



STATE OF ILLINOIS  
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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|                                           |                                         |                              |                                                |
|-------------------------------------------|-----------------------------------------|------------------------------|------------------------------------------------|
| <b>DOCKET NO:</b><br>I-01                 | <b>BOARD MEETING:</b><br>March 14, 2017 | <b>PROJECT NO:</b><br>16-048 | <b>PROJECT COST:</b><br>Original: \$37,353,666 |
| <b>FACILITY NAME:</b><br>Ferrell Hospital |                                         | <b>CITY:</b><br>Eldorado     |                                                |
| <b>TYPE OF PROJECT:</b> Non-Substantive   |                                         |                              | <b>HSA:</b> V                                  |

**DESCRIPTION:** The applicants (Ferrell Hospital Community Foundation and Deaconess Regional Healthcare Network Illinois, LLC) are proposing to expand and modernize Ferrell Hospital in 55,008 square feet of new space and 17,370 square feet of modernized space at a cost of \$37,353,666 in Eldorado, Illinois. The estimated completion date is March 31, 2019.

## **EXECUTIVE SUMMARY**

### **PROJECT DESCRIPTION:**

- The applicants (Ferrell Hospital Community Foundation and Deaconess Regional Healthcare Network Illinois, LLC) are proposing the modernization of Ferrell Hospital a twenty-five (25) bed critical access hospital located in Eldorado, Illinois at a cost of \$37,353,666. The expected completion date is March 31, 2019.
- Ferrell Hospital was approved for a change of ownership in October 2004 from Southern Illinois Healthcare Services d/b/a Ferrell Hospital. The purchase price was \$2,873,000 for the fixed assets and building. A USDA Rural Development Loan of \$5,600,000 was used to finance the purchase. The remaining amount of \$2,272,000 was used to fund ongoing operations. The licensed operating entity is Ferrell Hospital Community Foundation.
- On January 24, 2017 the applicants received an Intent to Deny. On February 9, 2017 the State Board received additional information to address the concerns of the State Board. That submittal and the transcripts from the January 24, 2017 meeting are included in your packet of information.
- The State Board Staff Report has not changed from the Original State Board Staff Report.

### **WHY THE PROJECT IS BEFORE THE STATE BOARD:**

- The project is before the State Board because the project proposes the modernization of a hospital in excess of the capital expenditure minimum of \$12,950,881.

### **PURPOSE OF THE PROJECT:**

- The purpose of this project is the modernization of a twenty-five (25) bed critical access hospital.

### **PUBLIC HEARING/COMMENT:**

- No public hearing was requested and letters of support were received from the following:
  - Gary Forby, State Senator
  - Dale Fowler, State Senator – 59<sup>th</sup> District
  - Brandon Phelps, State Representative – 118<sup>th</sup> District
  - John Shimkus, Illinois Congressman
  - Pat Schou, Illinois Critical Access Hospital Network Executive Director
  - Rocky James, Eldorado Mayor
  - Olivia Bradley, Saline County Chamber of Commerce - President
  - Ryan Hobbs, Eldorado Community School District Superintendent
  - Keith Oglesby, Eldorado Community School District Board Member
  - Albert Bledig, M.D., Ferrell Hospital Physician
  - Joseph Jackson, M.D., Ferrell Hospital Physician
  - Nate Oldham, M.D., Ferrell Hospital Physician
  - Elliot Partridge, M.D., Ferrell Hospital Physician
- Those in support of the project felt the proposed modernization is warranted based upon the condition of the hospital and the modernization would allow Ferrell Hospital to better meet the healthcare needs of Saline County.
- Two (2) letters of opposition were received from the following:
- Harrisburg Medical Center Board of Directors, David Disney, Chairman who stated in part *“Harrisburg Medical Center is located less than 9 miles from Ferrell Hospital in Eldorado, and we operate an Outpatient Clinic in Eldorado, which we established several years ago because of concerns in the community that Ferrell Hospital would close and leave its residents without access to outpatient medical care. Harrisburg Medical Center and Ferrell Hospital are both located in Saline County. The cities are connected by U.s. Highway 45, which is a four lane*

divided highway. The travel time between the two hospitals is about 13 minutes. Part of our concern about this project is that if Ferrell Hospital were to be approved and were to undertake this project, and if it were then to lose its designation as a CAH, the hospital could experience severe financial difficulties. If the modernization and expansion had already taken place before this occurred and the predicted negative impact on Harrisburg Medical Center's utilization were to have taken place, both hospitals could fail. Such an event would be catastrophic for the provision of healthcare in southeastern Illinois. Now is not the time to approve a \$37,000,000 project from Ferrell Hospital that would either be funded by taxpayers through the high reimbursement rates of the CAH program or would need to be funded through normal patient revenues, in which case the applicant might be unable to meet debt service.”

- Rodney D. Smith, President/CEO, Harrisburg Medical Center, who stated in part:  
*“We do have several concerns about the scope and size of this project, some of which is excessive and some of which duplicates existing outpatient services that are already provided in Eldorado. Furthermore, we are concerned about the cost impact of this \$37 million capital expenditure for a Critical Access Hospital on the southeastern Illinois region as well as the healthcare system in general. We understand that, if it is to remain in operation, Ferrell Hospital needs to upgrade its physical plant. However, we have the following concerns regarding the excessive scope and size of the proposed project and its high capital costs.”*
- Alisa Coleman, CEO Ferrell Hospital stated in response *“Harrisburg claims "the scope and size of this project exceeds the scope and size of a project necessary to correct Ferrell Hospital deficiencies ... ". In fact, Ferrell proposes to essentially update existing facilities through its modernization project and provide adequate facilities for Ferrell's community and service area. Two General Radiology rooms are necessary to provide back-up due to routine maintenance and/or equipment failure. Two OR suites are proposed due to scheduling and contaminated case consideration (quality of care/infection control) and the proposed ED stations are based on peak demand. The opposition letter explicitly indicates certain existing imaging services, (MRI, CT, Nuclear Medicine, Mammography, and Ultrasound) not be replaced/modernized as proposed in the Project. Each of these services, excepting mammography, provide inpatient services. Why would Ferrell Hospital deny these services to their patients? Harrisburg, by their opposition, proposes to interfere with the practice of medicine in Eldorado similar to their developing an outpatient facility in our community several years ago. It is within the Review Boards purview to judge our capital cost, not another provider. The facility component itself approximates 58 percent of the project cost, and we believe the cost per sq. ft. to be within the Board's guidelines. If the proposed project cost is excessive, or unfeasible, we do not believe the USDA would consider its funding. [Letter dated January 3, 2017]*
- **Reviewer Note:** A Determination of Reviewability was submitted to the State Board on April 4, 2016 by Harrisburg Medical Center. That request asked the State Board Staff for a determination on the modernization of the construction of two (2) one-story additions to the hospital, one for an expansion of the Surgical Suite and the second for the replacement of Cardiac Rehabilitation, support services for Outpatient Services, and the hospital lobby at a cost of approximately \$9.9 million required a certificate of need. The modernization did not require a certificate of need because the costs were below the capital expenditure minimum of \$12,797,313, did not establish a category of service, did not substantially change the scope or functional operation of the facility or increase the number of beds by the more than 10% of total bed capacity or 20 beds whichever is less.

### **CONCLUSION:**

- The State Board Staff reviewed the application for permit and supplemental information provided by the applicants and note the following:

- To determine if there is a need for the modernization of a healthcare facility, the State Board must determine if the facility has deteriorated and in need of modernization. The State Board Staff relies upon CMS Conditions of Participation surveys and architectural studies to determine if the modernization is warranted. The extent of the modernization is based upon the applicants' historical utilization. **Reviewer Note:** The calculated need for beds is not taken into consideration when reviewing the modernization of an existing hospital.
- The funds for this project will be a USDA Community Facility Loan and the applicants are in the process of preparing the loan package to be submitted to the USDA. As of the date of this report the USDA Rural Development Marion Area Office has determined the applicants *“eligible for funding by this agency and can compete with similar applications from other applicants.”*[Application for Permit page 193] The decision on the obligation of this project will be made by the USDA in Washington, DC. No application has been submitted to date and the direct loan has not been approved.
- Ferrell Hospital is a critical access hospital and has been designated a “necessary provider” by the Illinois Department of Public Health. [See Page 8-9 of this report for discussion]
- The applicants addressed a total of eighteen (18) criteria and failed to meet the following:

| Criteria                                                            | Reasons for Non-Compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 77 IAC 1110.234 (a) – Size of the Project                           | The applicants exceed the State Board square footage standard in Part 1110 Appendix B for Endoscopy, PACU I and PACU II. [See Pages 17-18 of this Report]                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 77 IAC 1110.234 (b) – Projected Utilization                         | The applicants projected utilization does not warrant the number of general radiology units (2), the number of emergency department stations (8) and the number of operating rooms (2). [See Pages 18 of this Report]                                                                                                                                                                                                                                                                                                                                                             |
| 77 IAC 1110.234 (e) – Assurances                                    | The applicants provided the necessary statement that hospital will be at target occupancy within two years after project completion; however that statement conflicts with projected utilization at Criterion 1110.234 (b). [See Page 19 of this Report]                                                                                                                                                                                                                                                                                                                          |
| 77 IAC 1110.530 (e) (1) (2) (3) (4) – M/S Beds - Modernization      | The number of medical surgical beds being requested (25 beds) is not warranted based upon historical utilization. The applicants' historical utilization justifies twelve (12) M/S Beds. [See Pages 19-20 of this Report]                                                                                                                                                                                                                                                                                                                                                         |
| 77 IAC 1110.3030 Clinical Services Other Than Categories of Service | The applicants' historical utilization does not warrant the number of general radiology units (2), operating rooms (2), and emergency department stations (8). [See Page 20-21 of this Report]                                                                                                                                                                                                                                                                                                                                                                                    |
| 77 IAC 1120.120 – Availability of Funds                             | Ninety-nine percent (99%) of the project funding will be a Direct Loan from the USDA Rural Development Agency. That loan has not been approved as of the date of this report. [See Page 25 of this Report]                                                                                                                                                                                                                                                                                                                                                                        |
| 77 IAC 1120.130 – Financial Feasibility                             | The applicants' historical and projected financial information does not meet the State Board Ratio Standards in Part 1120 Appendix A. [See Page 25-26 of this Report] Jared Heim, CPA with EideBailey CPA Firm stated <i>“The past three fiscal years, and the current year-to-date financial information, of the Hospital has been very positive, generating operating income between \$700,000 and \$900,000 annually, and cash available for debt service between \$1,350,000 and \$1,650,000 annually. Additionally, as part of the Project, the Hospital is anticipating</i> |

| Criteria | Reasons for Non-Compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|          | <p><i>refinancing portions of their current long-term debt for more favorable rates and terms, which will also contribute to their overall financial strength going forward. While we have not fully completed our examined financial forecast, our work performed to date, indicates that the Hospital would generate cash available for debt service equal to over twice their annual debt service requirement. Typically long-term debt financing would require a coverage of one and a halftimes annual debt service; therefore, the Hospital being well above this target would indicate strong financial health, their ability to satisfy their debt payments, all while providing them with adequate cash to continue to reinvest in their operations.” [See Page 26 of this Report]</i></p> |

**STATE BOARD STAFF REPORT**  
**Project #16-048**  
**Ferrell Hospital**

| <b>APPLICATION SUMMARY/CHRONOLOGY</b> |                                                                                                |
|---------------------------------------|------------------------------------------------------------------------------------------------|
| Applicants                            | Ferrell Hospital Community Foundation and Deaconess Regional Healthcare Services Illinois, LLC |
| Facility Name                         | Ferrell Hospital                                                                               |
| Location                              | 1201 Pine Street, Eldorado, Illinois                                                           |
| Application Received                  | November 4, 2016                                                                               |
| Application Deemed Complete           | November 10, 2016                                                                              |
| Permit Holder                         | Ferrell Hospital Community Foundation                                                          |
| Operating Entity/Licensee             | Ferrell Hospital Community Foundation                                                          |
| Owner of the Site                     | Ferrell Hospital Community Foundation                                                          |
| Project Financial Commitment Date     | January 24, 2019                                                                               |
| Gross Square Footage                  | 88,479 GSF                                                                                     |
| Project Completion Date               | March 31, 2019                                                                                 |
| Review Period Ends                    | January 10, 2017                                                                               |
| Request a Deferral?                   | No                                                                                             |

**I. The Proposed Project**

The applicants are proposing the modernization of Ferrell Hospital in Eldorado at a cost of approximately \$37,353,666. The expected completion date is March 31, 2019.

**II. Summary of Findings**

- A. The State Board Staff finds the proposed project is **not** in conformance with the provisions of Part 1110.
- B. The State Board Staff finds the proposed project is **not** in conformance with the provisions of Part 1120.

