ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Carle- Danville Medical Office Building
Street Address: Area bounded by W. Madison St., Robinson St., N. Logan Ave and Lafayette St.
City and Zip Code: Danville, IL 61832
County: Vermilion Health Service Area: HSA-4 Health Planning Area: D-3

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

Exact Legal Name: The Carle Foundation
Street Address: 611 West Park Street
City and Zip Code: Urbana IL, 61801
Name of Registered Agent: James C. Leonard, MD
Registered Agent Street Address: 611 West Park Street
Registered Agent City and Zip Code: Urbana IL, 61801
Name of Chief Executive Officer: James C. Leonard, MD
CEO Street Address: 611 West Park Street
CEO City and Zip Code: Urbana IL, 61801
CEO Telephone Number: 217-383-3311

Type of Ownership of Applicants

- ☒ Non-profit Corporation
- ☐ For-profit Corporation
- ☐ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ Sole Proprietorship
- ☐ Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- 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: Collin Anderson
Title: Strategic Planning Coordinator
Company Name: The Carle Foundation Hospital
Address: 611 West Park Street, Urbana IL, 61801
Telephone Number: 217-902-5521
E-mail Address: Collin.Anderson@Carle.com
Fax Number:

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

Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli P.C.
Address: 150 N. Riverside Plaza, Ste. 3000 Chicago, IL 60606
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number:

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

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City and Zip Code: Danville, IL 61832
County: Vermilion Health Service Area: HSA-4 Health Planning Area: D-3

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

Exact Legal Name: Carle Health Development, LLC
Street Address: 611 West Park Street
City and Zip Code: Urbana IL, 61801
Name of Registered Agent: James C. Leonard, MD
Registered Agent Street Address: 611 West Park Street
Registered Agent City and Zip Code: Urbana IL, 61801
Name of Chief Executive Officer: James C. Leonard, MD
CEO Street Address: 611 West Park Street
CEO City and Zip Code: Urbana IL, 61801
CEO Telephone Number: 217-383-3311

Type of Ownership of Applicants

- ☒ Non-profit Corporation
- ☐ For-profit Corporation
- ☐ Limited Liability Company
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- ☐ Sole Proprietorship
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Address: 150 N. Riverside Plaza, Ste. 3000 Chicago, IL 60606
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number:

Post 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: Collin Anderson
Title: Strategic Planning Coordinator
Company Name: The Carle Foundation Hospital
Address: 611 West Park Street, Urbana IL, 61801
Telephone Number: 217-902-5521
E-mail Address: Collin.Anderson@Carle.com
Fax Number:

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Carle Health Development, LLC
Address of Site Owner: 611 West Park Street, Urbana IL, 61801
Street Address or Legal Description of the Site: TRACT 1: BEGINNING AT THE NORTHWEST CORNER OF LOT 14 OF GALUSHA & GILBERT'S ADDITION AS RECORDED IN DEED RECORD C, PAGE 563 IN THE VERMILION COUNTY RECORDER'S OFFICE; THENCE NORTH 89° 53' 50" EAST ALONG THE SOUTH RIGHT-OF-WAY LINE OF MADISON STREET 855.73 FEET TO THE EAST RIGHT-OF-WAY LINE OF ROBINSON STREET, SAID POINT ALSO BEING THE NORTHWEST CORNER OF LOT 4 OF SAID GALUSHA & GILBERT'S ADDITION; THENCE SOUTH 00° 48' 42" EAST ALONG SAID EAST RIGHT-OF-WAY LINE OF ROBINSON STREET 66.84 FEET TO THE SOUTH LINE OF THE NORTH 66 FEET OF SAID LOT 4; THENCE NORTH 89° 53' 50" EAST ALONG SAID SOUTH LINE OF THE NORTH 66 FEET OF LOT 4 65.98 FEET TO THE EAST LINE OF SAID LOT 4; THENCE SOUTH 00° 48' 42" EAST ALONG THE EAST LINE OF LOT 4 AND LOT 24 OF SAID GALUSHA & GILBERT'S ADDITION 116.46 FEET TO THE SOUTH LINE OF THE NORTH 55 FEET OF SAID LOT 24; THENCE SOUTH 89° 27' 07" WEST ALONG SAID SOUTH LINE OF THE NORTH 55 FEET OF LOT 24 65.88 FEET TO THE EAST RIGHT-OF-WAY LINE OF ROBINSON STREET; THENCE SOUTH 00° 48' 42" EAST ALONG THE EAST RIGHT-OF-WAY LINE OF ROBINSON STREET 471.64 FEET TO THE NORTH RIGHT-OF-WAY LINE OF LAFAYETTE STREET, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF LOT 49 OF SAID GALUSHA & GILBERT'S ADDITION; THENCE SOUTH 89° 26' 41" WEST ALONG SAID NORTH RIGHT-OF-WAY LINE OF LAFAYETTE STREET 49.50 FEET TO THE WEST RIGHT-OF-WAY LINE OF ROBINSON STREET, SAID POINT ALSO BEING THE SOUTHEAST CORNER OF LOT 18 OF ABDILL'S SUBDIVISION AS RECORDED IN DEED RECORD 23, PAGE 475 IN THE VERMILION COUNTY RECORDER'S OFFICE; THENCE SOUTH 00° 48' 42" EAST ALONG SAID WEST RIGHT-OF-WAY LINE OF ROBINSON STREET 163.98 FEET TO THE SOUTHEAST CORNER OF LOT 2 OF PETER BEYER'S SUBDIVISION RECORDED IN PLAT BOOK 1, PAGE 129 IN THE VERMILION COUNTY RECORDER'S OFFICE; THENCE SOUTH 89° 26' 41" WEST ALONG THE SOUTH LINE OF SAID LOT 2 AND AN EXTENSION THEREOF 100.11 FEET; THENCE NORTH 00° 51' 00" WEST 25.22 FEET; THENCE SOUTH 89° 09' 00" WEST 10.00 FEET; THENCE NORTH 00° 51' 00" WEST 9.50 FEET; THENCE SOUTH 89° 09' 00" WEST 32.50 FEET TO THE EAST RIGHT-OF-WAY LINE OF AN EXISTING PUBLIC ALLEY; THENCE SOUTH 00° 51' 00" EAST ALONG SAID EAST RIGHT-OF-WAY LINE 44.50 FEET; THENCE SOUTH 89° 26' 41" WEST ALONG THE SOUTH RIGHT-OF-WAY LINE OF SAID PUBLIC ALLEY 185.01 FEET TO THE EAST RIGHT-OF-WAY LINE OF LOGAN AVENUE; THENCE NORTH 30° 31' 51" WEST ALONG SAID EAST RIGHT-OF-WAY LINE OF LOGAN AVENUE 22.45 FEET; THENCE SOUTH 59° 28' 09" WEST, ON A LINE PERPENDICULAR TO THE LOGAN AVENUE RIGHT-OF-WAY LINE, 60.00 FEET TO THE WEST RIGHT-OF-WAY LINE OF SAID LOGAN AVENUE, SAID POINT ALSO BEING THE SOUTHEAST CORNER OF LOT 1 OF H.C. ADAM'S

