



STATE OF ILLINOIS

HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

DOCKET ITEM: C-29 C-30	BOARD MEETING: December 16, 2014	EXEMPTION NUMBER: E-050-014 E-051-014
EXEMPTION APPLICANT(S): University of Wisconsin Hospitals and Clinics Authority, University Health Care, Inc. University of Wisconsin Medical Foundation, Inc., SwedishAmerican Health System Corporation, and SwedishAmerican Hospital		
FACILITY NAME and LOCATION: SwedishAmerican Hospital, Rockford, Illinois and SwedishAmerican Hospital d/b/a SwedishAmerican Medical Center/Belvidere, Belvidere, Illinois		

DESCRIPTION: The applicants (University of Wisconsin Hospitals and Clinics Authority, University Health Care, Inc., University of Wisconsin Medical Foundation, Inc., SwedishAmerican Health System Corporation, and SwedishAmerican Hospital) are proposing a change of ownership for SwedishAmerican Hospital and SwedishAmerican Hospital d/b/a SwedishAmerican Medical Center/Belvidere. The licensees and operating entities and the owner of the sites will remain unchanged with the approval of these changes of ownership. There is no cost to this change in ownership. The fair market value of the transaction is \$179,500,000. The anticipated completion date is December 31, 2014.

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-050-14- SwedishAmerican Hospital d/b/a SwedishAmerican Medical Center/Belvidere
E-051-14 - SwedishAmerican 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 application to be in compliance with 77 IAC 1130.500 and 77 IAC 1130.520.

III. The Facilities

SwedishAmerican Hospital d/b/a SwedishAmerican Medical Center/Belvidere is a 39 bed acute care hospital located at 1625 South State Street, Belvidere, Illinois. SwedishAmerican Hospital d/b/a SwedishAmerican Medical Center/Belvidere provides stand-by emergency services. The table below documents the utilization and payor mix for the past three calendar years for SwedishAmerican Hospital d/b/a SwedishAmerican Medical Center/Belvidere.

TABLE ONE						
SwedishAmerican Hospital d/b/a SwedishAmerican Medical Center/Belvidere						
Utilization 2011-2013						
	Beds	2011	2012	2013	3 Year Average	
Medical Surgical	37	1.00%	1.00%	1.00%	1.00%	
Pediatrics	2	0.00%	0.00%	0.00%	0.00%	
Total	39					
Payor Mix 2011-2013						
		2011	2012	2013	3 Year Average	% of Total
Medicare		\$1,160,629	\$1,658,774	\$2,010,827	\$1,610,077	11.89%
Medicaid		\$616,088	\$867,760	\$925,862	\$803,237	5.93%
Other Public		\$88,266	\$22,952	\$199,255	\$103,491	0.76%
Private Insurance		\$5,692,377	\$7,358,594	\$10,652,015	\$7,900,995	58.33%
Private Pay		\$1,820,044	\$3,086,542	\$4,472,853	\$3,126,480	23.08%
Charity Care		\$181,023	\$292,884	\$440,366	\$304,758	2.25%
Total		\$9,377,404	\$12,994,622	\$18,260,812	\$13,544,279	100.00%

SwedishAmerican Hospital is a 333 bed acute care hospital located at 1401 E. State Street, Rockford, Illinois. SwedishAmerican Hospital also provides cardiac catheterization and open heart surgery services and maintains a comprehensive emergency department. The table below documents the utilization and payor mix for the past three calendar years for SwedishAmerican Hospital.

TABLE TWO						
SwedishAmerican Hospital						
Utilization 2011-2013						
	Beds	2011	2012	2013	3 Year Average	
Medical Surgical	209	67.00%	62.20%	58.20%	62.47%	
Pediatrics	28	10.00%	10.20%	9.00%	9.73%	
Intensive Care	30	64.00%	52.70%	51.90%	56.20%	

TABLE TWO SwedishAmerican Hospital						
Obstetrics	34	63.50%	63.30%	60.30%	62.37%	
Acute Mental Illness	32	54.50%	52.60%	59.30%	55.47%	
Total	333					
Payor Mix 2011-2013						
		2011	2012	2013	3 Year Average	% of Total
Medicare		\$90,540,139	\$88,474,064	\$89,895,586	\$89,636,596	25.79%
Medicaid		\$44,738,470	\$40,502,355	\$41,435,454	\$42,225,426	12.15%
Other Public		\$2,168,074	\$2,668,124	\$4,328,146	\$3,054,781	0.88%
Private Insurance		\$162,553,471	\$152,826,292	\$153,666,766	\$156,348,843	44.98%
Private Pay		\$39,246,658	\$64,591,216	\$65,177,628	\$56,338,501	16.21%
Charity Care		\$9,741,326	\$12,000,213	\$11,128,034	\$10,956,524	3.15%
Total		\$339,246,812	\$349,062,051	\$354,503,580	\$347,604,148	100.00%

IV. The Applicants

The University of Wisconsin Hospitals and Clinics Authority is an academic medical center operating an acute care hospital with 545 available beds, numerous specialty clinics, and four ambulatory facilities providing comprehensive health care to patients, education programs, research, and community service primarily to residents of southern Wisconsin.