**III. General Information - Background**

The applicants are Deaconess Regional Healthcare Services Illinois, LLC and Ferrell Hospital Community Foundation (“Ferrell Hospital”). The sole member of Deaconess Regional Healthcare Services Illinois, LLC is Deaconess Regional Healthcare Services Illinois, Inc.

Deaconess Health System, the parent of Regional Healthcare Services Illinois, LLC and Deaconess Regional Healthcare Services Illinois, Inc., is an integrated multi-facility health system providing comprehensive health care services to southern Indiana, southeastern Illinois and western Kentucky. Deaconess Health System (DHS) provides Level II Trauma for the State of Illinois and is a State of Illinois designated Trauma Center. DHS also chairs the Region five State Trauma program. Deaconess is also a resource hospital under the State of Illinois for 3 EMS services. Additionally, DHS serves as the primary Stroke Center for southern Illinois. ([http://www.dph.illinois.gov/topics-services/emergency-preparedness-response/ems/res\\_sysListing](http://www.dph.illinois.gov/topics-services/emergency-preparedness-response/ems/res_sysListing) and information provided by

the applicants dated January 3, 2017). Shawn McCoy, CEO of Deaconess Health System, in a letter dated January 3, 2016 attested to the following: *“Ferrell remains an independent community hospital and Deaconess has no other "control" over Ferrell. Neither DHS nor any of its affiliated entities owns Ferrell, guarantees any Ferrell debt, nor is providing any long-term financial support to Ferrell or the project for which Ferrell is seeking certificate of need approval.”* [Letter dated January 3, 2017]

Ferrell Hospital is located at 1201 Pine Street, Eldorado, Illinois in Saline County. In 1925, Ferrell Hospital began as a small hospital on the 2nd floor of a business building. Ferrell Hospital then moved into its own building in 1928. Since then, Ferrell Hospital has undergone two major renovations; one occurring in 1958 and the second in 1973. Part of the proposed project will include the demolition of the original 1928 building.

Ferrell Hospital entered into a management agreement with Deaconess Regional Healthcare Services Illinois, LLC effective January 1, 2016. Management services provided to the Hospital consist of management personnel including a CEO and CFO, facility planning, strategic planning, recruiting, and several other support and oversight services. The initial term of the agreement is for a five (5) year period. Ferrell Hospital will reimburse the management service provider the actual cost of providing the management services on a monthly basis. For the years ended March 31, 2016 and 2015, management fees incurred were \$120,000 and \$104,163, respectively. For the year ended March 31, 2016, the management service organization of the Hospital made a one-time contribution in the amount of \$510,000 in support of the Hospital's mission.

Ferrell Hospital is located in Health Service Area V and Hospital Planning Area F-05. Health Service Area V includes the Illinois Counties of Alexander, Bond, Clay, Crawford, Edwards, Effingham, Fayette, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jasper, Jefferson, Johnson, Lawrence, Marion, Massac, Perry, Pope, Pulaski, Randolph, Richland, Saline, Union, Wabash, Washington, Wayne, White, and Williamson. F-05 Hospital Planning Area includes Hamilton, White, Gallatin, Hardin, and Saline Counties; Pope County Townships of Eddyville #6 and Golconda #2. As of January 2017 there is a calculated excess of sixty-five medical surgical beds in the F-05 Hospital Planning Area.

There are thirty (30) hospitals in the HSA V Service Area. There are four (4) hospitals in the F-05 Hospital Planning Area:

| <b>TABLE ONE</b>                                    |             |                |             |                         |
|-----------------------------------------------------|-------------|----------------|-------------|-------------------------|
| <b>Hospitals in the F-05 Hospital Planning Area</b> |             |                |             |                         |
| <b>Hospital</b>                                     | <b>City</b> | <b>Minutes</b> | <b>Beds</b> | <b>Type of Hospital</b> |
| Ferrell Hospital                                    | Eldorado    | 0              | 25          | CAH                     |
| Harrisburg Medical Center                           | Harrisburg  | 13             | 77          | General                 |
| Hamilton Memorial Hospital                          | McLeansboro | 23             | 25          | CAH                     |
| Hardin County General Hospital                      | Rosiclare   | 40             | 25          | CAH                     |
| 1. CAH – Critical Access Hospital                   |             |                |             |                         |
| Source: Page 152 of the Application for Permit      |             |                |             |                         |

The table below outlines the payor mix for Ferrell Hospital for CY 2015.

| <b>TABLE TWO</b>                    |          |            |              |            |
|-------------------------------------|----------|------------|--------------|------------|
| <b>Ferrell Hospital</b>             |          |            |              |            |
| <b>CY 2015</b>                      |          |            |              |            |
| Payor Source                        | Patients | Percentage | Revenue      | Percentage |
| Medicare                            | 9,608    | 41.33%     | \$6,849,831  | 44.85%     |
| Medicaid                            | 7,593    | 32.66%     | \$3,149,403  | 20.62%     |
| Other Public                        | 80       | 0.34%      | \$1,408,375  | 9.22%      |
| Private Insurance                   | 5,646    | 24.29%     | \$3,709,178  | 24.29%     |
| Private Pay                         | 319      | 1.37%      | \$155,780    | 1.02%      |
| Total                               | 23,246   | 100.00%    | \$15,272,567 | 100.00%    |
| Charity Care Expense                | 214      | 0.92%      | \$234,513.00 | 1.54%      |
| Source: 2015 Annual Hospital Survey |          |            |              |            |

The proposed project is a non-substantive project subject to Part 1110 and Part 1120 review and requires a sixty (60) day review. Financial commitment will occur after permit issuance.

Ferrell Hospital is a 25-bed critical access hospital. To be designated a Critical Access Hospital a hospital must meet the following criteria:

- o Be located in a state that has established a State Flex Program;
- o Be located in a rural area or be treated as rural under a special provision that allows qualified hospital providers in urban areas to be treated as rural for purposes of becoming a CAH;
- o Furnish 24-hour emergency care services, using either on-site or on-call staff;
- o Provide no more than 25 inpatient beds that can be used for either inpatient or swing bed services; however, a CAH may also operate a distinct part rehabilitation or psychiatric unit, each with up to 10 beds;
- o Have an average annual length of stay of 96 hours or less (excluding beds that are within distinct part units [DPU]); and
- o Be located either more than 35 miles from the nearest hospital or CAH or more than 15 miles in areas with mountainous terrain or only secondary roads OR prior to January 1, 2006 were State certified as a “necessary provider” of health care services to residents in the area.

Congress passed the Medicare Rural Hospital Flexibility Grant Program/original balanced budget act in 1997, the critical access hospital program was created and rural hospitals could convert to CAH status if they could meet the thirty-five (35) miles or greater definition. Subsequently, CMS/Congress learned that most small hospitals were located less than thirty-five (35) miles from another facility, especially in the Midwest, so they passed the necessary provider provision in 1999 as part the Balanced Budget Refinement Act. The necessary provider provision allowed the states to determine their own criteria to become a CAH and also had to develop a plan for implementing the CAH program, called the Rural Health Plan, which then had to be approved by CMS. Illinois’ plan was approved by CMS in May 1999.

Since all Illinois small rural hospitals are less than thirty-five (35) miles from another hospital (regardless of state lines,) each Illinois hospital applying for CAH status had to be approved by IDPH as a “necessary provider” of health care services for its

community. All small hospitals had to first be located in a state or federal designated area and then meet one of the following criteria to be designated as a necessary provider:

- In a health professional shortage area (HPSA); or
- In a state physician shortage area (PSA);
- In an county where there was a greater percentage of residents 65 years or older than the state average; or
- In a county where there was a greater percentage of residents 200% or more of the federal poverty level than the state average.

The original IDPH plan for implementation of the CAH program (Rural Health Plan) was approved by CMS in May 1999. The plan was updated in 2009. Congress passed the Medicare Modernization Act in 2005 which discontinued the “necessary provider” program for the states, grandfathered all the CAHs approved under the “necessary provider” provision, and changed the criteria for CAH conversion to thirty-five (35) miles or greater by any type of road and fifteen (15) miles or greater by secondary road. Federal criteria for conversion to CAH status required a hospital to be part of a network and in Illinois, the hospital were approved based on the hospital being part of an EMS network. There were fifty-two (52) hospitals approved as a “necessary provider” critical access hospital prior to December 31, 2005. White County Hospital closed in December 2005. There are fifty-one (51) CAHs in Illinois. Ferrell Hospital was approved as a “necessary provider” of health care services in September 2002 and then approved as a CAH in February 2003. See Table Fourteen at the end of this report for complete list of Illinois Critical Access Hospitals. [Source: IDPH Center for Rural Health and Illinois Critical Access Hospital Network]

Ferrell Hospital's designation as a Critical Access Hospital allows for reimbursement for inpatient and outpatient services provided to Medicare patients. Cost base reimbursement provides significant financial advantages to Ferrell Hospital which allows payment at 101% of allowable costs on all of the Medicare patients served. However, since sequestration, Ferrell Hospital only receives 99% reimbursement for allowable costs associated with Medicare patients. [Application for Permit page 117]

#### **IV. Project Details**

The proposed project will consist of 55,008 square feet of new construction, 17,370 square feet of modernized space and 16,100 square feet will remain as is for a total of 88,478 square feet. The applicants are proposing to double the size of the existing hospital with the proposed project. New spaces will be developed for an emergency department, diagnostic imaging, front lobby and waiting area, exterior front canopy, registration, lab, phlebotomy, cafeteria, surgery department, post-anesthesia care unit, ambulatory care unit, central sterile unit and an addition for chemotherapy services. The project will also correct and adjust facility deficiencies as identified in past CMS Conditions of Participation and facility assessments conducted in October 2014 and June 2016.

## V. Project Uses and Sources of Funds

The total project costs are \$37,353,666. The project is expected to be funded by a USDA Loan of \$36,843,666 and gift and bequests of \$510,000.

| <b>TABLE THREE</b>                                                       |                     |                     |                     |
|--------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| <b>Project Uses and Sources of Funds</b>                                 |                     |                     |                     |
| <b>Project Uses</b>                                                      | <b>Clinical</b>     | <b>Non Clinical</b> | <b>Total</b>        |
| Preplanning                                                              | \$38,043            | \$23,317            | \$61,360            |
| Site Survey and Soil Investigation                                       | \$12,381            | \$7,589             | \$19,970            |
| New Construction Contracts                                               | \$12,861,805        | \$7,238,305         | \$20,100,110        |
| Modernization Contracts                                                  | \$693,032           | \$1,020,166         | \$1,713,198         |
| Contingencies                                                            |                     |                     |                     |
| New Construction                                                         | \$1,286,181         | \$723,830           | \$2,010,011         |
| Modernization                                                            | \$103,955           | \$153,025           | \$256,980           |
| Architectural/Engineering Fees                                           | \$818,217           | \$501,488           | \$1,319,705         |
| Consulting and Other Fees                                                | \$743,014           | \$410,199           | \$1,153,213         |
| Movable or Other Equipment                                               | \$4,002,732         | \$460,440           | \$4,463,172         |
| Bond Issuance Expense                                                    | \$2,628,919         | \$1,611,273         | \$4,240,192         |
| Net Interest Expense                                                     | \$1,049,576         | \$643,289           | \$1,692,865         |
| Other Costs to be Capitalized                                            | \$200,192           | \$122,698           | \$322,890           |
| <b>Total</b>                                                             | <b>\$24,438,047</b> | <b>\$12,915,619</b> | <b>\$37,353,666</b> |
| <b>Sources of Funds</b>                                                  |                     |                     |                     |
| Cash                                                                     |                     |                     | \$0.00              |
| Gifts and Bequests                                                       |                     |                     | \$510,000           |
| Bond Issue                                                               |                     |                     | \$36,843,666        |
| <b>Total</b>                                                             |                     |                     | <b>\$37,353,666</b> |
| Source: Application for Permit page 23                                   |                     |                     |                     |
| See Table 15 at the end of this report for itemization of project costs. |                     |                     |                     |

## VI. Cost Space Requirements

The current facility has a total of 42,225 square feet (SF) and the applicants are proposing to increase the SF to 88,479 GSF or an increase of approximately forty-eight percent (48%). Of the 88,479 SF approximately 56,630 SF will be clinical space or approximately sixty-four percent (64%) dedicated to clinical services. See Table Sixteen at the end of this report for departmental cost and square footage.

## VII. Background of the Applicants

### A) **Criterion 1110.510 (b) (1) (3) Background of the Applicants**

**To demonstrate compliance with this criterion the applicants must document any adverse action taken against the applicants in the three (3) years prior to the filing of the application for permit; a listing of all health care facilities owned and operated by the applicants, and authorization allowing the State Board and the Illinois Department of Public Health access to any documentation to verify information in the application for permit. An adverse action is defined as “a disciplinary action taken by IDPH, CMMS, or any other State or federal agency against a person or**

entity that owns or operates or owns and operates a licensed or Medicare or Medicaid certified healthcare facility in the State of Illinois [77 IAC 1130.140 – Definitions].”

