

E-044-18

ORIGINAL

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION PERMIT**

RECEIVED

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

AUG 16 2018

Facility/Project Identification

HEALTH FACILITIES &
SERVICES REVIEW BOARD

| | | |
|--|------------------------|----------------------------|
| Facility Name: OSF Saint Anthony Medical Center – Discontinuation of Pediatric Category of Service | | |
| Street Address: 5666 E State St. | | |
| City and Zip Code: Rockford 61108 | | |
| County: Winnebago | Health Service Area: 1 | Health Planning Area: B-01 |

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

| | |
|--|--|
| Exact Legal Name: OSF Healthcare System d/b/a OSF Saint Anthony Medical Center | |
| Street Address: 800 N.E. Glen Oak Avenue | |
| City and Zip Code: Peoria, IL 61603 | |
| Name of Registered Agent: Sister Theresa Ann Brazeau, OSF | |
| Registered Agent Street Address: 1175 Saint Francis Lane | |
| Registered Agent City and Zip Code: East Peoria 61611 | |
| Name of Chief Executive Officer: Robert Sehring | |
| CEO Street Address: 800 N.E. Glen Oak Avenue | |
| CEO City and Zip Code: Peoria 61603 | |
| CEO Telephone Number: 309-655-2850 | |

Type of Ownership of Applicants

| | |
|--|---|
| <input checked="" type="checkbox"/> Non-profit Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental |
| <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other |

o Corporations and limited liability companies must provide an Illinois certificate of good standing.

o Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

| |
|--|
| Name: Mark Hohulin |
| Title: Senior Vice President, Healthcare Analytics |
| Company Name: OSF Healthcare System |
| Address: 800 N.E. Glen Oak Avenue Peoria, IL 61603 |
| Telephone Number: 309-308-9656 |
| E-mail Address: mark.e.hohulin@osfhealthcare.org |
| Fax Number: 309-308-0530 |

Additional Contact [Person who is also authorized to discuss the application for exemption permit]

| |
|---|
| Name: Michael Henderson |
| Title: Corporate Counsel |
| Company Name: OSF Healthcare System |
| Address: 800 N.E. Glen Oak Avenue Peoria, IL 61603 |
| Telephone Number: 309-655-2590 |
| E-mail Address: michael.b.henderson@osfhealthcare.org |
| Fax Number: 309-655-4847 |

Post Exemption Permit Contact

[Person to receive all correspondence subsequent to permit issuance-THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960]

| |
|--|
| Name: Mark Hohulin |
| Title: Senior Vice President, Healthcare Analytics |
| Company Name: OSF Healthcare System |
| Address: 800 N.E. Glen Oak Avenue Peoria, IL 61603 |
| Telephone Number: 309-308-9656 |
| E-mail Address: mark.e.hohulin@osfhealthcare.org |
| Fax Number: 309-308-0530 |

Site Ownership

[Provide this information for each applicable site]

| |
|---|
| Exact Legal Name of Site Owner: OSF Healthcare System |
| Address of Site Owner: 800 N.E. Glen Oak Avenue Peoria, IL 61603 |
| Street Address or Legal Description of the Site: 5666 E State St. Rockford, IL 61108 |
| Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease. |
| APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. |

Operating Identity/Licensee

[Provide this information for each applicable facility and insert after this page.]

| |
|--|
| Exact Legal Name: OSF Healthcare System d/b/a OSF Saint Anthony Medical Center |
| Address: 800 N.E. Glen Oak Avenue Peoria, IL 61603 |
| <input checked="" type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other |
| <ul style="list-style-type: none">o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. |
| APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. |

Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements – Not Applicable, No Construction

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 ([http:// www.illinois.gov/sites/hfsrb](http://www.illinois.gov/sites/hfsrb)).

APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements – Not Applicable

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT 6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT

1. Project Classification

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

- Change of Ownership
- Discontinuation of an Existing Health Care Facility or of a category of service
- Establishment or expansion of a neonatal intensive care or beds

2. Narrative Description

In the space below, provide a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

OSF Saint Anthony Medical Center proposes to discontinue the thirteen (13) bed Pediatric Unit. OSF Saint Anthony Medical Center has not yet determined the use of the space that will be vacated as a result of the discontinuation.

Upon closure of the Pediatric Unit Beds, OSF Saint Anthony Medical Center will continue to care for Pediatric patients by utilizing existing medical/surgical beds and burn unit beds as appropriate, in addition to providing emergency services, outpatient diagnostic and procedural services as needed.

The discontinuation described above will occur after the approval is granted by the Illinois Health Facilities and Services Review Board.

This project does not include the construction, demolition, or modernization of any existing buildings, and there are no project costs.