Prior to fiscal year 1997, the Hospital was a unit of the University of Wisconsin – Madison (the University). Beginning in fiscal year 1997, in accordance with legislation passed by the Wisconsin State Legislature, the Hospital restructured as a Public Authority, a public body corporate and politic created by Wisconsin Statutes. This legislation provided, among other things, for the Board of Regents of the University of Wisconsin System (Board of Regents) to execute various agreements with the Hospital. The State of Wisconsin (the State) appoints the majority of the board of directors of the Hospital. Based on statutorily mandated relationships with State governmental units, the Hospital is included as a discretely presented component unit in the State's basic financial statements.

Moody's Investor Service has assigned Aa3 to the University of Wisconsin Hospitals and Clinics Authority's Series 2013A fixed rate bonds to be issued by the University of Wisconsin Hospitals and Clinics Authority and upgraded the rating on the University of Wisconsin Hospitals and Clinics Authority outstanding rated debt to Aa3 from A1. The rating outlook is stable. The table below documents the financial position and income for previous two fiscal years for the University of Wisconsin Hospitals and Clinics Authority.

TABLE THREE University of Wisconsin Hospitals and Clinic Authority June 30 (Audited) In thousands (000)		
	2014	2013
Cash	\$60,260	\$66,270
Current Assets	\$263,995	\$239,154
Total Assets	\$1,754,276	\$1,646,919
Current Liabilities	\$247,316	\$229,569
Long Term Debt	\$451,641	\$468,646
Total Liabilities	\$801,150	\$803,660
Operating Revenue	\$1,353,784	\$1,257,647
Operating Expenses	\$1,260,181	\$1,149,015
Operating Income	\$93,603	\$108,632
Excess of Revenues over expenses	\$103,843	\$84,400

University Health Care, Inc. is a not-for-profit corporation organized under Chapter 181 of the Wisconsin Statutes to promote medical education, research and public service by the University of Wisconsin School of Medicine and Public Health and its faculty, the University of Wisconsin Medical Foundation and the University of Wisconsin Hospital and Clinics Authority. The table below documents the financial position and income for previous two fiscal years for University Health Care, Inc.

TABLE FOUR University Health Care, Inc and Subsidiaries December 31 (Audited)		
	2013	2012
Cash	\$64,604,071	\$23,321,701
Current Assets	\$127,862,388	\$84,832,238
Total Assets	\$199,943,433	\$164,876,765
Current Liabilities	\$125,929,346	\$93,821,569
Long Term Debt	\$460,466	\$476,922
Total Liabilities	\$127,205,651	\$96,333,197
Operating Revenue	\$651,196,803	\$497,363,479
Operating Expenses	\$648,599,854	\$498,565,224
Operating Income	\$2,596,949	-\$1,201,745
Increase (Decrease) In Net Assets	\$444,214	-\$290,392

The University of Wisconsin Medical Foundation, Inc. is a not-for-profit corporation. It was created on January 1, 1996, by organizing 14 separate Departmental Practice Plan

Associations (DPPA) of the University of Wisconsin Medical School (DPPAs) into one entity. As a result, the Foundation performs all functions previously performed by the DPPAs. An agreement with the Board of Regents of the University of Wisconsin System was executed upon creation of the Foundation. The organization, operation and distributions of the Foundation are subject to the provisions of the agreement. The Foundation was formed for the purposes of: (1) providing education to medical students, practicing physicians, health care providers and personnel, patients and the general public; (2) supporting medical research in the field of clinical medicine; and (3) promoting the delivery of patient care. Medical care is primarily provided in the southern half of the state of Wisconsin. The Foundation operates exclusively for the benefit of, and to support the purposes and operations of, the University of Wisconsin School of Medicine and Public Health (the Medical School) and the University of Wisconsin-Madison (the University). The Foundation also provides support to, and receives support from, the University of Wisconsin Hospital and Clinics Authority (UWHCA), which has an affiliation agreement with the Board of Regents of the University. The table below documents the financial position and income for previous two fiscal years for The University of Wisconsin Medical Foundation, Inc.