1. Ferrell Hospital Community Foundation owns and operates a fully licensed Critical Access Hospital and two Rural Health Clinics which are both located in Eldorado, Illinois: Ferrell Hospital, Ferrell Hospital Family Practice, and Eldorado Family Medicine
2. There has been no adverse action taken against any facility owned and/or operated by the applicants during the three (3) years prior to the filing of the application. Authorization permitting HFSRB and Illinois Department of Public Health access to any documents necessary to verify information that have been submitted with the application for permit was provided as required.
3. Certificates of Good Standing were provided for the applicants: Ferrell Hospital Community Foundation and Deaconess Regional Healthcare Services Illinois, LLC.
4. The applicants attest that the proposed expansion and modernization project will not be in a flood plain area and that the hospital lies outside the 500 year flood plain zone. The applicants are in compliance with Executive Order # 2006-5.
5. The Illinois Historic Preservation Agency has provided a letter stating *“that on Wednesday, December 21, 2016, Cultural Resources Manager, David Halpin, conducted a site visit that included meeting and an inspection of the entire property. Mr. Halpin observed that the interior of the hospital has been rehabilitated and updated as needed, leaving very little architectural integrity. Similarly, the exterior has been altered by numerous additions and repairs. Based upon this information we have determined that while the history of Ferrell Hospital remains important to the community, the property does not exhibit sufficient physical integrity for listing on the National Register of Historic Places. We, therefore, have no objection to the undertaking proceeding as planned.”* [Additional information provided December 22, 2016 by email by David Halpin, Illinois Historic Preservation Agency]
6. The applicants have provided evidence of site ownership at page 52 of the application for permit.
7. The applicants have submitted all reports required by the HFSRB and the Illinois Department of Public Health.

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

**VIII. Purpose of the Project, Safety Net Impact Statement, Alternatives to the Proposed Project**

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

**To determine compliance with this criterion the applicants must document that the project will provide health services that improve the health care or well-being of the market area population to be served, define the planning area or market area, identify the existing problems, and how the proposed project will address these problems.**

1. The purpose of the project is to modernize Ferrell Hospital. Ferrell Hospital has provided healthcare services to residents in three (3) counties (Saline, Gallatin, and White) in Southern Illinois since 1925. These counties, Saline, Gallatin, and White are designated by the US Department of Health and Human Services as Medically Underserved Areas. The Illinois Department of Public Health is projecting a decrease in the total population in these three (3) counties of approximately 6.7% over the next ten (10) years, and an increase in the over sixty-five (65) population of 11% for this same period.

**TABLE FOUR**  
**Estimated Population Growth for Three (3) County**  
**Area**  
**2015-2025**

|          | 2015   | 2020   | 2025   | % Change |
|----------|--------|--------|--------|----------|
| Saline   | 24,455 | 23,894 | 23,300 | -4.72%   |
| Over 65  | 4,909  | 5,312  | 5,614  | 14.36%   |
| Gallatin | 5,263  | 4,953  | 4,650  | -11.65%  |
| Over 65  | 1,215  | 1,198  | 1,174  | -3.37%   |
| White    | 14,000 | 13,416 | 12,855 | -8.18%   |
| Over 65  | 3,192  | 3,325  | 3,545  | 11.06%   |
| Total    | 43,718 | 42,263 | 40,805 | -6.66%   |
| Over 65  | 9,316  | 9,835  | 10,333 | 10.92%   |

Projected population information at <https://www.illinois.gov/sites/hfsrb>

2. The three (3) county service areas encompass twelve (12) zip codes. Approximately forty-four percent (44%) of Ferrell Hospital's 2015 discharges originated in the Eldorado zip code (62930). The Hospital's Service Area accounted for approximately eighty-five percent (85%) of Ferrell Hospital's 2015 discharges. Approximately twenty-one percent (21%) of the market area's population is currently sixty-five (65) or older, and by 2021 this number is anticipated to climb to approximately twenty-three percent (23%). As the population in the Service Area continues to age, the renovation and expansion of the facility will allow for quality care that is accessible.

**TABLE FIVE**  
**2015 Ferrell Hospital Discharges**

| Zip Code               | City          | County   | # Patients | % of total |
|------------------------|---------------|----------|------------|------------|
| 62930                  | Eldorado      | Saline   | 269        | 44.10%     |
| 62946                  | Harrisburg    | Saline   | 52         | 8.52%      |
| 62984                  | Shawneetown   | Gallatin | 39         | 6.39%      |
| 62869                  | Norris City   | White    | 36         | 5.90%      |
| 62979                  | Ridgway       | Gallatin | 32         | 5.25%      |
| 62934                  | Equality      | Gallatin | 23         | 3.77%      |
| 62935                  | Galatia       | Saline   | 18         | 2.95%      |
| 62977                  | Raleigh       | Saline   | 14         | 2.30%      |
| 62917                  | Carrier Miles | Saline   | 14         | 2.30%      |
| 62954                  | Junction      | Gallatin | 9          | 1.48%      |
| 62871                  | Omaha         | Gallatin | 6          | 0.98%      |
| 62965                  | Muddy         | Saline   | 5          | 0.82%      |
| Primary Service Area   |               |          | 517        | 84.75%     |
| Secondary Service Area |               |          | 93         | 15.25%     |
| Total                  |               |          | 610        | 100.00%    |

Source Page 79 of the Application for Permit

3. Problems to be addressed by the Proposed Project

The applicants stated the following as clinical deficiencies to be addressed by the proposed project.

- The emergency department does not have clear separation from other departments.
- There is inadequate waiting space in the clinic and no central waiting room for the hospital.
- There is a lack of ambulatory access to the emergency department, except through the ambulance ramp entrance.
- Concrete site work is needed to repair sidewalks, ramps, curb and gutter, and building entrances, as well as asphalt repair to assist in flow of traffic around the facility.
- Exterior aesthetic maintenance is needed throughout (aluminum-framed windows to replace wood-framed windows, caulking everywhere, mortar replacement, paint, stucco repair, signage, etc.). The 1958 and 1973 Building have mostly original exterior finishes.
- A roof that needs immediate maintenance, as at least 30 leaks have been reported. At least 31,000 SF of the total 38,000 SF roof needs to be replaced as the average age is 18 years old. The last 7,000 SF of roof is in the oldest building from 1958 and was reported to be 10 years old.
- Facility maintenance and upgrades to mechanical, electrical, and plumbing equipment has not been properly maintained. A lot of the equipment is original from 1958 or from 1973. It was reported that the Facility loses a portion of power once a week, which causes the Emergency Generator to run weekly.

As evidence of the existing conditions at the Hospital, the applicants provided copies of the Illinois Department of Public Health Medicare Recertification survey at Ferrell Hospital Community Foundation conducted on April 14, 2016 which included both health surveillance and a life safety code survey for the Condition of Participation for Critical Access Hospitals. The survey found Ferrell Hospital was not in compliance with the Medicare Condition of Participation for Critical Access Hospitals (42 CFR 485.41 - Physical Environments). In addition the applicants provided a facility survey conducted by David E. Johnson Architects and Adams. These documents can be found at pages 82-112 and 157-178 of the application for permit respectively.

#### **B) Criterion 1110.230 (b) – Safety Net Impact Statement**

**The proposed project is considered a non-substantive project. A non-substantive project by statute does not require a safety net impact statement be provided. However, the applicants chose to provide a safety net impact statement for the State Board's review.**

#### **The applicants stated the following:**

*“Ferrell Hospital Community Foundation, which does business as Ferrell Hospital, proposes to modernize their current campus at 1201 Pine Street in Eldorado, Illinois. The 25-bed Critical Access Hospital does not propose to increase their licensed beds, but rather to modernize their existing services, address code and safety issues, and update the facility. The Applicant provides healthcare services that are essential to their patients within the Service Area. The current population within Ferrell Hospital's Service Area is aging and has limited access to locally based hospital facilities besides from Ferrell Hospital. If modernization to the Ferrell Hospital facility is not approved, the hospital will continue to provide existing services; no service discontinuation is proposed. However, modernization of the current facility will allow Ferrell Hospital to provide quality care in a more contemporary facility. Ferrell Hospital is a Critical Access Hospital, and, as a result, is located distant from other community hospitals in the region. The majority of the care Ferrell Hospital provides is to the population of the immediate surrounding community. The patients expected to use the services provided by Ferrell Hospital are all local community residents that see Ferrell Hospital as their hometown healthcare provider. Therefore, the proposed*

modernization project is not expected to have any impact on another provider's ability to provide safety net services. Ferrell Hospital will continue to provide, as it does today, safety net service to its community and Service Area. No service discontinuation is anticipated. The Applicant proposes a modernization project."

| TABLE SIX                                                                                    |            |              |              |              |
|----------------------------------------------------------------------------------------------|------------|--------------|--------------|--------------|
| Charity Care Patients and Charity Care Expense and<br>Medicaid Patients and Medicaid Revenue |            |              |              |              |
|                                                                                              |            | 2013         | 2014         | 2015         |
| Net Patient Revenue                                                                          |            | \$16,580,217 | \$16,347,058 | \$17,721,488 |
| Charity                                                                                      |            |              |              |              |
|                                                                                              | Inpatient  | 17           | 7            | 6            |
|                                                                                              | Outpatient | 801          | 207          | 208          |
| Total                                                                                        |            | 818          | 214          | 214          |
| Charity \$                                                                                   |            |              |              |              |
|                                                                                              | Inpatient  | \$218,155    | \$7,171      | \$56,283     |
|                                                                                              | Outpatient | \$650,987    | \$172,103    | \$178,230    |
| Total                                                                                        |            | \$869,142    | \$179,274    | \$234,513    |
| % Charity Expense/Net Revenue                                                                |            | 5.24%        | 1.10%        | 1.32%        |
| Medicaid                                                                                     |            |              |              |              |
|                                                                                              | Inpatient  | 112          | 126          | 122          |
|                                                                                              | Outpatient | 2,912        | 7,681        | 7,471        |
| Total                                                                                        |            | 3,024        | 7,807        | 7,593        |
| Medicaid \$                                                                                  |            |              |              |              |
|                                                                                              | Inpatient  | \$425,571    | \$282,284    | \$456,663    |
|                                                                                              | Outpatient | \$2,527,810  | \$1,192,049  | \$2,692,740  |
| Total                                                                                        |            | \$2,953,381  | \$1,474,333  | \$3,149,403  |
| Medicaid Revenue/Net Revenue                                                                 |            | 17.81%       | 9.02%        | 17.77%       |

Source: Application for Permit pages 208-209

### C) Criterion 1110.230 (c) – Alternatives to Proposed Project

**To determine compliance with this criterion the applicants must 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 rejected the following alternatives:

1. Ferrell Hospital developed two (2) alternative modernization projects (**Option 1 and Option 2 - the proposed project**) to address the deficiencies of the current facility as documented by IDPH and others.

**Option 1** includes the modernization of the:

- Emergency Department - 2 Cardiac Trauma Rooms and 6 Intermediate Treatment Rooms,
- Surgery Department - 2 Operating Rooms and 1 Minor Procedure Room
- Post-Anesthesia Care Unit
- Ambulatory Care Unit
- Imaging Department - 1 CT, 1 Nuclear Medicine, 2 X-Ray, 1 Mammogram, 1 Bone Density, 1 Ultrasound
- Registration, Lab, Phlebotomy, Central Sterile, Cafeteria, Lobby, Waiting, and Entry Canopy.

The modernization of the departments listed above would result in an addition of approximately 36,000 square feet. The applicants rejected this alternative because the inpatient wing and physical therapy unit of the facility would not be fully addressed and modernized. Chemotherapy services would not be incorporated and the modernizations of staff spaces would not be addressed; those spaces include Material Management, Environmental Services, Plant Operation, Staff Training Room, Human Resources, Medical Records, Information Technology, and Administration. The cost of the Option 1 alternative would be approximately \$24,000,000.

2. Pursuing a joint venture or similar arrangement with one or more providers

Per the applicants *“throughout 2013 and 2014, Deaconess moderated a discussion between Ferrell Hospital and Harrisburg Medical Center (located approximately 13 minutes away) regarding merging and constructing a new centrally-located facility. In 2014 the respective governing boards did not see a path toward a merger, even with the assistance of Deaconess Illinois. Again in 2016, under new Ferrell Hospital leadership, the furtherance of discussions regarding merging services or facilitating more substantive discussions between Ferrell Hospital and Harrisburg Medical Center did not result in either hospital agreeing to a plan to move forward with a formal proposal. As a result, no formal plans for a new hospital were developed. It is difficult to conclude what the cost a new combined Ferrell Hospital CON hospital would be on the two communities. It is likely a new hospital cost would be in the range of \$40 to \$50 million, which exceeds Ferrell Hospital's proposed renovations of \$37,353,666.”*

3. Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project.