This is a substantive project because it proposes the discontinuation of a designated category of service.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must be equal. **Not applicable. There are no project costs.**

| Project Costs and Sources of Funds | | | |
|--|------------|-------------|------------|
| USE OF FUNDS | CLINICAL | NONCLINICAL | TOTAL |
| Preplanning Costs | -0- | -0- | -0- |
| Site Survey and Soil Investigation | -0- | -0- | -0- |
| Site Preparation | -0- | -0- | -0- |
| Off Site Work | -0- | -0- | -0- |
| New Construction Contracts | -0- | -0- | -0- |
| Modernization Contracts | -0- | -0- | -0- |
| Contingencies | -0- | -0- | -0- |
| Architectural/Engineering Fees | -0- | -0- | -0- |
| Consulting and Other Fees | -0- | -0- | -0- |
| Movable or Other Equipment (not in construction contracts) | -0- | -0- | -0- |
| Bond Issuance Expense (project related) | -0- | -0- | -0- |
| Net Interest Expense During Construction (project related) | -0- | -0- | -0- |
| Fair Market Value of Leased Space or Equipment | -0- | -0- | -0- |
| Other Costs To Be Capitalized | -0- | -0- | -0- |
| Acquisition of Building or Other Property (excluding land) | -0- | -0- | -0- |
| TOTAL USES OF FUNDS | -0- | -0- | -0- |
| SOURCE OF FUNDS | CLINICAL | NONCLINICAL | TOTAL |
| Cash and Securities | -0- | -0- | -0- |
| Pledges | -0- | -0- | -0- |
| Gifts and Bequests | -0- | -0- | -0- |
| Bond Issues (project related) | -0- | -0- | -0- |
| Mortgages | -0- | -0- | -0- |
| Leases (fair market value) | -0- | -0- | -0- |
| Governmental Appropriations | -0- | -0- | -0- |
| Grants | -0- | -0- | -0- |
| Other Funds and Sources | -0- | -0- | -0- |
| TOTAL SOURCES OF FUNDS | -0- | -0- | -0- |

NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

| | | |
|---|------------------------------|--|
| Land acquisition is related to project | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Purchase Price: | \$ _____ | |
| Fair Market Value: | \$ _____ | |
| The project involves the establishment of a new facility or a new category of service | | |
| | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100. | | |
| Estimated start-up costs and operating deficit cost is \$ <u> N/A </u> . | | |

Project Status and Completion Schedules

| | |
|---|--|
| For facilities in which prior permits have been issued please provide the permit numbers. | |
| Indicate the stage of the project's architectural drawings: | |
| <input checked="" type="checkbox"/> None or not applicable | <input type="checkbox"/> Preliminary |
| <input type="checkbox"/> Schematics | <input type="checkbox"/> Final Working |
| Anticipated project completion date (refer to Part 1130.140): <u>on or before December 31, 2018.</u> | |
| Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140): Not applicable. There are no project costs. | |
| <input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed. <input type="checkbox"/> Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies | |
| <input type="checkbox"/> Financial Commitment will occur after permit issuance. | |
| APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. | |

State Agency Submittals [Section 1130.620(c)]

| |
|--|
| Are the following submittals up to date as applicable: |
| <input checked="" type="checkbox"/> Cancer Registry |
| <input checked="" type="checkbox"/> APORS |
| <input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted |
| <input checked="" type="checkbox"/> All reports regarding outstanding permits |
| Failure to be up to date with these requirements will result in the application for permit being deemed incomplete. |

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of OSF Saint Anthony's Health Center* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

Robert Sehring
SIGNATURE

Robert Sehring
PRINTED NAME

Chief Executive Officer
PRINTED TITLE

Mark Nafziger
SIGNATURE

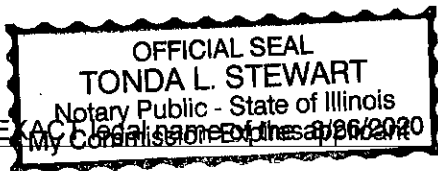
Mark Nafziger
PRINTED NAME

CEO, OSF Ambulatory Care and
CAO, OSF Physician Enterprise
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 15th day of August

Tonda L. Stewart
Signature of Notary

Seal

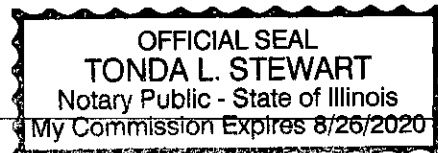


*Insert the EXACT legal name of the applicant

Notarization:
Subscribed and sworn to before me
this 26th day of July 2018

Tonda L. Stewart
Signature of Notary

Seal



CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
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Mark Nafziger
SIGNATURE
Mark Nafziger
PRINTED NAME
CEO, OSF Ambulatory Care and
CAO, OSF Physician Enterprise
PRINTED TITLE

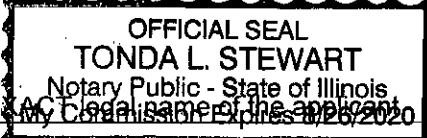
Paula Carynski
SIGNATURE
Paula Carynski
PRINTED NAME
President/CEO
PRINTED TITLE


Notarization:
Subscribed and sworn to before me
this 26th day of July 2018

Notarization:
Subscribed and sworn to before me
this 26th day of July 2018

Tonda L. Stewart
Signature of Notary

Tonda L. Stewart
Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

Seal


SECTION II. DISCONTINUATION

This Section is applicable to the discontinuation of a health care facility maintained by a State agency.

