



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-09	BOARD MEETING: January 27, 2015	PROJECT NO: 14-044	PROJECT COST: Original: \$34,243,594
FACILITY NAME: St. Elizabeth's Hospital-Ambulatory Care Center		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 to construct a Medical Office Building/Ambulatory Care Center, linked directly to the applicants replacement hospital in O' Fallon, Illinois. The total cost of the project is \$34,243,594. **The anticipated completion date is December 31, 2017.**

This application, accompanied by application # 14-043, St. Elizabeth's Hospital, constitutes the discontinuation of an existing 303 bed acute care hospital from its current campus, at 211 South Third Street, Belleville, to the establishment of a 144 bed acute care hospital at the intersection of Interstate 64 and North Green Mount Road, in O'Fallon, approximately 6.5 miles (13 minutes), away.

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

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The applicants are proposing to construct an Ambulatory Care Center/Physicians Office Building (ACC/POB) in close proximity and connected to the applicants proposed replacement hospital in O' Fallon, Illinois. Currently, St. Elizabeth's Hospital is located at 211 South Third Street, Belleville, with some limited ambulatory care services located in O'Fallon. The new facility, located at the intersection of Interstate 64 and North Green Mount Road, O'Fallon (6.5 miles away), will consist of 59,269 GSF of space, and the applicants will lease this space from a landlord. The total cost of the project is \$34,243,594. **The anticipated completion date is December 31, 2017.**

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The project is before the State Board because the cost of the project exceeds the capital expenditure minimum of \$12,670,607.

PURPOSE OF THE PROJECT:

- The applicants note the purpose of this project is in response to changing clinical trends over the past twenty years, and the goals established through the affordable Care Act. These goals promote the delivery of patient care in an outpatient setting as more convenient for the patient, with less cost.

PUBLIC COMMENT:

Two public hearings were held in regard to project #14-043.

- A public hearing was held on October 2, 2014, from 6:00pm to 7:00pm, 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. 74 individuals were recorded as being in attendance.

NEED FOR THE PROJECT:

- The applicants have stated that the need for project is based upon the age and obsolescence of the existing facility, and the need to establish suitable space for an Ambulatory Care contingency on the campus of the new hospital, in O'Fallon. The applicants note the new space will improve the health care and well being of the market population by providing needed, high quality, less costly, outpatient services, which is consistent with the applicant's mission.

WHAT WE FOUND:

The applicants' addressed a total of 14 criteria and appears to have met all of them.

STATE BOARD STAFF REPORT
St. Elizabeth's Hospital-Ambulatory Care Center
PROJECT #14-044

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

I. The Proposed Project

The applicants are proposing to construct an Ambulatory Care Center/Physicians Office Building in proximity with and connected to the proposed replacement hospital (project #14-043), in O'Fallon, Illinois. The total cost of the project is \$34,243,594. **The anticipated completion date is December 31, 2017.**

II. Summary of Findings

- A.** The State Board Staff finds the proposed project appears 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 Ambulatory Care Center/Physicians Office Building will be built in proximity with and connected to the replacement hospital proposed in project #14-043. The applicants cite Section 1130.360 of the Illinois Health Planning Act, 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 care.”*

IV. The Proposed Project – Details

The applicants are proposing to establish an Ambulatory Care Center/Physicians Office Building on the campus of a proposed replacement hospital (project #14-043) in O’Fallon, approximately 6.5 miles (13 minutes) from the existing hospital campus in Belleville. The cost of constructing the proposed building will be incurred by O’Fallon Medical Building, LLC (the landlord) and the applicants will lease 65,269 GSF of space, which accounts for the entirety of the project cost. The applicants note that approximately 30,220 GSF of the proposed facility will be used by a residency program clinic, physician office space, and administrative offices, while the remainder will be allocated for the following:

- Cardiac Rehabilitation/(H2H Clinic)(6,062 GSF)
- Infusion Center (1,892 GSF)
- Laboratory/Pathology/Blood Bank (8,899 GSF)
- Pain Management (1,042 GSF)
- Outpatient Physical Medicine (8,689 GSF)
- Women’s Imaging (3,781 GSF total)
 - Mammography (2,508 GSF)
 - Densitometry (469 GSF)
 - Mobile Ultrasound (804 GSF)

V. Project Costs and Sources of Funds

The applicants are funding the project with cash and securities of \$9,337,845, gifts and bequests of \$299,470, and a bond issue of \$24,606,278. 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. 128), and AA-/Stable bond rating from Standard & Poor’s (application, p. 132). The applicants have supplied sufficient verification of financial viability. Table Two illustrates the specific project costs and sources of funding.