Per the applicants *“Historically Ferrell Hospital has taken pride in being a local, independent health care provider. The Contribution Agreement between Deaconess Illinois and Ferrell Hospital allows for the independent decision making to remain with the local Board of directors. Ferrell Hospital maintains transfer agreements with Harrisburg Medical Center, Herrin Hospital, Deaconess Hospital, and others as required by the Critical Access Hospital regulations so that patients can be stabilized and transferred to higher levels of care.”*

4. Vacate the market

This alternative was rejected for the following reasons:

- It would have an adverse effect on the quality of life for patients without the ability to travel.
- Inability of the next closest hospital to have excess capacity to handle additional patient volumes, particularly for emergencies.
- The economic impact that Hospital has on the local communities would add to the unemployment rate, ability to recruit, and maintain local businesses in and around the Primary Service Area.
- Currently Ferrell is capable of producing a positive net income.

Ferrell Hospital's designation as a Critical Access Hospital is reason enough to exclude vacating the market as a reasonable alternative. Vacating a market would leave a large region of Southeast Illinois facing a lack of health care providers and would force an aging community to travel for care. Ferrell Hospital for the prior Fiscal Year 3/31/16 reported \$3,307,699 in Long-Term Debt, Net of Current Maturities. If Ferrell Hospital were to cease operations these debts would still have to be paid, with the costs of

demolition and clean up totaling to approximately \$2,368,112 the price of vacating the market amounts to approximately \$5.7M. As well, Ferrell Hospital has historically operated with revenue in excess of expenses, therefore adding to the local economies, maintaining 200 healthcare jobs and allowing for the continuation of providing healthcare services to the local communities.

5. Reasons why the chosen alternative was selected

The proposed project would result in the more expansive modernization of Ferrell Hospital that also includes the addition of chemotherapy services. **Option 2** was selected for the following reasons:

1. The relationship with Deaconess Illinois has afforded Ferrell Hospital with additional resources such as:
  - a. Access to Informational Technology to take advantage of the Meaningful Use incentives and being enrolled in the Next Gen Medicare Accountable Care Organization.
  - b. Access to the Purchasing Alliance to purchase supplies at a much lower cost.
  - c. Management services that provide onsite expertise in health care management and fiscal oversight.
  - d. The ability to recruit needed physicians from the Deaconess Family Practice Residency Program and access to specialists from Deaconess interested in expanding their scope to Ferrell's Service Areas.
2. Interest rates for financing being near historic lows.
3. The Applicant's status as a 340-B hospital that receives substantial discounts on the purchase of most drugs.
4. The cost-reimbursement associated with the designation as a Critical Access Hospital allows for a majority of the costs to be covered associated with this project.
5. The ability to address the deficiencies associated with the facility, and allow for these issues to be addressed and allow for continued growth through a comprehensive and thoughtful expansion plan.
6. Additional new services can be added and continued for General Surgery, Endoscopy, Chemotherapy and additional physicians.

Ferrell Hospital currently faces code deficiencies within their building that will be addressed. Anything less than the full modernization plan continues to leave fragmented and unorganized space that is not conducive to modern patient care. During the modernization of Ferrell Hospital, services will be consolidated and arranged in a manner that allows for a more productive workforce, as well as a better environment and throughput for the patient. The contemporary rooms that will come as a result of the modernization, paired with less traffic through the patient corridors will allow for a better experience for the patient and add to the security and safety of staff, patients and visitors. Ferrell Hospital resides within a Medically Underserved Area (MUA). The addition of

Chemotherapy services, coupled with expanded Surgery and Emergency Departments at Ferrell Hospital will help to better address the medical needs of the community Ferrell Hospital serves.

From both a long-term and short-term financial benefits perspective it appears that going forward with the selected alternative, modernization project is the best option. Ferrell Hospital's 340-B designation will assist with the purchase of chemotherapy drugs provided to patients. The complete project will allow for repurposing vacated spaces within Ferrell Hospital that will house non-clinical functions that will be more strategically located to improve productivity and accessibility to staff those services.

**Reviewer Note:** Congress created the 340B program in November 1992. The law protected specified clinics and hospitals from drug price increases and gave them access to price reductions. This law requires pharmaceutical manufacturers participating in the Medicaid program to enter into an agreement with the Secretary of Health and Human Services - a pharmaceutical pricing agreement (PPA) — under which the manufacturer agrees to provide statutorily specified discounts on "covered outpatient drugs" purchased by government-supported facilities, known as covered entities, that are expected to serve the nation's most vulnerable patient populations. These discounts only apply to purchases of covered outpatient drugs. Although the ceiling prices are proprietary, Medicare Payment Advisory Commission estimated that, on average, hospitals in the 340B program receive a minimum discount of 22.5 percent (22.5%) of the average sales price for drugs paid under the outpatient prospective payment system. <http://www.medpac.gov>

## IX. Size of the Project, Projected Utilization, Assurances

### A) Criterion 1110.234 (a) – Size of the Proposed Project

**To determine compliance with this criterion the applicants must document that the amount of physical space proposed for the proposed project is necessary and not excessive. The applicants must meet the gross square footage standards publish in Part 1110 Section B.**

The table below documents the departments that the State Board has developed gross square footage standards as documented in Part 1110 Section B. The applicants do not meet the size standards for endoscopy, PACU I and PACU II.

**TABLE SEVEN**  
**Size of Project**

| Departments             | Proposed<br>BGSF | Existing<br>Beds/Units/Rooms | Proposed<br>Beds/Units/Rooms | GSF/State Standard   |                  | Difference | Met Standard? |
|-------------------------|------------------|------------------------------|------------------------------|----------------------|------------------|------------|---------------|
|                         |                  |                              |                              | Per<br>Bed/Unit/Room | Total GSF        |            |               |
|                         | (1)              | (2)                          | (3)                          | (4)                  | (5)<br>(3) x (4) | (1) – (5)  | (6)           |
| Medical/Surgical        | 12,785           | 25                           | 25                           | 660                  | 16,500           | -3,715     | Yes           |
| Emergency<br>Department | 5,371            | 4                            | 8                            | 900                  | 7,200            | -1,829     | Yes           |
| Nuclear<br>Medicine     | 400              | 1                            | 1                            | 1,600                | 1,600            | -1,200     | Yes           |
| MRI                     | 469              | 1                            | 1                            | 1,800                | 1,800            | -1,331     | Yes           |
| CT Scan                 | 500              | 1                            | 1                            | 1,800                | 1,800            | -1,300     | Yes           |
| Ultrasound              | 120              | 1                            | 1                            | 900                  | 900              | -780       | Yes           |

**TABLE SEVEN  
Size of Project**

| Departments     | Proposed<br>BGSF | Existing<br>Beds/Units/Rooms | Proposed<br>Beds/Units/Rooms | GSF/State Standard |       | Difference | Met Standard? |
|-----------------|------------------|------------------------------|------------------------------|--------------------|-------|------------|---------------|
| Mammography     | 91               | 1                            | 1                            | 900                | 900   | -809       | Yes           |
| General Rad.    | 620              | 1                            | 2                            | 1,300              | 2,600 | -1,980     | Yes           |
| Operating Suite | 3,860            | 1                            | 2                            | 2,750              | 5,500 | -1,640     | Yes           |
| Endoscopy       | 1,357            | 1                            | 1                            | 1,100              | 1,100 | 257        | No            |
| Phase I (PACU)  | 1,197            | 4                            | 4                            | 180                | 720   | 477        | No            |
| Phase II        | 1,351            | 2                            | 2                            | 400                | 800   | 1,151      | No            |

Source Application for Permit page 124

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION SIZE OF THE PROJECT (77 IAC 1110.234 (a))**

**B) Criterion 1110.234 (b) – Projected Utilization**

**To demonstrate compliance with this criterion the applicants must document that the proposed services to be modernized will be at target occupancy by the second year after project completion in accordance with Part 1110 Appendix B.**

The table below outlines the services to be modernized in which the State Board has utilization standards. Of these services to be modernized, the applicants do not meet the standard for medical surgical beds, general radiology, operating rooms, and emergency department. The applicants are also proposing new construction/modernization for laboratory, EKG, Holter, EEG, respiratory therapy, cardio rehabilitation, physical therapy, pharmacy, rural health clinic, pain management and the oncology infusion area. The State Board does not have utilization standards for these services.

**TABLE EIGHT  
Projected Utilization**

| Department        | State Board<br>Standard/days/<br>procedures/visits | Existing<br>Beds/Unit<br>s/Rooms | Proposed<br>Beds/Units<br>/Rooms | 2014  | 2015  | 2020  | 2021  | Beds/Rooms<br>/Units<br>Justified | Met<br>Standar<br>d? |
|-------------------|----------------------------------------------------|----------------------------------|----------------------------------|-------|-------|-------|-------|-----------------------------------|----------------------|
| M/S/Beds          | 60%/days                                           | 25                               | 25                               | 2,557 | 2,399 | 3,296 | 3,492 | 10 beds                           | No                   |
| Gen. Rad.         | 8,000 proc.                                        | 2                                | 2                                | 5,848 | 5,857 | 6,239 | 6,298 | 1Unit                             | No                   |
| Mammography       | 5,000 visits                                       | 1                                | 1                                | 607   | 560   | 429   | 400   | 1Unit                             | Yes                  |
| Ultrasound        | 3,100 visits                                       | 2                                | 1                                | 1,111 | 1,276 | 1,263 | 1,271 | 1 Unit                            | Yes                  |
| CT scan           | 7,000 visits                                       | 1                                | 1                                | 2,076 | 2,110 | 2,714 | 2,869 | 1 Unit                            | Yes                  |
| Nuclear Med.      | 2,000 visits                                       | 1                                | 1                                | 153   | 156   | 154   | 150   | 1 Unit                            | Yes                  |
| OR's              | 1,500 hours                                        | 1                                | 2                                | 459   | 360   | 883   | 999   | 1 Unit                            | No                   |
| MRI               | 2,500 proc                                         | 1                                | 1                                | 614   | 514   | 722   | 773   | 1 Unit                            | Yes                  |
| Emergency<br>Dept | 2,000 visits                                       | 4                                | 8                                | 6,579 | 7,054 | 7,929 | 8,201 | 5 Rooms                           | No                   |

Source: Application for Permit page 133

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION PROJECTED UTILIZATION (77 IAC 1110.234 (b))**

**C) Criterion 1110.234 (e) – Assurances**

**To determine compliance with this criterion the applicants must attest that by the second year after project completion the services proposed to be modernized will be at target occupancy in accordance with Part 1110 Appendix B.**

Alisa Coleman, CEO Ferrell Hospital stated, “We hereby state that it is our understanding, based upon information available to us at this time, that by the second year of operation after project completion, Ferrell Hospital reasonably expect to operate all clinical services included in this application for which there utilization targets at the State Agency utilization specified in 77 Ill Adm. Code 1110 Appendix B.” [Application for Permit page 189]

**Reviewer Note:** The information provided at Criterion 1110.234 (b) – Projected Utilization and submitted at page 189 of the application for permit does not support the statement above. The applicants projected utilization for FY 2021 does not support the number of medical surgical beds being requested, the number of units for general radiology, the number of operating rooms, and the number of emergency stations. The State Board Staff notes it is difficult for a critical access hospital to meet the State Board Utilization Standards because of its rural location and the small population the critical access hospital is serving.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION ASSURANCES (77 IAC 1110.234 (e))**

**X. Medical Surgical Modernization**

**A) Criterion 1110.530 (e) 1) 2) 3) 4) – Modernization**

**To determine compliance with this criterion the applicants must document that the medical surgical beds are deteriorated or functionally obsolete and need to be replaced or modernized. Additionally the applicants must document that the proposed modernization of medical surgical beds is justified based upon historical utilization.**

**Medical Surgical Beds**

The Illinois Department of Public Health conducted a Medicare Recertification survey at Ferrell Hospital Community Foundation on April 14, 2016 which included both health surveillance and a life safety code survey for the Condition of Participation for Critical Access Hospitals. The survey found Ferrell Hospital was not in compliance with the following Medicare Condition of Participation for Critical Access Hospitals (42 CFR 485.41 - Physical Environments). [Application for Permit pages 157-178]

The applicants are proposing 12,785 square feet for twenty-five (25) Medical/Surgical beds. The State Board standard for medical surgical beds is 500-660 square feet per bed, in which Ferrell Hospital proposes 511.4 square feet per bed. Ferrell Hospital is proposing twenty (20) rooms for the twenty-five (25) Medical/Surgical beds. Fifteen (15) rooms will be private, single-bed rooms and five (5) rooms will be 2-bed rooms. As part of the modernization of Ferrell Hospital 9,075 square feet of the proposed Medical/Surgical department will be new construction, 840 square feet will be modernized, and 2,870 square feet will be left as is. The average daily census at Ferrell Hospital for Fiscal Year 2016 is currently 7.1 or (28.4%), with spikes in utilization reaching the upper teens. The State Board standard for the modernization of medical/surgical of sixty percent (60%) is not met. By 2021 Ferrell Hospital's average daily census is projected to be 9.6, or (38.4%) which assuming spikes in utilization will result in a daily census often reaching the mid-to-upper teens.