TABLE FIVE The University of Wisconsin Medical Foundation, Inc June 30 (Audited)		
	2014	2013
Cash	\$153,775,529	\$105,158,260
Current Assets	\$228,286,777	\$167,394,957
Total Assets	\$508,804,661	\$421,040,878
Current Liabilities	\$154,069,515	\$117,030,994
Long Term Debt	\$40,330,000	\$44,600,000
Total Liabilities	\$194,399,515	\$161,630,994
Operating Revenue	\$437,038,374	\$402,609,816
Total Revenue	\$704,519,986	\$659,905,194
Operating Expenses	\$681,910,897	\$646,182,297
Operating Income	\$22,609,089	\$13,722,897
Excess of Revenues over expenses	\$54,995,262	\$32,644,780

SwedishAmerican Health System Corporation is a not-for-profit organization that coordinates the collective efforts of its affiliates in pursuing various activities, including providing health care and promoting health-related scientific research and education in Rockford, Illinois, and the surrounding area. The table below documents the financial position and income for previous two fiscal years for SwedishAmerican Health System Corporation and Subsidiaries.

TABLE SIX SwedishAmerican Health System Corporation and Subsidiaries May 31 (Audited) In thousands (000)		
	2014	2013
Cash	\$29,353	\$28,546
Current Assets	\$122,380	\$111,916
Total Assets	\$588,102	\$555,696
Current Liabilities	\$92,005	\$81,209
Long Term Debt	\$140,134	\$145,775
Total Liabilities	\$256,111	\$254,165
Operating Revenue	\$451,843	\$422,228
Operating Expenses	\$435,046	\$412,590
Operating Income	\$16,797	\$9,638
Excess of Revenues over expenses	\$29,631	\$23,117

Fitch Ratings has affirmed the 'A' rating on \$41.4 million revenue bonds, series 2012; and the \$82.8 million revenue bonds, series 2004 issued by the Illinois Finance Authority on behalf of SwedishAmerican Health System.

SwedishAmerican Hospital and Subsidiary (Hospital) is a not-for-profit hospital organized to provide and promote health care to the public for patients who primarily reside in Rockford, Illinois, and the surrounding area. It is controlled by a parent company, SwedishAmerican Health System Corporation. The table below documents the financial position and income for previous two fiscal years for SwedishAmerican Hospital and Subsidiary.

TABLE SEVEN SwedishAmerican Hospital and Subsidiary May 31 (Audited) In thousands (000)		
	2014	2013
Cash	\$29,353	\$26,546
Current Assets	\$120,933	\$110,368
Total Assets	\$584,254	\$531,545
Current Liabilities	\$89,361	\$78,789
Long Term Debt	\$139,419	\$143,878
Total Liabilities	\$262,838	\$260,664
Operating Revenue	\$448,657	\$418,854
Operating Expenses	\$432,507	\$410,371
Operating Income	\$16,150	\$8,483
Excess of Revenues over expenses	\$29,706	\$22,054

V. The Proposed Transaction

Under the terms of the Transaction, **University Health Care, Inc.** will become the sole corporate member of SwedishAmerican Health System Corporation. University Health Care, Inc. has as its two corporate members: University of Wisconsin Hospitals and Clinics Authority and University of Wisconsin Medical Foundation, Inc.

SwedishAmerican Health System Corporation is, and will remain, the sole corporate member of SwedishAmerican Medical Center/Belvidere in Belvidere and Swedish American Hospital in Rockford, Illinois. SwedishAmerican Hospital is, and will remain, the owner and licensee of both SwedishAmerican Medical Center/Belvidere and SwedishAmerican Hospital in Rockford.

Dr. William Gorski, the current CEO of SwedishAmerican Health System Corporation will continue to serve as the system's CEO after the transaction.

Board of Directors

The initial composition of the **Board of Directors** of SwedishAmerican Health System Corporation will be comprised of no more than 25 directors. Two directors shall come from UW Health (comprised of University Health Care, Inc., University of Wisconsin Hospitals and Clinics Authority and University of Wisconsin Medical Foundation, Inc) and the SwedishAmerican Health System's Board will nominate the remaining 23 directors. All directors are to be appointed by University Health Care, Inc. as the sole corporate member of SwedishAmerican Health System Corporation. At least a majority of the directors of Swedish American Health System Corporation will be either independent community members from SwedishAmerican Health System Corporation service area or physician-members of the medical staff of the SwedishAmerican Hospitals. The initial composition of the University Health Care, Inc. Board shall be comprised of nine directors: six shall come from UW Health (comprised of University Health Care, Inc., University of Wisconsin Hospitals and Clinics Authority and University of Wisconsin Medical Foundation, Inc), and three shall come from SwedishAmerican Health System Corporation.

Capital Commitment

During the first five (5) full fiscal years after the Closing Date, the applicants will assure funding for SwedishAmerican Health System Corporation current policy of maintaining routine capital expenditures at least at the level of depreciation, not including depreciation on the \$130 Million of new investments.