ADDITION AS RECORDED IN PLAT BOOK 1, PAGE 426 IN THE VERMILION COUNTY RECORDER'S OFFICE; THENCE SOUTH 86° 08' 08" WEST ALONG THE SOUTH LINE OF SAID LOT 1 179.46 FEET TO A SOUTHEASTERLY CORNER OF LOT 8 OF SAID H.C. ADAM'S ADDITION; THENCE SOUTH 69° 37' 48" WEST ALONG THE SOUTH LINE OF SAID LOT 8 19.94 FEET; THENCE NORTH 30° 31' 51" WEST 171.94 FEET TO THE SOUTHEASTERLY LINE OF LOT 2 OF KIMBROUGH & HARVEY'S ADDITION AS RECORDED IN DEED RECORD 2, PAGE 78 IN THE VERMILION COUNTY RECORDER'S OFFICE; THENCE SOUTH 59° 28' 09" ALONG SAID SOUTHEASTERLY LINE OF LOT 2 217.56 FEET TO THE SOUTHWESTERLY CORNER OF SAID LOT 2; THENCE NORTH 30° 01' 51" WEST ALONG THE SOUTHWESTERLY LINE OF SAID LOT 2 48.00 FEET TO THE NORTHWESTERLY CORNER OF SAID LOT 2; THENCE NORTH 59° 28' 09" EAST ALONG THE NORTHWESTERLY LINE OF SAID LOT 2 217.14 FEET; THENCE NORTH 30° 31' 51" 48.00 FEET TO THE SOUTHEASTERLY LINE OF LOT 6 OF COUNTY CLERK'S SUBDIVISION OF THE WEST ½ OF THE NORTHWEST ¼ OF SECTION 8, TOWNSHIP 19 NORTH, RANGE 11 WEST OF THE 2ND P.M. AS RECORDED IN PLAT BOOK 1, PAGE 72 IN THE VERMILION COUNTY RECORDER'S OFFICE; THENCE CONTINUE NORTH 30° 31' 51" WEST 334.07 FEET TO THE NORTH LINE OF LOT 3 OF SAID COUNTY CLERK'S SUBDIVISION; THENCE NORTH 59° 28' 09" EAST ALONG THE NORTH LINE OF SAID LOT 3 AND AN EXTENSION THEREOF 240.00 FEET TO THE EAST RIGHT-OF-WAY LINE OF LOGAN AVENUE; THENCE NORTH 30° 31' 51" WEST ALONG SAID EAST RIGHT-OF-WAY LINE OF LOGAN AVENUE 256.78 FEET TO THE POINT OF BEGINNING ENCOMPASSING 15.515 ACRES, MORE OR LESS;

AND ALSO;

TRACT 2:

LOTS 1, 2, 3, 4, AND 5 OF C.E. LEWIS ETAL RE-SUBDIVISION AS RECORDED IN PLAT BOOK 1, PAGE 243 IN THE VERMILION COUNTY RECORDER'S OFFICE, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 5; THENCE NORTH 89° 12' 27" EAST ALONG THE SOUTH RIGHT-OF-WAY LINE OF NORTH STREET 286.87 FEET TO THE NORTHEAST CORNER OF SAID LOT 1; THENCE SOUTH 00° 37' 58" EAST ALONG THE EAST LINE OF SAID LOT 1 157.34 FEET TO THE SOUTHEAST CORNER OF SAID LOT 1; THENCE SOUTH 89° 07' 49" WEST ALONG THE SOUTH LINE OF SAID LOTS 1, 2, 3, 4, AND 5 211.88 FEET TO THE EAST RIGHT-OF-WAY LINE OF LOGAN AVENUE, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF SAID LOT 5; THENCE NORTH 26° 06' 13" WEST ALONG SAID EAST RIGHT-OF-WAY LINE OF LOGAN AVENUE 174.37 FEET TO THE POINT OF BEGINNING ENCOMPASSING 0.902 ACRES, MORE OR LESS

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: The Carle Foundation Hospital
Address: 611 West Park Street, Urbana IL, 61801

☒	Non-profit Corporation	☐	Partnership		
☐	For-profit Corporation	☐	Governmental		
☐	Limited Liability Company	☐	Sole Proprietorship	☐	Other

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- 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.
- **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

[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.hfsrb.illinois.gov**).

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

Historic Resources Preservation Act Requirements

[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 1110.20 and Part 1120.20(b)]

Part 1110 Classification:

☒ Substantive

☐ Non-substantive

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.

The Carle Foundation, The Carle Foundation Hospital and Carle Health Development, LLC (the "Applicants") seek authority to construct a four story medical office building ("MOB") within the area bounded by W. Madison St., Robinson St., N. Logan Ave and Lafayette St. to accommodate diagnostic services as well as physician medical offices and exam rooms (the "Project"). To continue offering the array of physician and related ancillary services currently provided at Carle locations in Danville, the Project will consolidate Carle services from two discrete locations in Danville (311 W. Fairchild St. and 2300 N. Vermilion St.). The Applicants are also separately filing a Certificate of Need application to relocate an existing ASTC to this proposed building.

