreditation.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION STAFFING AVAILABILITY (77 IAC 1110.530 (f))

- D) Criterion 1110.530 (g) - Performance Requirements – Bed Capacity Minimum** To determine if the applicant is in compliance with the performance requirements bed capacity minimums the applicants must provide the number of beds for each service being proposed for facilities located in an MSA.

The proposed acute care hospital will be located in the St. Louis Metropolitan Statistical Service Area. Therefore to address this criterion the applicants must propose a minimum of 100 medical surgical beds, 20 obstetric beds and 4 intensive care beds. The applicants are proposing 100 medical surgical beds, 12 obstetric beds and 16 intensive care beds. The State Board Staff concludes the applicants have not met the minimum requirements for obstetric beds.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION PERFORMANCE REQUIREMENTS (77 IAC 1110.530 (g))

- E) Criterion 1110.530 (h) Assurances**

The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in 77 Ill. Adm. Code 1100 for each category of service involved in the proposal. The applicants attest to achieving sufficient operational capacity for each of the services in its acute care hospital by the second year after project completion (application p. 204). The applicants have satisfied the requirements of this criterion

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION ASSURANCES (77 IAC 1110.530(h))

XIV. Comprehensive Physical Rehabilitation

- A) Criterion 1110.630 (c) – Planning Area Need**

1110.630 (c)(1) – Calculated Planning Area Need

To address this requirement the applicants must propose no more beds than is necessary to reduce the need in the HSA-11 planning area.

The applicants are proposing a 16 bed comprehensive rehabilitation category of service at the proposed hospital. If the State Board accepts the proposed St. Elizabeth Hospital – Belleville discontinuation there will be a calculated excess of 12 comprehensive rehabilitation beds in the HSA 11 Comprehensive Rehabilitation planning area. The number of beds being requested will increase the number of excess comprehensive rehabilitation beds in the HSA-11 comprehensive rehabilitation planning area.

1110.630 (c) (2) - Service to Planning Area Residents

The **primary service area** includes the communities of Belleville, Fairview Heights, Lebanon, Mascoutah, and O'Fallon and the **secondary service area** includes the communities of Glen Carbon, Madison, Maryville, Venice, East St. Louis, Breese, Caseyville, Collinsville, Freeburg, Highland, Lezburg, Marissa, Millstadt, New Athens, New Baden, Red Bud, Saint Jacob, Smithton, Sparta, Trenton, Troy, and Waterloo. The applicants are currently a provider of health care services to residents of the HSA-11 comprehensive rehabilitation planning area, including low-income, racial and ethnic minorities, handicapped and other underserved groups. The applicants currently participate in the Medicare and Medicaid programs. To determine whether all residents of the service area would continue to have access to a hospital's proposed services, the applicants provided a copy of its current and proposed admission policy. The admission policy provides the overall guiding principles of the facility as to the types of patients that are appropriate candidates to use the facility and any assurances regarding access to treatment. The policy outlines the process/criteria that the hospitals use to admit patients for acute care services. The policy also includes the necessary language to ensure all residents of the service area would have access to services at the proposed hospital.

To determine whether the elderly would have access or continue to have access to the proposed services, the State Board Staff relies on Medicare certification as the measure to make that determination. Documents provided in supplemental information that the applicants intend to maintain this status at the proposed hospital. To determine whether low-income residents would have access to the proposed services, the applicants intend to be Medicaid certified. For this project, a review of the applicants' financial information includes Medicare and Medicaid revenues.

A facility's charity care policy should confirm that all residents of the service area including low-income, racial and ethnic minorities, handicapped and other underserved groups have, or would have, access to healthcare services of the applicant. The policy should also include the process one must use to access charity care at the facility. The State Board Staff' review of this policy indicated all residents of the service area will be served.

1110.630 (c) (3) Service Demand

Demand for this service is based upon the average historical utilization for the past two years at St. Elizabeth Hospital in Belleville. The applicants have stated that they expect length of stay to remain constant with prior years and there will be no increase in market share. Average Daily Census for this service for CY 2012-CY 2013 is 14.3 which will justify 17 beds at the target occupancy of 85%. The applicants are proposing 16 comprehensive physical rehabilitation beds.

1110.630(c) (5) - Service Accessibility

The number of beds being established or added for each category of service is necessary to improve access for planning area residents. To successfully address this criterion all facilities with comprehensive physical rehabilitation services must be at the target

occupancy of 85%. As can be seen by the tables below none of the hospitals are operating at the target occupancy of 85%.

TABLE TWENTY				
Facilities within 45 minutes with Comprehensive Physical Rehabilitation Beds				
			Comprehensive Rehab	
Facilities	City	Minutes	Beds	Occ.
Anderson Hospital	Maryville	27	20	64.70%
Gateway Regional Hospital	Granite City	28	14	20.60%
OSF St. Clare's Hospital	Alton	43	28	38.10%

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION PLANNING AREA NEED (77 IAC 1110.630(c))

B) Criterion 1110.630 (d) - Unnecessary Duplication/Maldistribution

1110.630 (d)(1) The applicant shall document that the project will not result in an unnecessary duplication. There are two hospitals within 30 minutes of the proposed comprehensive physical rehabilitation service (Anderson Hospital and Gateway Regional Hospital). Neither of these services is operating at the target occupancy of 85%.

TABLE TWENTY ONE				
Facilities within 30 minutes				
			Comprehensive Rehab	
Facilities	City	Minutes	Beds	Occ.
Anderson Hospital	Maryville	27	20	64.70%
Gateway Regional Hospital	Granite City	28	14	20.60%

1110.630 (d)(2) The applicant shall document that the project will not result in maldistribution of services. The total population of the zip codes within 30 minutes is 380,319. The 2013 State of Illinois estimate population is 12,882,135. The ratio of beds per thousand in the 30 minute area is 2.86 beds per thousand and the State of Illinois ratio per thousand 2.25 beds. It does not appear to be a surplus of beds (1.5x the State of Illinois ratio) in this 30 minute area.

1110.630 (d)(3) The applicant shall document that, within 24 months after project completion, the proposed project will not lower the utilization of other providers of the comprehensive physical rehabilitation services.

No impact letters from other providers within 30 minutes were received regarding this category of service and the applicants have stated that the proposed project will not lower the utilization of other area providers.

The State Board Staff concludes that a duplication of service may result with the establishment of this service in the planning area because existing facilities are not at target occupancy.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION UNNECESSARY DUPLICATION OF SERVICE/MALDISTRIBUTION (77 IAC 1110.630 (d))

C) Criterion 1110.630 (f) - Staffing

To address this criterion the applicants must document that they will be able to meet all IDPH licensure and JCAHO staffing requirements.

The current hospital in Belleville, Illinois is JCAHO accredited and the proposed new hospital is expected to meet JCAHO accreditation standards. The proposed new hospital will also be Medicare and Medicaid certified and will meet Medicare and Medicaid Conditions of Participation for staffing levels for all services being proposed. It is expected that staff from the St. Elizabeth Hospital will relocate to the proposed new hospital. It appears there will be sufficient staff available and the proposed hospital will meet licensure and JCAHO accreditation.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION STAFFING (77 IAC 1110.630 (f))

D) Criterion 1110.630 (g) - Performance Requirements – Bed Capacity Minimums To determine if the applicant is in compliance with the performance requirements bed capacity minimums the applicants must provide the number of beds for each service being proposed for facilities located in an MSA.

The proposed acute care hospital will be located in the St. Louis Metropolitan Statistical Service Area. Therefore to address this criterion the applicants must propose a minimum of 16 comprehensive physical rehabilitation beds. The applicants are proposing 16 comprehensive physical rehabilitation beds.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION PERFORMANCE REQUIREMENTS (77 IAC 1110.630 (g))

E) Criterion 1110.630 (h) - Assurances

The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in 77 Ill. Adm. Code 1100 for each category of service involved in the proposal.

The applicants attest to achieving sufficient operational capacity for its Comprehensive Physical Rehabilitation unit by the second year after project completion (application p. 236). The applicants have satisfied the requirements of this criterion

THE STATE AGENCY FINDS THE PROPOSED PROJECT APPEARS TO BE IN CONFORMANCE WITH THE COMPREHENSIVE PHYSICAL REHABILITATION CRITERIA (77 IAC 1110.630(h)).

XV. Open Heart Surgery

A) Criterion 1110.1230(a) Peer Review

The applicant must document the mechanism for peer review of an open heart surgery program.

The applicants state the purpose of St. Elizabeth's Medical Staff Quality Improvement and Peer Review *"Is to ensure that the hospital, through the activities of the medical staff, assesses the performance of individuals granted privileges and uses the results of such assessments to improve care"*, and identifies 5 goals associated with this policy (application, p. 239). The applicants identified the multiple sources of information accessed through peer review, and the rating system utilized to warrant further review from Medical Officers/Departmental Chairs. It appears as though the Peer Review Policy utilized at St. Elizabeth's meets State Board criterion.