TABLE TWO Project Costs and Sources of Funds St. Elizabeth’s Hospital-Ambulatory Care Center			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$403,161	\$316,770	\$719,932
Site Survey and Soil Investigation	\$18,626	\$14,635	\$33,261
Site Preparation	\$1,624,894	\$1,276,704	\$2,901,598
Off Site Work	\$606,146	\$476,258	\$1,082,404
New Construction Contracts	\$0	\$0	\$0
Contingencies	\$0	\$0	\$0

TABLE TWO Project Costs and Sources of Funds St. Elizabeth's Hospital-Ambulatory Care Center			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Architectural/Engineering Fees	\$492,606	\$387,048	\$879,654
Consulting and Other Fees	\$1,133,433	\$890,555	\$2,023,988
Movable or Other Equipment (not in construction contracts)	\$3,089,658	\$2,427,591	\$5,517,249
Bond Issuance Expense (project related)	\$94,356	\$74,137	\$168,493
Net Interest Expense During Construction (project related)	\$850,655	\$668,372	\$1,519,027
Fair Market Value of Space/Equipment	\$7,716,892	\$6,063,280	\$13,780,172
Other Costs to be Capitalized	\$3,145,976	\$2,471,841	\$5,617,817
TOTAL USES OF FUNDS	\$19,176,403	\$15,067,191	\$34,243,594
SOURCE OF FUNDS			
Cash and Securities	\$5,229,193	\$4,108,652	\$9,337,845
Gifts and Bequests	\$167,703	\$131,767	\$299,470
Bond Issues (project related)	\$13,779,516	\$10,826,772	\$24,606,279
TOTAL SOURCES OF FUNDS	\$19,176,413	\$15,067,191	\$34,243,594

The Ambulatory Care Center/Physician Office Building is located on land currently owned by the co-applicant Hospital Sisters Health System. The Hospital Sisters Health System will transfer ownership of the land to St. Elizabeth's Hospital and it will be ground leased to O'Fallon Medical Office Building, LLC for 25 years. A copy of the St. Elizabeth's Hospital's Letter of Intent for leased space in the building has been provided along with a copy of the Development Agreement, which appears to provide assurance that the building St. Elizabeth's Hospital will lease space in will be constructed. The agreement allows the Hospital to terminate the agreement and take back the project, for the purpose of constructing the building in a timely manner to facilitate the use of the space leased. As has been noted Hospital Sisters Health System has the financial resources to complete the project if necessary.

VI. Cost/Space Requirements

The applicants are proposing to construct 30,365 gross square feet of clinical space and 34,904 gross square feet of non clinical space for total of 65,269 GSF for the ACC/POB. Table Three illustrates the specific clinical spatial allotments, with the nonclinical subtotal below. Board Staff notes only clinical spatial considerations are evaluated in regard to meeting prescribed Board spatial standards.

TABLE THREE Costs Space Requirements					
Department	Costs	Existing GSF	Proposed GSF	New Construction	Vacated Space
Cardiac Rehab/H2H Clinic	\$3,827,612	9,999	6,052	6,052	9,999
Infusion Center	\$1,194,691	3,023	1,892	1,892	3,023
Lab/Pathology/Blood Bank	\$5,620,607	11,588	8,899	8,899	11,588
Pain Mgmt./Procedure Room	\$657,751	3,555	1,042	1,042	3,555
Outpatient Physical Medicine	\$5,488,289	9,789	8,689	8,689	9,789
Women's Imaging					
Mammography	\$1,583,971	0	2,508	2,508	0
Densitometry	\$295,317	0	459	459	0
Ultrasound (mobile)	\$508,175	0	459	459	0
Total Women's Imaging	\$2,387,463	2,924	3,781	3,781	2,924
Total Project	\$19,176,413	39,378	30,365	30,365	39,878

VII. Charity Care

The applicants stated the following:

“The mission statement of St. Elizabeth’s and HSHS is to reveal and embody Christ’s healing love for all people through our high quality Franciscan Health Care ministry. St. Elizabeth’s colleagues live that mission by providing holistic healing to all who seek our care, as well as through community benefit. By working collaboratively with other organizations, St. Elizabeth’s is helping expand access to care, improving residents’ health status, and furthering medical education and knowledge.”

