



DOCKET ITEM: C-20 C-21	BOARD MEETING: December 16, 2014	EXEMPTION NUMBER: E-038-014 E-039-014
EXEMPTION APPLICANT(S): Interstate Alliance, Inc., Mercy Alliance, Inc., Rockford Health System, Mercy Harvard Hospital, Inc. and Rockford Memorial Hospital		
FACILITY NAME and LOCATION: Rockford Memorial Hospital, Rockford, Illinois, Mercy Harvard Hospital, Inc., Harvard, Illinois		

DESCRIPTION: The applicants Interstate Alliance, Inc., Mercy Alliance, Inc., Rockford Health, Mercy Harvard Hospital, Inc. and Rockford Memorial Hospital) are proposing a change of ownership for Rockford Memorial Hospital and Mercy Harvard Memorial Hospital. The operating entities and licensees and owner of the sites will remain unchanged with the approval of these changes of ownership transactions. There is no cost to this change in ownership. The Fair Market Value of the transaction is \$338,478,000. The anticipated completion date is 60 days from the date of approval of the transaction by the State Board.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

The applicants are before the State Board because the applicants are proposing a change in control of health care facilities as defined by the Illinois Health Facilities Planning Act (20 ILCS 3960/3).

PUBLIC COMMENT:

A public hearing was offered in regard to the proposed project, but none was requested. No letters of support or opposition were received by the State Board Staff.

STATE BOARD STAFF REPORT
CHANGE OF OWNERSHIP EXEMPTION
E-038-014 Rockford Memorial Hospital
E-039-014 Mercy Harvard Memorial Hospital

I. The Exemption Application

The Illinois Health Facilities Planning Act defines a change of ownership as “a change in the person who has ownership or control of a health care facility’s physical plant and capital assets. A change in ownership is indicated by the following transactions: sale, transfer, acquisition, lease, change of sponsorship or other means of transferring control (20 ILCS 3960/3).

The Act also states “The State Board shall establish by regulation the procedures and requirements regarding issuance of exemptions. An exemption shall be approved when information required by the Board by rule is submitted. Projects eligible for an exemption, rather than a permit, include, but are not limited to, change of ownership of a health care facility. For a change of ownership of a health care facility between related persons, the State Board shall provide by rule for an expedited process for obtaining an exemption. In connection with a change of ownership, the State Board may approve the transfer of an existing permit without regard to whether the permit to be transferred has yet been obligated, except for permits establishing a new facility or a new category of service (20 ILCS 3960/6 (b)).

For the applicants to successfully address the exemption to permit for a change of ownership of a health care facility the applicants must provide the following information;

- The name and address of the health care facility;
- The name and address of the applicants;
- The Certificates of Good Standing for the applicants;
- The licensee and owner of the site of the health care facility;
- Outstanding permits issued by the Illinois Health Facilities and Services Review Board;
- Organizational Chart;
- The most recent Audited Financial Statements;
- Evidence of an “A” or better bond rating;
- The complete signed and dated transaction document;
- Contingency language that states the proposed change of ownership is subject to State Board approval; and
- Attestations as required by 77 IAC 1130.520

II. Findings

- A. The State Board Staff finds the proposed change of ownership exemption applications to be in compliance with 77 IAC 1130.500 and 77 IAC 1130.520.

III. The Facilities

Rockford Memorial Hospital is a 396 bed acute care hospital located at 2400 Rockton Avenue, Rockford, Illinois. Rockford Memorial Hospital also provides cardiac catheterization and open heart surgery. The table below documents the utilization and payor mix for the past three calendar years for Rockford Memorial Hospital.

TABLE ONE Rockford Memorial Hospital Utilization 2011-2013						
	Beds	2011	2012	2013	Average	
Medical Surgical	231	50.30%	50.30%	49.30%	49.97%	
Pediatrics	35	28.60%	26.00%	29.60%	28.07%	
Intensive Care	29	64.60%	54.80%	62.80%	60.73%	
Obstetrics	35	50.80%	43.20%	37.30%	43.77%	
Neonatal	46	73.60%	71.90%	68.80%	71.43%	
Acute Mental Illness	20	42.50%	49.40%	55.90%	49.27%	
Total	396					
Payor Mix 2011-2013						
		2011	2012	2013	Average	% of Total
Medicare		\$74,725,880	\$73,482,863	\$69,412,866	\$72,540,536	23.11%
Medicaid		\$66,648,548	\$59,595,542	\$63,848,726	\$63,364,272	20.18%
Other Public		\$13,811,986	\$16,684,986	\$17,331,313	\$15,942,762	5.08%
Private Insurance		\$149,718,371	\$155,040,610	\$149,948,313	\$151,569,098	48.28%
Private Pay		\$8,748,513	\$9,324,726	\$13,549,465	\$10,540,901	3.36%
Charity Care		\$8,521,709	\$8,963,540	\$10,770,825	\$9,418,691	3.00%
Total		\$313,653,298	\$314,128,727	\$314,090,683	\$313,957,569	100.00%

Mercy Harvard Memorial Hospital is a 65 bed critical access hospital located at 901 South Grand Avenue, Harvard, Illinois. The table below documents the utilization and payor mix for the past three calendar years for Mercy Harvard Memorial Hospital.