The MOB will consist of 91,746 gross square feet of clinical space and 45,197 gross square feet of non-clinical space for a total of 136,943 gross square feet of space.

The Project does not have an inpatient component nor does it establish any Category of Service; however, it is an expenditure on behalf of a hospital. As such, it is classified as non-substantive.

Rendering

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.

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs	$401,975	$198,025	$600,000
Site Survey and Soil Investigation	$100,494	$49,506	$150,000
Site Preparation	$1,004,936	$495,064	$1,500,000
Off Site Work	$803,949	$396,051	$1,200,000
New Construction Contracts	$25,500,000	$12,200,000	$37,700,000
Modernization Contracts	$0	$0	$0
Contingencies	$2,300,000	$800,000	$3,100,000
Architectural/Engineering Fees	$1,901,996	$1,098,004	$3,000,000
Consulting and Other Fees	$468,970	$231,030	$700,000
Movable or Other Equipment (not in construction contracts)	$6,130,112	$3,019,888	$9,150,000
Bond Issuance Expense (project related)	$1,305,347	$643,055	$1,948,403
Net Interest Expense During Construction (project related)	$792,500	$390,411	$1,182,910
Fair Market Value of Leased Space or Equipment	$0	$0	$0
Other Costs To Be Capitalized	$1,062,246	$3,531,808	$4,594,053
Acquisition of Building or Other Property (excluding land)	$0	$0	$0
TOTAL USES OF FUNDS	**$41,772,524**	**$23,052,842**	**$64,825,366**
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$2,035,514	$1,151,052	$3,186,566
Pledges	$0	$0	$0
Gifts and Bequests	$0	$0	$0
Bond Issues (project related)	$38,674,764	$21,869,983	$60,544,747
Mortgages	$0	$0	$0
Leases (fair market value)	$0	$0	$0
Governmental Appropriations	$0	$0	$0
Grants	$0	$0	$0
Other Funds and Sources	$1,062,246	$31,808	$1,094,053
TOTAL SOURCES OF FUNDS	**$ 41,772,524**	**$ 23,052,842**	**$ 64,825,366**

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 ☒ Yes ☐ No
Purchase Price: $ $1,964,336
Fair Market Value: $ $1,964,336

The project involves the establishment of a new facility or a new category of service
☐ Yes ☒ 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 $ _____.

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:

☐ None or not applicable ☐ Preliminary
☒ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): June 30, 2023

Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):

☐ Purchase orders, leases or contracts pertaining to the project have been executed.
☐ 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
☒ 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:
☒ Cancer Registry
☒ APORS
☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☒ All reports regarding outstanding permits
Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

Provide in the following format, the **Departmental Gross Square Feet (DGSF)** or the **Building Gross Square Feet (BGSF)** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

APPEND DOCUMENTATION AS ATTACHMENT 9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert the chart after this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which data is available. Include observation days in the patient day totals for each bed service.** Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME: The Carle Foundation Hospital		**CITY:** Urbana			
REPORTING PERIOD DATES:		**From:** 1/1/19		**to:** 12/31/19	
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days**	**Bed Changes**	**Proposed Beds**
Medical/Surgical	285	20,356	84,172	n/a	285
Obstetrics	35	2,995	8,542	n/a	35
Pediatrics	20	1,102	3,075	n/a	20
Intensive Care	48	2,106	10,740	n/a	48
Comprehensive Physical Rehabilitation	20	359	5,846	n/a	20
Acute/Chronic Mental Illness	0	0	0	n/a	0
Neonatal Intensive Care	25	448	3,619	n/a	25
General Long Term Care	0	0	0	n/a	0
Specialized Long Term Care	0	0	0	n/a	0
Long Term Acute Care	0	0	0	n/a	0
Other ((identify)	0	0	0	n/a	0
TOTALS:	433	27,366	115,994	n/a	433

CERTIFICATION

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

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- 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);
- 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);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of The Carle Foundation * 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.

SIGNATURE

James C. Leonard, MD
PRINTED NAME

President and CEO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 16th day of December, 2020

Signature of Notary

Seal

"OFFICIAL SEAL"
Ann E. Beyers
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 01/12/23

SIGNATURE

Dennis Hesch
PRINTED NAME

Executive Vice President and System CFO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 16th day of December, 2020

Signature of Notary

Seal

"OFFICIAL SEAL"
Ann E. Beyers
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 01/12/23

*Insert the EXACT legal name of the applicant

CERTIFICATION

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- 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);
- 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);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

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SIGNATURE

James C. Leonard, MD
PRINTED NAME

President and CEO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 16th day of December, 2020

Signature of Notary

Seal

"OFFICIAL SEAL"
Ann E. Beyers
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 01/12/23

SIGNATURE

Dennis Hesch
PRINTED NAME

Executive Vice President and System CFO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 16th day of December, 2020

Signature of Notary

Seal

"OFFICIAL SEAL"
Ann E. Beyers
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 01/12/23

*Insert the EXACT legal name of the applicant

CERTIFICATION

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

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- 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);
- 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);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Carle Health Development, LLC * 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.

SIGNATURE

James C. Leonard, MD
PRINTED NAME

President & CEO of Sole Member, The Carle Foundation
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 16th day of December, 2020.

Signature of Notary

Seal

"OFFICIAL SEAL"
A... E. Beyers
NOTARY ... OF ILLINOIS
My Co... ...pires 01/12/23

SIGNATURE

Dennis Hesch
PRINTED NAME

Executive VP & System CFO of Sole Member, The Carle Foundation
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 16th day of December, 2020

Signature of Notary

Seal

"OFFICIAL SEAL"
Ann E. Beyers
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 01/12/23

*Insert the EXACT legal name of the applicant

SECTION II. DISCONTINUATION

This Section is applicable to the discontinuation of a health care facility, relocation of a health care facility, or discontinuation of more than one category of service in a 6-month period. **NOTE:** If the project is solely for discontinuation and if there is no project cost, the remaining Sections of the application are not applicable.