NOTE: If the project is solely for discontinuation and if there is no project cost, the remaining Sections of the application are not applicable.

Type of Discontinuation

- | |
|--|
| <input type="checkbox"/> Discontinuation of an Existing Health Care Facility |
| <input checked="" type="checkbox"/> Discontinuation of a category of service |

Criterion 1110.130 – Discontinuation

READ THE REVIEW CRITERION and provide the following information: **GENERAL INFORMATION REQUIREMENTS**

1. Identify the categories of service and the number of beds, if any, that are to be discontinued.
2. Identify all of the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued, and the length of time the records will be maintained.
6. For applications involving the discontinuation of an entire facility, provide certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 90 days following the date of discontinuation.
7. Upon a finding that an application to close a health care facility is complete, the State Board shall publish a legal notice on 3 consecutive days in a newspaper of general circulation in the area or community to be affected and afford the public an opportunity to request a hearing. If the application is for a facility located in a Metropolitan Statistical Area, an additional legal notice shall be published in a newspaper of limited circulation, if one exists, in the area in which the facility is located. If the newspaper of limited circulation is published on a daily basis, the additional legal notice shall be published on 3 consecutive days. The legal notice shall also be posted on the Health Facilities and Services Review Board's web site and sent to the State Representative and State Senator of the district in which the health care facility is located. In addition, the health care facility shall provide notice of closure to the local media that the health care facility would routinely notify about facility events.
8. Provide attestation that the facility provided the required notice of the facility or category of service closure to local media that the health care facility would routinely notify about facility events. The supporting documentation shall include a copy of the notice, the name of the local media outlet, the date the notice was given, and the result of the notice, e.g., number of times broadcasted, written, or published. Only notice that is given to a local television station, local radio station, or local newspaper will be accepted.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for the discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.130(b) for examples.

IMPACT ON ACCESS

1. Document that the discontinuation of each service or of the entire facility and whether or not it will have an adverse effect upon access to care for residents of the facility's market area.
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within 45 minutes travel time of the applicant facility.

APPEND DOCUMENTATION AS ATTACHMENT 10, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IX. SAFETY NET IMPACT STATEMENT (DISCONTINUATION ONLY)

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE STATE-OWNED HEALTH CARE FACILITIES [20 ILCS 3960/5.4]:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

4. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
5. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
6. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 40.

| Safety Net Information per PA 96-0031 | | | |
|--|-------------|-------------|-------------|
| CHARITY CARE | | | |
| Charity (# of patients) | Year | Year | Year |
| Inpatient | | | |
| Outpatient | | | |
| Total | | | |
| Charity (cost in dollars) | Year | Year | Year |
| Inpatient | | | |
| Outpatient | | | |
| Total | | | |
| MEDICAID | | | |
| Medicaid (# of patients) | Year | Year | Year |
| Inpatient | | | |
| Outpatient | | | |
| Total | | | |
| Medicaid (revenue) | Year | Year | Year |
| Inpatient | | | |
| Outpatient | | | |
| Total | | | |

APPEND DOCUMENTATION AS ATTACHMENT 20, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. CHARITY CARE INFORMATION (CHOW ONLY)

Charity Care information **MUST** be furnished for **ALL** projects [1120.20has].

7. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
8. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
9. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer (20 ILCS 3960/3). Charity Care **must** be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 41.

| CHARITY CARE | | | |
|----------------------------------|------|------|------|
| | Year | Year | Year |
| Net Patient Revenue | | | |
| Amount of Charity Care (charges) | | | |
| Cost of Charity Care | | | |

APPEND DOCUMENTATION AS ATTACHMENT 21, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

| INDEX OF ATTACHMENTS | | |
|-----------------------------|--|--------------|
| ATTACHMENT NO. | | PAGES |
| 1 | Applicant Identification including Certificate of Good Standing | 14-15 |
| 2 | Site Ownership | 16-17 |
| 3 | Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. | |
| 4 | Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc. | 18 |
| 5 | Flood Plain Requirements | |
| 6 | Historic Preservation Act Requirements | |
| 7 | Project and Sources of Funds Itemization | |
| 8 | Financial Commitment Document if required | |
| 9 | Cost Space Requirements | |
| 10 | Discontinuation | 19-22 |
| 11 | Background of the Applicant | |
| 12 | Purpose of the Project | |
| 13 | Alternatives to the Project | |
| | Service Specific: | |
| 14 | Neonatal Intensive Care Services | |
| 15 | Change of Ownership | |
| | Financial and Economic Feasibility: | |
| 16 | Availability of Funds | |
| 17 | Financial Waiver | |
| 18 | Financial Viability | |
| 19 | Economic Feasibility | |
| 20 | Safety Net Impact Statement | 23-24 |
| 21 | Charity Care Information | 25 |