TABLE TWO Mercy Harvard Memorial Hospital Utilization 2011-2013						
	Beds	2011	2012	2013	Average	
Medical Surgical	17	30.90%	27.00%	24.60%	27.50%	
Intensive Care	3	10.60%	7.20%	8.00%	8.60%	
Long Term Care	45	58.20%	38.60%	49.30%	48.70%	
Total	65					
Payor Mix 2011-2013						
		2011	2012	2013	Average	% of Total
Medicare		\$7,037,705	\$6,524,137	\$6,777,055	\$6,779,632	29.40%
Medicaid		\$1,438,764	\$1,758,115	\$1,488,664	\$1,561,848	6.77%
Other Public		\$0	\$523,286	\$393,140	\$305,475	1.32%
Private Insurance		\$13,672,800	\$11,377,747	\$10,189,784	\$11,746,777	50.94%
Private Pay		\$2,258,390	\$3,090,320	\$2,645,503	\$2,664,738	11.56%
Charity Care		\$308,643	\$307,687	\$150,919	\$255,750	1.11%
Total		\$24,407,659	\$23,273,605	\$21,494,146	\$23,058,470	100.00%

III. The Applicants

Interstate Alliance, Inc. is a new Illinois domestic corporation incorporated on October 24, 2014 and is good standing with the State of Illinois.

The initial Interstate Alliance, Inc. CEO shall be Javon Bea, who will also continue to serve as Mercy CEO. Gary Kaatz shall serve as the Rockford Health System CEO, and shall report to Mr. Bea, with accountability for supporting the Rockford Health System Board.

Mercy Alliance, Inc. serves as the parent corporation of Mercy Health System Corporation. Mercy Health System Corporation operates a 240-bed hospital in Janesville, Wisconsin approximately 43 physician clinics in southern Wisconsin and northern Illinois, a skilled nursing facility that operates as a subacute care unit of the hospital and Mercy Walworth Hospital and Medical Center a 25-bed hospital facility in Walworth County, Wisconsin and Mercy Harvard Hospital, Inc. in Harvard, Illinois. Mercy Alliance, Inc. is a not for profit corporation.

The table below documents the financial position and income of Mercy Alliance, Inc. for the past two fiscal years. Moody's Investors Service affirmed the A2 rating assigned to Mercy Alliance bonds issued by the Wisconsin Health & Educational Facilities Authority. The rating outlook is stable for Mercy Alliance, Inc. The table below documents the financial position and income for the past two fiscal years for Mercy Alliance, Inc.

TABLE THREE Mercy Alliance, Inc. Audited June 30 In thousands(000)		
	2014	2013
Cash	\$22,326	\$13,284
Current Assets	\$141,088	\$122,359
Total Assets	\$726,088	\$677,694
Current Liabilities	\$89,086	\$83,945
Long Term Debt	\$213,017	\$218,178
Total Liabilities	\$325,595	\$329,196
Operating Revenue	\$527,133	\$502,633
Operating Expenses	\$518,128	\$489,585
Operating Income	\$9,005	\$13,048
Excess of Revenues over expenses	\$22,740	\$23,565

Rockford Health System

Rockford Health System (RHS) consists of affiliated corporations, which include Rockford Memorial Hospital, Rockford Health Physicians Visiting Nurses Association of the Rockford Area, Rockford Memorial Development Foundation, Rockford Health System Ventures, LLC, and Rockford Health Insurance Ltd. Rockford Health System is the sole corporate member of the Rockford Memorial Hospital. Rockford Health System is an Illinois not-for profit corporation determined by the Internal Revenue Service to be exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code. The table below documents the financial position and income for the past two fiscal years for Rockford Health System.

TABLE FOUR Rockford Health System Audited December 31 In thousands (000)		
	2013	2012
Cash	\$46,244	\$53,387
Current Assets	\$165,573	\$179,886
Total Assets	\$542,730	\$535,696
Current Liabilities	\$77,718	\$83,274
Long Term Debt	\$88,071	\$91,265
Total Liabilities	\$238,953	\$276,122
Operating Revenue	\$428,913	\$415,731
Operating Expenses	\$428,250	\$412,585

TABLE FOUR Rockford Health System Audited December 31 In thousands (000)		
	2013	2012
Operating Income	\$663	\$3,146
Excess of Revenues over expenses	\$19,165	\$16,537

Mercy Harvard Hospital, Inc.

Mercy Harvard Hospital, Inc. is a not for profit cooperation and is a 65 bed critical access hospital located at 901 South Grand Avenue, Harvard, Illinois. The table below documents the financial position and income for the past two fiscal years for Mercy Harvard Hospital, Inc. The table below documents the financial position and income for the past two fiscal years for Mercy Harvard Hospital.