The proposed modernization of medical surgical beds appears justified based upon the survey conducted by the Illinois Department of Public Health and architectural reports provided by the applicants at pages 82-112 and pages 157-178 of the application for permit; however the number of medical surgical beds being requested (25 beds) is not warranted based upon historical utilization.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION MEDICAL SURGICAL MODERNIZATION (77 IAC 1110.530 (e) 1)2)3)4))**

**B) Criterion 1110.530 (g) - Performance Requirements**

**To determine compliance with this criterion the applicant must document that the proposed modernization of the medical surgical beds located within a Metropolitan Service Area (MSA) will have one hundred (100) medical surgical beds.**

Ferrell Hospital is located in Eldorado, Illinois and Eldorado is included in the Illinois-Indiana-Kentucky Tri-State Area and is a bedroom community in the Harrisburg Micropolitan Statistical Area. The State Board does not have performance requirements for the modernization of medical surgical beds not located in a MSA. The applicant has met the requirements of this criterion.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION PERFORMANCE REQUIREMENTS (77 IAC 1110.530 (g))**

**XI. Clinical Services Other than Categories of Service**

**A) Criterion 1110.3030 d)1)2)3) – Service Modernization**

**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 Part 1110 Appendix B. To determine compliance with this criterion the applicants must document that the clinical service areas are deteriorated or functionally**

**obsolete and need to be replaced or modernized. Additionally the applicants must document that the proposed modernization of clinical service areas is justified based upon historical utilization.**

The applicants have provided documentation in the application for permit that Ferrell Hospital is in need of modernization and many of the services being proposed to be modernized are in need of replacement or modernization or both.

The Illinois Department of Public Health conducted a Medicare Recertification survey at Ferrell Hospital on April 14, 2016 which included both health surveillance and a life safety code survey for the Condition of Participation for Critical Access Hospitals. The survey found Ferrell Hospital was not in compliance with the following Medicare Condition of Participation for Critical Access Hospitals (42 CFR 485.41 - Physical Environments). [Application for Permit pages 157-178]

The services listed in the table below that are being proposed to be modernized have utilization standards in Part 1110 Appendix B. The applicants' historical utilization does not meet the standards in Part 1110 Appendix B for general radiology, operating rooms, and emergency department.

#### **General Radiology**

The applicants are proposing two (2) units in new construction to be located adjacent to the emergency department. The applicants' historical utilization justifies one (1) unit and not the two (2) units being proposed. The applicants state that the two (2) units are necessary to provide services at Ferrell Hospital. Potential down-time of a unit due to maintenance would limit the healthcare services to the community the applicants serve. General Radiology services are often scheduled ahead of time by the patient, and therefore Ferrell Hospital would like to limit scheduling conflicts to ensure convenient and accessible care for their patients.

#### **Mammography**

The applicants are proposing one (1) mammography unit in new construction. Mammography growth was projected using Ferrell Hospital internal data from Fiscal Year 3/31/14 through Fiscal Year 3/31/16. Compound annual growth rate was applied to the Applicant's utilization to project future utilization. Through 2021 an annual growth rate of -6.9% was applied. Historical utilization of 584 exams will justify the one (1) unit being requested.

#### **Ultrasound**

The applicants are proposing one (1) ultrasound unit in new construction. Ultrasound growth was projected using Ferrell Hospital internal data from Fiscal Year 3/31/14 through Fiscal Year 3/31/16. Compound annual growth rate was applied to the Applicant's utilization to project future utilization. Through 2021 an annual growth rate of .6% was applied. The proposed Ultrasound unit meets the State standards for review. The Ultrasound functional area will be vacated in its entirety. All 120 square feet that will comprise the Mammography in new construction. Historical utilization of 1,194 exams will justify the one (1) unit.

### **CT Scan**

The applicants are proposing one (1) CT Scan unit in new construction. Historical utilization of 2,093 exams will justify the one (1) unit. CT Scan growth was projected using Ferrell Hospital internal data from Fiscal Year 3/31/14 through Fiscal Year 3/31/16. Compound annual growth rate was applied to the Applicant's utilization to project future utilization. Through 2021 an annual growth rate of 5.7% was applied. The proposed CT Scan unit meets the State standards for review. All 500 square feet that will comprise the CT Scan key room will be new construction.

### **Nuclear Medicine**

The applicants are proposing one (1) Nuclear Medicine unit in new construction. Historical utilization of 155 exams will justify the one (1) unit. Nuclear Medicine growth was projected using Ferrell Hospital internal data from Fiscal Year 3/31/14 through Fiscal Year 3/31/16. Through 2021 an annual growth rate of -2.5% was applied. The proposed Nuclear Medicine unit meets the State standards for review. All 400 square feet that will comprise the Nuclear Medicine will be new construction.

### **MRI**

The applicants are proposing one (1) MRI. Historical utilization of 564 procedures will justify the one (1) room in new construction. The applicants are forecasting through 2021 an annual growth rate of 7.0% for this service.

### **Surgery Rooms**

The applicants are proposing two (2) surgery rooms in new construction. Historical utilization will justify one (1) room and not the two (2) being proposed. The applicants state that three (3) general surgeons are now on the staff of the hospital and the applicants expect demand for surgery at the hospital will increase. The applicants do not want to allow potential scheduling conflicts to prevent patients who are seeking care to travel further for care, especially since many of the patients that will be seeking surgery services from Ferrell Hospital will be older and lacking the mobility to travel for care.

### **Procedure Room (Endoscopy)**

The applicants are proposing one (1) procedure room to perform endoscopy procedures in new construction. Historical utilization of sixty-four (64) hours will justify the one (1) room.

### **Emergency Department**

The applicants are proposing eight (8) stations in the emergency department in new construction. Historical utilization will justify four (4) stations and not the eight (8) being requested. The applicants stated that they are proposing the current Emergency Department to ensure that no patient in need of immediate care is not given the care they need in a timely manner.

The State Board does not have utilization standards for the following services to be modernized:

- Four (4) PACU I and Two (2) PACU II
- Laboratory
- EKG, Holter, EEG
- Respiratory Therapy
- Cardio Therapy,
- Physical Therapy
- Occupational Therapy
- Pharmacy
- Rural Health Clinic
- Pain Management
- Oncology Infusion

**Reviewer Note:** As can be seen by the table below the applicants are proposing one (1) room/unit for all but three (3) departments: general radiology, surgery and the emergency department. It has been the practice of the State Board to accept one (1) procedure or visit as justification for one (1) room, unit or station.

**TABLE NINE**  
**Clinical Services Other than Categories of Service**  
**Historical Utilization 2014-2015**

| Department/Services  | State Board<br>Standard<br>Unit/Room/Station | Existing<br>Rooms<br>Units | Proposed<br>Rooms<br>Units | CY<br>2014 | CY<br>2015 | Average<br>2014-<br>2015 | Met<br>Standard |
|----------------------|----------------------------------------------|----------------------------|----------------------------|------------|------------|--------------------------|-----------------|
| General Radiology    | 8,000 procedures                             | 2                          | 2                          | 5,848      | 5,857      | 5,853                    | No              |
| Mammography          | 5,000 visits                                 | 1                          | 1                          | 607        | 560        | 584                      | Yes             |
| Ultrasound           | 3,100 visits                                 | 2                          | 1                          | 1,111      | 1,276      | 1,194                    | Yes             |
| CT scan              | 7,000 visits                                 | 1                          | 1                          | 2,076      | 2,110      | 2,093                    | Yes             |
| Nuclear Medicine     | 2,000 visits                                 | 1                          | 1                          | 153        | 156        | 155                      | Yes             |
| MRI                  | 2,500 procedures                             | 1                          | 1                          | 614        | 514        | 564                      | Yes             |
| Surgery Rooms        | 1,500 hours/room                             | 1                          | 2                          | 459        | 360        | 410                      | No              |
| Procedure Rooms      | 1,500 hours/room                             | 1                          | 1                          | 62         | 65         | 64                       | Yes             |
| Emergency Department | 2,000 visits/station                         | 4                          | 8                          | 6,579      | 7,054      | 6,817                    | No              |

Source: 2014 and 2015 information taken from 2014 and 2015 Annual Hospital Questionnaire

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN  
CONFORMANCE WITH CRITERION CLINICAL SERVICES OTHER THAN  
CATEGORIES OF SERVICE (77 IAC 1110.530 (d) 1)2)3))**

## **XII. Financial Viability**

### **A) Criterion 1120.120 – Availability of Funds**

**To determine compliance with this criterion the applicants must document that funds are available to fund the proposed project.**

The total project costs are \$37,353,666. The project is to be funded by a USDA Rural Development Loan of \$36,843,666 and gift and bequests of \$510,000 from the hospital's management company, Deaconess Regional Healthcare Services Illinois, LLC.

The USDA Rural Development has reviewed Ferrell Hospital's pre-application for Federal Assistance for a Community Facility Loan to build a new facility. The offer is subject to the availability of FY 2017 direct loan funding. The project may require either private loan or a guaranteed Community Facility loan leveraged funds or other outside grant funds. Due to the size and scope of the project, a feasibility study per Community Facility guidelines is required. There will need to be an examined forecast with an applicable CPA opinion letter.

The project is being funded almost entirely with a USDA Rural Development Loan and to date the loan has not been approved. Because the financing of the project is unclear the State Board Staff is unable to make a positive finding on this criterion.

**TABLE TEN**  
**Ferrell Hospital Community Foundation**  
**Audited Financials Year Ended March 31**

|                              | 2016         | 2015         |
|------------------------------|--------------|--------------|
| Cash                         | \$206,242    | \$247,262    |
| Current Assets               | \$3,606,538  | \$3,498,517  |
| Total Assets                 | \$8,149,677  | \$7,158,745  |
| Current Liabilities          | \$2,440,908  | \$2,885,245  |
| LTD                          | \$3,307,699  | \$3,324,921  |
| Total Liabilities            | \$5,748,607  | \$5,210,166  |
| Net Patient Service Revenue  | \$17,721,466 | \$16,347,058 |
| Total Revenue                | \$17,564,468 | \$15,912,818 |
| Operating Expenses           | \$16,633,844 | \$15,144,357 |
| Operating Income             | \$930,624    | \$768,461    |
| Other Income                 | 11,866       | 35,051       |
| Excess Revenue over Expenses | \$942,490    | \$803,512    |
| Contribution <sup>(1)</sup>  | \$510,000    | \$0          |

1. Management firm contribution explained above  
Source: Application for Permit page 215-216

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION AVAILABILITY OF FUNDS (77 IAC 1120.120)**

**B) Criterion 1120.130 – Financial Viability**

**To determine compliance with this criterion the applicants must provide the financial viability ratios for the prior three (3) years and the first full fiscal year at target utilization. The applicants' financial ratios must meet the State Board Standards published in Part 1120 Appendix A.**

Ferrell Hospital has not met all of the State Board's financial ratio standards for the years presented below. From the information provided in the application for permit, the applicants are projecting a compounded annual increase in net patient revenue of approximately 8% for the period 2016-2022 and an average collection period of 55 days

Should this project be approved and the applicants are able to secure the necessary financing, for FY 2022, the first full year at target utilization, the Hospital's current ratio and Days Cash on Hand are in compliance with the State Board's Standards. The remaining four (4) ratios for FY 2022 do not meet the State Board Standards.

The applicants are forecasting a small profit for FY 2022 as the amount of principle and interest expense increases to approximately 7.5% of net patient revenue.

For FY 2022 the capital structure is approximately 90% debt (% Debt Total Capitalization) and the applicants are forecasting that they will have approximately two (2) times the resources (cash flow) to meet their current principle and interest payments (Projected Debt Service Coverage) should the project be approved.

For FY 2022 it appears that the applicants will have approximately three (3) times cash and board designated funds (Cushion Ratio) to cover its debt obligations (Principle and Interest) should this project be approved.