SEE ATTACHED CERTIFICATE OF GOOD STANDING FOR OSF HEALTHCARE SYSTEM

ATTACHMENT 1

File Number

0107-414-8



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

OSF HEALTHCARE SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 02, 1880, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1817601890 verifiable until 06/25/2019
Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 25TH day of JUNE A.D. 2018 .

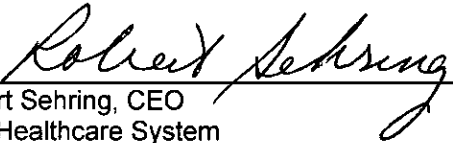
Jesse White

SECRETARY OF STATE

PROOF OF SITE OWNERSHIP – SEE ATTCHED

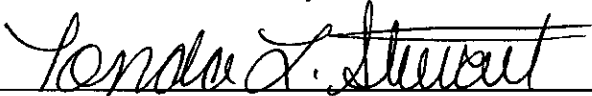
ATTACHMENT 2

I, Robert Sehring, do hereby attest the site of the OSF Saint Anthony Medical Center, which is located at 5666 E. State Street in Rockford, Illinois is owned by OSF Healthcare System.



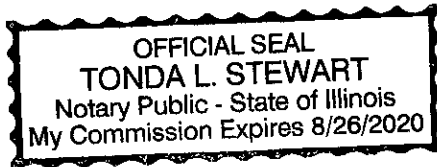
Robert Sehring, CEO
OSF Healthcare System