TABLE FIVE Mercy Harvard Hospital, Inc. Audited June 30 In thousands (000)		
	2014	2013
Cash	\$1,089	\$933
Current Assets	\$7,329	\$7,129
Total Assets	\$20,203	\$21,274
Current Liabilities	\$4,478	\$6,543
Long Term Debt	\$2	\$4
Total Liabilities	\$17,927	\$19,441
Operating Revenue	\$22,377	\$21,053
Total Revenue	\$22,500	\$22,345
Operating Expenses	\$22,091	\$21,217
Operating Income	\$409	\$1,128
Excess of Revenues over expenses	\$443	\$1,136

Rockford Memorial Hospital

Rockford Memorial Hospital is an Illinois not-for profit corporation previously determined by the Internal Revenue Service to be exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code. The Hospital provides inpatient, outpatient, and emergency care services. The table below documents the financial position and income for the past fiscal year for Rockford Memorial Hospital.

TABLE SIX Rockford Memorial Hospital Audited December 31 In thousands (000)	
	2013
Cash	\$38,077
Current Assets	\$119,434
Total Assets	\$338,478
Current Liabilities	\$48,826
Long Term Debt	\$60,107
Total Liabilities	\$156,021
Operating Revenue	\$335,692
Operating Expenses	\$296,821
Operating Income	\$38,871
Excess of Revenues over expenses	\$57,355

IV. The Proposed Transaction

Under the terms of the Transaction, Mercy Alliance, Inc. and Rockford Health System propose to amend their respective governing documents to name Interstate Alliance, Inc. as their sole corporate member. Both Mercy Alliance, Inc. and Rockford Health System are organized as not-for-profit corporations, and will retain that status. Interstate Alliance, Inc. is a recently-formed Illinois not-for-profit corporation, which will be headquartered in Rockford.

Board of Directors

The Board of Directors of the Interstate Alliance, Inc. shall be comprised of the following (9) individuals: (i) four (4) appointed by Rockford Health System, at least one of whom is a current or former member of the Active Medical Staff of Rockford Memorial Hospital and two (2) of whom are members of the Rockford Health System Board of Directors; (ii) four (4) appointed by Mercy Alliance, Inc. at least one of whom is a current or former member of the Active Medical Staff of Mercy Health System Corporation and two (2) of whom are members of the Mercy Alliance, Inc. Board of Directors; and (iii) the Chief Executive Officer of Interstate Alliance, Inc. as an *ex officio* voting member thereof.

Capital Commitment

The applicants have estimated that over the next five (5) years, the Rockford Entities (Rockford Memorial Hospital, Rockford Health Physicians, Rockford Memorial Development Foundation, Visiting Nurses Association of the Rockford Area, RHS Regional Health Network, LLC, Rockford Health System Ventures, LLC, Rockford Health Insurance Ltd) will require a minimum of \$105 million in routine capital expenditures and \$110 million for growth projects related to facility improvements, clinical initiatives and service line expansions. The applicants that during the five (5)-year period immediately following the Closing Date, shall make available to the

Rockford Entities an aggregate amount of at least \$250 million for purposes of routine capital and growth capital. Thereafter, Interstate Alliance, Inc. shall ensure capital expenditures on behalf of the Rockford Entities in amounts not less than eighty percent (80%) of the Rockford Entities' rolling five-year average depreciation expense. Neither the initial capital commitment nor the subsequent capital commitment shall be funded from Rockford Memorial Development Foundation assets except upon the prior agreement and approval of the Rockford Health System Board and the Rockford Memorial Development Foundation Board. Subject to compliance with existing financing covenants, the assets of the Rockford Entities (including Rockford Memorial Development Foundation) may be pledged to secure any indebtedness incurred to fund the initial capital commitment and/or the subsequent capital commitment. Further, Rockford Health System acknowledges and agrees that cash flow from operations of the Rockford Health System (excluding Rockford Memorial Development Foundation) shall be available to (i) make debt service payments associated with the initial capital commitment and/or the aggregate capital commitment, and (ii) otherwise satisfy the subsequent capital commitment.

The assets respectively held by the Rockford Memorial Development **Foundation** and Mercy Foundation, Inc. shall continue to be held by each of them and used exclusively in furtherance of their respective charitable missions as their respective governing boards shall determine. Any of such assets that are restricted as to use or manner of investment shall continue to be so restricted, and Interstate Alliance, Inc. shall honor donative intent.

The Medical Staff of each of the Rockford Health System and Mercy hospitals (and any other health care facilities with an organized medical staff) shall remain independent from each other. The transaction will not affect or change: (a) the medical staff privileges held by members of the Rockford Health System or Mercy Medical Staffs (b) the medical staff bylaws, rules and regulations, or credentialing procedures of the Rockford Memorial Hospital or Mercy Medical Staffs in effect or (c) any agreements with physician members of the Rockford Memorial Hospital or Mercy Medical Staffs, whether as employees or independent contractors. **All employees** of the applicants are anticipated to remain employees of their current employer, in positions, at compensation levels, and with employee benefits equivalent to those provided by the respective employers immediately prior to the Closing Date.

