



STATE OF ILLINOIS  
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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|                                                  |                                      |                              |                                                    |
|--------------------------------------------------|--------------------------------------|------------------------------|----------------------------------------------------|
| <b>DOCKET NO:</b><br>H-08                        | <b>BOARD MEETING:</b><br>May 2, 2017 | <b>PROJECT NO:</b><br>17-007 | <b>PROJECT COST:</b><br><br>Original: \$20,346,262 |
| <b>FACILITY NAME:</b><br>Pana Community Hospital |                                      | <b>CITY:</b> Pana            |                                                    |
| <b>TYPE OF PROJECT:</b> Non-Substantive          |                                      |                              | <b>HSA:</b> III                                    |

**DESCRIPTION:** The applicant (Pana Community Hospital Association) is proposing a major modernization of Pana Community Hospital. The applicant is proposing a three (3) story addition with a basement and an addition to the front of the existing hospital that will house an urgent care center and a new main entrance. The proposed cost of the project is \$20,346,262 and the expected completion date, as stated in the application for permit, is December 31, 2019.

## **EXECUTIVE SUMMARY**

### **PROJECT DESCRIPTION:**

- The applicant (Pana Community Hospital Association) is proposing a major modernization of Pana Community Hospital. The applicant is proposing a three (3) story addition with a basement and an addition to the front of the existing hospital that will house an urgent care center and a new main entrance. The proposed cost of the project is \$20,346,262, and the expected completion date, as stated in the application for permit, is December 31, 2019.
- The applicant modified the cost of the reviewable and non reviewable portions of the project on March 27, 2017. The total costs remained unchanged. The applicant modified the cost to remove the costs of site “improvements” from the site preparation costs, to add the DGSF of circulation space and necessary clinical support areas to the clinical space, and to adjust the costs of the clinical (i.e. reviewable) and non-clinical (i.e. non-reviewable) space to account for the addition of the DGSF to the clinical space. This reduced the overall reviewable costs from \$10,772,095 to \$8,427,000 or by \$2,345,095 or approximately 22%.

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

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

### **BACKGROUND:**

- Pana Community Hospital is a Critical Access Hospital and has been before the State Board on six (6) occasions, the latest being in December of 2009.

| Permit # | Description                                                           |
|----------|-----------------------------------------------------------------------|
| #75-059  | Approved September 1975 for Modernization of Beds                     |
| #88-053  | Approved June 1988 to Establish Swing Bed Program                     |
| #88-212  | Approved to convert 16 M/S beds to 16 Substance Abuse Beds            |
| #91-062  | Approved August 1991 To discontinue Swing Bed Program                 |
| #92-168  | Approved April 1993 to convert 16 Substance Abuse Beds to 16 M/S beds |
| #03-007  | Approved August 2003 Establish Swing Bed Program                      |
| #09-044  | Approved December 2009 Discontinue ICU Category of Service            |

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

- According to the applicant the purpose of the modernization project is to correct existing facility deficiencies and to meet current standards of care. [See page 13-14 of this report]

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

- No public hearing was requested and no letters of support or opposition were received.

### **SUMMARY:**

- 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.

- Pana Community Hospital is a Critical Access Hospital and has been designated a “necessary provider” by the Illinois Department of Public Health. [See Page 6-7 of this report for discussion]
- The applicants addressed a total of fourteen (14) criteria and failed to meet the following:

| <b>Criteria</b>                                                     | <b>Reasons for Non-Compliance</b>                                                                                                                                                                                                                  |
|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 77 IAC 1110.3030 Clinical Services Other Than Categories of Service | The applicants’ historical utilization does not warrant the number of operating rooms (2) being requested. [See Pages 18-19 of this Report]                                                                                                        |
| 77 IAC 1120.140 (c) –Reasonableness of Project Costs                | The applicant has exceeded the State Board Standard for new construction and contingencies by approximately \$33.93/GSF (\$440,310) and modernization and contingencies by approximately \$73.13/GSF (\$130,830). [See Pages 23-24 of this Report] |

**STATE BOARD STAFF REPORT**  
**Project #17-007**  
**Pana Community Hospital**

| APPLICATION SUMMARY/CHRONOLOGY    |                                                 |
|-----------------------------------|-------------------------------------------------|
| Applicants                        | Pana Community Hospital Association             |
| Facility Name                     | Pana Community Hospital                         |
| Location                          | 101 East 9 <sup>th</sup> Street, Pana, Illinois |
| Application Received              | February 15, 2017                               |
| Application Deemed Complete       | February 16, 2017                               |
| Permit Holder                     | Pana Community Hospital Association             |
| Operating Entity/Licensee         | Pana Community Hospital Association             |
| Owner of the Site                 | Pana Community Hospital Association             |
| Project Financial Commitment Date | May 2, 2017                                     |
| Gross Square Footage              | 65,919 GSF                                      |
| Project Completion Date           | December 31, 2019                               |
| Review Period Ends                | April 17, 2017                                  |
| Can Applicant Request a Deferral? | Yes                                             |

**I. The Proposed Project**

The applicant (Pana Community Hospital Association) is proposing a major modernization of Pana Community Hospital. The applicant is proposing a three (3) story addition with a basement and an addition to the front of the existing hospital that will house an urgent care center and a new main entrance. The proposed cost of the project is \$20,346,262 and the expected completion date, as stated in the application for permit, is December 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**

Pana Community Hospital Association is a nonprofit acute care hospital. Pana Community Hospital Association was incorporated in 1966 in the State of Illinois and provides inpatient, outpatient and emergency care services to residents of Pana, Illinois and surrounding communities and also operates a home health agency in the same geographic area. Admitting physicians are primarily practitioners in the local area. The hospital is located at 101 E. 9th Street, Pana, Illinois.

Pana Community Hospital, originally known as Huber Memorial Hospital, was created by Dr. Jacob Huber, a physician in Pana for fifty (50) years. Dr. Huber's last will and testament provided that money from his estate be used to build a modern hospital in the

city of Pana, Illinois. After his death, a Catholic order of nuns was contacted to own and operate the hospital. Ground breaking was held on May 12, 1913 and the hospital construction was completed and the building readied for occupancy on May 10, 1914.

The Sisters of Misericorde of Montreal, Quebec, Canada, continued ownership and operation of Huber Memorial Hospital until January 20, 1966. Through an entire community effort, the hospital was purchased and the final sale documents were signed on June 20, 1967. The hospital was then re-named and since has been known as Pana Community Hospital. <http://www.panahospital.com/aboutus/history.php>

Pana Community Hospital is located in Health Service Area III and Hospital Planning Area E-01. Health Service Area III includes the Illinois Counties of Adams, Brown, Calhoun, Cass, Christian, Greene, Hancock, Jersey, Logan, Macoupin, Mason, Menard, Montgomery, Morgan, Pike, Sangamon, Schuyler, and Scott. E-01 Hospital Planning Area includes Logan, Menard, Mason, Sangamon, Christian and Cass Counties; Brown County Townships of Ripley, Cooperstown, and Versailles; Schuyler County Townships of Littleton, Oakland, Buena Vista, Rushville, Browning, Hickory, Woodstock, Bainbridge and Frederick.