TABLE FOUR Safety Net Information per PA 96-0031 St. Elizabeth Hospital			
Charity Care			
Charity (# of patients)	2013	2012	2011
Inpatient	889	1,293	825
Outpatient	5,090	6,531	4,945
Total	5,979	7,824	5,770
Charity (cost in dollars)			
Net Patient Revenue	\$158,547,048	\$170,284,906	\$176,696,159
Amount of Charity Care Charges	\$19,391,687	\$15,749,939	\$14,788,672
Charity Care	\$4,398,861	\$4,559,607	\$4,761,950
	2.77%	2.68%	2.69%
As previously reported on AHQ ⁽¹⁾	2013	2012	2011
Inpatients		142	275
Outpatients		574	990
Total		716	1,265
1. Information in 2011 and 2012 charity care patient numbers vary from the AHQ responses because the Hospital used the wrong calculation method (not the one specified in the AHQ responses).			

VIII. Background of Applicant

A) Criterion 1110.3030 (b)(1)(3) - Background of Applicant

An applicant must demonstrate that it is fit, willing and able, and *has the qualifications, background and character, to adequately provide a proper standard of health care service for the community.* [20 ILCS 3960/6]

The applicants have provided the necessary licensing information as required by this criterion, and a listing of all health care facilities owned/operated by HSHS. The applicants have supplied attestation of no negative judgments or actions being taken against them in the three years prior to the filing of this application, and authorization permitting HFSRB and IDPH to access any documentation necessary to verify said statements. The applicants have met the requirements of this criterion.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION BACKGROUND OF APPLICANT (77 IAC 1110.3030 (b)(1)(3))

IX. 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 general purpose for the proposed project stems from the requirements of IL Admin Code 1100.360, which states: *“The people of Illinois should have facilities which are modern, are in accord with recognized standards of design, construction, operation, and which represent the most cost efficient alternative for the provision of quality of care.”*

The applicants propose to achieve this objective through the relocation, modernization, and right-sizing of its acute care hospital, and its outpatient care services. See pages 95-104 of the application for permit for complete discussion.

B) Criterion 1110.230 (b) – Safety Net Impact

The Illinois Health Facilities Planning Act (20 ILCS 3960/5.4) requires a safety net impact statement of all substantive and discontinuation projects. The proposed project is a non-substantive project.

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 three alternatives to the proposed project, beginning on page 108 of the application. The four alternatives are:

TABLE FIVE		
Alternatives to the Proposed Project		
Alternatives	Project Cost	Reason for Rejection
Construct Replacement Hospital that would Include those Services Located in the ACC	\$16.8 million more than chosen alternative	The applicants rejected this alternative due to its high cost, and the fact that it did not accommodate a need for physician office space.
Construct Replacement Hospital Housing all Services with a portion of the facility being built to business standards as opposed to Life Safety Standards	Same as Option Chosen (\$287 million, Hospital + MOB)	The applicants rejected this alternative, because a project of this nature would still result in the construction of two buildings with the possibility that they could be developed as an integrated structure. However, the applicants note this alternative would present difficulties from the design standards point, and may cause confusion pertaining to its applicability to life safety codes. The applicants further note this alternative would not create a free-standing physicians office building, which was part of the applicants original plan.
Use a Third Party Developer to Construct a Building that would Include Leased Space for an ACC and Physician Office Space (Option Chosen)	\$287 Million (Hospital + MOB)	Option Chosen. The applicants state this option was the only alternative that would provide the space needed without compromising service or function. The total spatial configuration of the building design allowed for ample physician office space, and a design that makes the two buildings function as single unit, resulting in optimal traffic flow and enhanced patient/staff movement.

X. Criterion 1110.234 (a) - Size of Project

The applicant shall document that the physical space proposed for the project is necessary and appropriate.

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 modernized/established.

This Project proposes to establish an Ambulatory Care Center/Physician Office Building (ACC/POB) in close proximity and attached to a replacement acute care hospital, in O'Fallon, Illinois. Table Six identifies two services to be located in the MOB that have State size standards.

TABLE SIX Size of Project Ambulatory Care Center(ACC) / Physicians Office Building (POB)					
	Number of Beds/Units Proposed	Proposed GSF per Service	Proposed GSF per Room	State Standard	Met Standard?
Pain Management	1	1,042	1,042	1,110 GSF/Room	Yes
Mammography and Stereotactic	4	2,508	627	3,600 GSF/ 900 GSF/Room	Yes

Based on the spatial allocations presented in Table Four, 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 supplied data that indicates 86.1% of St. Elizabeth's patients reside in Planning Area F-01, which supports the fact that the primary purpose of the project is to serve the residents of this planning area. The applicants supplied the historical utilization data (from 2013), in Table Seven. The applicants predict the utilization at the new facility will remain stable with the 2013 utilization data, for the second year after project completion, thus supporting the establishment of the rooms/units proposed. A positive finding results for this criterion.