Subscribed and sworn to before me this
15th day of August, 2018



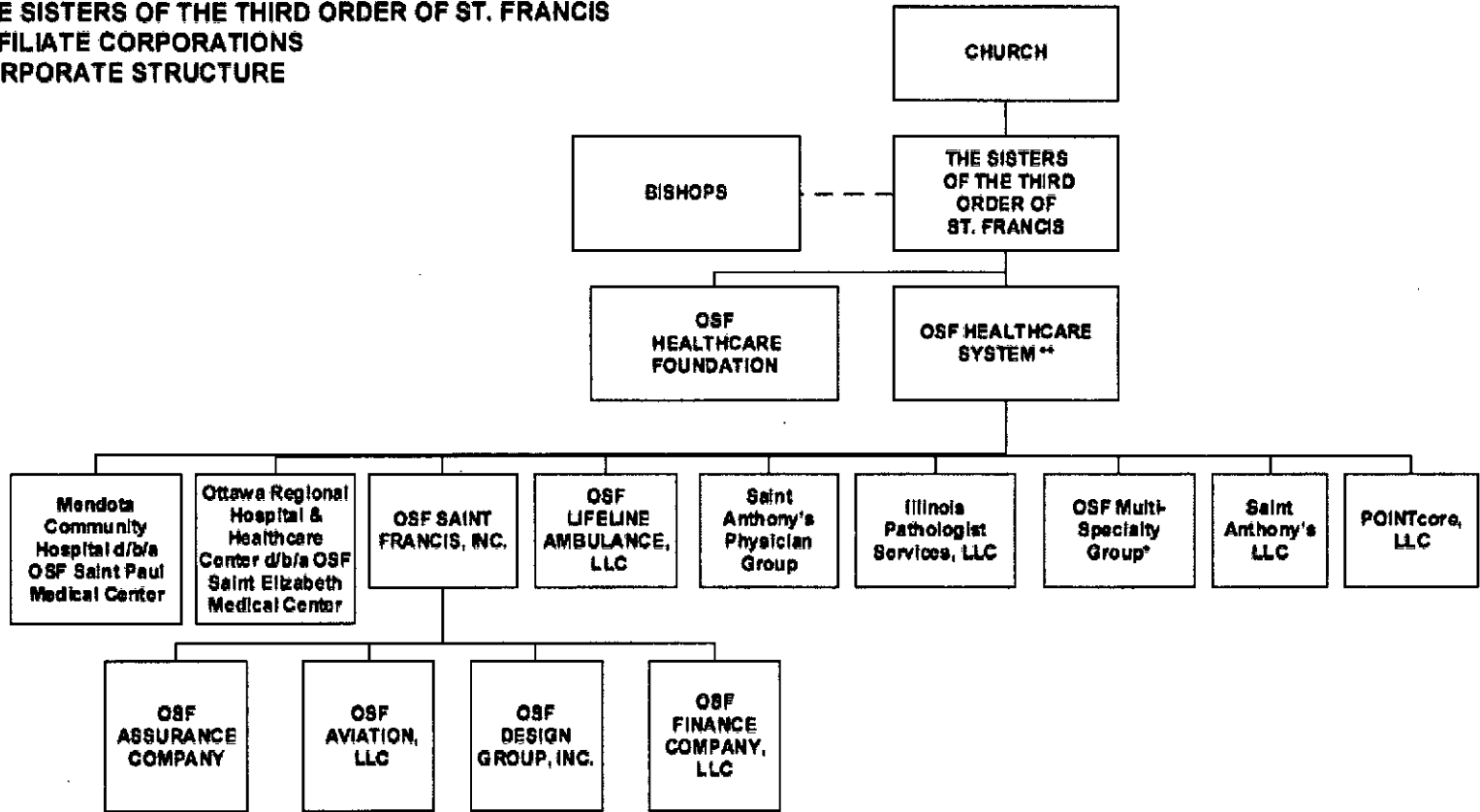
Notary Public

<seal>



ATTACHMENT 2

**THE SISTERS OF THE THIRD ORDER OF ST. FRANCIS
AFFILIATE CORPORATIONS
CORPORATE STRUCTURE**



** OSF Healthcare System

- OSF Saint Francis Medical Center - Peoria
- OSF Saint Anthony Medical Center - Rockford
- OSF St. Joseph Medical Center - Bloomington
- OSF Saint James/John W. Albrecht Medical Center - Pontiac
- OSF St. Mary Medical Center - Chilesburg
- OSF Holy Family Medical Center - Monmouth
- OSF St. Francis Hospital - Escanaba, Michigan
- OSF Saint Luke Medical Center - Kewanee
- OSF Saint Anthony's Health Center - Alton
- OSF Heart of Mary Medical Center - Urbana
- OSF Sacred Heart Medical Center - Danville
- OSF Home Care Services

*OSF Multi-Specialty Group

- OSF Medical Group
- Cardiovascular Services
- Neuroscience Services
- Children's Services
- Ambulatory Services

Legend:

- Direct Responsibility
- - - - - Advisory

DISCONTINUATION

GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any that are to be discontinued.

OSF Saint Anthony Medical Center proposes to discontinue the thirteen (13) bed Pediatric Unit. Upon closure of the Pediatric Unit Beds, OSF Saint Anthony Medical Center will continue to care for Pediatric patients by utilizing existing medical/surgical beds and burn unit beds as appropriate, in addition to providing emergency services, outpatient diagnostic and procedural services as needed.

2. Identify all of the other clinical services that are to be discontinued.

No other clinical services will be discontinued as part of this project.

3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.

The discontinuation will occur after the approval is granted by the Illinois Health Facilities and Services Review Board.

4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.

OSF Saint Anthony Medical Center is evaluating the future use of the physical space and equipment utilized for Pediatric Unit Services. Upon closure of the Pediatric Unit Beds, OSF Saint Anthony Medical Center will continue to care for Pediatric patients by utilizing existing medical/surgical beds and burn unit beds as appropriate, in addition to providing emergency services, outpatient diagnostic and procedural services as needed.

5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued, and the length of time the records will be maintained.

All medical records will be maintained at OSF Saint Anthony Medical Center in accordance with its standard health information policies, and in accordance with all applicable legal and regulatory requirements.

6. For applications involving the discontinuation of an entire facility, provide certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 90 days following the date of discontinuation.

Not applicable.

7. Upon a finding that an application to close a health care facility is complete, the State Board shall publish a legal notice on 3 consecutive days in a newspaper of general circulation in the area or community to be affected and afford the public an opportunity to request a hearing. If the application is for a facility located in a Metropolitan Statistical Area, an additional legal notice shall be published in a newspaper of limited circulation, if one exists, in the area in which the facility is located. If the newspaper of limited circulation is published on a daily basis, the additional legal notice shall be published on 3 consecutive days. The legal notice shall also be posted on the Health Facilities and Services Review Board's web site and sent to the State Representative and State Senator of the district in which the health care facility is located. In addition, the health care facility shall provide notice of closure to the local media that the health care facility would routinely notify about facility events.

Not applicable.

DISCONTINUATION CONTINUED

8. Provide attestation that the facility provided the required notice of the facility or category of service closure to local media that the health care facility would routinely notify about facility events. The supporting documentation shall include a copy of the notice, the name of the local media outlet, the date the notice was given, and the result of the notice, e.g., number of times broadcasted, written, or published. Only notice that is given to a local television station, local radio station, or local newspaper will be accepted.

OSF Saint Anthony Medical Center distributed a classified ad to the Rockford Register Star on July 30-August 1, 2018. A copy of the notice is provided in Attachment 10.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for the discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.130(b) for examples.