Criterion 1110.290 – 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 is 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, 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.

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 1110.290(b) for examples.

IMPACT ON ACCESS

1. Document whether or not the discontinuation of each service or of the entire facility 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 the planning area.

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

SECTION III. BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

1110.110(a) – Background of the Applicant

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.

2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.

3. For the following questions, please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.

    a. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application.

    b. A certified listing of each applicant, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. Unless expunged, provide details about the conviction and submit any police or court records regarding any matters disclosed.

    c. A certified and detailed listing of each applicant or person charged with fraudulent conduct or any act involving moral turpitude.

    d. A certified listing of each applicant with one or more unsatisfied judgements against him or her.

    e. A certified and detailed listing of each applicant who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency.

4. 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.**

5. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT 11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

Criterion 1110.110(b) & (d)

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other relevant area, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.
4. Cite the sources of the documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate.**

For projects involving modernization, describe the conditions being upgraded, if any. For facility projects, include statements of the age and condition of the project site, as well as regulatory citations, if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Staff Report.

APPEND DOCUMENTATION AS ATTACHMENT 12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

A) Proposing a project of greater or lesser scope and cost;

B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;

C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

D) Provide the reasons why the chosen alternative was selected.

2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short-term (within one to three years after project completion) and long-term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT 13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV. PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

Criterion 1110.120 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative and it shall include the basis used for determining the space and the methodology applied.**

2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:

    a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies and certified by the facility's Medical Director.

    b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.

    c. The project involves the conversion of existing space that results in excess square footage.

    d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	**PROPOSED BGSF/DGSF**	**STATE STANDARD**	**DIFFERENCE**	**MET STANDARD?**

APPEND DOCUMENTATION AS ATTACHMENT 14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	**HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.**	**PROJECTED UTILIZATION**	**STATE STANDARD**	**MEET STANDARD?**
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT 15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE: (Not Applicable)

Provide the following information:

1. Total gross square footage (GSF) of the proposed shell space.

2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function.

3. Evidence that the shell space is being constructed due to:
   a. Requirements of governmental or certification agencies; or
   b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.

4. Provide:
   a. Historical utilization for the area for the latest five-year period for which data is available; and
   b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT 16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES: (Not Applicable)

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.

2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and

3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT 17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Sections A-L N-O are not applicable

M. Criterion 1110.270 - Clinical Service Areas Other than Categories of Service

1. Applicants proposing to establish, expand and/or modernize Clinical Service Areas Other than categories of service must submit the following information:

2. Indicate changes by Service: Indicate # of key room changes by action(s):

Service	# Existing Key Rooms	# Proposed Key Rooms
☐		
☐		
☐		

3. READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

Project Type	Required Review Criteria
New Services or Facility or Equipment	(b) – Need Determination – Establishment
Service Modernization	(c)(1) – Deteriorated Facilities
	AND/OR
	(c)(2) – Necessary Expansion
	PLUS
	(c)(3)(A) – Utilization – Major Medical Equipment
	OR
	(c)(3)(B) – Utilization – Service or Facility
APPEND DOCUMENTATION AS ATTACHMENT 30, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

The following Sections DO NOT need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18-month period prior to the submittal of the application):

- **Section 1120.120 Availability of Funds – Review Criteria**
- **Section 1120.130 Financial Viability – Review Criteria**
- **Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)**

VI. 1120.120 - AVAILABILITY OF FUNDS

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable **[Indicate the dollar amount to be provided from the following sources]:**

$3,186,566	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
$60,544,747	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.

_____	e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
$1,094,053	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
$63,731,313	**TOTAL FUNDS AVAILABLE**

APPEND DOCUMENTATION AS ATTACHMENT 33, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VII. 1120.130 - FINANCIAL VIABILITY

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

	Historical 3 Years			Projected
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 35, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VIII.1120.140 - ECONOMIC FEASIBILITY

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or

2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:

   A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or

   B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1) That the selected form of debt financing for the project will be at the lowest net cost available;

2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
Contingency									
TOTALS									
* Include the percentage (%) of space for circulation									

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT 36, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IX. SAFETY NET IMPACT STATEMENT

SAFETY NET IMPACT STATEMENT that describes all the following must be submitted for ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE 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:

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.

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.

3. 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 37.

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

APPEND DOCUMENTATION AS ATTACHMENT 37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. CHARITY CARE INFORMATION

Charity Care information MUST be furnished for ALL projects [1120.20(c)].

1. 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.

2. 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.

3. 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 39.

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

APPEND DOCUMENTATION AS ATTACHMENT 38, 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:

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#20-048

File Number 2932-580-4

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

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

THE CARLE FOUNDATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 06, 1946, 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.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 21ST *day of* JANUARY *A.D.* 2020 .

Jesse White

SECRETARY OF STATE

Authentication #: 2002103110 verifiable until 01/21/2021

Authenticate at: http://www.cyberdriveillinois.com

Attachment- 1

32

File Number 5274-755-4

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

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

THE CARLE FOUNDATION HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MAY 28, 1982, 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.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 3RD *day of* MAY *A.D.* 2019 .

Jesse White

SECRETARY OF STATE

Authentication #: 1912301388 verifiable until 05/03/2020

Authenticate at: http://www.cyberdriveillinois.com

#20-048

File Number 0834452-3

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

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

CARLE HEALTH DEVELOPMENT, LLC. HAVING ORGANIZED IN THE STATE OF ILLINOIS ON DECEMBER 16, 2019, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 8TH *day of* JANUARY *A.D.* 2020 .

Authentication #: 2000800380 verifiable until 01/08/2021

Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

Proof of Site Ownership

The Applicants propose construction of a medical office building in Danville, Illinois. An attestation regarding control of the site is included as part of this Attachment-2.