The applicants (Interstate Alliance, Inc., Mercy Alliance, Inc., Rockford Health System, Mercy Harvard Hospital, Inc. and Rockford Memorial Hospital) provided the following certifications and attestations:

1. That no adverse action has been taken against by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicants directly or indirectly, within three years preceding the filing of this application of change of ownership exemption,
2. Affirm that the applicants intend to cause Interstate Alliance, Inc to maintain ownership and control of the Facility for a minimum of three years.

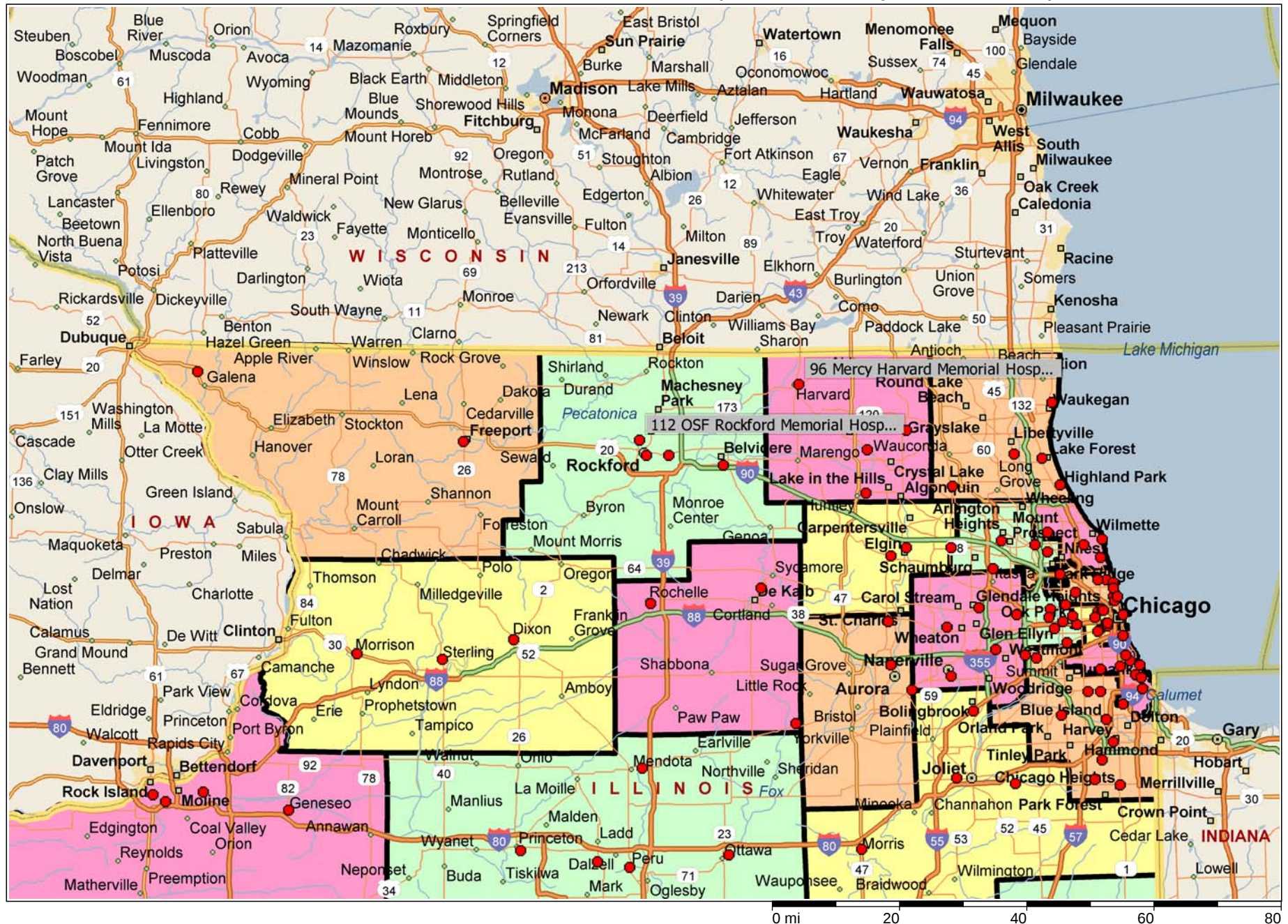
3. Affirm that the Facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the change of ownership transaction, and affirm that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction.
4. Affirm that the failure to complete the project in accordance with the applicable provisions of Section 1130,500(d) no later than 24 months from the date of exemption approval (or by later date established by the Illinois Health Facilities and Services Review Board upon a finding that the project has proceeded with due diligence) and failure to comply with the material change requirements of this Section will invalidate the exemption,
5. Attest that the applicants have not received any permits issued by the Illinois Health Facilities and Services Review Board and has no outstanding compliance requirements with respect to any permits.
6. Attest that the categories of service and number of beds reflected in the Inventory of Health Care Facilities will not substantially change for at least 12 months following the project's complete date

V. Other Information

Separate Certificate of Exemption Applications has been simultaneously filed for Rockford Memorial Hospital and Mercy Harvard Hospital.