TABLE SEVEN Project Services Utilization St. Elizabeth's Hospital-Ambulatory Care Center					
	Historical Utilization 2013	Projected Utilization 2018	Number Rooms/Units Proposed	State Board Standard	Met Standard
Pain Management	764 hrs	764 hrs	1	1,500 hours/room	Yes
Mammography	18,223 visits	18,223 visits	4	5,000 visits/unit	Yes

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT APPEARS TO BE IN CONFORMANCE WITH THE PROJECT UTILIZATION CRITERION (77 IAC 1110.234(b)).

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

- 1) **These criteria are applicable only to those projects or components of projects (including major medical equipment), concerning Clinical Service Areas (CSAs) that are not "Categories of Service", but for which utilization standards are listed in Appendix B, including:**
 - A) **Surgery**
 - B) **Emergency Services and/or Trauma**
 - C) **Ambulatory Care Services (organized as a service)**
 - D) **Diagnostic and Interventional Radiology/Imaging**
 - E) **Therapeutic Radiology**
 - F) **Laboratory**
 - G) **Pharmacy**
 - H) **Occupational Therapy/Physical Therapy**
 - I) **Major Medical Equipment**
- 2) **The applicant shall also comply with requirements of the review criterion in Section 1110.234(a) (Size of Project – Review Criteria), as well as all other applicable requirements in this Part and 77 Ill. Adm. Code 1100 and 1130. Applicants proposing to establish, expand or modernize CSAs shall comply with the applicable subsections of this Section, as follows:**

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
New Services or Facility or Equipment	(b)(1) & (3)	Background of the Applicant
	(c)	Need Determination – Establishment

1) Pain Management

The applicants note that 86.9% of its surgical patient base resides in the Planning Area F-01, serving as proof that the primary purpose of the proposed project is to serve the residents of the planning area. The applicants propose to establish one Pain Management Suite, and reports sufficient historical and projected utilization data (See Table Seven) to establish a positive finding for this criterion.

2) Mammography

The applicants note that 86.9% of its surgical patient base resides in the Planning Area F-01, serving as proof that the primary purpose of the proposed project is to serve the residents of the planning area. The applicants propose to relocate 4 Mammography units from the current ambulatory care center in Belleville, and reports sufficient historical and projected utilization data (See Table Seven) to establish a positive finding 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).

XI. Section 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 have an AA-/Stable bond rating from Standard and Poor's (application, p. 132), and an AA-/F1+ rating from FitchRatings Service (application, p. 128). The applicants have met the requirements of this criterion.

FINANCIAL INFORMATION				
Audited				
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)
Revenues in Excess of Expenses	\$327,261	(\$165,502)	\$401	(\$15,561)

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT APPEARS TO BE IN CONFORMANCE WITH THE AVAILABILITY OF FUNDS CRITERION (77 IAC 1120.120).

XII. Section 1120.130 - Financial Viability

The applicant shall document that the applicant is financially viable.

The applicants have an AA-/Stable bond rating from Standard and Poor's (application, p. 132), and an AA-/F1+ rating from FitchRatings Service (application, p. 128). Based on these submissions, the requirements of this criterion are inapplicable.

THE STATE BOARD STAFF FINDS THE FINANCIAL VIABILITY CRITERION IS INAPPLICABLE TO THE PROPOSED PROJECT (77 IAC 1120.130).

XIII. 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 an AA-/Stable bond rating from Standard and Poor's (application, p. 132), and an AA-/F1+ rating from FitchRatings Service (application, p. 128), proving that the applicants have met the requirements of this criterion.

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

B) Criterion 1120.140 (b) - Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable.

The applicants are funding the proposed project with a combination of Cash & Securities (\$9,337,845), Gifts & Bequests (\$299,470), and Bond Issues (\$24,606,278). The applicants supplied notarized attestation (application, p. 144) stating their intent to use the lowest form of debt financing available, thus meeting the requirements of this criterion.

The applicants stated "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 APPEARS TO BE IN CONFORMANCE WITH THE CONDITIONS OF DEBT FINANCING CRITERION (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 and shall document compliance with the State Board Standards.

The applicants are utilizing a third-party developer to incur the expense of constructing the proposed MOB, and the applicants will then lease the necessary space from the developer. The applicants report no new construction costs/contingencies, but have identified costs associated with the fair market value (FMV) of the lease. Only the clinical costs will be reviewed for this criterion.