The applicants will fund the One Hundred Thirty Million Dollars (\$130,000,000) in program capital expenditures, program investments, and operating losses (collectively the "Capital Commitment"), with the applicants intending that the capital commitment be fulfilled during the first five (5) full fiscal years after the Closing Date. In the event the SwedishAmerican Health System Corporation Board does not recommend and the University Health Care Board does not approve the expenditure of the entire One Hundred Thirty Million Dollars (\$130,000,000.00) before the expiration of the fifth (5th)

full fiscal year following the Closing and/or such expenditures are not completed before the expiration of the fifth (5th) full fiscal year following the Closing, then the applicants agree to satisfy the capital commitment as soon as practicable thereafter, upon the recommendation(s) of the SwedishAmerican Health System Corporation Board.

The routine capital expenditures and the capital commitment will be funded in the following order:

- by SwedishAmerican Health System Corporation operating cash flow;
- from SwedishAmerican Health System Corporation available cash, and
- by additional capital contributions of University Health Care, Inc. or the University Health Care Members.

The obligation of the applicants to fund the routine capital expenditures and the capital commitment is hereby and **will be guaranteed by The University of Wisconsin Hospitals and Clinics Authority**. Any debt incurred by SwedishAmerican Hospital or SwedishAmerican Health System Corporation to meet all or a portion of the routine capital expenditures or the capital commitment will be subject to the mutual agreement and approval of the applicants.

As long as the SwedishAmerican Hospital (SAH) Master Trust Indenture and Bond Loan Agreements remain outstanding and SAH remains subject to the terms and covenants therein:

- (1) SAH's available cash will not be expended in an amount that causes an event of default,
- (2) SAH's available cash will not be expended in an amount that causes SAH's days cash on hand (as defined in the SAH Master Trust Indenture) to fall below one hundred fifty days (150) (this condition will expire the earlier of five (5) years from the Closing Date or the date on which SAH becomes a member of the UW Health integrated debt structure; and,
- (3) SAH's incurrence of debt will be subject to the debt limitations under the SAH Master Trust Indenture or SAH Bond Loan Agreements.

Additionally, it is not intended that the assets of **SwedishAmerican Foundation** be used to fund the routine capital expenditures or the capital commitment, and therefore SwedishAmerican Health System Corporation's operating cash flow and available cash shall not include any SwedishAmerican Foundation cash or assets.

The transaction document states that there will be no change in the **medical staff and the employees** of the hospitals will continue under the same salary, seniority and benefits as before the agreement.

The applicants (University of Wisconsin Hospitals and Clinics Authority, University Health Care, Inc., University of Wisconsin Medical Foundation, SwedishAmerican Health System Corporation and SwedishAmerican Hospital) provided the following certifications:

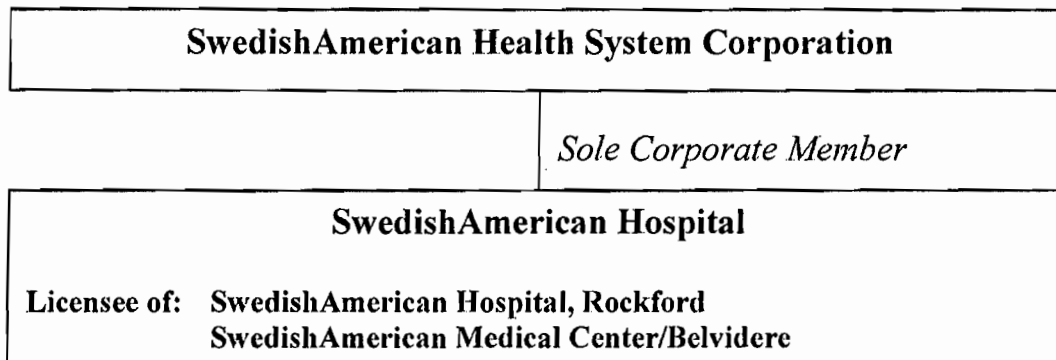
1. That no adverse action has been taken against by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicants directly or indirectly, within three years preceding the filing of this application of change of ownership exemption,
2. Affirm that the applicants intend to cause University Health Care, 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