Carle
611 West Park Street, Urbana, IL 61801-2595

Debra Savage, Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

RE: Attachment 2 - Proof of ownership or control of the site

Dear Chair Savage:

The Carle Foundation formed Carle Health Development, LLC as a wholly owned subsidiary and, in collaboration with Central Illinois Land Bank, that entity acquired the parcels within the area bounded by W. Madison St., Robinson St., N. Logan Ave and Lafayette St. in Danville, Illinois. Carle Health Development, LLC is the legal owner of the consolidated property and The Carle Foundation will maintain control of the site.

Sincerely,

James C. Leonard, M.D.
President and CEO

Notarization:

Subscribed and sworn to before
me this 16th day of December, 2020.

Ann E. Beyers

Signature of Notary

seal

"OFFICIAL SEAL"
Ann E. Beyers
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 01/12/23

Attachment-2

#20-048

File Number 2932-580-4

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

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

THE CARLE FOUNDATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 06, 1946, 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.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 21ST *day of* JANUARY *A.D.* 2020 .

Jesse White

SECRETARY OF STATE

Authentication #: 2002103110 verifiable until 01/21/2021

Authenticate at: http://www.cyberdriveillinois.com

#20-048

File Number 5274-755-4

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

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

THE CARLE FOUNDATION HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MAY 28, 1982, 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.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 3RD *day of* MAY *A.D.* 2019 .

Authentication #: 1912301388 verifiable until 05/03/2020
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

#20-048

File Number 0834452-3

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

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

CARLE HEALTH DEVELOPMENT, LLC. HAVING ORGANIZED IN THE STATE OF ILLINOIS ON DECEMBER 16, 2019, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

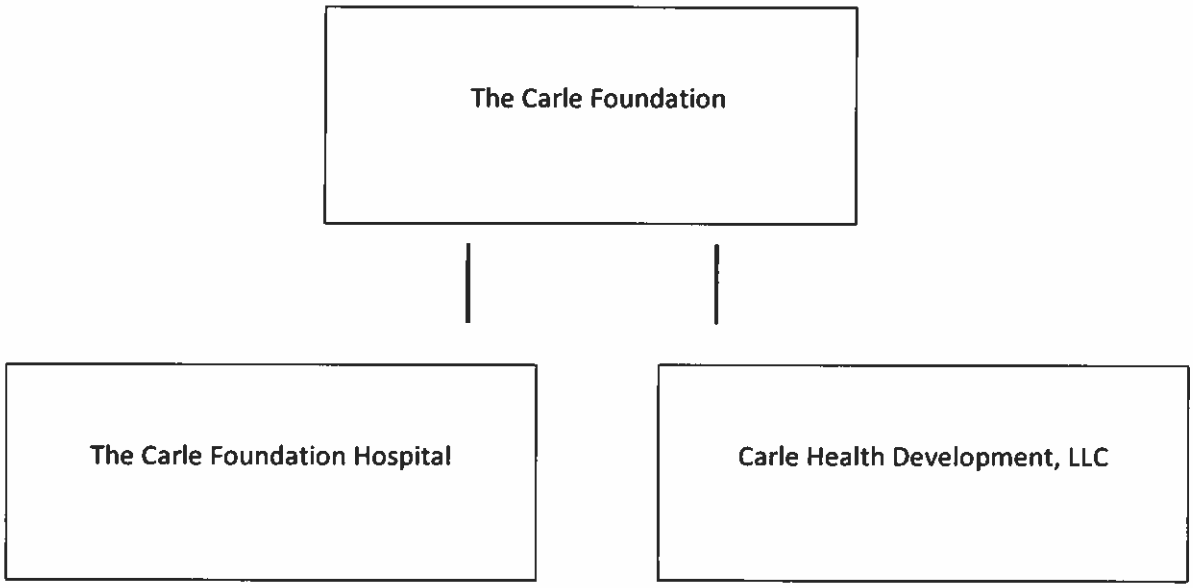
In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 8TH *day of* JANUARY *A.D.* 2020 .

Authentication #: 2000800380 verifiable until 01/08/2021
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

Entity Chart



Carle Health Development, LLC was included as a co-applicant, as it owns the project site at the time of filing. Site ownership will eventually be transferred to The Carle Foundation.

Flood Plain Requirements

The site of the proposed project complies with the requirements of Illinois Executive Order #2005-5. Please see the attached Flood Plain Insurance Rate Map (FIRM) documenting that the project site is not located in a Special Flood Hazard Area.

Attachment-5

Flood Map


FEMA's National Flood Hazard Layer (NFHL) Viewer
with Web AppBuilder for ArcGIS
son St, Danville, IL, 61832, USA
520 W Madison St, Danville, Illinois, 61832
Search result
520 W Madison St, Danville, Illinois, 61832
Zoom to

Historic Resources Preservation Act Requirements

The Applicants propose to construct a medical office building in Danville, Illinois. A letter from the Illinois Historic Preservation Agency stating that the proposed project complies with the requirements of the Historic Resources Preservation Act is included as part of this Attachment-6.

#20-048

ILLINOIS
DEPARTMENT OF NATURAL RESOURCES

Illinois Department of
Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271
www.dnr.illinois.gov Mailing Address: 1 Old State Capitol Plaza, Springfield, IL 62701