B) Criterion 1110.1230 (b) Establishment of Open Heart Surgery

The applicant must document that a minimum of 200 open heart surgical procedures will be performed during the second year of operation or that 750 cardiac catheterizations were performed in the latest 12 month period for which data is available. Anticipated open heart surgical volume must be documented by historical referral volume of at least 200 patients directly referred following catheterization at the applicant facility to other institutions for open heart surgery for each of the last two years.

The applicants report having provided heart surgery services to the residents of the metro East St. Louis area for more than 20 years, and seldom referred these patients to other facilities. To meet the requirements of this criterion, the applicant must document the provision of a minimum 750 cardiac catheterization procedures in the latest 12 month period. The applicants supplied data showing the provision of 1,465 catheterization procedures in 2012, and 1,873 of these procedures in 2013 (application, p. 240), satisfying the requirements of this criterion.

C) Criterion 1110. 1230 Unnecessary Duplication of Services

The applicant must document that the volume of any existing service within 90 minutes travel time from the applicant will not be reduced below 350 procedures annually for adults and 75 procedures annually for pediatrics. Documentation shall consist of proof of contact of all facilities within 90 minutes travel time currently providing open heart surgery to determine the projected impact the project will have on existing open heart surgery volume.

There are three hospitals performing open heart surgery within 90 minutes of the proposed site. None of these hospitals are at the 350 procedures annually.

TABLE TWENTY TWO Open Heart Surgeries				
Facility	City	Time (minutes)	2012	2013
St Elizabeth Hospital	Belleville	14	111	147
Memorial Hospital	Belleville	16	157	179
Good Samaritan Regional Medical Center	Mt. Vernon	74	90	103

D) Criterion 110.1230 -Support Services

The applicant must document that the following support services and facilities are immediately available on a 24-hour basis and how such services will be mobilized in the case of emergencies.

The applicants have an existing open heart surgery program in place at its Belleville location. All support services and facilities required to be available on a 24-hour basis will be available at the new location. See pages 245-246 of the application for permit.

E) Criterion 1110.1230 - Staffing

The applicants supplied a listing of staffing requirements, identifying the staff/team members filling said position (application, p. 247). The applicants note that as a result of providing open heart surgery for more than 20 years, an experienced surgical team is in place, and recruitment of additional team members would be unnecessary.

THE STATE AGENCY FINDS THE PROPOSED PROJECT APPEARS TO BE IN CONFORMANCE WITH THE OPEN HEART SURGERY CRITERIA (77 IAC 1110.1230(a) (b) (c) (d) (e).

XVI. Cardiac Catheterization

A) Criterion 1110.1330 (a) - Peer Review

Any applicant proposing the establishment or modernization of a cardiac catheterization unit shall detail in its application for permit the mechanism for adequate peer review of the program.

A peer review policy is in place at St. Elizabeth – Belleville location and will be implemented should the State Board approved this application for permit. See pages 253-254 of the application for permit.

B) Criterion 1110.1330 (b) - Criterion Establishment or Expansion of Cardiac Catheterization Service

There shall be not additional adult or pediatric catheterization categories of service started in a health planning area unless each facility in the planning area offering cardiac catheterization services operates at a level of 400 procedures annually.

All facilities within the F-01 planning area are at the 400 procedures annually as required for the establishment of the cardiac catheterization service as required by the criterion. See Table below.

TABLE TWENTY-THREE Facilities with Cardiac Catheterization Service in the Health Planning Area						
Hospital		Number of Labs	Diagnostic Caths.	Interventional Caths.	Electro- physiology	Total Lab
Alton Memorial Hospital	Alton	2	514	362	0	876
Anderson Hospital	Maryville	1	323	196	0	519
Gateway Regional Medical Center	Granite City	1	680	460	19	1,159
Memorial Hospital	Belleville	4	1,219	284	53	1,556
St. Anthony's Hospital	Alton	1	200	116	0	316
St. Elizabeth's Hospital	Belleville	4	971	334	568	1,873
Information taken from 2013 Hospital Profile.						

C) Criterion 1110.1330(c) - Unnecessary Duplication of Services

Any application proposing to establish cardiac catheterization services must indicate if it will reduce the volume of existing facilities below 200 catheterizations.

All facilities in the F-01 planning area are operating above the 400 cardiac catheterizations a year. All facilities currently operating cardiac catheterization labs were contacted by certified mail asking for the impact the proposed new service will have on their cardiac catheterization program. No responses were received by the applicants or the State Board Staff.

D) Criterion 1110.1330 (e) - Support Services

Any applicant proposing the establishment of a dedicated cardiac catheterization laboratory must document the availability of support services.

The applicants have a dedicated cardiac catheterization laboratory at St. Elizabeth Hospital – Belleville and will provide the necessary support services should the State Board approve this project. St. Elizabeth's Hospital currently provides a comprehensive range of cardiac catheterization support services, either on site or through contracts. All services are immediately available on a 24-hour basis. They are staffed 5 days a week 7:30 AM to 4:00 PM and on call 24/7/365. See pages 259 of the application for permit

E) Criterion 1110.1330 (f) - Laboratory Location

Due to safety considerations in the event of technical breakdown it is preferable to group laboratory facilities. Thus in projects proposing to establish additional catheterization laboratories such units must be located in close proximity to existing laboratories unless such location is architecturally infeasible.

The applicants are proposing to develop a replacement cardiac catheterization unit in new construction. The 3 cath labs and the 1 peripheral vascular lab will be located in close proximity to each other.

- F) Criterion 1110.1330 (g) - Staffing**
It is the policy of the State Board that if cardiac catheterization services are to be offered that a cardiac catheterization laboratory team be established.

The applicants have a cardiac catheterization laboratory team in place at St. Elizabeth Hospital-Belleville and this team will move to the new facility should the State Board approve this application for permit. See pages 260-262 of the application for permit.

- G) Criterion 1110.1330 (h) - Continuity of Care**
Any applicant proposing the establishment, expansion or modernization of a cardiac catheterization service must document that written transfer agreements have been established with facilities with open-heart surgery capabilities for the transfer of seriously ill patients for continuity of care.

St. Elizabeth's Hospital has been providing open heart surgery services for more than 20 years and is proposing to continue the service is the replacement hospital. If a cardiac catheterization patient experiences an adverse event as part of the procedure they are immediately transferred to the Hospital's surgical suite. At all times, an operating room is available for emergency heart surgery patients and a surgical team can be assembled in 10 minutes. Cardiac cath patients are rarely transferred to another facility.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH PEER REVIEW, ESTABLISHMENT OF CARDIAC CATHETERIZATION, UNNECESSARY DUPLICATION OF SERVICE, SUPPORT SERVICES, LABORATORY LOCATION, STAFFING CRITERION AND CONTINUITY OF CARE (77 IAC 1110.1230 (a)(b)(c)(e)(f)(g)(h))

XVII. 1110.3030 – Clinical Service Areas Other than Categories of Service

Surgery

The applicants propose to reduce its number of surgical suites from 16 to 10, based on its utilization data for 2013, which supports the establishment of 9 suites. The applicants propose to establish its tenth surgical suite for the sole purpose of performing open-heart and emergency surgeries. The application contains referral letters from area physicians, attesting to the referral of a sufficient surgical patient base to match the number of surgical hours provided in 2013 (12,650 hrs), and projecting a gradual increase in this utilization, due to ongoing physician recruitment in the region.

C-Section Delivery Suite

The applicants report having performed a total of 887 C-Section procedures in 2013, and propose to perform the same in 2017, the first year after project completion. The State Standard for C-Section Suites is 800 procedures/room, which based on the 2013 utilization data supports the establishment of two C-Section Suites. The application contains referral letters from physicians attesting to refer this number in the first year after project completion.

Endoscopy

The applicants are proposing 3 endoscopy rooms in 2,507 GSF of space. Historical utilization of 2,852 hours will justify 2 endoscopy rooms. The applicant are justifying the third endoscopy room based upon the increase in the 45 and over population and an industry estimate of 15% increase in hours over the next 10 years based upon provisions in the Affordable Care Act that requires colonoscopies to be provided as a preventive measure. $3,119 \text{ hours} / 1500 \text{ hours per room} = 3 \text{ rooms}$.