Jared Heim, CPA with EideBailey CPA Firm stated *"The past three fiscal years, and the current year-to-date financial information, of the Hospital has been very positive, generating operating income between \$700,000 and \$900,000 annually, and cash available for debt service between \$1,350,000 and \$1,650,000 annually. Additionally, as part of the Project, the Hospital is anticipating refinancing portions of their current long-term debt for more favorable rates and terms, which will also contribute to their overall financial strength going forward. While we have not fully completed our examined financial forecast, our work performed to date, indicates that the Hospital would generate cash available for debt service equal to over twice their annual debt service requirement. Typically long-term debt financing would require a coverage of one and a halftimes annual debt service; therefore, the Hospital being well above this target would indicate strong financial health, their ability to satisfy their debt payments, all while providing them with adequate cash to continue to reinvest in their operations."*

| <b>TABLE TEN</b><br><b>Financial Ratio Information</b><br><b>Ferrell Hospital</b> |                                     |               |               |               |               |
|-----------------------------------------------------------------------------------|-------------------------------------|---------------|---------------|---------------|---------------|
| <b>Financial Ratio</b>                                                            | <b>State<br/>Board<br/>Standard</b> | <b>FY2014</b> | <b>FY2015</b> | <b>FY2016</b> | <b>FY2022</b> |
| Current Ratio                                                                     | >2                                  | 0.98          | 1.21          | 1.48          | 3.33          |
| Net Income Margin                                                                 | 3.00%                               | 4.34%         | 4.83%         | 5.30%         | 0.33%         |
| % Debt to Total Capitalization                                                    | <50%                                | 96.21%        | 80.67%        | 62.28%        | 88.49%        |
| Projected Debt Service Coverage                                                   | >2.5                                | 2.52          | 2.29          | 1.97          | 2.05          |
| Days Cash On Hand                                                                 | >75 days                            | 11.71         | 12.2          | 21.9          | 84.09         |
| Cushion Ratio                                                                     | >7                                  | 0.9           | 0.76          | 1.06          | 2.85          |

Source: Application for Permit pages 195-196

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION FINANCIAL VIABILITY (77 IAC 1120.130 (b))**

### **XIII. Economic Feasibility**

#### **A) Criterion 1120.140 (a) - Reasonableness of Financing Arrangements**

#### **B) Criterion 1120.140 (b) – Terms of Debt Financing**

**To determine compliance with this criterion the applicants must document that the proposed financing is the least costly alternative for Ferrell Hospital and the terms and conditions are reasonable.**

Should the State Board approve this project, and the USDA grants the direct loan approximately ninety-nine percent (99%) of the projects' costs will be funded from debt. The CEO of Ferrell Hospital has provided the necessary attestation that the debt financing will be the lowest cost option for Ferrell Hospital Community Foundation. The term of a USDA Community Facility Direct Loan is forty (40) years at an approximate interest rate between 3-4% with no prepayment penalties.

While the guaranteed direct loan has not been approved; based upon our review of the information provided by the applicants and a review of the USDA Community Facility Direct Loan Grant Program the terms and conditions of the proposed financing appear reasonable and comparable to other projects of this type. See <https://www.rd.usda.gov/programs-services/community-facilities-direct-loan-grant-program>

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION REASONABLENESS OF FINANCIAL ARRANGEMENTS AND TERMS OF DEBT FINANCING (77 IAC 1120.140 (a) (b))**

**C) Criterion 1120.140 (c) – Reasonableness of Project Costs**

**To demonstrate compliance with this criterion the applicants must document that the proposed project costs are reasonable when compared to the State Board Standards in Part 1120 Appendix A.**

As can be seen in the Table below the applicants met all of the State Board's Requirements related to Project Costs as defined in Part 1120 Appendix A. The project costs appear reasonable when compared to the State Board Standards.

| <b>TABLE ELEVEN</b>                                         |                     |                      |              |                                                    |
|-------------------------------------------------------------|---------------------|----------------------|--------------|----------------------------------------------------|
| <b>Reasonableness of Project Costs</b>                      |                     |                      |              |                                                    |
| Uses                                                        | Applicants<br>Costs | State Board Standard |              |                                                    |
|                                                             |                     | %                    | Total \$     | Applicants<br>Costs<br>compared<br>to<br>Standards |
| Preplanning                                                 | \$38,043            | 1.80%                | \$341,059    | 0.20%                                              |
| Site Survey and Soil Investigation                          | \$12,381            | 5.00%                | \$747,249    | 0.08%                                              |
| New Construction Contracts and Contingencies <sup>(1)</sup> | \$14,147,986        | \$412                | \$15,528,280 | \$375.38                                           |
| Modernization Contracts and Contingencies <sup>(1)</sup>    | \$796,987           | \$288.40             | \$2,190,110  | \$104.95                                           |
| Contingencies                                               | \$1,390,136         | 10-15%               | \$2,033,226  | 10.26%                                             |
| Architectural/Engineering Fees                              | \$818,217           | 5.87-8.81%           | \$1,316,652  | 5.47%                                              |
| Consulting and Other Fees                                   | \$743,014           |                      | No Standard  |                                                    |
| Movable or Other Equipment                                  | \$4,002,732         |                      | No Standard  |                                                    |
| Bond Issuance Expense                                       | \$2,628,919         |                      | No Standard  |                                                    |
| Net Interest Expense                                        | \$1,049,576         |                      | No Standard  |                                                    |
| Other Costs to be Capitalized                               | \$200,192           |                      | No Standard  |                                                    |

Source: State Board Staff review of Project Uses

1. New Construction and Contingency and Modernization and Contingency Cost are based upon RS Means 3<sup>rd</sup> Quartile Standard. That cost is \$400 for New Construction and Contingency inflated to the midpoint of construction by 3%. Modernization and Contingency Costs is seventy percent (70%) of the new construction and contingency number.
2. RS Means is a provider of construction cost data, software, and services for all phases of the construction lifecycle

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

**D) Criterion 1120.140 (d) - Direct Operating Cost**

**To demonstrate compliance with this criterion the applicants must document the Direct Operating Costs per equivalent patient day for the first full year at target occupancy.**

The direct operating cost per equivalent patient day is \$902.

| <b>TABLE TWELVE</b>                      |              |
|------------------------------------------|--------------|
| <b>Direct Operating Costs</b>            |              |
| <b>FY 2021</b>                           |              |
| Salaries and Wages                       | \$10,583,000 |
| Employee Benefits                        | \$1,954,000  |
| Supplies and Other                       | \$5,404,000  |
| Estimated Direct Operating Costs         | \$17,941,000 |
| Equivalent Patient Days (EPD)            | 19,881       |
| Estimated Direct Operating Costs per EPD | \$902.00     |
| Source: Application for Permit page 203  |              |

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

**E) Criterion 1120.140 (e) - Effect of the Project on Capital Cost**

**To demonstrate compliance with this criterion the applicants must document the capital costs per equivalent patient day for the first full year at target occupancy.**

The State Board defines capital costs as Depreciation, Amortization and Interest which totals \$3,796,000 in FY 2022. The estimated capital cost per equivalent patient day is \$190.94.

| <b>Table Thirteen</b>                              |             |
|----------------------------------------------------|-------------|
| <b>Capital Costs per Equivalent Patient Day</b>    |             |
| Deprecation                                        | \$2,446,000 |
| Interest                                           | \$1,350,000 |
| Total                                              | \$3,796,000 |
| Equivalent Patient Day                             | 19,881      |
| Estimated Capital Costs per Equivalent Patient Day | \$190.94    |
| Source: Application for Permit page 203            |             |

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

**TABLE FOURTEEN**  
**Illinois Critical Access Hospitals**

|    |                                                      |
|----|------------------------------------------------------|
| 1  | Abraham Lincoln Memorial Hospital - Lincoln          |
| 2  | Advocate Eureka Hospital - Eureka                    |
| 3  | Carlinville Area Hospital - Carlinville              |
| 4  | Clay County Hospital - Flora                         |
| 5  | Community Memorial Hospital - Staunton               |
| 6  | Crawford Memorial Hospital - Robinson                |
| 7  | Fairfield Memorial Hospital – Fairfield              |
| 8  | Fayette County Hospital - Vandalia                   |
| 9  | Ferrell Hospital - Eldorado                          |
| 10 | Franklin Hospital - Benton                           |
| 11 | Genesis Medical Center- Aledo                        |
| 12 | Gibson Area Hospital & Health Services – Gibson City |
| 13 | Hamilton Memorial Hospital District - McLeansboro    |
| 14 | Hammond-Henry Hospital - Hammond                     |
| 15 | Hardin County General Hospital - Rosiclare           |
| 16 | Hillsboro Area Hospital - Hillsboro                  |
| 17 | Hoopeston Regional Health Center - Hoopeston         |
| 18 | Hopedale Medical Complex - Hopedale                  |
| 19 | Illini Community Hospital - Pittsfield               |
| 20 | Kirby Medical Center - Monticello                    |
| 21 | Lawrence County Memorial Hospital -Lawrenceville     |
| 22 | Marshall Browning Hospital - DuQuoin                 |
| 23 | Mason District Hospital - Havana                     |
| 24 | Massac Memorial Hospital - Metropolis                |
| 25 | Memorial Hospital, Carthage -Carthage                |
| 26 | Memorial Hospital, Chester - Chester                 |
| 27 | Mercy Harvard Hospital - Harvard                     |
| 28 | Midwest Medical Center - Galena                      |
| 29 | Morrison Community Hospital - Morrison               |
| 30 | OSF Holy Family Medical Center - Monmouth            |
| 31 | OSF Saint Luke Medical Center - Kewanee              |
| 32 | OSF Saint Paul Medical Center - Mendota              |
| 33 | Pana Community Hospital - Pana                       |
| 34 | Paris Community Hospital - Paris                     |
| 35 | Perry Memorial Hospital - Princeton                  |
| 36 | Pinckneyville Com. Hospital District - Pinckneyville |
| 37 | Red Bud Regional Hospital – Red Bud                  |
| 38 | Rochelle Community Hospital - Rochelle               |
| 39 | Salem Township Hospital - Salem                      |
| 40 | Sarah D. Culbertson Memorial Hospital - Rushville    |
| 41 | Sparta Community Hospital - Sparta                   |
| 42 | St. Francis Hospital - Litchfield                    |
| 43 | St. Joseph Memorial Hospital - Murphysboro-          |
| 44 | St. Joseph’s Hospital - Highland                     |
| 45 | Taylorville Memorial Hospital - Taylorville          |
| 46 | Thomas H. Boyd Memorial Hospital – Carrollton        |
| 47 | Union County Hospital - Anna                         |
| 48 | Valley West Hospital - Sandwich                      |

| <b>TABLE FOURTEEN</b>                     |                                               |
|-------------------------------------------|-----------------------------------------------|
| <b>Illinois Critical Access Hospitals</b> |                                               |
| <b>49</b>                                 | Wabash General Hospital – Mount Carmel        |
| <b>50</b>                                 | Warner Hospital And Health Services - Clinton |
| <b>51</b>                                 | Washington County Hospital - Nashville        |

**TABLE FIFTEEN**  
**Itemization of the Project Costs**

| Project Uses                                     | Clinical     | Non Clinical | Total        | Project Uses                                        | Clinical           | Non Clinical     | Total              |
|--------------------------------------------------|--------------|--------------|--------------|-----------------------------------------------------|--------------------|------------------|--------------------|
| <b>Preplanning Costs</b>                         | \$38,043     | \$23,317     | \$61,360     | <b>Architectural/Engineering Fees</b>               | \$818,221          | \$501,488        | \$1,319,705        |
| Utility Locates                                  | \$1,773      | \$1,087      |              | Architecture Fees                                   | \$43,838           | \$455,898        |                    |
| Conceptual Design - Options 1 and 2              | \$23,870     | \$14,630     |              | Architecture Reimbursement                          | \$74,383           | \$45,590         |                    |
| State Fees                                       | \$12,400     | \$7,600      |              |                                                     |                    |                  |                    |
|                                                  |              |              |              | <b>Consulting and Other Fees</b>                    | <b>\$743,015</b>   | <b>\$410,198</b> | <b>\$1,153,213</b> |
| <b>Site Survey and Soil Investigation</b>        | \$12,381     | \$7,589      | \$19,970     | Furniture/Artwork Planning                          | \$12,090           | \$7,410          |                    |
| Geotechnical Investigation (Initial Site Borings | \$3,391      | \$2,079      |              | Furniture/Artwork Planning<br>Procurement Option    | \$5,890            | \$3,610          |                    |
| Site Survey                                      | \$8,990      | \$5,510      |              | Graphics/Wayfinding Design                          | \$14,791           | \$9,065          |                    |
|                                                  |              |              |              | Audio/Visual Consulting<br>+Acoustics               | \$4,650            | \$2,850          |                    |
| <b>New Construction Contracts</b>                | \$12,861,806 | \$7,238,305  | \$20,100,110 | Medical Equipment Planning                          | \$106,920          |                  |                    |
| Emergency Department                             | \$1,916,644  | \$-          |              | Medical Equipment Planning<br>Procurement Option    | \$33,000           |                  |                    |
| Diagnostic Imaging                               | \$640,775    | \$-          |              | Traffic Engineering                                 | \$6,200            | \$3,800          |                    |
| CT Scan                                          | \$190,707    | \$-          |              | LV /IT/Communications Planning                      | \$47,616           | \$29,184         |                    |
| General Radiology                                | \$236,477    | \$-          |              | LV/IT/Communications Planning<br>Procurement Option | \$5,952            | \$3,648          |                    |
| Ultrasound                                       | \$45,770     | \$-          |              | Food Service Planning                               |                    | \$30,528         |                    |
| Mammography                                      | \$34,709     | \$-          |              | Food Service Planning<br>Procurement                |                    | \$10,032         |                    |
| Nuclear Medicine                                 | \$152,566    | \$-          |              | Shielding Consulting                                | \$2,232            | \$1,368          |                    |
| Surgical Operating Suite                         | \$1,390,319  | \$-          |              | Preconstruction Services                            | \$37,200           | \$22,800         |                    |
| Surgical Preparation                             | \$408,811    | \$-          |              | Program Management                                  | \$251,720          | \$154,280        |                    |
| Post Anesthesia Recovery Phase I (PACU)          | \$431,143    | \$-          |              | Program Management<br>Reimbursable                  | \$25,172           | \$15,428         |                    |
| Post Anesthesia Recovery Phase II                | \$486,612    | \$-          |              | CON Fee                                             | \$51,150           | \$31,350         |                    |
| Inpatient Physical Therapy                       | \$215,723    | \$-          |              | Materials Testing                                   | \$62,000           | \$38,000         |                    |
| Medical/Surgical                                 | \$3,387,317  | \$-          |              | Transition Planner                                  | \$76,432           | \$46,845         |                    |
| Endoscopy                                        | \$452,641    | \$-          |              |                                                     |                    |                  |                    |
| Laboratory                                       | \$437,401    | \$-          |              | <b>Movable or Other Equipment</b>                   | <b>\$4,002,702</b> | <b>\$460,440</b> | <b>\$4,463,172</b> |
| Pharmacy                                         | \$342,147    | \$-          |              | Medical Equipment                                   | \$3,740,962        | \$-              |                    |