VI. Other Information

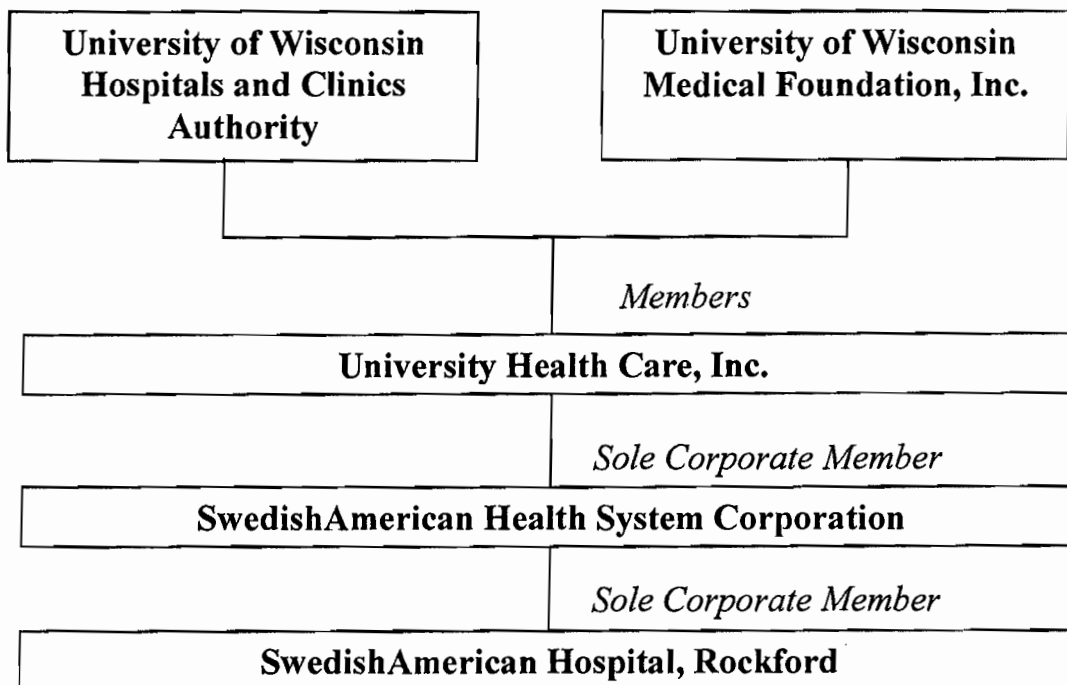
Separate Certificate of Exemption Applications has been simultaneously filed for each of the SwedishAmerican Hospitals.

- E-050-014–SwedishAmerican Hospital d/b/a SwedishAmerican Medical Center/Belvidere
- E-051-014 – Swedish/American Hospital, Rockford, Illinois
- An organizational chart and the 2013 Hospital Profile Information for both hospitals are attached at the end of this report.