Emergency Services (ED)

The applicants are proposing 25 emergency rooms in 17,484 GSF of space. The applicants' historical utilization of 59,532 visits in 2013 at St. Elizabeth Hospital-Belleville will justify 29 rooms. The applicants determined that 7,505 of these emergency visits will be seen by the Belleville same day access clinic on the Belleville campus. $(59,532 - 7,505 = 52,027 \text{ visits} / 2,000 \text{ visits} = 26 \text{ emergency rooms})$

LDR Labor/Delivery/Recovery

The applicants are proposing 5 labor delivery recovery rooms in 6,324 GSF of space. The State Board standard is 400 births per room. The 2013 utilization at St. Elizabeth Hospital-Belleville is 887 births which will justify 3 labor delivery recovery rooms. The applicants provided an alternative methodology based upon the number of hours per labor delivery recovery room performed at St. Elizabeth Hospital-Belleville in 2013. This methodology also assumed an increase of 10.5% in births by 2019 to 980 births. The applicants can justify the 3 rooms and not the 5 being requested.

Diagnostic Imaging

- **Radiology and Fluoroscopy**

The applicants report having provided imaging modalities serving a total of 59,470 patients in 2013. The State standard per unit is 8,000 procedures, justifying the need for 8 units. The applicants are requesting 5 replacement units at the new facility.

- **Ultrasound**

The applicants report having served a total of 7,782 ultrasound patients in 2013. The State standard per unit is 3,100 procedures, justifying the need for 3 units. The applicants are requesting 2 replacement units at the new facility.

- **Computerized Tomography**

The applicants report having conducted a total of 15,371 computerized tomography procedures in 2013. The State standard per unit is 6,500 procedures, justifying the need for 3 units. The applicants are requesting 2 replacement units at the new facility.

- **MRI**

The applicants report having provided conducted a total of 2,868 Magnetic Resonance Imaging (MRI) procedures in 2013. The State standard per unit is 2,500 procedures, justifying the need for 2 units. The applicants are requesting 1 replacement unit at the new facility.

- **Nuclear Medicine**

The applicants report having provided a total of 2,556 Nuclear Medicine procedures in 2013. The State standard per unit is 2,000 visits, justifying the need for 2 units. The applicants are requesting 2 replacement units at the new facility, and it appears there is sufficient historical utilization, resulting in a positive finding for this criterion.

The applicants propose to establish 3 Nuclear Medicine Units at its replacement facility in O'Fallon, while its historic utilization supports the establishment of 2. Based on these findings, a negative finding has been made for this criterion.

THE STATE AGENCY FINDS THE PROPOSED PROJECT APPEARS TO BE IN CONFORMANCE WITH THE CLINICAL SERVICE AREAS OTHER THAN CATEGORIES OF SERVICE CRITERIA (77 IAC 1110.3030).

XVIII. FINANCIAL

A) Criterion 1120.120 - Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources.

The applicants are funding this project with cash of \$75,386,353, Gifts and Bequests of \$4,632,457 and bond issuance of \$173,452,725. The applicants have provided evidence of an "A" or better bond rating at pages 309-322 of the application for permit from Fitch and Standard and Poor's for Hospital Sisters Services Inc. Hospital Sisters Services Inc. is a subsidiary of Hospital Sisters Health System. Hospital Sisters Health System has cash and cash equivalents of \$81,110, 000 as of June 30, 2013 and \$90,514,000 as of June 30, 2012. In supplemental information the applicants provided updated bond ratings from Fitch and Standard and Poor's of AA-.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION AVAILABILITY OF FUNDS (77 IAC 1120.120)

B) Criterion 1120.130 - Financial Viability

The applicants have qualified for the financial viability waiver because they have provided evidence of an "A" or better Bond Rating from Fitch and Standard and Poor's.

TABLE TWENTY-FOUR				
Audited Financial Information				
(in thousands)				
	Hospital Sisters Health System		St. Elizabeth Hospital	St. Elizabeth Hospital
Fiscal Year	2013	2012	2013	2012
Balance Sheet				
Cash	\$81,110	\$90,514	\$2,288	(\$4,023)
Current Assets	\$746,634	\$683,257	\$36,248	\$32,009
Fixed Assets	\$2,849,432	\$2,672,440	\$77,521	\$96,313
Total Assets	\$3,596,066	\$3,355,697	\$113,769	\$128,322
Current Liabilities	\$479,084	\$454,302	\$26,759	\$29,099
Long Term Liabilities	\$865,473	\$982,172	\$91,047	\$104,290
Total Liabilities	\$1,344,557	\$1,436,474	\$117,806	\$133,350
Net Assets	\$2,251,509	\$1,919,223	(\$4,307)	(\$5,028)
Total Liabilities & Net Assets	\$3,596,066	\$3,355,697	\$113,499	\$128,322
Income Statement				
Net Patient Revenue	\$1,904,977	\$1,869,928	\$140,923	\$146,448
Other Revenue	\$102,589	\$59,946	\$6,907	\$4,526
Total Revenue	\$2,007,566	\$1,929,874	\$147,830	\$150,974
Expenses	\$1,986,002	\$1,929,583	\$163,745	\$163,387
Income from Operations	\$21,564	\$291	(\$15,915)	(\$12,413)
Non Operating Income (Loss)	\$167,879	(\$11,943)	(\$10,589)	(\$3,148)

TABLE TWENTY-FOUR Audited Financial Information (in thousands)				
	Hospital Sisters Health System		St. Elizabeth Hospital	St. Elizabeth Hospital
Fiscal Year	2013	2012	2013	2012
Revenues in Excess of Expenses	\$327,261	(\$165,502)	\$401	(\$15,561)

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION FINANCIAL VIABILITY (77 IAC 1120.130)

XIX. Section 1120.140 - Economic Feasibility

- A) Criterion 1120.140 (a) – Reasonableness of Financing Arrangements**
The applicant shall document the reasonableness of financing arrangements.

The applicants have provided evidence of an “A” or better bond rating at pages 309-322 of the application for permit from Fitch and Standard and Poor’s for Hospital Sisters Services Inc. Hospital Sisters Services Inc. is a subsidiary of Hospital Sisters Health System.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION REASONABLENESS OF FINANCING ARRANGEMENTS (77 IAC 1120.140 (a))

- B) Criterion 1120.140 (b) - Conditions of Debt Financing**
The applicant shall document that the conditions of debt financing are reasonable.

The applicants provided the following attestation at page 323 of the application for permit. *“The purpose of this letter is to attest to the fact that Hospital Sisters Services, Inc. will use the selected form of debt financing for the St. Elizabeth’s Hospital Relocation Project described in this certificate of need application because it will be the lowest interest cost available, is more advantageous due to such terms as prepayment privileges, requires no mortgage, and provides access to additional indebtedness, term, financing costs, and other factors. Generally, the term of the indebtedness is anticipated to be 30 years but would not exceed 40 years and the interest rate approximating 4% but not to exceed 6%.”*

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION WITH CONDITIONS OF DEBT FINANCING (77 IAC 1120.140 (b))

- C) Criterion 1120.140 (c) - Reasonableness of Project and Related Costs**
The applicant shall document that the estimated project costs are reasonable.

Only clinical costs are being reviewed per 20 ILCS 3960/5.

Preplanning Costs are \$1,168,100 and are less than 1% of new construction, contingency and movable equipment of \$125,412,708. This appears reasonable when compared to the State Board Standard of 1.8%

Site Survey and Soil Investigation and Site Preparation Costs are \$4,069,707 and are 4.45% of new construction and contingency costs \$91,330,150. This appears reasonable when compared to the State Board Standard of 5%

Off Site Costs are \$3,153,968. The State Board does not have a standard for these costs. These costs include existing site demolition and excavation and backfill.

New Construction and Contingency Costs are \$91,330,150 or \$434.53 per GSF (\$91,330,150/210,184 GSF = \$434.53). This appears reasonable when compared to the State Board Standard of \$493.23 per GSF.

Contingency Costs are \$8,302,741. These costs are 9.99% of construction costs. This appears reasonable when compared with the State Board Standard of 10%.

Architectural and Engineering Fees are \$4,358,939. These costs are 4.77% of new construction and contingency costs of \$91,330,150. (\$4,358,939/\$91,330,150 = 4.77%). This appears reasonable when compared with the State Board Standard of 4.86-7.30%

Consulting and Other Fees are \$5,351,610. The State Board does not have a standard for these costs. These costs include the following

TABLE TWENTY FIVE Consulting and Other Fees ⁽¹⁾	
Program Management	\$4,079,408
Signage/Graphic Design	\$163,428
Interior Design	\$453,513
Acoustics and Vibration	\$40,857
Models and Presentation Materials	\$8,171
Helicopter Pad Consultant	\$20,429
Helicopter Noise and Plume Studies	\$20,429
Elevator Conveyance Consultant	\$40,857
Radiation Physicist	\$20,429
Traffic Engineer	\$20,429
Medical Equipment Planner	\$520,110
IT Planner	\$325,651
Food Service Planner	\$62,511
Artwork Planner	\$20,429
Construction Audit Services	\$77,628
Commissioning Services	\$204,285
Traffic Consultant	\$20,429
Legal Services	\$155,257
Waterproofing Consultant	\$20,429
Parking Consultant	\$9,806
CON Design Services ⁽²⁾	\$1,841,001
CON Application Fees	\$81,714

TABLE TWENTY FIVE Consulting and Other Fees ⁽¹⁾	
Total	\$8,207,196
1. Costs include what is considered by the applicants to be non-clinical costs. 2. These services included various consulting and legal fees ranging from issues such as how to best place a helipad at the site to minimize noise and disruption to the area, mine mitigation bid proposals and landscape consultants, as examples. Also included were CON consultants and related CON cost estimates	

Movable or Other Equipment Costs are \$34,082,558. The State Board does not have a standard for these costs.