There are nineteen (19) hospitals in the HSA III Service Area. There are seven (7) hospitals in the E-01 Hospital Planning Area:

| <b>TABLE ONE</b>                                                                                                                                                              |             |                     |                                     |                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------|-------------------------------------|----------------------|
| <b>Hospitals in the E-01 Hospital Planning Area</b>                                                                                                                           |             |                     |                                     |                      |
| <b>Facility</b>                                                                                                                                                               | <b>City</b> | <b>Beds<br/>(2)</b> | <b>Type of<br/>Hospital<br/>(1)</b> | <b>Miles<br/>(3)</b> |
| Pana Community Hospital                                                                                                                                                       | Pana        | 22                  | CAH                                 | 0                    |
| Taylorville Memorial Hospital                                                                                                                                                 | Taylorville | 25                  | CAH                                 | 16.8                 |
| Memorial Medical Center                                                                                                                                                       | Springfield | 500                 | General                             | 44                   |
| St. John's Hospital                                                                                                                                                           | Springfield | 439                 | General                             | 44                   |
| Abraham Lincoln Hospital                                                                                                                                                      | Lincoln     | 25                  | CAH                                 | 70                   |
| Mason District Hospital                                                                                                                                                       | Havana      | 25                  | CAH                                 | 97.4                 |
| Sarah D. Culbertson Memorial Hospital                                                                                                                                         | Rushville   | 22                  | CAH                                 | 100                  |
| <ol style="list-style-type: none"> <li>1. CAH = Critical Access Hospital</li> <li>2. Information taken from 2015 Hospital Profiles</li> <li>3. Miles from MapQuest</li> </ol> |             |                     |                                     |                      |

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

| <b>TABLE TWO</b><br><b>Pana Community Hospital</b><br><b>CY 2015</b> |               |            |              |            |
|----------------------------------------------------------------------|---------------|------------|--------------|------------|
| Payor Source                                                         | # of Patients | Percentage | Revenue      | Percentage |
| Medicare                                                             | 14,644        | 48.42%     | \$9,311,165  | 47.55%     |
| Medicaid                                                             | 6,999         | 23.14%     | \$2,807,195  | 14.33%     |
| Other Public                                                         | 0             | 0.00%      | \$0          | 0.00%      |
| Private Insurance                                                    | 7,254         | 23.98%     | \$7,396,514  | 37.77%     |
| Private Pay                                                          | 1349          | 4.46%      | \$68,115     | 0.35%      |
| Total                                                                | 30,246        | 100.00%    | \$19,582,989 | 100.00%    |
| Charity Care Expense                                                 | 324           | 1.07%      | \$125,333.00 | 0.64%      |
| 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.

Pana Community 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 were 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 now fifty-one (51) CAHs in Illinois. Pana Community Hospital was approved as a “necessary provider” of health care services by IDPH and then approved as a Critical Access Hospital in November 2004. 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]

Pana Community Hospital is designated as a critical access hospital. This designation provides for inpatient, outpatient, and swing bed services to be reimbursed on a cost basis methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization. [Application for Permit page 106]

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

The applicant is proposing a major modernization of the existing facility. The addition and renovation project is broken down into two (2) phases. Phase I of the project includes a three (3) story addition with a basement. This addition will house a new dining room, additional kitchen space, a conference room, materials’ management storage and office space in the basement. The first floor of this addition will house a new laboratory, additional space for diagnostic imaging, cardiopulmonary services and clinical managers' offices. The second floor of this addition will house a relocated

surgery suite and the third floor will be a penthouse for all the necessary mechanical equipment needed to service this new addition. As part of phase I there will be renovations to the existing kitchen and dining room, the former laboratory and the former surgery suite. Phase II of the project includes an addition to the front of the existing hospital that will house an urgent care center and a new main entrance. As part of phase II, the existing patient financial services and health information management office will be renovated.

**V. Project Uses and Sources of Funds**

The applicant is funding this project with cash in the amount of \$11,846,262 and a mortgage in the amount of \$8,500,000. The applicant modified the cost of the reviewable and non reviewable portions of the project on March 27, 2017. The total cost remained unchanged. The applicant modified the cost to remove the costs of site “improvements” from the site preparation costs, to add the DGSF of circulation space and necessary clinical support areas to the clinical space, and to adjust the costs of the clinical (i.e. reviewable) and non-clinical (i.e. non-reviewable) space to account for the addition of the DGSF to the clinical space.

**TABLE THREE**

**Project Uses and Sources of Funds**

| <b>Uses of Funds</b>               | <b>Original</b>     |                     |                     |                   | <b>Revised</b>     |                     |                     |                   |
|------------------------------------|---------------------|---------------------|---------------------|-------------------|--------------------|---------------------|---------------------|-------------------|
|                                    | <b>Clinical</b>     | <b>Non Clinical</b> | <b>Total</b>        | <b>% of Total</b> | <b>Clinical</b>    | <b>Non Clinical</b> | <b>Total</b>        | <b>% of Total</b> |
| Preplanning Costs                  | \$7,616             | \$6,769             | \$14,385            | 0.07%             | \$5,901            | \$8,484             | \$14,385            | 0.07%             |
| Site Survey and Soil Investigation | \$8,172             | \$7,264             | \$15,436            | 0.08%             | \$6,225            | \$9,211             | \$15,436            | 0.08%             |
| Site Preparation                   | \$1,051,627         | \$934,679           | \$1,986,306         | 9.76%             | \$126,770          | \$187,571           | \$314,341           | 1.54%             |
| New Construction Contracts         | \$5,466,742         | \$4,858,804         | \$10,325,546        | 50.75%            | \$5,754,841        | \$7,762,371         | \$13,517,212        | 66.44%            |
| Modernization Contracts            | \$1,900,057         | \$1,688,758         | \$3,588,815         | 17.64%            | \$638,514          | \$1,430,600         | \$2,069,114         | 10.17%            |
| Contingencies                      | \$512,796           | \$455,769           | \$968,565           | 4.76%             | \$397,296          | \$571,269           | \$968,565           | 4.76%             |
| Architectural and Engineering Fees | \$837,597           | \$744,451           | \$1,582,048         | 7.78%             | \$648,940          | \$933,108           | \$1,582,048         | 7.78%             |
| Consulting and Other Fees          | \$457,743           | \$406,839           | \$864,582           | 4.25%             | \$354,643          | \$509,939           | \$864,582           | 4.25%             |
| Movable or Other Equipment         | \$445,035           | \$395,544           | \$840,579           | 4.13%             | \$428,240          | \$412,339           | \$840,579           | 4.13%             |
| Net Interest Expense               | \$84,710            | \$75,290            | \$160,000           | 0.79%             | \$65,630           | \$94,370            | \$160,000           | 0.79%             |
| <b>Total</b>                       | <b>\$10,772,095</b> | <b>\$9,574,167</b>  | <b>\$20,346,262</b> | <b>100.00%</b>    | <b>\$8,427,000</b> | <b>\$11,919,262</b> | <b>\$20,346,262</b> | <b>100.00%</b>    |
| Sources of Funds                   |                     |                     |                     |                   |                    |                     |                     |                   |
| Cash and Securities                | \$6,271,868         | \$5,574,394         | \$11,846,262        | 58.22%            | \$4,906,476        | \$6,939,786         | \$11,846,262        | 58.22%            |
| Mortgage                           | \$4,500,228         | \$3,999,772         | \$8,500,000         | 41.78%            | \$3,520,524        | \$4,979,476         | \$8,500,000         | 41.78%            |
| <b>Total</b>                       | <b>\$10,772,095</b> | <b>\$9,574,167</b>  | <b>\$20,346,262</b> | <b>100.00%</b>    | <b>\$8,427,000</b> | <b>\$11,919,262</b> | <b>\$20,346,262</b> | <b>100.00%</b>    |

## **VI. Cost Space Requirements**

The applicant is proposing 32,178 DGSF of new construction and 11,184 DGSF of modernized space at the hospital. 22,577 DGSF will remain as is for a total of 65,919 DGSF of space.

Should the project receive approval, the Hospital will convert certain space in the existing surgical suite and surgery waiting room to office space for the Patient Financial Services Department and the Medical Records/Health Information Management Department. The Hospital will convert the former Patient Financial Services Department offices and Medical Records/Health Information Management Department office to additional patient registration space, nursing office space, storage space, and public restrooms. Also, as part of this Project, when the new Laboratory, Phlebotomy, and manager offices are completed, the Hospital will convert the existing Laboratory Office and Phlebotomy room to patient waiting area space.

Non clinical service area (i.e. non-reviewable) is not reviewed by the State Board per (20 ILCS 3960/5) Non clinical service area is defined below.