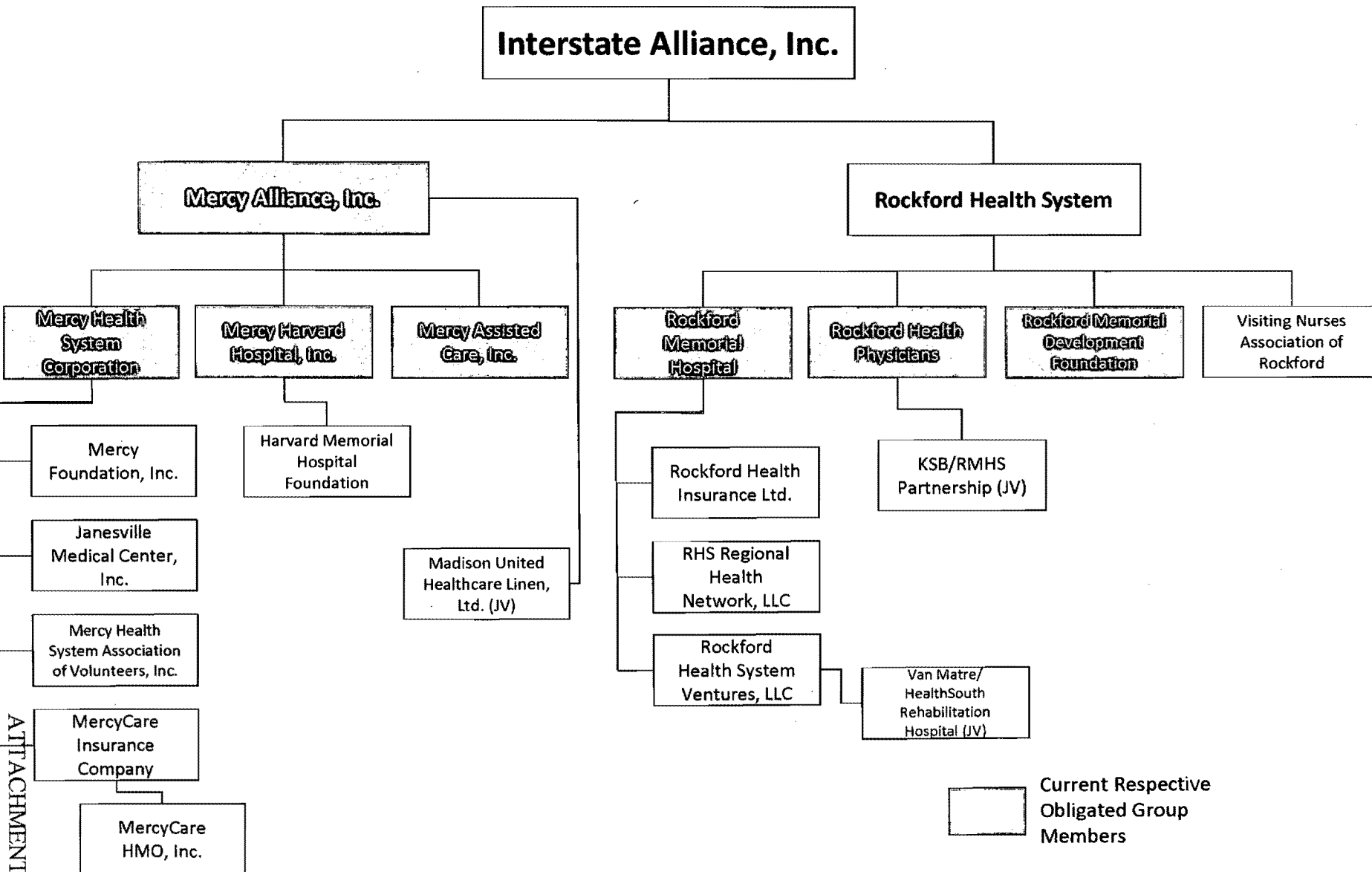
- E-038-014–Rockford Memorial Hospital, Rockford, Illinois
- E-039-014 – Mercy Harvard Hospital, Harvard, Illinois