TABLE TWENTY SIX Movable or Other Equipment	
Cardiac Diagnostic	\$2,532,420
Clinical Decision Unit	\$471,629
Clinical Education	\$10,419
Development/Volunteers	\$3,121
Distribution/Central Supply	\$281,239
Emergency/BH Intake	\$802,103
Environmental Services	
Housekeeping	\$14,581
Food Nutrition Services	\$8,404
Gift Shop	\$8,387
Hemodialysis	\$38,058
ICU IP Unit	\$1,720,700
Imaging Diagnostic	\$8,504,564
Invasive Cardiology	\$4,282,321
Med Surgical Acute Care	\$3,357,603
Obstetric Women's IP Unit	\$1,499,923
On Call Unit	\$363
Pastoral Care	\$549
Patient Intake	\$2,599
Pharmacy	\$354,592
Plant Clinical Engineering	\$3,344
Public Concourse	\$24,532
Rehabilitation Care IP Unit	\$615,753
Respiratory Therapy	\$247,445
Safety Security	\$9,572
Sterile Processing	\$1,135,385
Surgery Prep Hold	\$6,882,935
Surgical Home	\$35,744
Salvage Freight	\$2,036,596
Total	\$34,884,881

Costs include what is considered by the applicants to be non-clinical costs

Bond Issuance Expense are \$1,702,957. The State Board does not have a standard for these costs.

Net Interest During Construction Costs are \$10,217,739. The State Board does not have a standard for these costs.

Other Costs to be Capitalized Costs are \$13,777,160. The State Board does not have a standard for these costs. These costs include the following

TABLE TWENTY SEVEN Other Costs to be Capitalized	
Furniture	\$1,973,853
Exterior Signage	\$245,142
Interior Signage	\$122,571
Office Dispensers	\$490,284
Artwork	\$20,429
Software Applications	\$1,634,280
Telephone System	\$842,226
Network Equipment	\$735,426
Televisions	\$188,841
IT workstations	\$1,147,265
AV Presentation System	\$113,991
Parking Controls	\$20,429
Personal Communications System	\$114,400
Inside re Radiating 802.11 Tracking Ready	\$553,063
Relocate Emergency Radios	\$8,171
Time and Attendance Clocks	\$28,600
IT Relocation	\$81,714
IT Relocation Costs	\$81,714
IT Miscellaneous	\$555,014
Site Permit Fees	\$40,857
FAA Fees	\$20,429
Temporary Signage	\$20,429
Temporary Utility Costs	\$81,714
HSHS Internal Staffing	\$929,905
HSHS Internal Misc. Costs	\$559,743
Independent Testing Services	\$945,035
Exterior Walls Tests	\$40,857
Keying System Coordination	\$4,086
Parking Lot	\$3,478,289
Mine Mitigation - Design	\$249,986
Mine Mitigation	\$6,892,465
Total	\$22,221,226
Costs include what is considered by the applicants to be non-clinical costs	

Other Costs to be Capitalized – Belleville Health Center are \$6,880,987. The State Board does not have a standard for these costs.

Other Costs to be Capitalized – O’Fallon Health Center are \$3,377,948. The State Board does not have a standard for these costs.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION REASONABLENESS OF PROJECT COSTS (77 IAC 1120.140 (c))

D) Criterion 1120.140 (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.

The projected operating cost per equivalent patient day is \$996. This appears reasonable when compared to previously approved projects.

TABLE TWENTY EIGHT	
Salaries and Wages	\$51,765
Benefits	\$14,042
Supplies	\$26,512
Total	\$92,319
Inpatient Revenue	\$347,520
Total Revenue	\$864,731
Patient Days	37,259
Equivalent Patient Days	92,711

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION PROJECTED OPERATING COSTS (77 IAC 1120.140 (d))

E) Criterion 1120.140 (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.

The projected capital cost per equivalent patient day is \$197. This appears reasonable when compared to previously approved project.

TABLE TWENTY NINE	
Total Project Costs	\$273,582
Blended Useful Life	15
Annual Project Costs	\$18,277

TABLE TWENTY NINE	
Inpatient Revenue	\$347,520
Total Revenue	\$864,731
Patient Days	37,259
Equivalent Patient Days	92,711
Estimated Annual Project Costs per Equivalent Patient Day	\$197

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION TOTAL EFFECT OF THE PROJECT ON CAPITAL COSTS (77 IAC 1120.140 (e))

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<u>Ownership, Management and General Information</u>				<u>Patients by Race</u>		<u>Patients by Ethnicity</u>	
ADMINISTRATOR NAME:	Maryann Resse			White	78.5%	Hispanic or Latino:	0.3%
ADMINSTRATOR PHONE	618-641-5462			Black	19.3%	Not Hispanic or Latino:	99.2%
OWNERSHIP:	St. Elizabeth's Hospital			American Indian	0.0%	Unknown:	0.5%
OPERATOR:	St. Elizabeth's Hospital			Asian	0.5%		
MANAGEMENT:	Church-Related			Hawaiian/ Pacific	0.1%	IDPH Number:	2345
CERTIFICATION:				Unknown	1.5%	HPA	F-01
FACILITY DESIGNATION:	(Not Answered)					HSA	11
ADDRESS	211 South 3rd Street	CITY:	Belleville	COUNTY:	St. Clair County		

<u>Facility Utilization Data by Category of Service</u>										
<u>Clinical Service</u>	Authorized CON Beds 12/31/2013	Peak Beds Setup and Staffed	Peak Census	Admissions	Inpatient Days	Observation Days	Average Length of Stay	Average Daily Census	CON Occupancy Rate %	Staffed Bed Occupancy Rate %
Medical/Surgical	202	142	104	6,066	24,181	2,976	4.5	74.4	36.8	52.4
0-14 Years				1	1					
15-44 Years				996	2,882					
45-64 Years				1,983	7,578					
65-74 Years				1,124	4,629					
75 Years +				1,962	9,091					
Pediatric	14	0	0	0	0	0	0.0	0.0	0.0	0.0
Intensive Care	24	24	22	1,591	5,074	47	3.2	14.0	58.5	58.5
Direct Admission				1,318	3,962					
Transfers				273	1,112					
Obstetric/Gynecology	30	28	18	1,038	2,342	94	2.3	6.7	22.2	23.8
Maternity				925	2,177					
Clean Gynecology				113	165					
Neonatal	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long Term Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Swing Beds			0	0	0		0.0	0.0		
Acute Mental Illness	0	36	27	1,458	5,888	0	4.0	16.1	0.0	44.8
Rehabilitation	33	30	27	463	5,416	0	11.7	14.8	45.0	49.5
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	0					0				
Facility Utilization	303			10,343	42,901	3,117	4.4	126.1	41.6	

(Includes ICU Direct Admissions Only)

<u>Inpatients and Outpatients Served by Payor Source</u>								
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Totals	
Inpatients	38.5%	13.7%	7.6%	29.0%	5.2%	6.1%		
	3981	1415	788	2998	535	626	10,343	
Outpatients	20.7%	17.6%	11.4%	41.3%	5.4%	3.6%		
	27866	23648	15314	55639	7292	4838	134,597	
<u>Financial Year Reported:</u>	7/1/2012 to	6/30/2013	<u>Inpatient and Outpatient Net Revenue by Payor Source</u>				Charity Care Expense	Total Charity Care Expense
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Totals		
Inpatient Revenue (\$)	47.9%	6.7%	5.3%	31.6%	8.5%	100.0%		4,398,861
	40,398,704	5,683,598	4,451,680	26,616,892	7,143,164	84,294,037	2,224,944	Total Charity Care as % of Net Revenue
Outpatient Revenue (\$)	15.0%	15.5%	8.6%	49.1%	11.8%	100.0%		2.8%
	11,138,149	11,516,150	6,357,980	36,484,796	8,755,935	74,253,010	2,173,917	

<u>Birth Data</u>			<u>Newborn Nursery Utilization</u>			<u>Organ Transplantation</u>	
Number of Total Births:	887		Level I	Level II	Level II+	Kidney:	0
Number of Live Births:	879		Beds	22	8	Heart:	0
Birthing Rooms:	0		Patient Days	1,475	125	Lung:	0
Labor Rooms:	0		Total Newborn Patient Days		1,836	Heart/Lung:	0
Delivery Rooms:	0					Pancreas:	0
Labor-Delivery-Recovery Rooms:	8					Liver:	0
Labor-Delivery-Recovery-Postpartum Rooms:	0		Inpatient Studies		276,639	Total:	0
C-Section Rooms:	2		Outpatient Studies		283,764		
CSections Performed:	190		Studies Performed Under Contract		20,819		

Received permit (13-034) on 9/24/2013 to discontinue 35 bed Acute Mental Illness service.