OSF Saint Anthony Medical Center has provided quality pediatric care services to its patients for many years. However, utilization of those services has declined over the past several years to the point that it no longer appears the services are necessary for a separate Pediatric Unit, and are being provided elsewhere in the community. In addition, as census has declined it has been increasingly difficult to retain and recruit pediatric staff for the unit.

The Pediatric unit has had relatively low and declining average daily census (ADC) and occupancy for the last several years. The last five years, the Pediatric Unit has seen an ADC and occupancy % as follows:

2013: ADC 1.0, Occ% 7.5%

2014: ADC 0.6, Occ% 4.9%

2015: ADC 0.3, Occ% 2.2%

2016: ADC 0.4, Occ% 2.8%

2017: ADC 0.3, Occ% 2.3%

With the availability of other Pediatric service providers in the area, it is clear the discontinuation of the Pediatric unit will have no impact on access to Pediatric services within the market. Based on the HFSRB Inventory of Healthcare Facilities and Services and Needs Determinations, there are available Pediatric Beds in the community (40 beds) in Hospital Planning Area B-01 and (56 beds) in Hospital Service Area 1. OSF SAMC already has transfer agreements in place with the other area hospitals.

The discontinuation of the Pediatric Unit at OSF Saint Anthony Medical Center will help reduce the excess beds, which is consistent with the goals of the Health Facilities Services Review Board.

DEATH NOTICES

6. OSF Saint Anthony Medical Center (OSF SAMC) in Rockford, Illinois intends to discontinue the licensed bed "category of service" for its thirteen (13) bed Pediatric Unit after approval to do so is issued by the Illinois Health Facilities and Services Review Board (IHFSRB). Pediatric patients will continue to be cared for at OSF SAMC by utilizing existing medical/surgical and burn unit beds as appropriate. In addition to providing emergency services, outpatient diagnostic and procedural services as needed. The discontinuation will occur after the approval is granted by the IHFSRB. OSF intends to submit the required Certificate

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of Exemption application to the IHFSRB on or around August 15, 2018 and a copy of it can be found after the application is deemed complete on the IHFSRB website at <https://www2.illinois.gov/sites/hf-srb/Projects/Pages/CompApps.aspx>. For further information, please contact Paula Carynski at (815)-395-5377 at OSF SAMC.

RRS July 30, 31, Aug. 1

IMPACT ON ACCESS

1. Document that the discontinuation of each service or of the entire facility and whether or not it will have an adverse effect upon access to care for residents of the facility's market area.

As stated above, according to the most recent HFSRB Inventory, there are available Pediatric Beds in Winnebago and HSA 1. Furthermore, more detailed data in the inventory indicates that OSF Saint Anthony Medical Center's Pediatric unit accounted for only 2.4% of the total patient days in 2015 among Pediatric providers in the Hospital Planning Area B-01.

From that information and data, it is apparent that sufficient Pediatric Unit services are available in the OSF Saint Anthony Medical Center market area and that the discontinuation of the Pediatric Beds will not materially or adversely affect the ability of the residents of Rockford, Illinois or broader Winnebago county area to obtain Pediatric Services.

2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within 45 minutes travel time of the applicant facility. See Appendices 1-2.

Impact statement requests were sent to facilities, with pediatric beds, within a 45 minute travel time from OSF Saint Anthony Medical Center, on July 26, 2018 (see Appendices). We have received signed/return receipts and response letters from all of the facilities. These are included in the Appendices.

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE STATE-OWNED HEALTH CARE FACILITIES [20 ILCS 3960/5.4]:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.

OSF Saint Anthony Medical Center believes that the availability of Pediatric beds in Rockford Illinois, the Winnebago County Planning Area, and Health Service Area 1 are sufficient to ensure that this project will not have a material impact on essential safety net services in the community.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.

Given that OSF Saint Anthony Medical Center served a relatively small number of pediatric inpatients in Rockford, Illinois and the Winnebago County Planning Area for the past several years, OSF Saint Anthony Medical Center believes that this project will not materially impact the ability of other providers or health care systems to subsidize safety net services.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

We believe given the excess of beds in the area, other providers of Inpatient Pediatric services will be positively impacted, as the services will be less diluted.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

See safety net chart below. Note that the chart in this Attachment 20 indicates the amount of charity care provided by OSF Saint Anthony Medical Center relating to Pediatrics that is the subject of this discontinuation project. Charity care information pertaining to OSF Saint Anthony Medical Center and OSF Healthcare System as a whole are included in Attachment 21.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

See safety net chart below. Note that the chart in this Attachment 20 indicates the amount of Medicaid care provided by OSF Saint Anthony Medical Center relating to Pediatrics that is the subject of this discontinuation project.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

OSF Saint Anthony Medical Center believes that the available supply of Pediatric Beds in Rockford, Illinois, the Winnebago County Planning Area, and the Health Service Area 1 are sufficient to ensure that residents of these areas will continue to have access to these services.