E-038-014 E-039-014 Rockford Memorial Hospital and Mercy Harvard Hospital



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99



Current Respective Obligated Group Members

ATTACHMENT 5

<u>Ownership, Management and General Information</u>				<u>Patients by Race</u>		<u>Patients by Ethnicity</u>	
ADMINISTRATOR NAME:	Jeni Hallatt			White	98.7%	Hispanic or Latino:	7.0%
ADMINSTRATOR PHONE	815-943-8670			Black	0.7%	Not Hispanic or Latino:	93.0%
OWNERSHIP:	Mercy Alliance, Inc			American Indian	0.0%	Unknown:	0.0%
OPERATOR:	Mercy Harvard Hospital, Inc			Asian	0.6%		
MANAGEMENT:	Not for Profit Corporation (Not Church-R			Hawaiian/ Pacific	0.0%	IDPH Number:	4911
CERTIFICATION:	Critical Access Hospital			Unknown	0.0%	HPA	A-10
FACILITY DESIGNATION:	General Hospital					HSA	8
ADDRESS	901 South Grant Street	CITY: Harvard	COUNTY: McHenry 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	17	13	13	381	1,241	288	4.0	4.2	24.6	32.2
0-14 Years				4	9					
15-44 Years				44	120					
45-64 Years				119	372					
65-74 Years				76	269					
75 Years +				138	471					
Pediatric	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Intensive Care	3	3	3	29	88	0	3.0	0.2	8.0	8.0
Direct Admission				28	69					
Transfers				1	19					
Obstetric/Gynecology	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Maternity				0	0					
Clean Gynecology				0	0					
Neonatal	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long Term Care	45	32	32	133	8,105	0	60.9	22.2	49.3	69.4
Swing Beds			0	0	0		0.0	0.0		
Acute Mental Illness	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Rehabilitation	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	0					0				
Facility Utilization	65			542	9,434	288	17.9	26.6	41.0	

(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	43.6%	3.8%	0.2%	19.6%	31.3%	1.5%	
	240	21	1	108	172	8	550
Outpatients	30.6%	25.3%	0.9%	36.6%	6.3%	0.2%	
	4907	4052	149	5869	1014	34	16,025
<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 (\$)	50.3%	8.1%	0.3%	20.6%	20.8%	100.0%	
	2,934,996	471,174	17,171	1,202,579	1,213,008	5,838,928	73,060
Outpatient Revenue (\$)	24.5%	6.5%	2.4%	57.4%	9.2%	100.0%	
	3,842,059	1,017,490	375,969	8,987,205	1,432,495	15,655,218	77,859
							Total Charity Care as % of Net Revenue
							0.7%

<u>Birth Data</u>			<u>Newborn Nursery Utilization</u>			<u>Organ Transplantation</u>	
Number of Total Births:	0		Level I	Level II	Level II+	Kidney:	0
Number of Live Births:	0		Beds	0	0	Heart:	0
Birthing Rooms:	0		Patient Days	0	0	Lung:	0
Labor Rooms:	0		Total Newborn Patient Days		0	Heart/Lung:	0
Delivery Rooms:	0					Pancreas:	0
Labor-Delivery-Recovery Rooms:	0					Liver:	0
Labor-Delivery-Recovery-Postpartum Rooms:	0		<u>Laboratory Studies</u>			Total:	0
C-Section Rooms:	0		Inpatient Studies		4,335		
CSections Performed:	0		Outpatient Studies		24,674		
			Studies Performed Under Contract		4,534		

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	0	0	0	0	0	0	0	0.0	0.0
Dermatology	0	0	0	0	0	0	0	0	0	0.0	0.0
General	0	0	4	4	167	349	265	381	646	1.6	1.1
Gastroenterology	0	0	2	2	12	66	8	41	49	0.7	0.6
Neurology	0	0	0	0	0	0	0	0	0	0.0	0.0
OB/Gynecology	0	0	0	0	0	0	0	0	0	0.0	0.0
Oral/Maxillofacial	0	0	0	0	0	0	0	0	0	0.0	0.0
Ophthalmology	0	0	2	2	0	288	0	223	223	0.0	0.8
Orthopedic	0	0	2	2	40	71	93	90	183	2.3	1.3
Otolaryngology	0	0	0	0	0	0	0	0	0	0.0	0.0
Plastic Surgery	0	0	2	2	0	8	0	18	18	0.0	2.3
Podiatry	0	0	2	2	2	79	3	104	107	1.5	1.3
Thoracic	0	0	0	0	0	0	0	0	0	0.0	0.0
Urology	0	0	2	2	13	66	13	66	79	1.0	1.0
Totals	0	0	16	16	234	927	382	923	1305	1.6	1.0
<u>SURGICAL RECOVERY STATIONS</u>			Stage 1 Recovery Stations		2		Stage 2 Recovery Stations		4		

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	0	0	1	1	18	409	13	252	265	0.7	0.6
Laser Eye Procedures	0	0	0	0	0	0	0	0	0	0.0	0.0
Pain Management	0	0	1	1	0	277	0	125	125	0.0	0.5
Cystoscopy	0	0	0	0	0	0	0	0	0	0.0	0.0
<u>Multipurpose Non-Dedicated Rooms</u>											
Other	0	0	1	1	0	11	0	7	7	0.0	0.6
	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:	0
Patients Admitted from Trauma	0
Emergency Service Type:	Basic
Number of Emergency Room Stations	5
Persons Treated by Emergency Services:	6,168
Patients Admitted from Emergency:	12
Total ED Visits (Emergency+Trauma):	6,168