Preplanning – These costs total \$403,161. The applicants did not incur new construction/contingency costs, leaving no evaluative criteria for this line item.

Site Survey and Soil Investigation and Site Preparation – These costs are \$1,643,520. The applicants did not incur new construction/contingency costs, leaving no evaluative criteria for this line item.

Off Site Work – These costs are \$606,146. The State Board does not have a standard for this cost.

Architectural/Engineering Fees – These costs are \$492,606. The applicants did not incur new construction/contingency costs, leaving no evaluative criteria for this line item.

Consulting and Other fees – These costs are \$1,133,433. The State Board does not have a standard for these costs.

Movable of Other Equipment – These costs are \$3,089,658. The State Board does not have a standard for these costs.

Bond Issuance Expense – These costs are \$94,356. The State Board does not have a standard for these costs.

Fair Market Value of Leased Space/Equipment – These costs are \$7,716,892. The State Board does not have a standard for these costs.

Other Costs to be Capitalized – These costs are \$3,145,976. The State Board does not have a standard for these costs.

Board Staff reports the applicants did not report costs over the State standard, and a positive finding results for this criterion.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT APPEARS TO BE IN CONFORMANCE WITH THE CONDITIONS OF REASONABLENESS OF PROJECT AND RELATED COST CRITERION (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 costs mean the fully allocated costs of salaries, benefits and supplies for the service.

The direct cost per equivalent patient day is \$966 per equivalent patient day. The State Board does not have a standard for these costs.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE 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 total effect of the project on capital costs is \$197 per equivalent patient day. The State Board does not have a standard for these costs.

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

A detailed map of the St. Louis, Missouri area, showing the Mississippi River, major highways, and surrounding cities. A red box highlights the location of St. Elizabeth's Hospital ACC in O'Fallon, IL. The map includes labels for various cities and towns, as well as the names of the states and counties. The Mississippi River is shown flowing through the center of the map, with the Missouri-Illinois border running vertically through it. Major highways like I-44, I-55, and I-64 are clearly marked. The map also shows several lakes, including Holiday Lake, Highland Silver Lake, and Carlyle Lake. The red box is located in the upper right quadrant of the map, near the intersection of I-55 and I-64, and is labeled 'St. Elizabeth's Hospital ACC' and 'O'Fallon, IL'.

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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>							
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Totals	Charity Care Expense
Inpatient Revenue (\$)	47.9%	6.7%	5.3%	31.6%	8.5%	100.0%	
	40,398,704	5,683,598	4,451,680	26,616,892	7,143,164	84,294,037	2,224,944
Outpatient Revenue (\$)	15.0%	15.5%	8.6%	49.1%	11.8%	100.0%	
	11,138,149	11,516,150	6,357,980	36,484,796	8,755,935	74,253,010	2,173,917
							Total Charity Care Expense 4,398,861
							Total Charity Care as % of Net Revenue 2.8%

<u>Birthing 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	0	Heart:	0
Birthing Rooms:	0	Patient Days	1,475	125	236	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					Total:	0
C-Section Rooms:	2						
CSections Performed:	190						

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

SURGICAL RECOVERY STATIONS

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

Multipurpose Non-Dedicated Rooms

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	0.0	0.0

Emergency/Trauma Care

Certified Trauma Center	No
Level of Trauma Service	Level 1
	(Not Answered)
Operating Rooms Dedicated for Trauma Care	Not Answered
Number of Trauma Visits:	0
Patients Admitted from Trauma	3,273
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**Examinations****Therapeutic Equipment****Therapies/ Treatments****Owned Contract****Inpatient****Outpt****Contract****Owned Contract**

General Radiography/Fluoroscopy	9	0	14,771	44,699	0	Lithotripsy	0	1	93
Nuclear Medicine	6	0	611	1,945	0	Linear Accelerator	0	0	0
Mammography	5	0	12	18,211	0	Image Guided Rad Therapy			0
Ultrasound	7	0	1,688	6,094	0	Intensity Modulated Rad Thrp			0
Angiography	1	0				High Dose Brachytherapy	0	0	0
Diagnostic Angiography			132	601	0	Proton Beam Therapy	0	0	0
Interventional Angiography			87	571	0	Gamma Knife	0	0	0
Positron Emission Tomography (PET)	0	0	0	0	0	Cyber knife	0	0	0
Computerized Axial Tomography (CAT)	3	0	4,324	11,047	0				
Magnetic Resonance Imaging	1	0	889	1,979	0				