JB Pritzker, Governor
Colleen Callahan, Director

FAX (217) 524-7525

Vermilion County
Danville
CON - Demolition and New Construction of an Ambulatory Surgery Center and Medical Office Buildings for Medical Campus
Area Bounded by Madison St., Gilbert St., North St. and Logan Ave., 101 N. Logan Ave., 102 N. Logan Ave., 108 N. Logan Ave., 109/111 N. Logan Ave., 110 N. Logan Ave., 118 N. Logan Ave., 120 N. Logan Ave., 121 N. Logan Ave., 122 N. Logan Ave., 123 N. Logan Ave., 124 N. Logan Ave., 125 N. Logan Ave., 126 N. Logan Ave., 128 N. Logan Ave., 132 N. Logan Ave., 134 N. Logan Ave., 136 N. Logan Ave., 138 N. Logan Ave., 139 N. Logan Ave., 201 N. Logan Ave., 202 N. Logan Ave., 210 N. Logan Ave., 211 N. Logan Ave., 213 N. Logan Ave., 508 W. Madison St., 512 W. Madison St., 518 W. Madison St., 520 W. Madison St., 602 W. Madison St., 606 W. Madison St., 612 W. Madison St., 403 W. Harrison St., 405 W. Harrison St., 407 W. Harrison St., 410 W. Harrison St., 411 W. Harrison St., 412 W. Harrison St., 414 W. Harrison St., 502 W. Harrison St., 504 W. Harrison St., 506/508 W. Harrison St., 507 W. Harrison St., 511 W. Harrison St., 512 W. Harrison St., 515 W. Harrison St., 516 W. Harrison St., 601 W. Harrison St., 604 W. Harrison St., 606 W. Harrison St., 607 W. Harrison St., 608 W. Harrison St., 611 W. Harrison St., 615 W. Harrison St., 204 New York St., 205 New York St., 209 New York St., 102 Robinson St., 103 Robinson St., 105-107 Robinson St., 106 Robinson St., 108 Robinson St., 110 Robinson St., 113 Robinson St., 114 Robinson St., 116/118 Robinson St., 117 Robinson St., 119 Robinson St., 202 Robinson St., 206 Robinson St., 207 Robinson St., 209 Robinson St., 210 Robinson St., 214 Robinson St., 400 Lafayette St., 502 Lafayette St., 505 Lafayette St., 507 Lafayette St., 508 Lafayette St., 509 Lafayette St., 510 Lafayette St., 511 Lafayette St., 512 Lafayette St., 514 Lafayette St., 515 Lafayette St., 516 Lafayette St., 517 Lafayette St., 519 Lafayette St., 403 W. North St., 100 N. Gilbert St., 118 N. Gilbert St., 122 N. Gilbert St., 210 N. Gilbert St.
SHPO Log #016110818

May 6, 2019

Collin Anderson
Carle Foundation Hospital
611 W. Park St.
Urbana, IL 61801

Dear Mr. Anderson:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please call 217/782-4836.

Sincerely,

Robert F. Appleman
Deputy State Historic
Preservation Officer

Project Costs			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs			
Preliminary Design	$267,983	$132,017	$400,000
Precon Budgets	$133,992	$66,008	$200,000
Total	**$401,974**	**$198,025**	**$600,000**
Site Survey and Soil Investigation	**$100,494**	**$49,506**	**$150,000**
Site Preparation	**$1,004,936**	**$495,064**	**$1,500,000**
Off Site Work	**$803,949**	**$396,051**	**$1,200,000**
New Construction Contracts	**$25,500,000**	**$12,200,000**	**$37,700,000**
Modernization Contracts	**$0**	**$0**	**$0**
Contingencies	**$2,300,000**	**$800,000**	**$3,100,000**
Architectural Fees			
Architecture Engineering	$975,000	$525,000	$1,500,000
Mechanical Engineering	$635,000	$365,000	$1,000,000
Structural Engineering	$225,000	$175,000	$400,000
Code Review	$66,996	$33,004	$100,000
Total	**$1,901,996**	**$1,098,004**	**$3,000,000**
Consulting and Other Fees			
City Permits	$100,494	$49,506	$150,000
Special Inspections	$167,489	$82,511	$250,000
Commissioning	$133,992	$66,008	$200,000
Consultants	$66,996	$33,004	$100,000
Total	**$468,970**	**$231,030**	**$700,000**

#20-048

Project Costs			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Movable or Other Equipment (not in construction contracts)			
Equipment General	$3,684,767	$1,815,233	$5,500,000
Furniture	$669,958	$330,042	$1,000,000
Security Access/Cameras	$200,987	$99,013	$300,000
IT/Telecom	$1,339,915	$660,085	$2,000,000
Signs/Wayfinding	$133,992	$66,008	$200,000
Other	$100,494	$49,506	$150,000
Total	**$6,130,112**	**$3,019,888**	**$9,150,000**
Bond Issuance Expense (project related)	**$1,305,347**	**$643,055**	**$1,948,403**
Net Interest Expense During Construction (project related)	**$792,500**	**$390,411**	**$1,182,910**
Fair Market Value of Leased Space or Equipment	**$0**	**$0**	**$0**
Other Costs To Be Capitalized			
Surface Parking Lots, Temporary Roads, Lighting	$0	$3,500,000	$3,500,000
Net Book Value of equipment to be transeferred	$1,062,246	$31,808	$1,094,053
Total	**$1,062,246**	**$3,531,808**	**$4,594,053**
Acquisition of Building or Other Property (excluding land)	**$0**	**$0**	**$0**
TOTAL USES OF FUNDS	**$41,772,524**	**$23,052,842**	**$64,825,366**

#20-048

Active CON Permits

The Carle Foundation has the following active permits:

CON 18-014: Carle Sugicenter: Danville

- The CON permit for project 18-014 was approved on July 24, 2018.
- An annual progress report was submitted on July 27, 2020.
- The project completion date of record is December 31, 2021.

CON 20-014: The Carle Foundation Hospital, Urbana

- The CON permit for project 20-014 was approved on June 22, 2020.
- The annual progress report due date is June 30, 2021.
- The project completion date of record is June 30, 2022.

Cost Space Requirements

The Applicants propose to build a medical office building.

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area (list below)	Cost	Existing	Total Upon Project Completion	New Const.	Modernized	As Is	Vacated as a result of this project
Reviewable							
Physician offices, exam and treatment spaces	$37,899,394	0	87,632	87,632	0	0	0
Diagnostic Imaging	$3,873,130	0	4,114	4,114	0	0	0
Total Reviewable	**$41,772,524**	**0**	**91,746**	**91,746**	**0**	**0**	**0**
Non-Reviewable							
Administrative services	$23,052,842	0	45,197	45,197	0	0	0
Total Non-Reviewable	**$23,052,842**	**0**	**45,197**	**45,197**	**0**	**0**	**0**

Attachment-9

Section 1110.130 Discontinuation

The Applicants do not propose the discontinuation of a healthcare facility or a category of service. Therefore this section is not applicable.