*"Non-clinical service area" means an area (i) for the benefit of the patients, visitors, staff, or employees of a health care facility and (ii) not directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility. "Non-clinical service areas" include, but are not limited to, chapels; gift shops; newsstands; computer systems; tunnels, walkways, and elevators; telephone systems; projects to comply with life safety codes; educational facilities; student housing; patient, employee, staff, and visitor dining areas; administration and volunteer offices; modernization of structural components (such as roof replacement and masonry work); boiler repair or replacement; vehicle maintenance and storage facilities; parking facilities; mechanical systems for heating, ventilation, and air conditioning; loading docks; and repair or replacement of carpeting, tile, wall coverings, window coverings or treatments, or furniture. Solely for the purpose of this definition, "non-clinical service area" does not include health and fitness centers. (20 ILCS 3960/3)*

| <b>TABLE FOUR</b>              |                    |              |               |               |              |              |
|--------------------------------|--------------------|--------------|---------------|---------------|--------------|--------------|
| <b>Cost Space Requirements</b> |                    |              |               |               |              |              |
| <b>Reviewable</b>              |                    |              |               |               |              |              |
|                                | Cost               | Existing     | Proposed      | New<br>Const  | Modern       | As Is        |
| Class C Operating Rooms        | \$3,904,028        | 2,543        | 5,375         | 5,375         | 0            |              |
| Phase I PACU Stations          | \$183,530          | 215          | 356           | 356           | 0            |              |
| Phase II PACU Stations         | \$1,033,346        | 181          | 2,040         | 2,040         | 0            |              |
| Laboratory                     | \$933,192          | 881          | 1,974         | 1,530         | 444          |              |
| Mammography                    | \$138,426          | 158          | 268           | 268           | 0            |              |
| Bone Density                   | \$80,576           | 90           | 156           | 156           | 0            |              |
| Nuclear Medicine               | \$329,103          | 238          | 451           | 301           | 150          |              |
| Ultrasound                     | \$407,085          | 223          | 739           | 739           | 0            |              |
| Cardiopulmonary                | \$395,033          | 873          | 1,020         | 659           | 361          |              |
| Urgent Care                    | \$605,274          | 0            | 1,368         | 1,368         | 0            |              |
| ER Stations                    | \$417,407          | 3,084        | 2,821         | 185           | 834          | 1,802        |
| <b>Total Reviewable</b>        | <b>\$8,427,000</b> | <b>8,486</b> | <b>16,568</b> | <b>12,977</b> | <b>1,789</b> | <b>1,802</b> |

| <b>TABLE FOUR (continued)</b>                   |                     |               |               |               |               |               |
|-------------------------------------------------|---------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Cost Space Requirements</b>                  |                     |               |               |               |               |               |
| <b>Non Reviewable</b>                           |                     |               |               |               |               |               |
|                                                 | Cost                | Existing      | Proposed      | New<br>Const  | Modern        | As Is         |
| Cafeteria                                       | \$282,607           | 400           | 942           | 942           | 0             |               |
| Kitchen                                         | \$853,324           | 1,331         | 2,689         | 1,941         | 748           |               |
| Materials Management                            | \$238,418           | 863           | 1,795         | 1,594         | 0             | 201           |
| Patient Registration                            | \$419,899           | 445           | 2,179         | 700           | 642           |               |
| Patient Financial Services                      | \$270,828           | 1,044         | 1,390         | 0             | 1,692         |               |
| Health Information<br>Management                | \$79,118            | 371           | 862           | 0             | 400           | 462           |
| Public/Waiting Areas                            | \$1,362,257         | 8,575         | 14,069        | 3,898         | 3,422         | 7,168         |
| Staff Support Areas                             | \$818,600           | 6,077         | 8,762         | 1,436         | 1,422         | 6,020         |
| Storage                                         | \$332,442           | 2,000         | 4,670         | 1,428         | 1,069         | 2,173         |
| Mechanical                                      | \$701,130           | 2,170         | 6,012         | 3,842         | 0             | 2,170         |
| Elevator/Stairs/HVAC System                     | \$477,312           | 1,979         | 4,379         | 2,400         | 0             | 1,979         |
| Electrical/IT                                   | \$211,239           | 582           | 1,602         | 1,020         | 0             | 582           |
| Site<br>Improvement/Const/Parking<br>Core/Shell | \$2,057,024         | 0             |               |               |               |               |
|                                                 | \$3,815,066         | 0             | 0             | 0             | 0             | 0             |
| <b>Total Non Reviewable</b>                     | <b>\$11,919,262</b> | <b>25,837</b> | <b>49,351</b> | <b>19,201</b> | <b>9,395</b>  | <b>20,755</b> |
| <b>Total</b>                                    | <b>\$20,346,262</b> | <b>34,323</b> | <b>65,919</b> | <b>32,178</b> | <b>11,184</b> | <b>22,557</b> |

Source: Information revised by applicant March 27, 2017.

## **VII. Background of the Applicant**

### **A) Criterion 1110.3030(b)(1) to (3) – Background of the Applicant**

**To demonstrate compliance with this criterion, the applicants must provide**

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
  2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
  3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.
  4. *Adverse Action" means 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. These actions include, but are not limited to, all Type "A" and Type "AA" violations.*
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1. The applicant provided a copy of the license and certification of Pana Community Hospital (the only health care facility owned and operated by the applicant) at pages 42-43 of the Application for Permit.
  2. The applicant attested that no adverse actions have been taken against any facility owned and/or operated by the applicants. [Application for Permit page 41]
  3. Authorization permitting HFSRB and IDPH access to any documents necessary to verify information submitted has been provided at Application for Permit page 41.
  4. Pana CommunityHospital Association, a Domestic Corporation, incorporated under the laws of the State of Illinois on February 08, 1966, is in Good Standing as a Domestic Corporation in the State of Illinois.
  5. Evidence of Site Ownership was provided at pages 26-28 of the Application for Permit.
  6. The applicants are in compliance with Executive Order #2006-05 and the Illinois Historic Preservation Agency.
  7. All required reports have been provided to the State Board and the Illinois Department of Public Health as required.

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

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

These three (3) criteria are informational only. No determination on whether the applicant has met the requirements of the three (3) criteria is being made by the State Board Staff.

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

**To demonstrate 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. The applicant shall define the planning area or market area, or other, per the applicant's definition.**

The applicant stated the following:

*“Pana Community Hospital has been providing care to Pana residents and the surrounding smaller communities since May 12, 1914. This project will improve the physical plant and facilities that our services are provided in allowing us to continue to positively impact the area population's health status and well-being. The project will address the need to modernize the physical plant and facilities that have not seen significant renovations since 1955 and 1976.”*

The majority of patients using the Hospital reside in parts of four adjacent counties in central Illinois. These counties are Christian, Shelby, Fayette and Montgomery. The Hospital defines its service area to include the following Cities/ZIP Codes:

| <b>TABLE FIVE</b>                          |             |               |                   |                 |
|--------------------------------------------|-------------|---------------|-------------------|-----------------|
| <b>Pana Community Hospital Market Area</b> |             |               |                   |                 |
| <b>ZIP Code</b>                            | <b>City</b> | <b>County</b> | <b>Population</b> | <b>Distance</b> |
| 62557                                      | Pana        | Christian     | 7,223             | 0               |
| 62083                                      | Rosamond    | Christian     | 207               | 2.827           |
| 62076                                      | Ohlman      | Montgomery    | 0                 | 4.86            |
| 62555                                      | Owaneco     | Christian     | 534               | 6.133           |
| 62553                                      | Oconee      | Shelby        | 434               | 9.126           |
| 62571                                      | Tower Hill  | Shelby        | 1,177             | 10.135          |
| 62510                                      | Assumption  | Christian     | 1,605             | 10.459          |
| 62075                                      | Nokomis     | Montgomery    | 3,384             | 10.733          |
| 62431                                      | Herrick     | Shelby        | 931               | 14.415          |
| 62438                                      | Lakewood    | Shelby        | 344               | 16.551          |
| 62422                                      | Cowden      | Shelby        | 792               | 17.794          |
| 62080                                      | Ramsey      | Fayette       | 2,226             | 19.391          |

According to the applicant, the purpose of the project is to correct existing facility deficiencies. The applicant stated *“the existing laboratory that was last remodeled in 1976 is not large enough for newer laboratory equipment and there is not enough space to add any additional laboratory equipment to allow for expanded lab test offerings. The laboratory manager and phlebotomy function are not directly connected to the current laboratory space. In the current facilities, outpatient services are not centralized. The existing surgical suite was designed and renovated in 1976 when the majority of surgical cases were inpatient cases. Its design and layout are not optimal for outpatient surgical cases done by the Hospital. In 2015, Pana Community Hospital's surgical cases were 99% outpatient cases. The diagnostic imaging department must house two of its services in the Hospital's*