Surgery and Operating Room Utilization

<u>Surgical Specialty</u>	<u>Operating Rooms</u>				<u>Surgical Cases</u>		<u>Surgical Hours</u>			<u>Hours per Case</u>	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Cardiovascular	0	0	2	2	438	265	1975	664	2639	4.5	2.5
Dermatology	0	0	0	0	0	0	0	0	0	0.0	0.0
General	0	0	13	13	367	882	987	1920	2907	2.7	2.2
Gastroenterology	0	0	0	0	0	0	0	0	0	0.0	0.0
Neurology	0	0	0	0	372	141	1426	385	1811	3.8	2.7
OB/Gynecology	0	0	0	0	81	340	275	875	1150	3.4	2.6
Oral/Maxillofacial	0	0	0	0	0	0	0	0	0	0.0	0.0
Ophthalmology	0	0	0	0	0	0	0	0	0	0.0	0.0
Orthopedic	0	0	0	0	337	527	1097	1338	2435	3.3	2.5
Otolaryngology	0	0	0	0	25	127	53	247	300	2.1	1.9
Plastic Surgery	0	0	0	0	12	141	45	328	373	3.8	2.3
Podiatry	0	0	0	0	1	38	3	89	92	3.0	2.3
Thoracic	0	0	0	0	45	5	158	12	170	3.5	2.4
Urology	0	0	1	1	108	267	219	554	773	2.0	2.1
Totals	0	0	16	16	1786	2733	6238	6412	12650	3.5	2.3
<u>SURGICAL RECOVERY STATIONS</u>			Stage 1 Recovery Stations		17		Stage 2 Recovery Stations		28		

Dedicated and Non-Dedicated Procedure Room Utilization

<u>Procedure Type</u>	<u>Procedure Rooms</u>				<u>Surgical Cases</u>		<u>Surgical Hours</u>			<u>Hours per Case</u>	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Gastrointestinal	1	0	5	6	505	1249	864	1988	2852	1.7	1.6
Laser Eye Procedures	0	0	0	0	0	0	0	0	0	0.0	0.0
Pain Management	0	0	1	1	13	2477	6	758	764	0.5	0.3
Cystoscopy	0	0	0	0	0	0	0	0	0	0.0	0.0
<u>Multipurpose Non-Dedicated Rooms</u>											
	0	0	0	0	0	0	0	0	0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0.0	0.0

Emergency/Trauma Care

Certified Trauma Center	No
Level of Trauma Service	Level 1
	(Not Answered)
Operating Rooms Dedicated for Trauma Care	0
Number of Trauma Visits:	3,273
Patients Admitted from Trauma	0
Emergency Service Type:	Comprehensive
Number of Emergency Room Stations	30
Persons Treated by Emergency Services:	56,259
Patients Admitted from Emergency:	6,277
Total ED Visits (Emergency+Trauma):	59,532

Free-Standing Emergency Center

Beds in Free-Standing Centers	0
Patient Visits in Free-Standing Centers	0
Hospital Admissions from Free-Standing Center	0

Outpatient Service Data

Total Outpatient Visits	161,982
Outpatient Visits at the Hospital/ Campus:	89,940
Outpatient Visits Offsite/off campus	72,042

Cardiac Catheterization Labs

Total Cath Labs (Dedicated+Nondedicated labs):	4
Cath Labs used for Angiography procedures	1
Dedicated Diagnostic Catheterization Lab	0
Dedicated Interventional Catheterization Labs	0
Dedicated EP Catheterization Labs	0

Cardiac Catheterization Utilization

Total Cardiac Cath Procedures:	1,873
Diagnostic Catheterizations (0-14)	0
Diagnostic Catheterizations (15+)	971
Interventional Catheterizations (0-14):	0
Interventional Catheterization (15+)	334
EP Catheterizations (15+)	568

Cardiac Surgery Data

Total Cardiac Surgery Cases:	147
Pediatric (0 - 14 Years):	0
Adult (15 Years and Older):	147
Coronary Artery Bypass Grafts (CABGs) performed of total Cardiac Cases :	147

Diagnostic/Interventional Equipment

<u>Examinations</u>		<u>Therapeutic Equipment</u>		<u>Therapies/ Treatments</u>
<u>Owned</u>	<u>Contract</u>	<u>Owned</u>	<u>Contract</u>	

General Radiography/Fluoroscopy	9	0	14,771	44,699	0
Nuclear Medicine	6	0	611	1,945	0
Mammography	5	0	12	18,211	0
Ultrasound	7	0	1,688	6,094	0
Angiography	1	0			
Diagnostic Angiography			132	601	0
Interventional Angiography			87	571	0
Positron Emission Tomography (PET)	0	0	0	0	0
Computerized Axial Tomography (CAT)	3	0	4,324	11,047	0
Magnetic Resonance Imaging	1	0	889	1,979	0

Lithotripsy	0	1	93
Linear Accelerator	0	0	0
Image Guided Rad Therapy			0
Intensity Modulated Rad Thrp			0
High Dose Brachytherapy	0	0	0
Proton Beam Therapy	0	0	0
Gamma Knife	0	0	0
Cyber knife	0	0	0



ST. CLAIR COUNTY HEALTH DEPARTMENT

19 PUBLIC SQUARE, SUITE 150
BELLEVILLE, ILLINOIS 62220-1624
www.health.co.st-clair.il.us

James Vest, M.D.
President, Board of Health

Kevin D. Hutchison, R.N., M.S., M.P.H.
Executive Director

Administrative/Fiscal
618.233.7703
618.825.4443 fax

Community Health
618.233.7703
618.233.7713 fax

Communicable Disease
618.233.6175
618.233.9356 fax

Environmental /
Emergency Preparedness
618.233.7769
618.236.0676 fax

Personal Health
618.233.6170
618.236.0821 fax

October 17, 2014

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street (2nd Floor)
Springfield, Illinois 62761

Re: 14-043 St. Elizabeth's Hospital, O'Fallon

Dear Ms. Avery:

In accordance with the requirements of the Illinois Health Facilities Planning Act, we wish to submit comments on proposed project 14-043 St. Elizabeth's Hospital, O'Fallon to establish an acute care hospital in O'Fallon, Illinois

St. Elizabeth's Hospital is a key provider of essential health services to the residents of St. Clair County and surrounding communities. As noted in their application (p.335), the St. Clair County Health Department has had a long-standing collaborative relationship with St. Elizabeth's Hospital in community health assessment, identification of priority health needs, and coordination of services. This includes the development of the **St. Clair County Community Health Plan** adopted by the Board of Health in conformance to Illinois Department of Public Health regulations for completion of the Illinois Project for Local Assessment of Needs (IPLAN). In addition, the department directly works with St. Elizabeth's professional staff on public health emergency planning, infectious disease control, coordination of Community Benefits services offered by the hospital, and direct assistance in helping at-risk members of the community access to public health services such as Women, Infant and Children's nutrition program, Illinois Breast and Cervical Cancer program, and HIV Care Connect Services provided through the Ryan White Act.

We have reviewed the application for the replacement hospital in O'Fallon, Illinois and wish to submit the following comments and concerns to the State Board Staff as they develop their report.

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OCT 30 2014

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Safety Net Impact Statement

St. Elizabeth's states: *"To the applicant's knowledge, neither the discontinuation of pediatrics nor the discontinuation and re-establishment of St. Elizabeth's Hospital will impact safety net services in the Hospital's market area. In fact, the proposed replacement will bring safety net services closer to the most vulnerable population because of improved access to the proposed site. The new hospital will be located closer to a greater number of communities with people living at or below the poverty line and will generally be easier to get to because it is right off Interstate 64, with two exits going in either direction."* (p.331)

Comment:

The percentage of St. Clair County residents living in poverty has steadily increased from 12% in 2006 to 17.1% in 2010. Extreme poverty (below \$10,325 for a family of four) affects 17,319, a rate of 6.7%. Children are particularly vulnerable to poverty. An estimated 17,757 children (26.9%) of the children in St. Clair County live below the poverty line. (*St. Clair County Community Health Plan, 2011, www.health.co.st-clair.il.us*). While every community will have persons living at or below poverty, the concentration of St. Clair County residents living in poverty is higher in the communities of East St. Louis, Centerville, Cahokia, and Washington Park. Due to the migration of families moving within the county, the population of East St. Louis and surrounding communities has declined by 10% or more and the diversity of the Belleville population has increased as reflected in a 76% increase in African-American population since the 2000 Census. Correspondingly, the population of the suburban/community areas of the county has increased. Minority families in lower socio-economic conditions are moving into Belleville and families with higher socio-economic conditions are migrating to other communities including to Fairview Heights, Swansea, O'Fallon, Mascoutah, and Shiloh (*St. Clair County Community Health Plan, 2011, www.health.co.st-clair.il.us, East West Gateway Council of Governments, 2012 www.ewgateway.org*). According to the applicant's admission data (p.128), 42% of the hospital admissions in 2013 resided in zip code areas for Belleville and East St. Louis indicating a large proportion of the patients served live in close proximity to the current location.

