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December 22, 2017

Chairwoman Kathryn Olson and Administrator Courtney Avery
Illinois Health Facilities & Services Review Board
525 W. Jefferson Street, Second Floor
Springfield, IL 62761

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Dear Ms. Olson and Ms. Avery,

With the holidays fast approaching, I would like to extend warm wishes to you and your family for a peaceful holiday and prosperous New Year!

Over the last few years, you have heard from many health systems that in the course of their application process, made projections and promises to you regarding their project results if they gained your approval. Mercyhealth recently filed official updates for the three respective CON applications approved by HFSRB. However, I also wanted to take the time to provide you and the rest of the Board with additional background to the work relating to those applications as well as additional development spurred by their approval.

Thank you for your approval of the Mercyhealth I-90/Riverside Boulevard hospital and medical office building applications, as well as your approval of our recent Crystal Lake hospital and medical office building applications. We appreciate the confidence you have expressed in Mercyhealth by virtue of approval of these applications. Mercyhealth is delighted not only to have moved our corporate headquarters from Wisconsin to Rockford two years ago, but also to be engaging in the largest construction project in Rockford's history. We are just one year away from opening our I-90/Riverside Boulevard campus, and we have exceeded all the commitments we made to the HFSRB and to the citizens of northern Illinois.

Besides being ahead of schedule, under budget and on track to open in January 2019, there are a few key updates I would like to share with you regarding the Mercyhealth I-90/Riverside Hospital and Medical Center project:

1. As you may recall from our presentation, one of key drivers and necessities was our 47 years of service as one of three high-risk babies (neonatal) centers in the state that treat high-risk delivering mothers (perinatal).
2. As the IDPH designated Regional Perinatal Center providing medical direction and education for an 11-county Illinois region, we have been committed to providing the most advanced care in our Regional Level III NICU, PICU, Small Baby Unit, as well as many other services and enhancements to our specialized pediatric care in Rockford. Our newly formed partnership with Lurie Children's Hospital of Chicago, one of the top children's hospitals in the Country, is an example of our commitment. For the first time in history, Lurie Children's pediatric super-subspecialists have agreed to provide clinic and surgical services at our Rockton Avenue Hospital in Rockford, even before the I-90/Riverside Hospital campus has opened.

3. As a result, in just the past three months, Lurie Children's pediatric super-subspecialists treated 61 complex pediatric patients in Rockford. This has saved families the hardship of having to travel every day over an hour and half to Madison, Wisconsin to see their child, sometimes for weeks or months at a time. In the past, this has been extremely difficult for families, especially dual working parents and those on Medicaid.
4. During the application process, Mercyhealth committed to referring complex health cases from our Wisconsin operations to Rockford. At our hearing, our goal was to refer an unprecedented \$20 million dollars of healthcare dollars from Wisconsin to Illinois. We have far exceeded this goal, as over \$30 million healthcare dollars has been referred from Wisconsin to Illinois since our project approval date.
5. Construction of Mercyhealth's new Rockford campus has resulted in over 1,100 jobs in construction and trades and is anticipated to provide for over 400 permanent healthcare positions, creating good paying jobs and economic spinoff for Rockford and the region. This Mercyhealth project is increasing the healthcare pie not cannibalizing other healthcare providers.
6. As you know, unlike applications for replacement hospital facilities in the Elgin, Joliet, and East St. Louis areas (in which legacy hospital facilities were closed and moved), Mercyhealth is very committed to our *One Hospital, Two Campuses* plan to provide services at both our legacy Rockton Avenue Campus, located in the economically depressed west side of Rockford, and our I-90/Riverside Boulevard Campus. We have kept our promise to strengthen the Rockton Avenue Campus. In fact, we will exceed our 10-year \$50 million commitment having already invested over \$15 million in outpatient facilities improvements and expanding services in just a short year and a half. Once Mercyhealth's I-90/Riverside Boulevard campus is opened, we will proceed with further enhancement of the Rockton Avenue hospital facilities. In addition, Mercyhealth is opening two new physician residency programs in the Rockford area, which upon full operation will train 75 residents on an annual basis. With investment in this program and new and remodeled primary care facilities, Mercyhealth's investment in Rockford-area construction, staffing, and operations will total nearly \$1 billion.

At a time when healthcare is changing dramatically, both in financing and in delivery, I know your job becomes increasingly more difficult. I appreciate your recognition of Mercyhealth's efforts to enhance healthcare in Rockford and northern Illinois. As we open our new I-90/Riverside Boulevard campus, I fully expect we will keep and attract more healthcare dollars to Illinois and the greater Rockford area.

In closing, I am including a link to a short video that outlines Mercyhealth's 2017 accomplishments in the Rockford region: Accomplishments 2017 or <https://youtu.be/5Cd1P4-iCP4> .

Please feel free to pass this letter on to other members of the Board. Again, thank you for your service and happy holidays to you and your family.

Best Regards,



Javon R. Bea
President and CEO