*Medical Mall because there is not enough space in the department to provide them there. The existing physical plant does not have enough space to provide urgent care services. The Emergency Department experiences overload volumes that could be alleviated if only true emergencies were handled in the Emergency Department and non-emergencies were handled in an urgent care center. The Hospital's existing kitchen and cafeteria do not have an appropriate layout to prepare and serve food to patients, patient families, the public or employees in an efficient and effective manner. Patient registration functions are currently not performed in private registration offices. The existing building does not allow for Materials Management to be housed in the same location, it is currently split between three locations. The Hospital struggles with HVAC issues every season change, especially in patient areas like the existing surgery suite, diagnostic imaging department and laboratory.” (Application, p. 44-45).*

### **Regulatory Compliance**

In February 2016, the Illinois Department of Public Health (IDPH) conducted a validation survey

and based upon the Centers for Medicare & Medicaid Services (CMS) review of the survey findings, notification was received in March 2016 from CMS that the Hospital was not in compliance with the Medicare Condition of Participation for critical access hospitals and as a result the Hospital's agreement with Medicare was subject to termination. The Hospital's plan of correction was submitted and accepted by IDPH and CMS and as a result the Hospital has received an extension of the termination date to July 2018. The extension is subject to periodic reviews and inspections by IDPH and CMS to ensure that the correction plan is being followed. The Hospital anticipates that once the correction plan is fully implemented CMS will rescind the termination. Management believes the corrective action plan will not significantly impact the Hospital's operations. [Application for Permit page 113 and Additional Information provided March 27, 2017]

The applicant identified five (5) goals for the proposed project.

1. Provide centralized outpatient services with better flow and way finding for patients, families and staff.
2. Provide modern, central location for peri-operative and operative services.
3. Provide urgent care services.
4. Provide for easier access for patients to the Hospital's main entrance.
5. Our overall goal is to modernize our Hospital to provide our rural community with a facility that is accessible providing a full range of healthcare services in an environment that fosters quality patient care and a positive working environment. [Application for Permit pages 44-47]

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

**All health care facilities, with the exception of skilled and intermediate long-term care facilities licensed under the Nursing Home Act [210 ILCS 45], shall provide a safety net impact statement, which shall be filed with an application for a substantive project (see Section 1110.40). *Safety net services are the services provided by health care providers or organizations that deliver health care services to persons with barriers to mainstream health care due to lack of insurance, inability to pay, special needs, ethnic or cultural characteristics, or geographic isolation.***

This project is considered a non substantive project. Non substantive project are not required to submit a safety net impact statement, only projects that are deemed substantive projects. Non substantive projects are all projects that are not classified as either substantive or emergency.

Substantive projects shall include no more than the following:

- a. *Projects to construct a new or replacement facility located on a new site; or a replacement facility located on the same site as the original facility and the costs of the replacement facility exceed the capital expenditure minimum.*
- b. *Projects proposing a new service or discontinuation of a service, which shall be reviewed by the Board within 60 days.*
- c. *Projects proposing a change in the bed capacity of a health care facility by an increase in the total number of beds or by a redistribution of beds among various categories of service or by a relocation of beds from one facility to another by more than 20 beds or more than 10% of total bed capacity, as defined by the State Board in the Inventory, whichever is less, over a 2-year period. [20 ILCS 3960/12]*

| <b>TABLE SIX</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |              |              |              |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--|
| <b>Charity Care and Medicaid Information <sup>(1)</sup></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |              |              |              |  |
| <b>Charity Care</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2013         | 2014         | 2015         |  |
| Net Patient Revenue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | \$18,692,874 | \$17,912,768 | \$21,020,333 |  |
| Amount of Charity Care (Charges)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | \$632,533    | \$1,024,391  | \$386,830    |  |
| Cost of Charity Care                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | \$294,821    | \$421,290    | \$159,633    |  |
| Ratio of Charity Care to Net Patient Revenue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1.58%        | 2.35%        | 0.76%        |  |
| <b>Medicaid</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 2013         | 2014         | 2015         |  |
| # of Patients                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              |              |              |  |
| Inpatient                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 19           | 17           | 14           |  |
| Outpatient                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 5,874        | 6,838        | 6,999        |  |
| Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 5,893        | 6,855        | 7,013        |  |
| <b>Medicaid Revenue</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |              |              |              |  |
| Inpatient                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | \$116,532    | \$83,621     | \$69,034     |  |
| Outpatient                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | \$3,160,928  | \$3,111,863  | \$3,537,073  |  |
| Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | \$3,277,460  | \$3,195,484  | \$3,606,107  |  |
| Ratio of Medicaid to Net Patient Revenue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 17.53%       | 17.84%       | 17.16%       |  |
| <ol style="list-style-type: none"> <li>1. The applicant notes in addition to the provision of financial charity care to patients, in the form of care provided for which the Applicant does not expect payment from either patient or a third party payer, Applicant also plays an important role in the surrounding areas. As provided in the attached Hospital's Internal Revenue Service Form 990, Schedule H first page, for 2013 through 2015 in as provided at pages 121-124 of the Application for Permit, the Hospital provides significant services to its surrounding community.</li> <li>2. Source: Charity Care and Medicaid information Application for Permit page 67.</li> </ol> |              |              |              |  |

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

**To demonstrate 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 considered four (4) alternatives to the proposed project.**

1. Do nothing.
2. A Project of lesser scope [Approximate cost \$11.6 million].
3. Pursue a merger or joint venture [Approximate cost unknown].
4. Replacement (establish a new hospital) on a new site [Approximate cost \$52 million].

The first two (2) alternatives were rejected because the alternatives would not address the significant facility and plant issues. The third alternative was rejected because there was no local merger partner. Establishing a new hospital was rejected because this alternative would not improve patient access or quality, financially more expensive, and there had already been significant investments in other buildings on the Hospital campus. [Application for Permit pages 48-50]

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

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

To demonstrate compliance with this criterion, the applicants must document that the size of the project is in conformance with standards published in Part 1110 Appendix B.

**State Board Staff Notes:** For hospitals, area determinations for departments and clinical service areas are to be made in departmental gross square feet (DGSF). Spaces to be included in the applicant's determination of square footage shall include all functional areas minimally required by the Hospital Licensing Act, applicable federal certification, and any additional spaces required by the applicant's operational program.

The applicant has met all of the size requirements of the State Board. [Application for Permit pages 51-52 and supplemental information submitted March 27, 2017]

| TABLE SEVEN<br>Size of the Project |                      |                         |                              |              |                         |                  |
|------------------------------------|----------------------|-------------------------|------------------------------|--------------|-------------------------|------------------|
| Reviewable                         | Rooms/Stations/Units | Proposed<br>DGSF<br>(1) | State Board Standard<br>Unit | Total<br>(2) | Difference<br>(1) – (2) | Met<br>Standard? |
| Class C Operating Rooms            | 2                    | 5,375                   | 2,750 DGSF/Room              | 5,500        | -125                    | Yes              |
| Phase I PACU Stations              | 2                    | 356                     | 180 DGSF/Station             | 360          | -4                      | Yes              |
| Phase II PACU Stations             | 6                    | 2,040                   | 400 DGSF/Station             | 2,400        | -360                    | Yes              |
| Laboratory                         | 1                    | 1,974                   | NA                           | NA           | NA                      | Yes              |
| Mammography                        | 1                    | 268                     | 900 DGSF/Unit                | 900          | -632                    | Yes              |
| Bone Density                       | 1                    | 156                     | 1,300 DGSF/Unit              | 1,300        | -1,144                  | Yes              |
| Nuclear Medicine                   | 1                    | 451                     | 1,600 DGSF/Unit              | 1,600        | -1,149                  | Yes              |
| Ultrasound                         | 1                    | 739                     | 900 DGSF/Unit                | 900          | -161                    | Yes              |
| Cardiopulmonary                    | 1                    | 1,020                   | NA                           | NA           | NA                      | Yes              |
| Urgent Care                        | 1                    | 1,368                   | NA                           | NA           | NA                      | Yes              |
| ER Stations                        | 5                    | 2,821                   | 900 DGSF/Stations            | 4,500        | -1,866                  | Yes              |
| NA- Not Applicable                 |                      |                         |                              |              |                         |                  |

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

To demonstrate compliance with this criterion, the applicants must document that the projected utilization of the services in which the State Board has established utilization standards will be in conformance with the standards published in Part 1110. Appendix B.