Carle
611 West Park Street, Urbana, IL 61801-2595

Debra Savage, Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

RE: Attachment 11 - Background of Applicant

Dear Chair Savage:

The following information addresses the four points of the subject criterion 1110.230:

1. The healthcare facilities owned or operated by The Carle Foundation and its affiliates include:
   - The Carle Foundation Hospital
     - License Number: 003798
     - Accreditation Identification Number: 119139-2012-AHC-USA-NIAHO
   - Richland Memorial Hospital, d/b/a Carle Richland Memorial Hospital
     - License Number: 004788
     - Accreditation Identification Number: HFAP ID: 175621
   - Hoopeston Community Memorial Hospital, d/b/a Carle Hoopeston Regional Health Center
     - License Number: 004200
     - Accreditation Identification Number: 128702-2012-AHC-USA-NIAHO
   - Carle Bromenn Medical Center
     - License Number: 0005645
     - Accreditation Identification Number: 189504-2018-AHC-USA-NIAHO
   - Carle Eureka Hospital
     - License Number: 0005652
     - Accreditation Identification Number: 189647-2018-AHC-USA-NIAHO
   - Champaign SurgiCenter, LLC
     - License Number: 7002959
     - Accreditation Identification Number: 119139-2012-AHC-USA-NIAHO
   - Carle SurgiCenter – Danville
     - License Number: 7002439
     - Accreditation Identification Number: 119139-2012-AHC-USA-NIAHO

2. Proof of current licensure and accreditation is attached.

3. There have been no adverse actions taken against the health care facilities owned or operated by the applicants during the three years prior to the filing of this application.

4. This letter serves as authorization permitting the State Board and the Illinois Department of Public Health access to information in order to verify any documentation or information submitted with this Application including, but not limited to: official records of IDPH or other State of Illinois agencies and the records of nationally recognized accreditation organizations.

Sincerely,

James C. Leonard, M.D.
President and CEO

Attachments

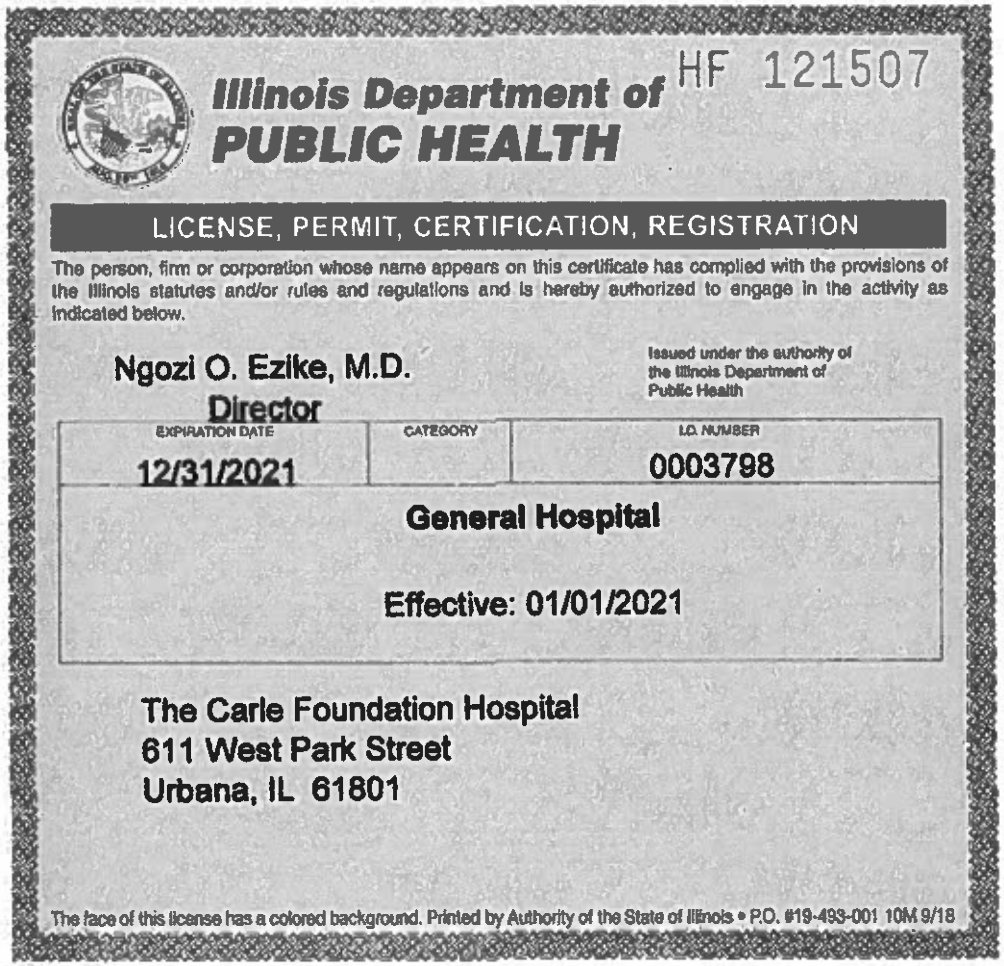
Notarization:

Subscribed and sworn to before
me this 16th day of December, 2020

Signature of Notary

seal

"OFFICIAL SEAL"
Ann E. Beyers
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 01/12/23



Illinois Department of PUBLIC HEALTH

HF 121507

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Ngozi O. Ezike, M.D.
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
12/31/2021		0003798

General Hospital

Effective: 01/01/2021

The Carle Foundation Hospital
611 West Park Street
Urbana, IL 61801

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 12/31/2021

Lic Number 0003798

Date Printed 10/15/2020

The Carle Foundation Hospital

611 West Park Street
Urbana, IL 61801

Attachment- 11
FEE RECEIPT NO2

#20-048

#20-048

HF 119457

Illinois Department of PUBLIC HEALTH

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Ngozi O. Ezike, M.D.
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
1/31/2021		0004788

General Hospital

Effective: 02/01/2020

Richland Memorial Hospital
800 East Locust Street
Olney, IL 62450

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 1/31/2021

Lic Number 0004788

Date Printed 12/6/2019

Richland Memorial Hospital

800 East Locust Street
Olney, IL 62450

FEE RECEIPT NO.