Older adults are also impacted by poverty and experience an increased incidence of disability associated with various chronic diseases and the aging process. In St. Clair County, it is projected that 13.8% of the population is disabled. Given the association of poverty, aging, and health disparities, East St. Louis has the highest incidence of disability with a rate of 21.1% of the population. Alorton (18.7%), Cahokia (16.5%), Centerville (16.7%), and Belleville (14.4%) all have higher rates of persons with disability. Conversely, O'Fallon (9.6%), Fairview Heights (11.7%), Swansea (9.9%), Shiloh (10.7%) and Mascoutah (12.1%) have lower rates of persons with disability (*East West Gateway Council of Governments, 2012 www.ewgateway.org*)

Concern:

An analysis of the demographics, health disparities, and patient utilization of safety net services does not align with the applicant's statement that the new hospital will be located closer to a greater number of vulnerable people living at or below the poverty residing in

medically underserved areas. Additional evidence and clarification is needed to assure that safety net services currently provided by St. Elizabeth's hospital are not reduced. A specific Health Impact Assessment is needed.

Access to Care

St. Elizabeth's states: *"This site is more accessible by passenger and emergency vehicles than the existing site or other alternative sites that were considered."* (p.104)

Comment:

As a component of the community health assessment utilizing the Mobilizing for Planning and Partnership (MAPP) model, a Quality of Life assessment was conducted that included a survey of over 1500 persons over age 18 residing in representative areas of St. Clair County. In the findings, 18.9% of the respondents expressed dissatisfaction with transportation availability (*St. Clair County Community Health Plan, 2011, www.health.co.st-clair.il.us*). In addition, the East West Gateway Council of Governments analysis of transportation needs reports that of the 102, 936 households in St. Clair County, 8,737 reported having no personal vehicle. The communities of Belleville, Cahokia, Centerville, East St. Louis, and Washington Park account for 5,367 (62%) of the households with no personal vehicle. The rate for Zero Cars was highest in impoverished communities including Brooklyn (30.1%), Centerville (20.6%), and East St. Louis (26.2%). (*East West Gateway Council of Governments, 2012 www.ewgateway.org*)

Concern:

The applicant states the proposed site is more accessible by passenger and emergency vehicles than the existing site or other alternative sites that were considered. However, many households do not have a passenger car and depend on others for transportation. This is particularly true for Belleville and East St. Louis. In addition, transportation barriers are an identified problem in St. Clair County. The applicant did not provide information or analyze the vulnerable population's access to passenger cars, public transportation, or non-emergency medical transportation resources. Further, an analysis of Emergency Medical Services transportation input and impact statements on the relocation to the proposed site was not provided. Additional evidence and clarification is needed to validate the assertions made by the applicant. This evidence could include but is not limited to public transportation routes and proximity to the proposed location, pedestrian access and safety, and impact analysis by first responders; police, fire, and ambulance.

Clinical Emergency Service and Same Day Access

St. Elizabeth's states: *"At the time the replacement hospital opens in 2017, the Urgi-Care volume will be integrated into the Emergency Department at the Hospital. Concurrently, a same day access clinic will open on the Belleville campus. Based upon patient acuity and residence, the Hospital determined that 7,505 of the emergency patients currently being seen at the current Belleville Emergency Department and the O'Fallon Urgi-care Center would use the Belleville same day access clinic leaving 52,027 patients to use the new Emergency Department."* (p.280)

Comment:

Belleville, East St. Louis, and surrounding communities in the urban/industrial area of St. Clair County account for a high number of medically underserved individuals associated with lower socio-economic conditions and health disparities. In the analysis of the residence location of patients admitted in 2013 (p.128), it is noted that 42% of the admissions reside zip code areas serving Belleville and East St. Louis. The basis for the applicant determination that only 12.6% of the emergency patients would continue to access the same day clinic is not clear. The high concentration of vulnerable population's residing in close proximity to the current location coupled with barriers to transportation indicate a strong likelihood that many patients will continue to access emergency and same day services in Belleville. Medically underserved and vulnerable persons often utilize emergency rooms as their primary point of access to medical care, often for non-emergent health concerns. Other hospital emergency rooms in Belleville and Centerville may see a surge in demand and their capacity to meet this need has not been clearly addressed in the application. The hours of operation and capacity of the same day access clinic are not defined.

Concern:

The applicant states that closing the Emergency Department in the current location will not adversely affect patients or capacity of the other emergency service provider's ability to meet service demands. The basis for this statement is not clearly defined or supported by other hospitals in St Clair County. The scope and capacity of the same day access clinic is not clearly described. Additional evidence and clarification is needed to validate the assertion made by the applicant.

In summary, we are very concerned that the proposed replacement hospital location will adversely impact the safety net services currently provided by St. Elizabeth's hospital to residents of St. Clair County. A large concentration of medically underserved and vulnerable population lives in close proximity to the current location. Transportation barriers may reduce access to the proposed location, resulting in a shift of emergency and ambulatory care services to other hospitals that may not have the capacity to meet this increased demand.

Thank you for the opportunity to submit comments and express our concerns regarding 14-043 St. Elizabeth's Hospital, O'Fallon.

Sincerely,



Kevin D. Hutchison, R.N., M.S., M.P.H.
Executive Director

cc: Mike Constantino, Supervisor, Project Review Section



**HSHS
St. Elizabeth's
Hospital**

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NOV 13 2014

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

November 13, 2014

Ms. Courtney Avery
Illinois Health Facilities and Services Review Board
525 West Jefferson, 2nd Floor
Springfield, Illinois 62761

Re: Project 14-043 and 14-044

HSHS St. Elizabeth's Hospital ("we/Hospital") submits this response to the Safety Net Impact comments submitted by the St. Clair County Health Department ("Health Department") in a letter dated October 17, 2014. St. Elizabeth's appreciates the opportunity the Health Department has given to confirm that, indeed, the proposed replacement hospital will better serve the entire region and its associated poor, elderly, and disabled residents. St. Elizabeth's has enjoyed its work with the Health Department and believes the relationship that has existed between the two organizations will only strengthen as we embark on two major projects. These consist of replacing our outdated facility with one which will be state-of-the-art and better located to serve the residents of St. Clair County and an UrgiCare center to be located on our existing campus.

Safety Net Impact Statement

The Health Department comments on certain economic challenges that exist in St. Clair County. We could not agree more and have illustrated the economic and social factors existing in St. Clair County within our application. These challenges are well known to St. Elizabeth's, having served the region for 140 years. The Health Department states that, according to admission data found on page 128 of the Certificate of Need application, 42% of our patients come from East St. Louis and Belleville. These are two separate communities and the number references only inpatient medical/surgical volume. For inpatient medical surgical admissions, 32.6% of our patients are from Belleville zip codes, meaning 67% are not – which includes those from East St. Louis. If we consider **all** inpatient admissions (Med-Surg, ICU, OB, and Rehab) 24% of our patients are from Belleville, again meaning 76% are from other zip codes, which is inclusive of East St. Louis.

211 South Third Street
Belleville, IL 62220
618-234-2120
www.steliz.org

*An Affiliate of
Hospital Sisters
Health System*

The Health Department refers to health disparities within the County and requests additional assurances that safety net services provided by St. Elizabeth's will continue at the proposed replacement hospital. As indicated in the table below, our proposed campus is closer to the majority of zip codes outlined in Mr. Hutchison's letter as having the highest percentage of residents living below the poverty line. For the two zip codes within East St Louis where our proposed campus is farther away, it is by only two minutes in each case, and those zip codes are also served by Touchette Regional Hospital. In addition to this subset of our patient population, the proposed campus will also be closer to other communities with a high level of poverty, including Brooklyn, Venice, Washington Park, Caseyville, Fairmont City, and the more rural areas which fall in our tertiary service area. For additional detail on poverty within our service area, see attached map for a graphical representation of the "Top 10 Zip Codes with Populations Living Below the Poverty Level" (Appendix, Figure/Table 1).