Pediatrics

| Safety Net Information per PA 96-0031 | | | |
|--|-------------|-------------|-------------|
| CHARITY CARE | | | |
| Charity (# of patients) | FY15 | FY16 | FY17 |
| Inpatient | 1 | 1 | - |
| Outpatient | - | - | - |
| Total | 1 | 1 | - |
| Charity (cost in dollars) | | | |
| Inpatient | 2,005 | 971 | - |
| Outpatient | - | - | - |
| Total | 2,005 | 971 | - |
| MEDICAID | | | |
| Medicaid (# of patients) | FY15 | FY16 | FY17 |
| Inpatient | 18 | 27 | 22 |
| Outpatient | - | - | - |
| Total | 18 | 27 | 22 |
| Medicaid (revenue) | | | |
| Inpatient | 84,643 | 93,381 | 99,767 |
| Outpatient | - | - | - |
| Total | 84,643 | 93,381 | 99,767 |

Charity Care

| OSF SAINT ANTHONY MEDICAL CENTER CHARITY CARE | | | |
|--|-------------|-------------|-------------|
| | 2015 | 2016 | 2017 |
| Net Patient Revenue | 339,523,091 | 326,380,217 | 345,318,980 |
| Amount of Charity Care (charges) | 17,225,701 | 22,188,122 | 17,034,502 |
| Cost of Charity Care | 4,053,004 | 4,915,354 | 3,752,960 |

| OSF HEALTHCARE SYSTEM CHARITY CARE | | | |
|---|---------------|---------------|---------------|
| | 2015 | 2016 | 2017 |
| Net Patient Revenue | 1,917,020,581 | 1,970,497,456 | 2,057,383,657 |
| Amount of Charity Care (charges) | 123,694,713 | 121,815,596 | 123,255,304 |
| Cost of Charity Care | 24,351,000 | 25,170,596 | 26,127,456 |



OSF HEALTHCARE

July 26, 2018

Mercyhealth
Javon Bea, CEO/President
2400 North Rockton Avenue
Rockford, IL 61103

Dear Mr. Bea:

OSF Saint Anthony Medical Center plans to file a Certificate of Exemption (COE) with the Illinois Health Facilities and Review Board (IHFSRB) for discontinuation of our 13-bed pediatric category of service. OSF intends to submit the required Certificate of Exemption application to the IHFSRB on or around August 15, 2018. The discontinuation will occur after the approval is granted by the IHFSRB.

For your reference, OSF Saint Anthony Medical Center reported the following admissions on the IDPH Annual Hospital Questionnaire:

| | 2015 | 2016 | 2017 |
|-----------|------|------|------|
| Pediatric | 46 | 46 | 40 |

Please note that pediatric patients will continue to be cared for at OSF Saint Anthony Medical Center by utilizing existing medical/surgical beds and burn unit beds as appropriate, in addition to providing emergency services, outpatient diagnostic and procedural services as needed.

Please provide, as applicable, the following information with your impact statement:

- Capacity to accommodate a portion or all of OSF Saint Anthony Medical Center's experienced caseload.
- Explanation of any restrictions or limitations precluding providing services to the residents of OSF Saint Anthony Medical Center's market area.

If a response is not received within 15 days from the date of delivery, the Medical Center will assume that the discontinuation will not have an adverse impact on your organization.

Please direct your response to the following:

OSF Saint Anthony Medical Center
Paula Carynski, President
5666 E. State Street
Rockford, IL 61108-2425

I greatly appreciate your assistance regarding this requirement and the continuation of Pediatric services in our area. If you have any questions, please direct them to my attention at 815-395-5377 or email paula.a.carynski@osfhealthcare.org.

Sincerely,

Paula Carynski, President

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Mercyhealth
 Javon Bea, CEO/President
 2400 North Rockton Avenue
 Rockford, IL 61103

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OSFHC Saint Anthony Medical Ctr
 5666 E. State Street
 Rockford, IL 61108
 Administration

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OSFHC Saint Anthony Medical Ctr.
 5666 E. State Street
 Rockford, IL 61108
 Administration

Postmark: Rockford, IL 61108



Corporate Office
3401 N Perryville Rd Ste 303
Rockford, IL 61114

MercyHealthSystem.org

Office of the President

August 3, 2018

OSF HealthCare
Paula Carynski, President
5666 E. State Street
Rockford, IL 61108

Dear Ms. Carynski:

I am writing in response to your notice regarding OSF Saint Anthony Medical Center's plan to file a Certificate of Exemption with the Illinois Health Facilities and Review Board (IHFSRB) for discontinuation of your 13-bed pediatric category of service.