**TABLE FIFTEEN**  
**Itemization of the Project Costs**

|                                       |                    |                    |                    |                                                                   |                    |                    |                    |
|---------------------------------------|--------------------|--------------------|--------------------|-------------------------------------------------------------------|--------------------|--------------------|--------------------|
| Pain Management                       | \$259,502          | \$-                |                    | TV                                                                | \$38,440           | \$23,560           |                    |
| Central Sterile Processing            | \$408,133          | \$-                |                    | Kitchen Equipment                                                 | \$-                | \$300,000          |                    |
| Rural Health Clinic                   | \$689,338          | \$-                |                    | Furniture/Furnishings                                             | \$223,300          | \$136,880          |                    |
| Oncology Infusion Area                | \$396,551          | \$-                |                    |                                                                   |                    |                    |                    |
| Pre-Admission Services (Draw Station) | \$135,486          | \$-                |                    | <b>Bond Issuance Expense (project related)</b>                    | <b>\$2,628,919</b> | <b>\$1,611,273</b> | <b>\$4,240,192</b> |
| Respiratory Therapy                   | \$203,034          | \$-                |                    | Debt Refinancing                                                  | \$1,736,000        | \$1,064,000        |                    |
| Non-Clinical Areas                    |                    | \$7,238,305        |                    | Financing Fees & Costs of Issuance                                | \$892,919          | \$547,273          |                    |
|                                       |                    |                    |                    |                                                                   |                    |                    |                    |
| <b>Contingency New Construction</b>   | <b>\$1,286,181</b> | <b>\$723,830</b>   | <b>\$2,010,011</b> | <b>Net Interest Expense During Construction (project related)</b> |                    |                    |                    |
|                                       |                    |                    |                    | Capitalized Interest (Construction Period)                        | \$1,049,576        | \$643,289          | \$1,692,865        |
| <b>Modernization Contracts</b>        | <b>\$693,032</b>   | <b>\$1,020,166</b> | <b>\$1,713,198</b> |                                                                   |                    |                    |                    |
| Medical/Surgical                      | \$162,578          |                    |                    | <b>Other Costs to be capitalized</b>                              | <b>\$200,192</b>   | <b>\$122,698</b>   | <b>\$322,890</b>   |
| Rural Health Clinic                   | \$455,474          |                    |                    | Environmental Assessment                                          | \$2,108            | \$1,292            |                    |
| Oncology Infusion Area                | \$74,980           |                    |                    | Hazardous Material Survey                                         | \$7,434            | \$4,556            |                    |
| <b>Contingency Modernization</b>      | <b>\$103,955</b>   | <b>\$153,025</b>   | <b>\$256,980</b>   | Functional Program                                                | \$5,890            | \$3,610            |                    |
|                                       |                    |                    |                    | CON Consultant                                                    | \$29,760           | \$18,240           |                    |
|                                       |                    |                    |                    | Network Electronics                                               | \$124,000          | \$76,000           |                    |
|                                       |                    |                    |                    | Signage                                                           | \$31,000           | \$19,000           |                    |

Source: Application for Permit pages 24-25

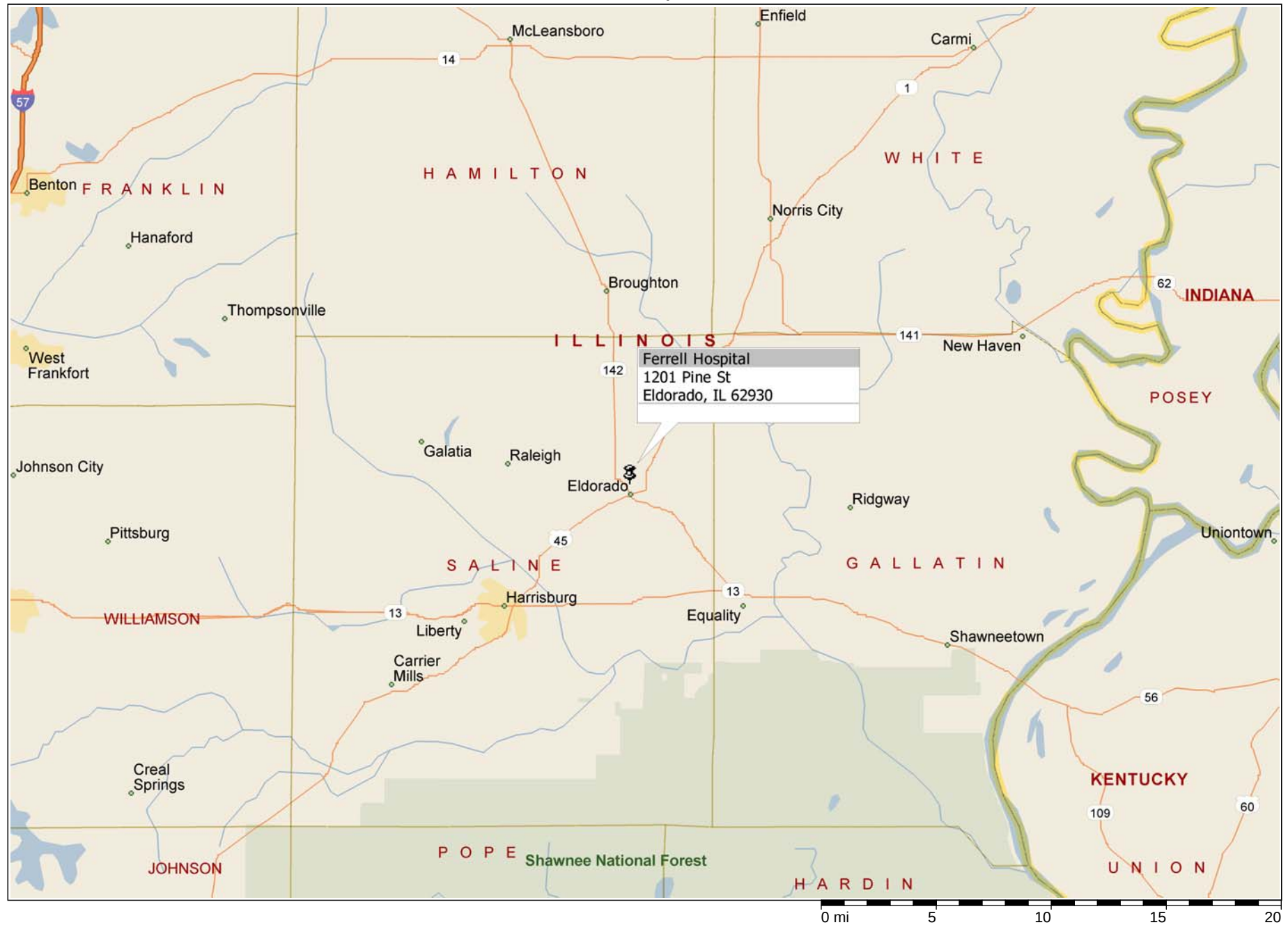
**TABLE SIXTEEN**  
**Cost Space Requirements**

| Department                              | Cost          | Existing | Proposed | New<br>Construction | Mod   | As Is  | Vacated |
|-----------------------------------------|---------------|----------|----------|---------------------|-------|--------|---------|
| Emergency Department                    | \$ 3,131,758  | 1,910    | 5,371    | 5,371               |       |        | 1,910   |
| Diagnostic Imaging                      | \$ 1,048,977  | 900      | 1,680    | 1,680               |       |        | 900     |
| CT Scan                                 | \$ 314,117    | 500      | 500      | 500                 |       |        | 500     |
| General Radiology                       | \$ 388,366    | 612      | 620      | 620                 |       |        | 612     |
| Ultrasound                              | \$ 74,249     | 220      | 120      | 120                 |       |        | 220     |
| Mammography                             | \$ 53,695     | 120      | 91       | 91                  |       |        | 120     |
| Nuclear Medicine                        | \$ 247,497    | -        | 400      | 400                 |       |        | -       |
| Surgical Operating Suite                | \$ 2,273,175  | 973      | 3,860    | 3,860               |       |        | 973     |
| Surgical Preparation                    | \$ 665,124    | -        | 1,135    | 1,135               |       |        | -       |
| Post Anesthesia Recovery Phase I (PACU) | \$ 706,442    | 320      | 1,197    | 1,197               |       |        | 320     |
| Post Anesthesia Recovery Phase II       | \$ 799,883    | -        | 1,351    | 1,351               |       |        | -       |
| Inpatient Physical Therapy              | \$ 348,626    | -        | 680      | 680                 |       |        | -       |
| Medical/Surgical                        | \$ 5,809,247  | 7,960    | 12,785   | 9,075               | 840   | 2,870  | 7,960   |
| Mobile Technology Port (MRI)            | \$ -          | -        | -        | -                   |       |        | -       |
| Endoscopy                               | \$ 737,433    | 330      | 1,357    | 1,357               |       |        | 330     |
| Laboratory with Draw Station            | \$ 712,700    | 797      | 1,278    | 1,278               |       |        | 797     |
| Pharmacy                                | \$ 560,488    | 516      | 1,225    | 1,225               |       |        | 516     |
| Pain Management                         | \$ 420,884    | -        | 818      | 818                 |       |        | -       |
| Central Sterile Processing              | \$ 664,446    | 253      | 1,250    | 1,250               |       |        | 253     |
| Rural Health Clinic                     | \$ 1,875,779  | 8,410    | 18,100   | 3,370               | 6,254 | 8,479  | -       |
| Oncology Infusion Area                  | \$ 775,309    | -        | 1,750    | 1,250               | 500   |        | -       |
| Pre-Admission Services (Draw Station)   | \$ 220,924    | 300      | 422      | 422                 |       |        | -       |
| Respiratory Therapy                     | \$ 335,937    | 300      | 640      | 640                 |       |        | 300     |
| Clinical 1 Average Cost / Sq, Ft        | \$ 343        |          |          |                     |       |        | -       |
| Clinical Contingency                    | \$ 2,272,991  |          |          |                     |       |        | -       |
| Clinical Subtotal                       | \$ 24,438,047 | 24,421   | 56,630   | 37,690              | 7,594 | 11,349 | 15,711  |
| Non-Clinical                            |               |          |          |                     |       |        |         |
| Registration                            | \$ 925,484    | 590      | 2,720    | 1,920               | 800   |        | 590     |
| Chapel                                  | \$ 73,558     | -        | 190      | 190                 | -     |        |         |
| Lobby Public Space                      | \$ 1,372,599  | 200      | 3,882    | 3,382               | 500   |        | 200     |
| Ambulance Vestibule                     | \$ 35,341     | 57       | 90       | 90                  | -     |        | 57      |
| Maintenance                             | \$ -          | -        | -        | -                   | -     |        |         |