**State Board Staff Notes:** All Diagnostic and Treatment utilization numbers are the minimums per unit for establishing more than one unit, except where noted in 77 Ill. Adm. Code 1100.

Historical utilization will justify the number of mammography, nuclear medicine, ultrasound units and emergency department stations proposed to be modernized. The applicant is projecting the two (2) operating rooms to be at target occupancy by 2020. The number of PACU rooms is justified based upon four (4) PACU rooms per operating room.

The applicants stated the following:

*“The Hospital's existing surgical operating suite consists of two operating rooms and the proposed project surgical operating suite includes two operating rooms. Once the new surgical suite is complete, the existing operating rooms will be reallocated to office space for the Patient Financial Services Department leaving the Hospital with the same number of operating rooms as before the proposed project. These projections are based upon actual growth experienced by the Hospital in its surgical department over the last several years. The Hospital has made specific efforts to grow its Surgical Services by hiring a general surgeon in 2012 and contracting with an orthopedic surgeon in 2016. We expect the growth we have seen to continue, at a reduced rate over time and eventually leveling out approximately two years after project completion.”*

[Application for Permit page 54 and supplemental information submitted March 27, 2017]

**TABLE EIGHT  
Projected Utilization**

| Clinical                | Units/Rooms/Stations | State Board Standard | Historical |       |       |                | Number of Rooms Justified |
|-------------------------|----------------------|----------------------|------------|-------|-------|----------------|---------------------------|
|                         |                      |                      | 2014       | 2015  | 2016  | Projected 2020 |                           |
| Class C Operating Rooms | 2                    | 1,500 Hours Per Room | 458        | 693   | 1,114 | 1,590 hours    | 2                         |
| Mammography             | 1                    | 5,000 Visits/Unit    | 684        | 803   | 792   | 840            | 1                         |
| Nuclear Medicine        | 1                    | 2,000 Visits/Unit    | 128        | 244   | 120   | 130            | 1                         |
| Ultrasound              | 1                    | 3,100 Visits/Unit    | 1,047      | 1,487 | 1,173 | 1,300          | 1                         |
| Emergency Stations      | 6                    | 2,000 Visits/Station | 8,422      | 8,037 | 7,879 | 5,396          | 6                         |
| Bone Density            | 1                    | NA                   |            |       | 120   | 190            | 1                         |
| Urgent Care             | 1                    | 2,000 Visits/Year    |            |       |       | 2,031          | 1                         |
| Phase I PACU Stations   | 2                    |                      |            |       |       |                |                           |
| Phase II PACU Stations  | 6                    |                      |            |       |       |                |                           |
| Laboratory              | 1                    |                      |            |       |       |                |                           |
| Cardiopulmonary         | 1                    |                      |            |       |       |                |                           |

NA- Not Applicable

## **STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION PROJECTED UTILIZATION (77 IAC 1110.234(b))**

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

To demonstrate compliance with this criterion, the applicant must submit a signed and dated statement attesting to the applicant's understanding that, by the end of the second year of operation after the project completion, the applicant will meet or exceed the utilization standards specified in Part 1110.Appendix B.

In supplemental information submitted March 27, 2017, the applicant attested that they will meet or exceed the utilization standards specified in Part 1110. Appendix B by the end of the second year of operation after the project completion.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION ASSURANCES (77 IAC 1110.234(e))**

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

**A) Criterion 1110.3030(d) - Service Modernization**

To demonstrate compliance with this criterion, the applicant must document that the proposed project meet one of the following:

- 1) Deteriorated Equipment or Facilities and/or Necessary Expansion
- 2) Utilization - Service or Facility

Projects involving the modernization of a service or facility shall meet or exceed the utilization standards for the service, as specified in Appendix B.

The number of key rooms being modernized shall not exceed the number justified by historical utilization rates for each of the latest two years, unless additional key rooms can be justified per subsection (d)(2) (Necessary Expansion).

The Clinical Services other than Categories of Services that will be part of the modernization project are Surgery, Diagnostic Imaging (excluding MRI, CT, and general radiology), Laboratory, Emergency Room Services, Ambulatory Care Services and Nuclear Medicine.

Diagnostic Imaging includes bone density, mammography, and ultrasound. There will be one machine for each service. CT, general radiology, and MRI are not part of the modernization project.

The State Board does not have standards for laboratories. Laboratory utilization is based on historical utilization. The proposed Laboratory will have one general lab room, one phlebotomy room, and one microbiology room. In 2016, the applicant stated that there were 15,746 lab services.

Diagnostic Imaging, the Laboratory, Surgery, and Nuclear Medicine will keep the same amount of rooms for these services. With the addition of an Urgent Care Center, the Hospital will provide Ambulatory Care Services, which will decrease the utilization of the emergency room for services more appropriately provided in urgent care. The Hospital will then be able to reduce the number of stations in the Emergency Department from six to five. The Urgent Care Center will have four key rooms, including three examination rooms and one triage room. The Hospital projects that Urgent Care will operate thirty (30) hours per week and have approximately 1,300 visits in its first year of operation. The Hospital plans to have only one health care provider working in the Urgent Care Center.

**TABLE NINE**  
**Historical Utilization of Services to be Modernized**

| Department        | Rooms | State Standard       | 2014 | 2015 | 2016  | Average | Number of Rooms Justified |
|-------------------|-------|----------------------|------|------|-------|---------|---------------------------|
| Class C Operating | 2     | 1,500 Hours Per Room | 458  | 693  | 1,114 | 547     | 1                         |

|                    |   |                      |       |       |       |       |   |
|--------------------|---|----------------------|-------|-------|-------|-------|---|
| Rooms              |   |                      |       |       |       |       |   |
| Mammography        | 1 | 5,000 Visits/Unit    | 684   | 803   | 792   | 760   | 1 |
| Nuclear Medicine   | 1 | 2,000 Visits/Unit    | 128   | 244   | 108   | 160   | 1 |
| Ultrasound         | 1 | 3,100 Visits/Unit    | 1,047 | 1,487 | 1,173 | 1,236 | 1 |
| Bone Density       | 1 | NA                   |       |       | 120   | 190   | 1 |
| Urgent Care        | 1 | 2,000 Visits/Year    |       |       |       | 2,031 | 1 |
| Emergency Stations | 6 | 2,000 Visits/Station | 8,422 | 8,037 | 7,879 | 8,113 | 6 |

Historical utilization at the hospital will not justify the two (2) operating rooms being requested by the applicants.

The applicant argues that the surgery rooms have seen a significant increase in volume over the past three (3) years due to the hiring of a general surgeon in 2012 and contracting with an orthopedic surgeon in 2016. The hospital expects the growth to continue, but at a reduced rate over time and eventually leveling out approximately two (2) years after project completion.

| Historical Growth in Surgical Hours |       |                             |
|-------------------------------------|-------|-----------------------------|
| Year                                | Hours | Growth % over previous year |
| 2013                                | 652   |                             |
| 2014                                | 820   | 26%                         |
| 2015                                | 871   | 6%                          |
| 2016                                | 1,114 | 28%                         |

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION CLINICAL SERVICES OTHER THAN CATEGORIES OF SERVICE MODERNIZATION (77 IAC 1110.3030(d))**

*The Health Facility Planning Act shall establish a procedure (1) which requires a person establishing, constructing or modifying a health care facility, as herein defined, to have the qualifications, background, character and financial resources to adequately provide a proper service for the community; (2) that promotes the orderly and economic development of health care facilities in the State of Illinois that avoids unnecessary duplication of such facilities; and (3) that promotes planning for and development of health care facilities needed for comprehensive health care especially in areas where the health planning process has identified unmet needs.*

## **XI. Financial Viability**

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

**To demonstrate compliance with this criterion, the applicants must provide evidence of the availability of funding for the proposed project.**

The applicant is funding this project with cash in the amount of \$11,846,262 and mortgage in the amount of \$8,500,000. The applicant provided audited financial statements for years 2013, 2014, and 2015. It appears the applicant has sufficient cash to fund the cash portion of the project. The table below provides a summary of the cash position of Pana Community Hospital Association and Subsidiaries.