Belleville Summary					
Source	CON Defined Service Area (Databay)	Databay	Claritas 2012	Drive time to SEB (min, MapQuest)	
Zip	City	2014 Population Est	% of Population Living Under Poverty Level	Belleville Campus	Proposed Campus
62221	BELLEVILLE/SHILOH	26,705	9.8%	10	8
62220	BELLEVILLE	19,843	13.9%	4	17
62223	BELLEVILLE	17,291	8.4%	8	16
62226	SWANSEA/BELLEVILLE	30,365	12.4%	6	13
	Total	94,204	11.2%		
East St. Louis Summary					
Source	CON Defined Service Area (Databay)	Databay	Claritas 2012	Drive time to SEB (min, MapQuest)	
Zip	City	2014 Population Est	% of Population Living Under Poverty Level	Belleville Campus	Proposed Campus
62201	EAST SAINT LOUIS	8,441	73.0%	21	15
62203	EAST SAINT LOUIS	8,274	32.0%	15	13
62204	EAST SAINT LOUIS	7,810	65.5%	19	14
62205	EAST SAINT LOUIS	9,005	32.2%	17	15
62206	EAST SAINT LOUIS	16,181	37.0%	18	20
62207	EAST SAINT LOUIS	8,629	52.3%	15	17
	Total	58,340	46.8%		

Based on this information, St. Elizabeth's believes we will increase our safety net services and serve a greater number of Medicaid and uninsured patients. With respect to all residents within our primary and secondary service area, the replacement hospital will be closer to 63% of the residents living in zip codes currently served by St. Elizabeth's (Appendix, Table 2). The relocation of the Hospital to a more accessible location for the region demonstrates our continued commitment to improving healthcare access for the entire region.

While the City of Belleville's population has increased by 1.9% percent over the last 10 years, the City of O'Fallon's population has increased by 27.4% over the same time period (United States Census Bureau 2010). It makes sense for us to relocate to an area which is more accessible to the current and future regions of population growth, as well as the majority of the patients that we currently serve.

St. Elizabeth's assures the Health Department that it is not "abandoning" Belleville residents. We will be leaving significant outpatient services in Belleville, including an UrgiCare center comparable to what currently exists in O'Fallon. As the Health Department is aware, Belleville is currently a two-hospital town, while O'Fallon – the fastest growing area with only slightly less population – has no hospital. St. Elizabeth's does not expect its Belleville area patients to go to Memorial after our hospital moves. On the contrary, in 2013, 28% of the patients seen at our current O'Fallon facility were actually from Belleville. We see no reason why this dynamic would change.

Additionally, Touchette Regional Hospital (Southern Illinois Healthcare Foundation) and St. Elizabeth's (Hospital Sisters Health System) have collaborated extensively with each other to develop an improved care model for those who suffer from the negative health impacts associated with regions under extreme economic duress. Touchette is more immediately accessible to these patients than either St. Elizabeth's or Belleville Memorial. In the event where the acuity is such that a higher level of care is needed, we have the relationship in place to transition care of said patients and that relationship will not change upon moving our hospital to O'Fallon.

St. Elizabeth's collaborates with Southern Illinois Healthcare Foundation (SIHF) on many initiatives to support increased access to healthcare. One example of such is our partnership with SIHF, Saint Louis University School of Medicine and Scott Air Force Base in which all organizations collaborate to educate and train 42 family medicine resident physicians each year. SIHF operates the primary care clinic where the residents receive their outpatient training. This clinic model provides a successful option for patients who need access to primary care, as well as provide ample opportunity for our physicians in training to receive the experience needed to practice medicine in our communities. The Family Medicine Residency Program will relocate to the replacement campus on Interstate 64, and residents will continue to treat both outpatients and inpatients. We are continuing to communicate and plan with SIHF regarding appropriate outpatient clinic options for the Belleville campus and ensure access to care is not diminished in either location.

Access to Care

The Health Department cites the CON application's statement of the proposed site being more accessible by passenger and emergency vehicles than the existing site or other alternative sites that were considered. This is true, as reflected in the CON application. The proposed site is directly adjacent to Interstate 64, with two immediate exits in either direction. After exiting Interstate 64, travelers will be within one minute of our front entrance.

As intended, the new site already is and will continue to be easily accessible via public transportation. Attached is a map of public transportation options (Appendix, Figures 2-3). Residents have various routes via which to reach the #12 bus line, which already has established stops immediately surrounding the proposed campus area. As an enhancement, we are planning for a bus stop directly on our proposed campus so patients seeking care will have a short walk to the hospital's front door. Per their request, St. Elizabeth's will continue to work with Metro and other public transportation entities, after our project is approved, to further increase the degree of accessibility to our campus. Despite the Health Department's concerns and certainly respecting them, public transportation is not an issue.

Finally, with respect to a concern about a lack of analysis from first responders, the majority have not indicated a negative impact. In the extensive discussions that St. Elizabeth's has had with EMS stakeholders, the general consensus is that having a hospital directly located off the interstate will increase their ability to bypass local traffic and improve their ability to transport patients to the hospital as quickly as possible. It is known that first responders will take a patient to the closest, most appropriate hospital, regardless of where the patient is from. Again, placement of this facility increases access to an overwhelming majority of our service area. Regardless, as with the rest of the Belleville patients who are already seeking voluntary outpatient care in O'Fallon, we do not anticipate them to behave otherwise in their decision to seek out the healthcare provider that will best meet their needs. We appreciate the opportunity to clarify this for the Health Department.

Clinical Emergency Service and Same Day Access

As previously discussed in-depth, the communities mentioned by the Health Department as of concern (East St. Louis and Belleville) will still have access to emergency services. Whether we are discussing inpatient, outpatient, or emergency care, access is not an issue.

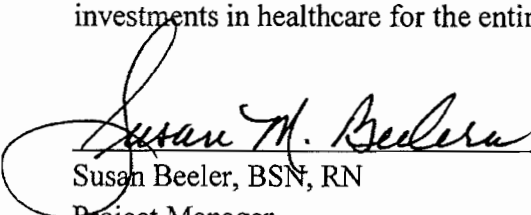
Memorial currently has, per its 2013 reported data, 10 more ED treatment bays than it needs, with capacity to treat an additional 20,000 patients annually (per State standards). There is no question it has the capacity to treat any additional patients it might see as a result of St. Elizabeth's replacement hospital in O'Fallon. However, there is no reason to believe that the patients who bring themselves to the ED (versus being brought via ambulance) will not choose to go to the St. Elizabeth's ED in O'Fallon since the majority of our patients will be living closer to it than to the current site.

In response for clarity regarding the facility that will remain in Belleville, St. Elizabeth's plans to construct an UrgiCare on the current campus. In reviewing its ED admissions, as noted by the Health Department, the amount of ESI Level 4 and 5 (low acuity) patients presenting at our current facility confirmed that the city of Belleville would be able to support and benefit from an UrgiCare/walk-in clinic. This is a more cost effective method of care and less financially burdening on patients, as opposed to presenting to a hospital based emergency department. In addition to providing service to low acuity patients seeking immediate/walk-in care, the resulting structure will house a variety of other outpatient services. Currently, the proposed hours of operation will be seven days a week from 8am to 9pm and provide the same level of care that Belleville patients are already seeking at the O'Fallon UrgiCare.

In addition, the following outpatient services will be provided at the current Belleville campus: laboratory, radiology, mammography, physical therapy, occupational therapy, and Back to Work center. As we move forward with an approved project we look forward to formally meeting with community leaders and stakeholders to seek input for additional services that may be feasible on the Belleville campus.

Conclusion

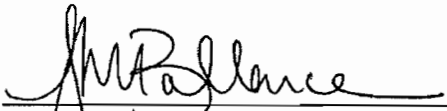
St. Elizabeth's is committed to working with the Health Department and continuing the long-standing relationship, as described by Mr. Hutchison in his letter, as we move forward with the replacement facility, should it be approved by the Health Facilities Planning and Review Board. We are confident the Health Department recognizes the proposed new hospital in O'Fallon and the UrgiCare in Belleville are both positive investments in healthcare for the entire County of St. Clair.