**TABLE SIXTEEN**  
**Cost Space Requirements**

| Department                             | Cost          | Existing | Proposed | New<br>Construction | Mod    | As Is  | Vacated |
|----------------------------------------|---------------|----------|----------|---------------------|--------|--------|---------|
| Materials Management                   | \$ 153,325    | 935      | 1,442    | -                   | 1,442  |        | 935     |
| Circulation I Building Gross           | \$ 1,312,639  | 5,725    | 6,175    | 3,450               | -      | 2,725  | 3,000   |
| Health Information Management          | \$ 59,887     | 1,800    | 915      | -                   | 915    |        | 1,800   |
| Administration                         | \$ 571,831    | 1,900    | 3,098    | -                   | 3,098  |        | 1,900   |
| Waiting Dining                         | \$ 1,858,183  | 1,550    | 3,980    | 3,980               | -      |        | 2,250   |
| Gift Shop                              | \$ 255,593    | 425      | 506      | 506                 | -      |        | 150     |
| Kitchen                                | \$ 863,874    | 1,210    | 1,850    | 1,850               | -      |        | 1,210   |
| Information Management                 | \$ 21,547     | 1,000    | 1,315    | -                   | 315    | 1,000  |         |
| Plant Operations                       | \$ 17,091     | -        | 300      | -                   | 300    |        |         |
| Environmental Services                 | \$ 67,177     | 280      | 350      | -                   | 350    |        | 280     |
| Conference Room                        | \$ 68,212     | 532      | 1,100    | -                   | 1,100  |        | 750     |
| Human Resources                        | \$ 30,142     | 450      | 506      | -                   | 506    |        | 450     |
| Mechanical/Electrical                  | \$ 582,289    | 1,030    | 3,130    | 1,950               | 150    | 1,030  | 750     |
| Storage                                | \$ -          | -        | -        | -                   | -      |        | 2,982   |
| Housekeeping                           | \$ 60,523     | 120      | 300      | -                   | 300    |        |         |
| Demolition                             | \$ 3,347,019  | -        | -        | -                   | -      |        |         |
| Non-Clinical Average Cost/ Sq. Ft.     | \$ 285        | -        | -        | -                   | -      |        |         |
| Non-Clinical Contingency               | \$ 1,239,574  | -        | -        | -                   | -      |        |         |
| Non-Clinical Subtotal                  | \$ 12,915,618 | 17,804   | 31,849   | 17,318              | 9,776  | 4,755  | 17,304  |
| Total with Contingency                 | \$ 37,353,666 | 42,225   | 88,479   | 55,008              | 17,370 | 16,104 | 33,015  |
| Source: Application for Permit page 74 |               |          |          |                     |        |        |         |

## 16-048 Ferrell Hospital - Eldorado



| <u>Ownership, Management and General Information</u> |                                          |                   |                       | <u>Patients by Race</u> |       | <u>Patients by Ethnicity</u> |  |
|------------------------------------------------------|------------------------------------------|-------------------|-----------------------|-------------------------|-------|------------------------------|--|
| ADMINISTRATOR NAME:                                  | Alisa Coleman                            | White             | 99.0%                 | Hispanic or Latino:     | 0.0%  |                              |  |
| ADMINISTRATOR PHONE                                  | 618-297-9615                             | Black             | 0.7%                  | Not Hispanic or Latino: | 99.7% |                              |  |
| OWNERSHIP:                                           | Ferrell Hospital Community Foundation    | American Indian   | 0.0%                  | Unknown:                | 0.3%  |                              |  |
| OPERATOR:                                            | Ferrell Hospital Community Foundation    | Asian             | 0.0%                  |                         |       |                              |  |
| MANAGEMENT:                                          | Not for Profit Corporation (Not Church-R | Hawaiian/ Pacific | 0.0%                  | IDPH Number:            | 5363  |                              |  |
| CERTIFICATION:                                       | Critical Access Hospital                 | Unknown           | 0.3%                  | HPA                     | F-05  |                              |  |
| FACILITY DESIGNATION:                                | General Hospital                         |                   |                       | HSA                     | 5     |                              |  |
| ADDRESS                                              | 1201 Pine Street                         | CITY: Eldorado    | COUNTY: Saline County |                         |       |                              |  |

| <u>Facility Utilization Data by Category of Service</u> |                                      |                                   |                |            |                   |                     |                              |                            |                            |                                    |
|---------------------------------------------------------|--------------------------------------|-----------------------------------|----------------|------------|-------------------|---------------------|------------------------------|----------------------------|----------------------------|------------------------------------|
| <u>Clinical Service</u>                                 | Authorized<br>CON Beds<br>12/31/2015 | Peak Beds<br>Setup and<br>Staffed | Peak<br>Census | Admissions | Inpatient<br>Days | Observation<br>Days | Average<br>Length<br>of Stay | Average<br>Daily<br>Census | CON<br>Occupancy<br>Rate % | Staffed Bed<br>Occupancy<br>Rate % |
| Medical/Surgical                                        | 25                                   | 25                                | 14             | 617        | 2,004             | 395                 | 3.9                          | 6.6                        | 26.3                       | 26.3                               |
| 0-14 Years                                              |                                      |                                   |                | 6          | 8                 |                     |                              |                            |                            |                                    |
| 15-44 Years                                             |                                      |                                   |                | 67         | 153               |                     |                              |                            |                            |                                    |
| 45-64 Years                                             |                                      |                                   |                | 159        | 452               |                     |                              |                            |                            |                                    |
| 65-74 Years                                             |                                      |                                   |                | 108        | 384               |                     |                              |                            |                            |                                    |
| 75 Years +                                              |                                      |                                   |                | 277        | 1,007             |                     |                              |                            |                            |                                    |
| Pediatric                                               | 0                                    | 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              | 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                                          | 0                                    | 0                                 | 0              | 0          | 0                 | 0                   | 0.0                          | 0.0                        | 0.0                        | 0.0                                |
| Swing Beds                                              |                                      |                                   | 6              | 64         | 467               |                     | 7.3                          | 1.3                        |                            |                                    |
| 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                                    | 25                                   |                                   |                | 681        | 2,471             | 395                 | 4.2                          | 7.9                        | 31.4                       |                                    |

(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                                               | 61.5%    | 16.0%    | 10.5%        | 10.5%             | 0.7%        | 0.8%         |        |
|                                                          | 468      | 122      | 80           | 80                | 5           | 6            | 761    |
| Outpatients                                              | 40.3%    | 32.9%    | 0.0%         | 24.5%             | 1.4%        | 0.9%         |        |
|                                                          | 9140     | 7471     | 0            | 5566              | 314         | 208          | 22,699 |

| <u>Financial Year Reported:</u> | 4/1/2014 to | 3/31/2015 | <u>Inpatient and Outpatient Net Revenue by Payor Source</u> |                   |             |            |         | Charity<br>Care<br>Expense | Total Charity<br>Care Expense<br>234,513             |
|---------------------------------|-------------|-----------|-------------------------------------------------------------|-------------------|-------------|------------|---------|----------------------------|------------------------------------------------------|
|                                 | Medicare    | Medicaid  | Other Public                                                | Private Insurance | Private Pay | Totals     |         |                            |                                                      |
| Inpatient<br>Revenue ( \$ )     | 29.8%       | 20.9%     | 5.2%                                                        | 44.0%             | 0.1%        | 100.0%     |         |                            |                                                      |
|                                 | 650,734     | 456,663   | 112,670                                                     | 962,980           | 3,260       | 2,186,307  | 56,283  |                            |                                                      |
| Outpatient<br>Revenue ( \$ )    | 47.4%       | 20.6%     | 9.9%                                                        | 21.0%             | 1.2%        | 100.0%     |         |                            |                                                      |
|                                 | 6,199,097   | 2,692,740 | 1,295,705                                                   | 2,746,198         | 152,520     | 13,086,260 | 178,230 |                            | Total Charity<br>Care as % of<br>Net Revenue<br>1.5% |

| <u>Birthing 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        | 0         | Heart:                       | 0 |
| Birthing Rooms:                           | 0 | Patient Days                     | 0                                  | 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 |                                  |                                    |          | 702       | Total:                       | 0 |
| C-Section Rooms:                          | 0 | Inpatient Studies                |                                    |          | 14,657    |                              |   |
| CSections Performed:                      | 0 | Outpatient Studies               |                                    |          | 3,120     |                              |   |
|                                           |   | Studies Performed Under Contract |                                    |          |           |                              |   |

**Surgery and Operating Room Utilization**

| <b>Surgical Specialty</b>         | <b>Operating Rooms</b> |            |          |                           | <b>Surgical Cases</b> |            | <b>Surgical Hours</b>     |            |             | <b>Hours per Case</b> |            |
|-----------------------------------|------------------------|------------|----------|---------------------------|-----------------------|------------|---------------------------|------------|-------------|-----------------------|------------|
|                                   | 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          | 1        | 1                         | 5                     | 48         | 13                        | 150        | 163         | 2.6                   | 3.1        |
| Gastroenterology                  | 0                      | 0          | 0        | 0                         | 3                     | 228        | 3                         | 116        | 119         | 1.0                   | 0.5        |
| 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          | 0        | 0                         | 0                     | 80         | 0                         | 78         | 78          | 0.0                   | 1.0        |
| Orthopedic                        | 0                      | 0          | 0        | 0                         | 0                     | 0          | 0                         | 0          | 0           | 0.0                   | 0.0        |
| 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                         | 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          | 0        | 0                         | 0                     | 0          | 0                         | 0          | 0           | 0.0                   | 0.0        |
| <b>Totals</b>                     | <b>0</b>               | <b>0</b>   | <b>1</b> | <b>1</b>                  | <b>8</b>              | <b>356</b> | <b>16</b>                 | <b>344</b> | <b>360</b>  | <b>2.0</b>            | <b>1.0</b> |
| <b>SURGICAL RECOVERY STATIONS</b> |                        |            |          | Stage 1 Recovery Stations |                       | 1          | Stage 2 Recovery Stations |            | 0           |                       |            |

**Dedicated and Non-Dedicated Procedure Room Utilization**

| <b>Procedure Type</b>                   | <b>Procedure Rooms</b> |            |          |       | <b>Surgical Cases</b> |            | <b>Surgical Hours</b> |            |             | <b>Hours per Case</b> |            |
|-----------------------------------------|------------------------|------------|----------|-------|-----------------------|------------|-----------------------|------------|-------------|-----------------------|------------|
|                                         | Inpatient              | Outpatient | Combined | Total | Inpatient             | Outpatient | Inpatient             | Outpatient | Total Hours | Inpatient             | Outpatient |
| Gastrointestinal                        | 0                      | 0          | 1        | 1     | 15                    | 75         | 8                     | 57         | 65          | 0.5                   | 0.8        |
| Laser Eye Procedures                    | 0                      | 0          | 0        | 0     | 0                     | 0          | 0                     | 0          | 0           | 0.0                   | 0.0        |
| Pain Management                         | 0                      | 0          | 1        | 1     | 0                     | 58         | 0                     | 29         | 29          | 0.0                   | 0.5        |
| Cystoscopy                              | 0                      | 0          | 0        | 0     | 0                     | 0          | 0                     | 0          | 0           | 0.0                   | 0.0        |
| <b>Multipurpose Non-Dedicated Rooms</b> |                        |            |          |       |                       |            |                       |            |             |                       |            |
| General                                 | 0                      | 0          | 1        | 1     | 0                     | 41         | 0                     | 21         | 21          | 0.0                   | 0.5        |
|                                         | 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****Cardiac Catheterization Labs**

|                                           |                |
|-------------------------------------------|----------------|
| Certified Trauma Center                   | No             |
| Level of Trauma Service                   | <b>Level 1</b> |
|                                           | (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         | 0              |
| Persons Treated by Emergency Services:    | 7,054          |
| Patients Admitted from Emergency:         | 345            |
| Total ED Visits (Emergency+Trauma):       | <b>7,054</b>   |

**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                    | <b>22,699</b> |
| Outpatient Visits at the Hospital/ Campus: | 22,699        |
| Outpatient Visits Offsite/off campus       | 0             |

|                                                |          |
|------------------------------------------------|----------|
| Total Cath Labs (Dedicated+Nondedicated labs): | <b>0</b> |
| 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:          | <b>0</b> |
| 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:                                             | <b>0</b> |
| 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**

|                                     | <b>Owned Contract</b> |   | <b>Inpatient</b> | <b>Outpt</b> | <b>Contract</b> |                              | <b>Owned Contract</b> |   |   |
|-------------------------------------|-----------------------|---|------------------|--------------|-----------------|------------------------------|-----------------------|---|---|
| General Radiography/Fluoroscopy     | 2                     | 0 | 504              | 5,353        | 0               | Lithotripsy                  | 0                     | 0 | 0 |
| Nuclear Medicine                    | 0                     | 1 | 0                | 0            | 156             | Linear Accelerator           | 0                     | 0 | 0 |
| Mammography                         | 1                     | 1 | 0                | 58           | 502             | Image Guided Rad Therapy     |                       |   | 0 |
| Ultrasound                          | 1                     | 1 | 104              | 982          | 190             | Intensity Modulated Rad Thrp |                       |   | 0 |
| Angiography                         | 0                     | 0 |                  |              |                 | High Dose Brachytherapy      | 0                     | 0 | 0 |
| Diagnostic Angiography              |                       |   | 0                | 0            | 0               | Proton Beam Therapy          | 0                     | 0 | 0 |
| Interventional Angiography          |                       |   | 0                | 0            | 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 | 181              | 1,929        | 0               |                              |                       |   |   |
| Magnetic Resonance Imaging          | 0                     | 1 | 0                | 0            | 514             |                              |                       |   |   |