Mercyhealth has more than adequate beds and ability to accommodate a portion or all of OSF Saint Anthony Medical Center's experienced caseload. In addition, Mercyhealth does not have any restrictions or limitations precluding providing services to the residents of OSF Saint Anthony Medical Center's market area.

We appreciate your notification of this change and we look forward to continuing to serve the greater Rockford community.

Sincerely,

Davon R. Bea
President & CEO



July 26, 2018

Swedish American Hospital
Michael Born, MD, CEO
1401 E. State Street
Rockford, IL 61104

Dear Dr. Born:

OSF Saint Anthony Medical Center plans to file a Certificate of Exemption (COE) with the Illinois Health Facilities and Review Board (IHFSRB) for discontinuation of our 13-bed pediatric category of service. OSF intends to submit the required Certificate of Exemption application to the IHFSRB on or around August 15, 2018. The discontinuation will occur after the approval is granted by the IHFSRB.

For your reference, OSF Saint Anthony Medical Center reported the following admissions on the IDPH Annual Hospital Questionnaire:

| | 2015 | 2016 | 2017 |
|-----------|------|------|------|
| Pediatric | 46 | 46 | 40 |

Please note that pediatric patients will continue to be cared for at OSF Saint Anthony Medical Center by utilizing existing medical/surgical beds and burn unit beds as appropriate, in addition to providing emergency services, outpatient diagnostic and procedural services as needed.

Please provide, as applicable, the following information with your impact statement:

- Capacity to accommodate a portion or all of OSF Saint Anthony Medical Center's experienced caseload.
- Explanation of any restrictions or limitations precluding providing services to the residents of OSF Saint Anthony Medical Center's market area.

If a response is not received within 15 days from the date of delivery, the Medical Center will assume that the discontinuation will not have an adverse impact on your organization.

Please direct your response to the following:

OSF Saint Anthony Medical Center
Paula Carynski, President
5666 E. State Street
Rockford, IL 61108-2425

I greatly appreciate your assistance regarding this requirement and the continuation of Pediatric services in our area. If you have any questions, please direct them to my attention at 815-395-5377 or email paula.a.carynski@osfhealthcare.org.

Sincerely,

Paula Carynski, President

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Swedish American Hospital
 Michael Born, MD, CEO
 1401 E. State Street
 Rockford, IL 61104

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OSF HealthCare, 500 Andrew Medical Center
 6000 E. State Street
 Rockford, IL 61108
 Administration

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1. Article Addressed to:

Swedish American Hospital
 Michael Born, MD, CEO
 1401 E. State Street
 Rockford, IL 61104

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2. Article Number (Transfer from service label)
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OSF HEALTHCARE
 OSF HealthCare, 500 Andrew Medical Center
 5000 E. State St., Rockford, Illinois 61108

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1. Article Addressed to:

Swedish American Hospital
 Michael Born, MD, CEO
 1401 E. State Street
 Rockford, IL 61104

9590 9402 2872 7069 9842 28

2. Article Number (Transfer from service label)
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Tom Hocker Agent Addressed

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Tom Hocker 7-30-15

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 Insured Mail Restricted Delivery (over \$500)

PS Form 3811, July 2015 PSN 7530-02-000-9053



Michael J. Born, MD, MBA, CPE
President And Chief Executive Officer

August 9, 2018

OSF Saint Anthony Medical Center
Paula Carynski, President
5666 E. State Street
Rockford, IL 61108-2425

Dear Paula:

This letter is in support of OSF Saint Anthony Medical Center filing a Certificate of Exemption (COE) with the Illinois Health Facilities and Review Board (IHFSRB) for the discontinuation of your 13-bed pediatric category of service.

For decades our two health systems have worked alongside each other to care for pediatric patients here in northern Illinois. We at SwedishAmerican have a great understanding and respect for the care your medical center provides, and we know with this proposed discontinuation children will still be treated with the utmost care in your facility. If the need should arise in the future, our pediatric unit and our providers will have the capacity and skills to accommodate your caseload.

We respectfully urge approval of the OSF Saint Anthony Medical Center COE application.

Best regards,

Michael J. Born, MD, MBA, CPE

MJB/mb

August 15, 2018

Ms. Courtney Avery, Administrator
Illinois Health Facilities & Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

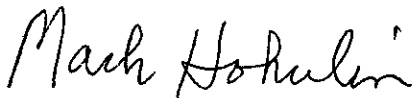
RE: OSF Saint Anthony Medical Center, Rockford
Discontinuation of Pediatric Category of Service

Dear Ms. Avery:

Enclosed is a certificate of exemption for discontinuation of pediatric category of service for OSF Saint Anthony Medical Center. Also enclosed is the application filing fee.

If you have any questions, please contact me at 309-308-9656 or mark.e.hohulin@osfhealthcare.org.

Sincerely,



Mark E. Hohulin, Senior Vice President
OSF Healthcare System

c: Mike Constantino
Paula Carynski