Susan Beeler, BSN, RN

Project Manager

St. Elizabeth's Hospital



Amy Ballance

Vice President, Business Development and Strategy

HSHS Southern Illinois Division

Table 1:
Top 10 Zip Codes with Populations Living Below the Poverty Level
(St. Clair County and St. Elizabeth's PSA/SSA)
Source: Claritas 2012

Rank	Zip Code	City	% of Population Living Below Poverty Level
1	62201	East St. Louis	73.0%
2	62059	Brooklyn	68.6%
3	62204	East St. Louis	65.5%
4	62090	Venice	56.9%
5	62207	East St. Louis	52.3%
6	62206	East St. Louis	37.0%
7	62060	Madison	36.2%
8	62205	East St. Louis	32.2%
9	62203	East St. Louis	32.0%
10	62232	Caseyville	14.4%

Table 2: Drive Time for Zip Codes within St. Elizabeth's PSA/SSA

Source	CON Defined Service Area (Databay)	Databay	Drive time to SEB (min, MapQuest 2014)	
Zip	City	2014 Population Est	Belleville Campus	Proposed Campus
62208	FAIRVIEW HEIGHTS	17,808	13	8
62220	BELLEVILLE	19,843	4	17
62221	BELLEVILLE/SHILOH	26,705	10	8
62223	BELLEVILLE	17,291	8	16
62225	SCOTT AIR FORCE BASE	5,434	13	11
62226	SWANSEA/BELLEVILLE	30,365	6	13
62254	LEBANON	6,618	25	13
62258	MASCOUTAH	9,537	19	15
62269	O FALLON	32,794	18	5
62034	GLEN CARBON	13,741	31	27
62060	MADISON	4,806	26	20
62062	MARYVILLE	7,721	28	23
62090	VENICE	1,188	26	21
62201	EAST SAINT LOUIS	8,441	21	15
62203	EAST SAINT LOUIS	8,274	15	13
62204	EAST SAINT LOUIS	7,810	19	14
62205	EAST SAINT LOUIS	9,005	17	15
62206	EAST SAINT LOUIS	16,181	18	20
62207	EAST SAINT LOUIS	8,629	15	17
62230	BREESE	6,397	41	29
62232	CASEYVILLE	7,406	20	13
62234	COLLINSVILLE	33,096	22	15
62243	FREEBURG	5,916	14	20
62249	HIGHLAND	16,251	42	30
62255	LENZBURG	1,101	29	36
62257	MARISSA	3,585	32	35
62260	MILLSTADT	7,344	11	26
62264	NEW ATHENS	3,410	20	26
62265	NEW BADEN	5,186	27	18
62278	RED BUD	6,788	27	40
62281	SAINT JACOB	2,270	34	22
62285	SMITHTON	4,510	13	26
62286	SPARTA	6,883	46	53
62293	TRENTON	4,615	31	19
62294	TROY	14,206	30	18
62298	WATERLOO	16,779	28	38
Total PSA/SSA Population		397,934	799	755
Total PSA/SSA Population with Decreased Drive			249,309	
Percentage of PSA/SSA Population with Decreased Drive				63%

Figure 2: Metro Transit St. Louis ©2014 Bi-State Development Agency, Service Route Map

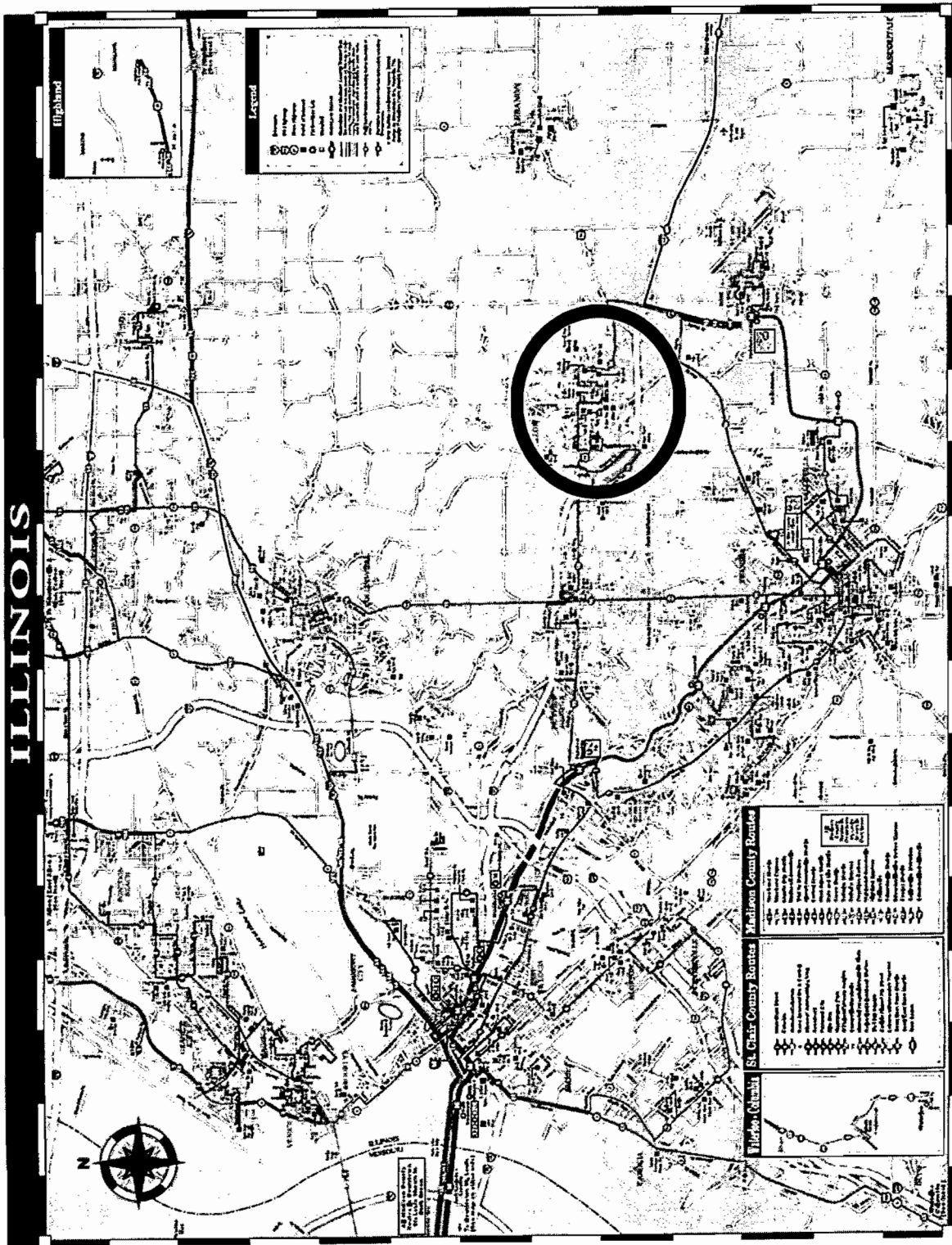
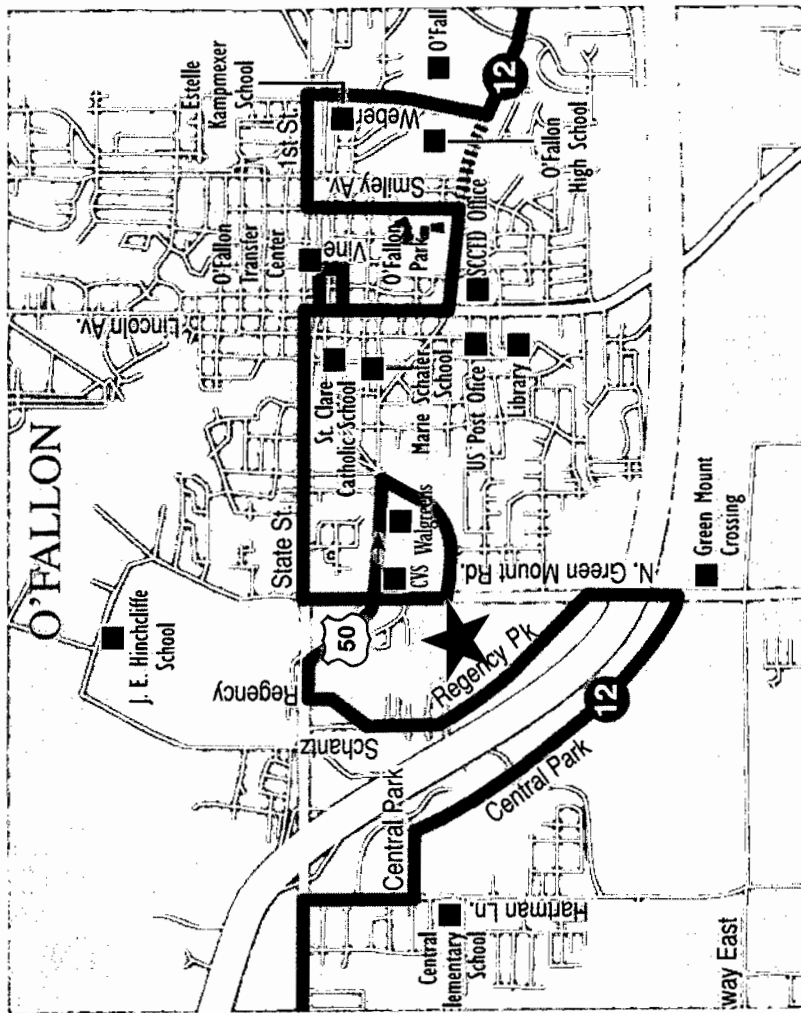


Figure 3: Metro Transit St. Louis ©2014 Bi-State Development Agency, Service Route Map Continued



★ Denotes Proposed Campus Site