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	53,280
Outpatient Visits at the Hospital/ Campus:	53,280
Outpatient Visits Offsite/off campus	0

Cardiac Catheterization Labs

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

Cardiac Catheterization Utilization

Total Cardiac Cath Procedures:	0
Diagnostic Catheterizations (0-14)	0
Diagnostic Catheterizations (15+)	0
Interventional Catheterizations (0-14):	0
Interventional Catheterization (15+)	0
EP Catheterizations (15+)	0

Cardiac Surgery Data

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

Diagnostic/Interventional Equipment**Examinations****Therapeutic Equipment****Therapies/ Treatments****Owned Contract****Inpatient****Outpt****Contract****Owned Contract**

General Radiography/Fluoroscopy	5	0	852	3,768	0	Lithotripsy	0	33	0
Nuclear Medicine	1	0	55	260	0	Linear Accelerator	0	0	0
Mammography	1	0	0	494	0	Image Guided Rad Therapy			0
Ultrasound	1	0	275	1,145	0	Intensity Modulated Rad Thrp			0
Angiography	1	0				High Dose Brachytherapy	0	0	0
Diagnostic Angiography			2	48	0	Proton Beam Therapy	0	0	0
Interventional Angiography			6	6	0	Gamma Knife	0	0	0
Positron Emission Tomography (PET)	0	0	0	0	0	Cyber knife	0	0	0
Computerized Axial Tomography (CAT)	1	0	260	1,156	0				
Magnetic Resonance Imaging	1	0	22	400	0				

<u>Ownership, Management and General Information</u>				<u>Patients by Race</u>		<u>Patients by Ethnicity</u>	
ADMINISTRATOR NAME:	Gary Kaatz			White	78.0%	Hispanic or Latino:	1.5%
ADMINSTRATOR PHONE	815-971-7265			Black	15.3%	Not Hispanic or Latino:	92.3%
OWNERSHIP:	Rockford Health System			American Indian	0.1%	Unknown:	6.2%
OPERATOR:	Rockford Memorial Hospital			Asian	0.4%		
MANAGEMENT:	Not for Profit Corporation (Not Church-R			Hawaiian/ Pacific	0.0%	IDPH Number:	2048
CERTIFICATION:				Unknown	6.2%	HPA	B-01
FACILITY DESIGNATION:	General Hospital					HSA	1
ADDRESS	2400 North Rockton Avenue	CITY: Rockford	COUNTY: Winnebago 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	231	159	156	7,375	38,886	2,671	5.6	113.9	49.3	71.6
0-14 Years				0	0					
15-44 Years				1,262	5,241					
45-64 Years				2,397	11,848					
65-74 Years				1,499	8,649					
75 Years +				2,217	13,148					
Pediatric	35	20	16	1,124	3,164	618	3.4	10.4	29.6	51.8
Intensive Care	29	28	28	1,939	6,627	20	3.4	18.2	62.8	65.0
Direct Admission				1,462	4,850					
Transfers				477	1,777					
Obstetric/Gynecology	35	35	35	1,581	4,768	2	3.0	13.1	37.3	37.3
Maternity				1,494	4,613					
Clean Gynecology				87	155					
Neonatal	46	46	45	350	11,545	0	33.0	31.6	68.8	68.8
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	20	14	14	640	4,084	0	6.4	11.2	55.9	79.9
Rehabilitation	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	16					1353				
Facility Utilization	396			12,532	69,074	4,664	5.9	202.0	51.0	

(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	34.5%	23.2%	7.7%	22.8%	4.7%	7.2%	
	4664	3130	1034	3075	629	973	13,505
Outpatients	21.4%	28.4%	7.9%	27.1%	11.0%	4.3%	
	20095	26658	7442	25450	10356	4013	94,014
<u>Financial Year Reported:</u>	1/1/2013 to	12/31/2013	<u>Inpatient and Outpatient Net Revenue by Payor Source</u>				
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Totals	Charity Care Expense
Inpatient Revenue (\$)	25.6%	26.2%	5.9%	40.0%	2.4%	100.0%	
	51,471,555	52,797,975	11,873,639	80,496,581	4,739,893	201,379,643	7,462,976
Outpatient Revenue (\$)	15.9%	9.8%	4.8%	61.6%	7.8%	100.0%	
	17,941,311	11,050,751	5,457,674	69,451,732	8,809,572	112,711,040	3,307,849
							Total Charity Care Expense 10,770,825
							Total Charity Care as % of Net Revenue 3.4%

<u>Birth Data</u>			<u>Newborn Nursery Utilization</u>			<u>Organ Transplantation</u>	
Number of Total Births:	1,376		Level I	Level II	Level II+	Kidney:	0
Number of Live Births:	1,365		Beds	26	0	Heart:	0
Birthing Rooms:	0		Patient Days	2,491	0	Lung:	0
Labor Rooms:	0		Total Newborn Patient Days		2,491	Heart/Lung:	0
Delivery Rooms:	0					Pancreas:	0
Labor-Delivery-Recovery Rooms:	12					Liver:	0
Labor-Delivery-Recovery-Postpartum Rooms:	0		Inpatient Studies		569,294	Total:	0
C-Section Rooms:	2		Outpatient Studies		250,919		
CSections Performed:	504		Studies Performed Under Contract		685,488		