| <b>TABLE TEN</b>                                            |                     |                     |                     |
|-------------------------------------------------------------|---------------------|---------------------|---------------------|
| <b>Pana Community Hospital Association And Subsidiaries</b> |                     |                     |                     |
| <b>Audited Financial Statements</b>                         |                     |                     |                     |
| <b>December 31</b>                                          |                     |                     |                     |
| <b>Year</b>                                                 | <b>2013</b>         | <b>2014</b>         | <b>2015</b>         |
| Cash and cash equivalents                                   | \$9,969,651         | \$11,790,588        | \$13,184,544        |
| Certificates of deposit                                     | \$1,587,716         | \$1,624,492         | \$2,913,367         |
| Investments                                                 | \$886,693           | \$3,145,455         | \$4,012,994         |
| <b>Total</b>                                                | <b>\$12,444,060</b> | <b>\$16,560,535</b> | <b>\$20,110,905</b> |

Source: Audited Financial Statement pages 69-120

To provide evidence of the mortgage commitment, the applicant provided a letter from the First National Bank of Pana that approves the mortgage for the Hospital. The letter signed by T. Beaver Mathews, President and CEO of First National Bank of Pana and notarized stated in part:

*“I write to notify you that First National Bank of Pana has approved Pana Community Hospital for a loan of up to \$8,500,000 to assist with the project costs related to building additions and renovations for PCH. The proposed loan will be for a term of 5 years with an amortization period of 20 years. The interest rate will be fixed for the initial 5 years based on the 5 year Treasury plus a spread of 200 basis points. For each additional 5 year term, the interest rate will be fixed at a spread of 200 basis points above the 5 year Treasury. This letter is applicable only to the First National Bank of Pana's loan to Pana Community Hospital in relation to its application for certificate of need permit for Master Facility Plan Additions and Renovations.” [Application for Permit page 61]*

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION AVAILABILITY OF FUNDS (77 IAC 1120.120)**

**B) Criterion 1120.130 – Financial Viability**

**To demonstrate compliance with this criterion, the applicant must document that they are in compliance with the financial ratios as published in Part 1120. Appendix A for the prior three (3) years and the first year after project completion.**

The applicant has provided the necessary information as required by this criterion and has met all of the financial ratios for all years presented. Pana Community Hospital Association and Subsidiaries has **NO** debt.

| <b>TABLE ELEVEN</b>                                         |                   |        |       |        |       |
|-------------------------------------------------------------|-------------------|--------|-------|--------|-------|
| <b>Financial Ratios</b>                                     |                   |        |       |        |       |
| <b>Pana Community Hospital Association and Subsidiaries</b> |                   |        |       |        |       |
|                                                             | State<br>Standard | 2013   | 2014  | 2015   | 2020  |
| Current Ratio                                               | >2.0              | 6.4    | 4.7   | 9.4    | 5.7   |
| Net Margin Percentage                                       | >3.0              | 11.20% | 6.80% | 14.10% | 5.40% |
| Percent Debt to Total Capitalization                        | <50%              | N/A    | N/A   | N/A    | 7.00% |
| Projected Debt Service Coverage                             | >2.5              | N/A    | N/A   | N/A    | 11.3  |
| Days Cash on Hand                                           | >75 days          | 315.1  | 348.4 | 371.2  | 220.7 |
| Cushion Ratio                                               | >45               | N/A    | N/A   | N/A    | 47.4  |

| <b>TABLE TWELVE</b>                                 |                        |              |              |              |              |
|-----------------------------------------------------|------------------------|--------------|--------------|--------------|--------------|
| <b>Information used in calculating Ratios above</b> |                        |              |              |              |              |
|                                                     |                        | 2013         | 2014         | 2015         | 2020         |
| Current Ratio                                       | Current Assets         | \$15,567,058 | \$18,936,363 | \$21,854,035 | \$17,998,000 |
|                                                     | Current Liabilities    | \$2,444,915  | \$4,031,114  | \$2,325,933  | \$3,143,000  |
| Net Margin %                                        | Net Income             | \$2,147,892  | \$1,277,641  | \$3,124,041  | \$1,395,000  |
|                                                     | Net Operating Revenues | \$19,131,524 | \$18,880,482 | \$22,107,793 | \$25,832,000 |
| % Debt to Total Capitalization                      | LTD                    | \$0          | \$0          | \$0          | \$2,797,000  |
| Projected Debt Service                              | Net Assets             | \$21,455,175 | \$22,732,815 | \$25,856,856 | \$37,000,000 |
|                                                     | Depreciation           | \$1,301,172  | \$1,299,700  | \$1,327,035  | \$1,690,000  |
|                                                     | Principal Payments     | \$0          | \$0          | \$0          | \$141,000    |
| Days Cash on Hand                                   | Interest Expense       | \$0          | \$0          | \$0          | \$146,000    |
|                                                     | Cash                   | \$9,762,576  | \$11,471,031 | \$12,992,754 | \$13,618,000 |
|                                                     | Investments            | \$2,756,997  | \$2,911,230  | \$4,991,225  | \$283,000    |
| Cushion Ratio                                       | Board Designated Funds | \$1,284,973  | \$1,288,135  | \$0          | \$0          |
|                                                     | Operating Expense      | \$17,293,687 | \$17,716,459 | \$19,011,643 | \$24,681,000 |

Source: Audited Financial Statement pages 69-120

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION FINANCIAL VIABILITY (77 IAC 1120.130)**

## **XII. Economic Feasibility**

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

To demonstrate compliance with this criterion the applicant must attest that

1. a portion of the cash and equivalents must be retained in order to maintain a current ratio of at least 2.0
2. the proposed debt financing will be at the lowest net cost available to the applicant.

The applicant provided the necessary attestation at page 66 of the application for permit.

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

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

To demonstrate compliance with this criterion, the applicant must provide the terms of the conditions of the debt financing.

The applicant provided a commitment letter that stated in part

*"I write to notify you that First National Bank of Pana has approved Pana Community Hospital for a loan of up to \$8,500,000 to assist with the project costs related to building additions and renovations for Pana Community Hospital. The proposed loan will be for a term of 5 years with an amortization period of 20 years. The interest rate will be fixed for the initial 5 years based on the 5 year Treasury plus a spread of 200 basis points. For each additional 5 year term, the interest rate will be fixed at a spread of 200 basis points above the 5 year Treasury. This letter is applicable only to the First National Bank of Pana's loan to Pana Community Hospital in relation to its application for certificate of need permit for Master Facility Plan Additions and Renovations." [Application for Permit page 61]*

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION TERMS OF DEBT FINANCING (77 IAC 1120.140(b))**

### **C) Criterion 1120.140(c) - Reasonableness of Project Costs**

To demonstrate compliance with this criterion, the applicant must document that the project costs are reasonable.

As can be seen by the Table below, the applicant does not meet the new construction and contingency and modernization and contingency costs.

**TABLE THIRTEEN  
Project Costs**

| <b>Uses of Funds</b>                             | <b>Clinical</b> | <b>State Board Standard</b> | <b>Project</b> | <b>Met Standard</b> |
|--------------------------------------------------|-----------------|-----------------------------|----------------|---------------------|
| Preplanning Costs                                | \$5,901         | 1.80%                       | \$1,299,400    | <1%<br>Yes          |
| Site Survey and Soil Investigation and Site Prep | \$132,995       | 5%                          | \$307,606      | 2.1%<br>Yes         |
| New Construction Contracts and Contingencies     | \$6,112,458     | \$437.09/GSF                | \$5,672,116.93 | \$471.02/ GSF<br>No |
| Modernization Contracts and Contingencies        | \$678,193       | \$305.09/GSF                | \$547.362      | \$379.09/ GSF<br>No |
| Contingencies                                    | \$397,296       | 10-15%                      | \$1,181,939    | 6.21%<br>Yes        |
| Architectural and Engineering Fees               | \$648,940       | 7.40-11.12%                 | \$876,211      | 10.2%<br>Yes        |
| Consulting and Other Fees                        | \$354,643       |                             | Not Applicable |                     |
| Movable or Other Equipment                       | \$428,240       |                             |                |                     |
| Net Interest Expense                             | \$65,630        |                             |                |                     |

Preplanning costs are less than 1% of the new construction, modernization, contingencies and movable equipment of \$7,218,891.

Site Survey, Soil Investigation, and Site Prep are 1.58% of the new construction, modernization and contingencies of \$6,790,651.