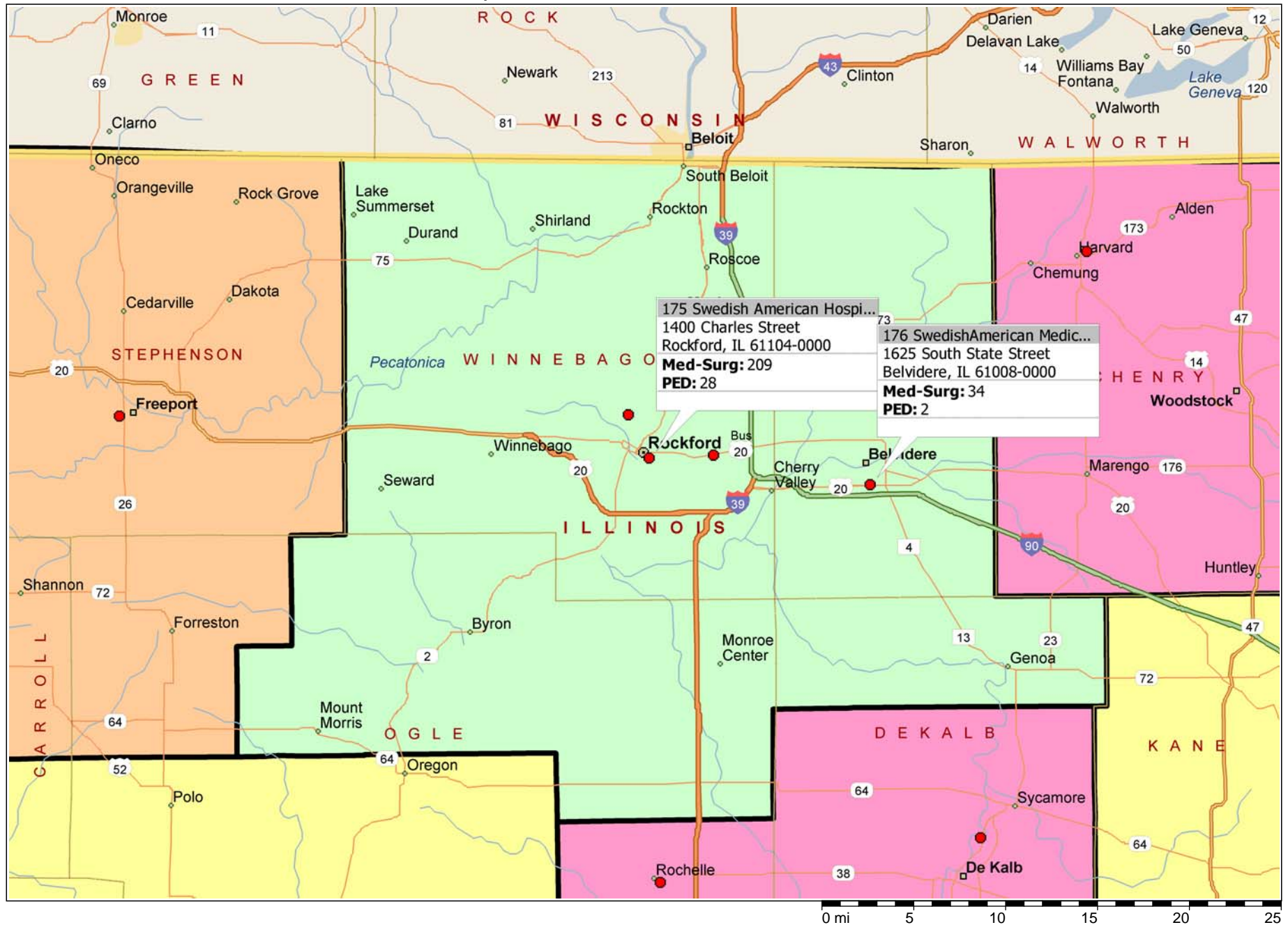
Current Facility Organizational Chart



Post-Transaction Facility Organizational Chart



SwedishAmerican Hospital & SwedishAmerican Medical Center/Belvidere



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<u>Ownership, Management and General Information</u>				<u>Patients by Race</u>		<u>Patients by Ethnicity</u>	
ADMINISTRATOR NAME:	Dawna Menke			White	100.0%	Hispanic or Latino:	0.0%
ADMINSTRATOR PHONE	815-544-1390			Black	0.0%	Not Hispanic or Latino:	100.0%
OWNERSHIP:	SWEDISH AMERICAN HOSPITAL			American Indian	0.0%	Unknown:	0.0%
OPERATOR:	SWEDISH AMERICAN HOSPITAL			Asian	0.0%		
MANAGEMENT:	Not for Profit Corporation (Not Church-R			Hawaiian/ Pacific	0.0%	IDPH Number:	5504
CERTIFICATION:				Unknown	0.0%	HPA	B-01
FACILITY DESIGNATION:	(Not Answered)					HSA	1
ADDRESS	1625 South State Street	CITY:	Belvidere	COUNTY:	Boone 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	37	7	1	4	12	16	7.0	0.1	0.2	1.1
0-14 Years				0	0					
15-44 Years				0	0					
45-64 Years				0	0					
65-74 Years				0	0					
75 Years +				4	12					
Pediatric	2	0	0	0	0	0	0.0	0.0	0.0	0.0
Intensive Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Direct Admission				0	0					
Transfers				0	0					
Obstetric/Gynecology	0	0	0	1	2	0	2.0	0.0	0.0	0.0
Maternity				0	0					
Clean Gynecology				1	2					
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	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	39			5	14	16	6.0	0.1	0.2	

(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	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	5	0	0	0	0	0	5
Outpatients	23.4%	31.3%	0.7%	35.6%	5.3%	3.7%	
	5545	7397	156	8435	1254	881	23,668
<u>Financial Year Reported:</u> 6/1/2012 to 5/31/2013 <u>Inpatient and Outpatient Net Revenue by Payor Source</u>							
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Totals	Charity Care Expense
Inpatient Revenue (\$)	71.3%	0.0%	0.0%	28.7%	0.0%	100.0%	
	27,819	0	0	11,179	0	38,998	0
Outpatient Revenue (\$)	10.9%	5.1%	1.1%	58.4%	24.5%	100.0%	
	1,983,008	925,862	199,255	10,640,836	4,472,853	18,221,814	440,366
							Total Charity Care as % of Net Revenue
							2.4%

<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
Birth 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					Total:	0
C-Section Rooms:	0		Inpatient Studies		88		
CSections Performed:	0		Outpatient Studies		33,271		
			Studies Performed Under Contract		8		

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	2	2	0	45	0	59	59	0.0	1.3
Gastroenterology	0	0	0	0	0	0	0	0	0	0.0	0.0
Neurology	0	0	0	0	0	0	0	0	0	0.0	0.0
OB/Gynecology	0	0	0	0	0	79	0	115	115	0.0	1.5
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	0	154	0	225	225	0.0	1.5
Otolaryngology	0	0	0	0	0	0	0	0	0	0.0	0.0
Plastic Surgery	0	0	0	0	0	0	0	0	0	0.0	0.0
Podiatry	0	0	0	0	1	90	4	99	103	4.0	1.1
Thoracic	0	0	0	0	0	0	0	0	0	0.0	0.0
Urology	0	0	0	0	0	0	0	0	0	0.0	0.0
Totals	0	0	2	2	1	368	4	498	502	4.0	1.4