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	87	0	633	0	633	7.3	0.0
Dermatology	0	0	0	0	0	0	0	0	0	0.0	0.0
General	0	0	3	3	1439	1713	3842	3317	7159	2.7	1.9
Gastroenterology	0	0	0	0	0	0	0	0	0	0.0	0.0
Neurology	0	0	2	2	482	173	1671	409	2080	3.5	2.4
OB/Gynecology	0	0	1	1	97	588	187	1123	1310	1.9	1.9
Oral/Maxillofacial	0	0	0	0	0	0	0	0	0	0.0	0.0
Ophthalmology	0	0	1	1	24	2193	48	1983	2031	2.0	0.9
Orthopedic	0	0	2	2	1077	756	3210	1963	5173	3.0	2.6
Otolaryngology	0	0	1	1	68	743	116	1024	1140	1.7	1.4
Plastic Surgery	0	0	0	0	0	0	0	0	0	0.0	0.0
Podiatry	0	0	0	0	0	0	0	0	0	0.0	0.0
Thoracic	0	0	0	0	0	0	0	0	0	0.0	0.0
Urology	0	0	1	1	91	116	364	558	922	4.0	4.8
Totals	0	0	13	13	3365	6282	10071	10377	20448	3.0	1.7
<u>SURGICAL RECOVERY STATIONS</u>				Stage 1 Recovery Stations		14	Stage 2 Recovery Stations		18		

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	0	0	6	6	756	1333	567	1198	1765	0.8	0.9
Laser Eye Procedures	0	0	0	0	0	0	0	0	0	0.0	0.0
Pain Management	0	0	2	2	36	3745	36	3745	3781	1.0	1.0
Cystoscopy	0	0	1	1	74	191	63	186	249	0.9	1.0
<u>Multipurpose Non-Dedicated Rooms</u>											
Peds GI	0	0	1	1	38	309	33	219	252	0.9	0.7
Bronchoscopy	0	0	1	1	795	284	1193	190	1383	1.5	0.7
	0	0	0	0	0	0	0	0	0	0.0	0.0

Emergency/Trauma Care

Certified Trauma Center	Yes
Level of Trauma Service	Level 1
Operating Rooms Dedicated for Trauma Care	1
Number of Trauma Visits:	10,528
Patients Admitted from Trauma	1,010
Emergency Service Type:	Comprehensive
Number of Emergency Room Stations	29
Persons Treated by Emergency Services:	38,849
Patients Admitted from Emergency:	10,442
Total ED Visits (Emergency+Trauma):	49,377

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	275,793
Outpatient Visits at the Hospital/ Campus:	272,220
Outpatient Visits Offsite/off campus	3,573

Cardiac Catheterization Labs

Total Cath Labs (Dedicated+Nondedicated labs):	3
Cath Labs used for Angiography procedures	0
Dedicated Diagnostic Catheterization Lab	0
Dedicated Interventional Catheterization Labs	0
Dedicated EP Catheterization Labs	0

Cardiac Catheterization Utilization

Total Cardiac Cath Procedures:	1,912
Diagnostic Catheterizations (0-14)	0
Diagnostic Catheterizations (15+)	788
Interventional Catheterizations (0-14):	0
Interventional Catheterization (15+)	455
EP Catheterizations (15+)	669

Cardiac Surgery Data

Total Cardiac Surgery Cases:	87
Pediatric (0 - 14 Years):	0
Adult (15 Years and Older):	87
Coronary Artery Bypass Grafts (CABGs) performed of total Cardiac Cases :	58

Diagnostic/Interventional Equipment**Examinations**

	Owned	Contract	Inpatient	Outpt	Contract
General Radiography/Fluoroscopy	5	0	22,942	20,953	0
Nuclear Medicine	3	0	447	1,436	0
Mammography	4	0	0	12,560	0
Ultrasound	3	0	3,021	6,283	0
Angiography	2	0			
Diagnostic Angiography			0	0	0
Interventional Angiography			3,526	1,747	0
Positron Emission Tomography (PET)	0	1	0	0	246
Computerized Axial Tomography (CAT)	3	0	6,694	10,919	0
Magnetic Resonance Imaging	3	0	1,897	5,222	0

Therapeutic Equipment**Therapies/ Treatments**

	Owned	Contract	
Lithotripsy	0	0	0
Linear Accelerator	1	0	2,410
Image Guided Rad Therapy			0
Intensity Modulated Rad Thrp			1,178
High Dose Brachytherapy	1	0	2
Proton Beam Therapy	0	0	0
Gamma Knife	0	0	0
Cyber knife	0	0	0