New Construction and Contingencies is based upon the 3<sup>rd</sup> quartile RS Means data for 2015<sup>1</sup> for Pana, Illinois and inflated by 3% to the midpoint of construction. Modernization and contingencies cost is 70% of the RS Means new construction and contingency number.

| <b>New Construction, Modernization and Contingencies</b> |                      |             |             |             |
|----------------------------------------------------------|----------------------|-------------|-------------|-------------|
|                                                          | <b>2015</b>          | <b>2016</b> | <b>2017</b> | <b>2018</b> |
| New Construction and Contingencies                       | \$400 <sup>(1)</sup> | \$412       | \$424.36    | \$437.09    |
| Modernization and Contingencies                          | \$280 <sup>(2)</sup> | \$288.4     | \$297.052   | \$305.96    |

1. RS Means Standard for new hospital construction and contingencies inflated by 3% to 2018.  
2. Modernization and Contingencies is seventy percent (70%) of new construction and contingency standard.

Contingency costs for projects (or for components of projects) are based upon a percentage of new construction or modernization costs and are based upon the status of a project's architectural contract documents. The proposed project is in the schematic drawing phase

| <b>Status of Project</b> | <b>New Construction</b> | <b>Modernization</b> |
|--------------------------|-------------------------|----------------------|
| Contract Documents       | Components              | Components           |
| Schematics               | 10%                     | 10-15%               |
| Preliminary              | 7%                      | 7-10%                |
| Final                    | 3-5%                    | 5-7%                 |

Architectural Fees are a percentage of new construction and contingency and modernization and contingency and can be found in the Centralized Fee Negotiation Professional Services and Fees Handbook available at the State of Illinois Capital Development Board <https://www.illinois.gov/cdb>

<sup>1</sup> RS Means is the world's leading provider of construction cost data, software, and services for all phases of the construction lifecycle. RS Means' data from Gordian provides accurate and up-to-date cost information to help owners, developers, architects, engineers, contractors and others carefully and precisely project and control the cost of both new building construction and renovation projects. <https://www.rsmeans.com/info/contact/about-us.aspx>

The applicant exceeded the State Board Standard for new construction and contingencies by approximately \$33.93/GSF and modernization and contingencies by approximately \$73.13/GSF.

### **Applicant Explanation of Overage**

In supplemental information submitted March 27, 2017 the applicant stated

*“Applicant understands that the costs of the new construction contracts and contingencies exceed State Standards. This is because of the complexities in connecting new construction to existing building construction. For example, the floor to ceiling heights in the existing 1955 building make it challenging and costly to make this connection, requiring the Hospital to use a more costly delta beam system instead of a regular system. Applicant understands that the costs of the modernization contracts and contingencies exceed State Standards. This is due to the age of the renovated areas, which have not been renovated in over 40 years. Also, the modernization includes upgrades to the Hospital’s life safety systems, as part of its plan of correction to IDPH’s last Life Safety Code survey, which adds significant costs. For example, the Hospital has to spray any exposed steel with fireproofing material.”*

### **STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION REASONABLENESS OF PROJECT COSTS (77 IAC 1120.140(c))**

**Reviewer Note:** For the remaining two (2) criteria the State Board does not have standards. The applicant is required to provide the information and if the information is provided the two (2) criteria have been addressed. Additionally, the instruction to the application requires that if the applicant believes a criterion is not applicable to a project, the applicant may state the criterion not applicable and provide an explanation for it.

#### **D) Criterion 1120.140(d) – Direct Operating Cost**

**To demonstrate compliance with this criterion, the applicant must document the direct operating costs per equivalent patient day. For this project the applicant has provided the direct operating cost per treatment.**

The direct operating cost per treatment is \$713.47 per treatment. The applicant has met the requirements of this criterion.

|                    |             |
|--------------------|-------------|
| Personnel          | \$3,898,467 |
| Medical Supplies   | \$615,666   |
| Other Supplies     | \$247,267   |
| Medical Director   | \$0         |
| Fees               |             |
| Rent               | \$0         |
| Management Fee     | \$0         |
| Other              | \$3,095,320 |
| Total              | \$7,856,720 |
| # of Treatments    | 11,012      |
| Cost per Treatment | \$713.47    |

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

**E) Criterion 1120.140(e) – Effect of the Project on Capital Costs**

To demonstrate compliance with this criterion, the applicant must document the effect the project will have on capital costs per treatment for this project. The State Board defines capital costs as depreciation, amortization and interest.

The applicant is estimating the capital costs to be \$108.27 per treatment.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION EFFECT OF THE 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        |

| <u>Ownership, Management and General Information</u> |                                          |       |      | <u>Patients by Race</u> |                  | <u>Patients by Ethnicity</u> |        |
|------------------------------------------------------|------------------------------------------|-------|------|-------------------------|------------------|------------------------------|--------|
| ADMINISTRATOR NAME:                                  | Trina J. Casner                          |       |      | White                   | 99.7%            | Hispanic or Latino:          | 0.0%   |
| ADMINSTRATOR PHONE                                   | 217-562-6313                             |       |      | Black                   | 0.0%             | Not Hispanic or Latino:      | 100.0% |
| OWNERSHIP:                                           | Pana Community Hospital Association      |       |      | American Indian         | 0.0%             | Unknown:                     | 0.0%   |
| OPERATOR:                                            | Pana Community Hospital Association      |       |      | Asian                   | 0.0%             |                              |        |
| MANAGEMENT:                                          | Not for Profit Corporation (Not Church-R |       |      | Hawaiian/ Pacific       | 0.3%             | IDPH Number:                 | 1776   |
| CERTIFICATION:                                       | Critical Access Hospital                 |       |      | Unknown                 | 0.0%             | HPA                          | E-01   |
| FACILITY DESIGNATION:                                | (Not Answered)                           |       |      |                         |                  | HSA                          | 3      |
| ADDRESS                                              | 101 East Ninth Street                    | CITY: | Pana | COUNTY:                 | Christian 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                                        | 22                                   | 22                                | 10             | 292        | 818               | 146                 | 3.3                          | 2.6                        | 12.0                       | 12.0                               |
| 0-14 Years                                              |                                      |                                   |                | 4          | 7                 |                     |                              |                            |                            |                                    |
| 15-44 Years                                             |                                      |                                   |                | 12         | 15                |                     |                              |                            |                            |                                    |
| 45-64 Years                                             |                                      |                                   |                | 43         | 96                |                     |                              |                            |                            |                                    |
| 65-74 Years                                             |                                      |                                   |                | 43         | 92                |                     |                              |                            |                            |                                    |
| 75 Years +                                              |                                      |                                   |                | 190        | 608               |                     |                              |                            |                            |                                    |
| 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                                              |                                      |                                   | 3              | 32         | 355               |                     | 11.1                         | 1.0                        |                            |                                    |
| Acute Mental Illness                                    | 0                                    | 0                                 | 0              | 0          | 0                 | 0                   | 0.0                          | 0.0                        | 0.0                        | 0.0                                |
| Rehabilitation                                          | 0                                    | 0                                 | 0              | 0          | 0                 | 0                   | 0.0                          | 0.0                        | 0.0                        | 0.0                                |
| Long-Term Acute Care                                    | 0                                    | 0                                 | 0              | 0          | 0                 | 0                   | 0.0                          | 0.0                        | 0.0                        | 0.0                                |
| Dedicated Observation                                   | 0                                    |                                   |                |            |                   | 0                   |                              |                            |                            |                                    |
| Facility Utilization                                    | 22                                   |                                   |                | 324        | 1,173             | 146                 | 4.1                          | 3.6                        | 16.4                       |                                    |