SURGICAL RECOVERY STATIONS

Stage 1 Recovery Stations

3

Stage 2 Recovery Stations

6

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	0	0	0	0	0	0	0	0.0	0.0
Laser Eye Procedures	0	0	0	0	0	0	0	0	0	0.0	0.0
Pain Management	0	0	0	0	0	0	0	0	0	0.0	0.0
Cystoscopy	0	0	0	0	0	0	0	0	0	0.0	0.0

Multipurpose Non-Dedicated Rooms

ANESTHESIA	0	0	1	1	1	1	2	1	3	2.0	1.0
	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	3,531
Emergency Service Type:	Stand-By
Number of Emergency Room Stations	4
Persons Treated by Emergency Services:	9,839
Patients Admitted from Emergency:	1,035
Total ED Visits (Emergency+Trauma):	13,370

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	28,013
Outpatient Visits at the Hospital/ Campus:	28,013
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

Owned Contract **Inpatient** **Outpt** **Contract**

General Radiography/Fluoroscopy	2	0	6	8,756	0
Nuclear Medicine	0	0	0	0	0
Mammography	1	0	0	1,454	0
Ultrasound	1	0	1	2,517	0
Angiography	0	0			
Diagnostic Angiography			0	0	0
Interventional Angiography			0	0	0
Positron Emission Tomography (PET)	0	0	0	0	0
Computerized Axial Tomography (CAT)	1	0	0	3,516	0
Magnetic Resonance Imaging	0	1	0	0	150

Therapeutic Equipment

Owned Contract **Therapies/**

Treatments

Lithotripsy	0	0	0
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

<u>Ownership, Management and General Information</u>				<u>Patients by Race</u>		<u>Patients by Ethnicity</u>	
ADMINISTRATOR NAME:	Kathleen Kelly, MD			White	82.7%	Hispanic or Latino:	8.0%
ADMINSTRATOR PHONE	779-696-9110			Black	14.5%	Not Hispanic or Latino:	90.8%
OWNERSHIP:	SWEDISH AMERICAN HOSPITAL			American Indian	0.1%	Unknown:	1.1%
OPERATOR:	SWEDISH AMERICAN HOSPITAL			Asian	1.5%		
MANAGEMENT:	Not for Profit Corporation (Not Church-R			Hawaiian/ Pacific	0.1%	IDPH Number:	2725
CERTIFICATION:				Unknown	1.1%	HPA	B-01
FACILITY DESIGNATION:	(Not Answered)					HSA	1
ADDRESS	1401 E State Street	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	209	191	172	10,325	41,036	3,379	4.3	121.7	58.2	63.7
0-14 Years				0	0					
15-44 Years				1,648	5,390					
45-64 Years				3,835	14,832					
65-74 Years				2,160	9,027					
75 Years +				2,682	11,787					
Pediatric	28	16	13	312	831	90	3.0	2.5	9.0	15.8
Intensive Care	30	30	29	2,039	5,664	19	2.8	15.6	51.9	51.9
Direct Admission				533	1,481					
Transfers				1,506	4,183					
Obstetric/Gynecology	34	34	32	3,090	7,343	144	2.4	20.5	60.3	60.3
Maternity				2,821	6,689					
Clean Gynecology				269	654					
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	32	31	27	1,145	6,931	0	6.1	19.0	59.3	61.3
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	10					112				
Facility Utilization	333			15,405	61,805	3,744	4.3	179.6	53.9	

(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	41.0%	24.1%	1.9%	27.4%	0.5%	5.1%	
	6335	3727	295	4237	78	784	15,456
Outpatients	30.5%	23.7%	1.1%	34.0%	6.3%	4.4%	
	49772	38738	1863	55563	10325	7159	163,420
<u>Financial Year Reported:</u> 6/1/2012 to 5/31/2013 <u>Inpatient and Outpatient Net Revenue by Payor Source</u>							
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Totals	Charity Care Expense
Inpatient Revenue (\$)	35.1%	17.3%	1.2%	32.4%	14.1%	100.0%	
	67,725,693	33,337,444	2,235,934	62,477,403	27,109,810	192,886,284	6,870,921
Outpatient Revenue (\$)	13.7%	5.0%	1.3%	56.4%	23.6%	100.0%	
	22,169,893	8,098,010	2,092,212	91,189,363	38,067,818	161,617,296	4,257,113
							Total Charity Care Expense 11,128,034
							Total Charity Care as % of Net Revenue 3.1%

<u>Birth Data</u>			<u>Newborn Nursery Utilization</u>			<u>Organ Transplantation</u>	
Number of Total Births:	2,597		Level I	Level II	Level II+	Kidney:	0
Number of Live Births:	2,586		Beds	36	0	Heart:	0
Birthing Rooms:	0		Patient Days	4,333	0	Lung:	0
Labor Rooms:	0		Total Newborn Patient Days		6,825	Heart/Lung:	0
Delivery Rooms:	0					Pancreas:	0
Labor-Delivery-Recovery Rooms:	9					Liver:	0
Labor-Delivery-Recovery-Postpartum Rooms:	0		Inpatient Studies		329,187	Total:	0
C-Section Rooms:	2		Outpatient Studies		873,892		
CSections Performed:	835		Studies Performed Under Contract		149,013		

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	1	1	207	5	1032	6	1038	5.0	1.2
Dermatology	0	0	0	0	0	0	0	0	0	0.0	0.0
General	0	0	11	11	947	1746	2047	2020	4067	2.2	1.2
Gastroenterology	0	0	0	0	0	0	0	0	0	0.0	0.0
Neurology	0	0	0	0	332	97	942	190	1132	2.8	2.0
OB/Gynecology	0	0	0	0	239	1002	563	1344	1907	2.4	1.3
Oral/Maxillofacial	0	0	0	0	4	125	14	181	195	3.5	1.4
Ophthalmology	0	0	0	0	1	1	2	1	3	2.0	1.0
Orthopedic	0	0	0	0	1231	924	3057	1239	4296	2.5	1.3
Otolaryngology	0	0	0	0	25	397	33	420	453	1.3	1.1
Plastic Surgery	0	0	0	0	19	282	56	305	361	2.9	1.1
Podiatry	0	0	0	0	70	136	75	165	240	1.1	1.2
Thoracic	0	0	0	0	28	0	82	0	82	2.9	0.0
Urology	0	0	1	1	194	940	285	969	1254	1.5	1.0

Totals	0	0	13	13	3297	5655	8188	6840	15028	2.5	1.2
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SURGICAL RECOVERY STATIONS	Stage 1 Recovery Stations		14		Stage 2 Recovery Stations		34	
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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	0	0	0	0	0	0	0	0.0	0.0
Laser Eye Procedures	0	0	0	0	0	0	0	0	0	0.0	0.0
Pain Management	0	0	0	0	0	0	0	0	0	0.0	0.0
Cystoscopy	0	0	0	0	0	0	0	0	0	0.0	0.0

Multipurpose Non-Dedicated Rooms

GENERAL	0	0	1	1	89	356	103	448	551	1.2	1.3
	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	Yes
Level of Trauma Service	Level 1
	(Not Answered)
Operating Rooms Dedicated for Trauma Care	Adult
Number of Trauma Visits:	0
Patients Admitted from Trauma	13,043
Emergency Service Type:	2,205
Number of Emergency Room Stations	Comprehensive
Persons Treated by Emergency Services:	42
Patients Admitted from Emergency:	47,243
Total ED Visits (Emergency+Trauma):	6,569
	60,286

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	683,388
Outpatient Visits at the Hospital/ Campus:	232,715
Outpatient Visits Offsite/off campus	450,673

Cardiac Catheterization Labs

Total Cath Labs (Dedicated+Nondedicated labs):	4
Cath Labs used for Angiography procedures	2
Dedicated Diagnostic Catheterization Lab	0
Dedicated Interventional Catheterization Labs	0
Dedicated EP Catheterization Labs	1

Cardiac Catheterization Utilization

Total Cardiac Cath Procedures:	2,932
Diagnostic Catheterizations (0-14)	0
Diagnostic Catheterizations (15+)	1,729
Interventional Catheterizations (0-14):	0
Interventional Catheterization (15+)	734
EP Catheterizations (15+)	469

Cardiac Surgery Data

Total Cardiac Surgery Cases:	186
Pediatric (0 - 14 Years):	0
Adult (15 Years and Older):	186
Coronary Artery Bypass Grafts (CABGs) performed of total Cardiac Cases :	141

Diagnostic/Interventional Equipment

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

General Radiography/Fluoroscopy	24	0	20,375	39,710	0	Lithotripsy	0	1	186
Nuclear Medicine	3	0	895	3,235	0	Linear Accelerator	2	0	7,179
Mammography	4	0	11	17,861	0	Image Guided Rad Therapy			0
Ultrasound	20	2	7,506	24,287	0	Intensity Modulated Rad Thrp			1,819
Angiography	4	0				High Dose Brachytherapy	1	0	33
Diagnostic Angiography			937	792	0	Proton Beam Therapy	0	0	0
Interventional Angiography			453	281	0	Gamma Knife	0	0	0
Positron Emission Tomography (PET)	0	1	0	0	177	Cyber knife	0	0	0
Computerized Axial Tomography (CAT)	3	0	6,735	22,597	0				
Magnetic Resonance Imaging	2	0	1,579	7,855	0				