(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                                               | 76.5%    | 1.5%     | 0.0%         | 19.1%             | 0.6%        | 2.2%         |        |
|                                                          | 248      | 5        | 0            | 62                | 2           | 7            | 324    |
| Outpatients                                              | 47.5%    | 23.1%    | 0.0%         | 23.7%             | 4.4%        | 1.3%         |        |
|                                                          | 14396    | 6994     | 0            | 7192              | 1347        | 396          | 30,325 |

| <u>Financial Year Reported:</u> | 1/1/2015 to | 12/31/2015 | <u>Inpatient and Outpatient Net Revenue by Payor Source</u> |                   |             |            |         | <u>Charity<br/>Care<br/>Expense</u> | <u>Total Charity<br/>Care Expense</u>                |
|---------------------------------|-------------|------------|-------------------------------------------------------------|-------------------|-------------|------------|---------|-------------------------------------|------------------------------------------------------|
|                                 | Medicare    | Medicaid   | Other Public                                                | Private Insurance | Private Pay | Totals     |         |                                     |                                                      |
| Inpatient<br>Revenue ( \$ )     | 93.0%       | 1.6%       | 0.0%                                                        | 5.4%              | 0.0%        | 100.0%     |         |                                     | 125,333                                              |
|                                 | 2,248,897   | 39,337     | 0                                                           | 130,522           | 538         | 2,419,294  | 2,296   |                                     |                                                      |
| Outpatient<br>Revenue ( \$ )    | 41.1%       | 16.1%      | 0.0%                                                        | 42.3%             | 0.4%        | 100.0%     |         |                                     |                                                      |
|                                 | 7,062,268   | 2,767,858  | 0                                                           | 7,265,992         | 67,577      | 17,163,695 | 123,037 |                                     | Total Charity<br>Care as % of<br>Net Revenue<br>0.6% |

| <u>Birth Data</u>                         |   |  | <u>Newborn Nursery Utilization</u> |          |           | <u>Organ Transplantation</u> |   |
|-------------------------------------------|---|--|------------------------------------|----------|-----------|------------------------------|---|
| Number of Total Births:                   | 0 |  | Level I                            | Level II | Level II+ | Kidney:                      | 0 |
| Number of Live Births:                    | 0 |  | Beds                               | 0        | 0         | Heart:                       | 0 |
| Birthing Rooms:                           | 0 |  | Patient Days                       | 0        | 0         | Lung:                        | 0 |
| Labor Rooms:                              | 0 |  | Total Newborn Patient Days         |          | 0         | Heart/Lung:                  | 0 |
| Delivery Rooms:                           | 0 |  |                                    |          |           | Pancreas:                    | 0 |
| Labor-Delivery-Recovery Rooms:            | 0 |  |                                    |          |           | Liver:                       | 0 |
| Labor-Delivery-Recovery-Postpartum Rooms: | 0 |  |                                    |          | 279       | Total:                       | 0 |
| C-Section Rooms:                          | 0 |  | Inpatient Studies                  |          | 20,884    |                              |   |
| CSections Performed:                      | 0 |  | Outpatient Studies                 |          | 4,829     |                              |   |
|                                           |   |  | Studies Performed Under Contract   |          |           |                              |   |

**Surgery and Operating Room Utilization**

| <b><u>Surgical Specialty</u></b>         | <b><u>Operating Rooms</u></b> |            |          |                           | <b><u>Surgical Cases</u></b> |            | <b><u>Surgical Hours</u></b> |            |             | <b><u>Hours per Case</u></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          | 2        | 2                         | 1                            | 139        | 1                            | 138        | 139         | 1.0                          | 1.0        |
| Gastroenterology                         | 0                             | 0          | 0        | 0                         | 0                            | 261        | 0                            | 261        | 261         | 0.0                          | 1.0        |
| 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                            | 39         | 0                            | 29         | 29          | 0.0                          | 0.7        |
| Orthopedic                               | 0                             | 0          | 0        | 0                         | 0                            | 2          | 0                            | 1          | 1           | 0.0                          | 0.5        |
| Otolaryngology                           | 0                             | 0          | 0        | 0                         | 0                            | 0          | 0                            | 0          | 0           | 0.0                          | 0.0        |
| Plastic Surgery                          | 0                             | 0          | 0        | 0                         | 0                            | 0          | 0                            | 0          | 0           | 0.0                          | 0.0        |
| Podiatry                                 | 0                             | 0          | 0        | 0                         | 0                            | 1          | 0                            | 1          | 1           | 0.0                          | 1.0        |
| Thoracic                                 | 0                             | 0          | 0        | 0                         | 0                            | 0          | 0                            | 0          | 0           | 0.0                          | 0.0        |
| Urology                                  | 0                             | 0          | 0        | 0                         | 0                            | 1          | 0                            | 1          | 1           | 0.0                          | 1.0        |
| <b>Totals</b>                            | <b>0</b>                      | <b>0</b>   | <b>2</b> | <b>2</b>                  | <b>1</b>                     | <b>443</b> | <b>1</b>                     | <b>431</b> | <b>432</b>  | <b>1.0</b>                   | <b>1.0</b> |
| <b><u>SURGICAL RECOVERY STATIONS</u></b> |                               |            |          | Stage 1 Recovery Stations |                              | 0          | Stage 2 Recovery Stations    |            | 0           |                              |            |

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

| <b><u>Procedure Type</u></b>                   | <b><u>Procedure Rooms</u></b> |            |          |       | <b><u>Surgical Cases</u></b> |            | <b><u>Surgical Hours</u></b> |            |             | <b><u>Hours per Case</u></b> |            |
|------------------------------------------------|-------------------------------|------------|----------|-------|------------------------------|------------|------------------------------|------------|-------------|------------------------------|------------|
|                                                | Inpatient                     | Outpatient | Combined | Total | Inpatient                    | Outpatient | Inpatient                    | Outpatient | Total Hours | Inpatient                    | Outpatient |
| Gastrointestinal                               | 0                             | 0          | 2        | 2     | 0                            | 261        | 0                            | 261        | 261         | 0.0                          | 1.0        |
| Laser Eye Procedures                           | 0                             | 0          | 0        | 0     | 0                            | 0          | 0                            | 0          | 0           | 0.0                          | 0.0        |
| Pain Management                                | 0                             | 0          | 0        | 0     | 0                            | 0          | 0                            | 0          | 0           | 0.0                          | 0.0        |
| Cystoscopy                                     | 0                             | 0          | 2        | 2     | 0                            | 1          | 0                            | 1          | 1           | 0.0                          | 1.0        |
| <b><u>Multipurpose Non-Dedicated Rooms</u></b> |                               |            |          |       |                              |            |                              |            |             |                              |            |
|                                                | 0                             | 0          | 0        | 0     | 0                            | 0          | 0                            | 0          | 0           | 0.0                          | 0.0        |
|                                                | 0                             | 0          | 0        | 0     | 0                            | 0          | 0                            | 0          | 0           | 0.0                          | 0.0        |
|                                                | 0                             | 0          | 0        | 0     | 0                            | 0          | 0                            | 0          | 0           | 0.0                          | 0.0        |

**Emergency/Trauma Care****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:                      | 45             |
| Patients Admitted from Trauma                 | 0              |
| Emergency Service Type:                       | Stand-By       |
| Number of Emergency Room Stations             | 6              |
| Persons Treated by Emergency Services:        | 8,690          |
| Patients Admitted from Emergency:             | 360            |
| Total ED Visits (Emergency+Trauma):           | <b>8,735</b>   |
| <b><u>Free-Standing Emergency Center</u></b>  |                |
| Beds in Free-Standing Centers                 | 0              |
| Patient Visits in Free-Standing Centers       | 0              |
| Hospital Admissions from Free-Standing Center | 0              |
| <b><u>Outpatient Service Data</u></b>         |                |
| Total Outpatient Visits                       | <b>30,325</b>  |
| Outpatient Visits at the Hospital/ Campus:    | 30,325         |
| 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><u>Owned Contract</u></b> |   | <b><u>Inpatient</u></b> | <b><u>Outpt</u></b> | <b><u>Contract</u></b> |                              | <b><u>Owned Contract</u></b> |   |   |
|-------------------------------------|------------------------------|---|-------------------------|---------------------|------------------------|------------------------------|------------------------------|---|---|
| General Radiography/Fluoroscopy     | 1                            | 0 | 407                     | 6,285               | 0                      | Lithotripsy                  | 0                            | 0 | 0 |
| Nuclear Medicine                    | 0                            | 1 | 0                       | 0                   | 123                    | Linear Accelerator           | 0                            | 0 | 0 |
| Mammography                         | 1                            | 0 | 0                       | 669                 | 0                      | Image Guided Rad Therapy     |                              |   | 0 |
| Ultrasound                          | 1                            | 0 | 44                      | 1,138               | 0                      | 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 | 205                     | 2,853               | 0                      |                              |                              |   |   |
| Magnetic Resonance Imaging          | 0                            | 1 | 0                       | 0                   | 483                    |                              |                              |   |   |

# 17-007 Pana Community Hospital - Pana