HF 119918

Illinois Department of PUBLIC HEALTH

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Ngozi O. Ezike, M.D.
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
06/30/2021		0004200

Critical Access Hospital

Effective: 07/01/2020

Hoopeston Community Memorial Hospital
dba Carle Hoopeston Regional Health Center
701 E Orange St

Hoopeston, IL 60942

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 06/30/2021

Lic Number 0004200

Date Printed 02/13/2020

Hoopeston Community Memorial Hosp
dba Carle Hoopeston Regional Health
701 E Orange St
Hoopeston, IL 60942

FEE RECEIPT NO.

#20-048

HF 119508

Illinois Department of PUBLIC HEALTH

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Ngozi O. Ezike, M.D.
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
1/31/2021		7002959

Ambulatory Surgery Treatment Center

Effective: 02/01/2020

Champaign Surgicenter, LLC
dba Champaign Surgery Center at the Fields
3103 Fields South Dr

Champaign, IL 61822

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 1/31/2021

Lic Number 7002959

Date Printed 12/12/2019

Champaign Surgicenter, LLC
dba Champaign Surgery Center at the
3103 Fields South Dr
Champaign, IL 61822-3743

FEE RECEIPT NO.

#20-048

HF 120761

Illinois Department of PUBLIC HEALTH

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Ngozi O. Ezike, M.D.
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
07/31/2021		7002439

Ambulatory Surgery Treatment Center

Effective: 08/01/2020

Carle Surgicenter
2300 N Vermilion
Danville, IL 61832

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 07/31/2021

Lic Number 7002439

Date Printed 06/16/2020

Carle Surgicenter

2300 N Vermilion
Danville, IL 61832-1735

FEE RECEIPT NO.

#20-048

CERTIFICATE OF ACCREDITATION

Certificate No.:	Initial date:	Valid until:
267775-2018-AHC-USA-NIAHO	6/29/2018	6/29/2021

This is to certify that:

Carle Foundation Hospital

611 W. Park St., Urbana, IL 61801

has been found to comply with the requirements of the:

NIAHO® Hospital Accreditation Program

Pursuant to the authority granted to DNV GL Healthcare USA, Inc. by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, this organization is deemed in compliance with the Medicare Conditions of Participation for Hospitals (42 C.F.R. §482).

This certificate is valid for a period of three (3) years from the Effective Date of Accreditation.

For the Accreditation Body:
DNV GL - Healthcare
Katy, TX

Patrick Horine
Chief Executive Officer

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

Lack of continual fulfillment of the conditions set out in the Certification/Accreditation Agreement may render this Certificate invalid.

HFAP

AWARD OF ACCREDITATION

CARLE RICHLAND MEMORIAL HOSPITAL

OLNEY, IL

Expiration Date: September 12, 2022

This organization has met the applicable requirements of Acute Care Hospital and is therefore fully accredited by HFAP, a program of AAHHS.

CHAIR, AAHHS BOARD OF DIRECTORS

A PROGRAM OF HFAP AAHHS

CHIEF EXECUTIVE OFFICER, AAHHS

#20-048

CERTIFICATE OF ACCREDITATION

Certificate No.:	Initial date:	Valid until:
188047-2018-AHC-USA-NIAHO	12/19/2018	12/19/2021

This is to certify that:

Carle Hoopeston Regional Health Center

701 E. Orange, Hoopeston, IL 60942

has been found to comply with the requirements of the:

NIAHO® Hospital Accreditation Program

Pursuant to the authority granted to DNV GL Healthcare USA, Inc. by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, this organization is deemed in compliance with the Medicare Conditions of Participation for Critical Access Hospitals (42 C.F.R. §485).

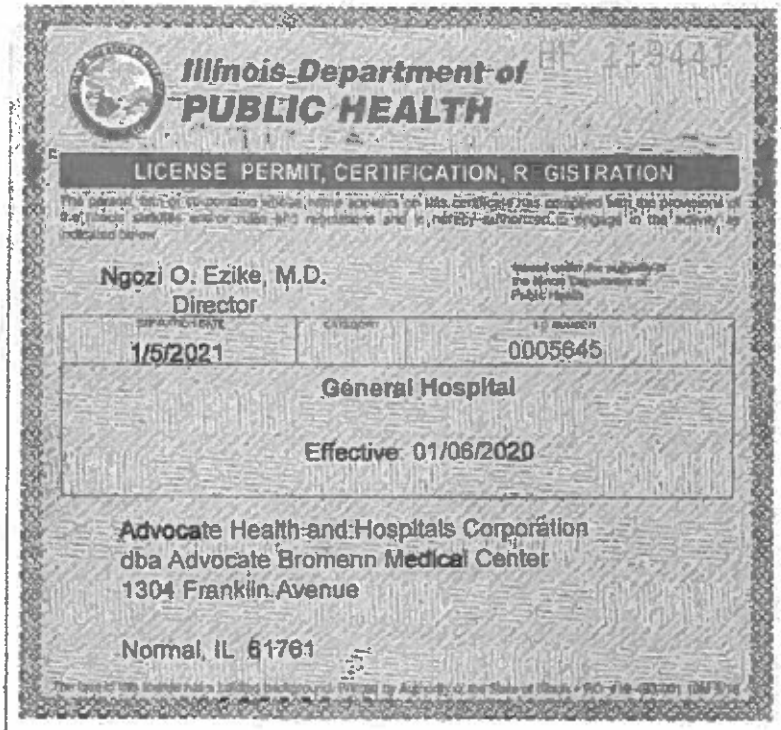
This certificate is valid for a period of three (3) years from the Effective Date of Accreditation.

For the Accreditation Body:
DNV GL - Healthcare
Katy, TX

Patrick Horine
Chief Executive Officer

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

DNV GL - Healthcare 400 Techne Center Drive, Suite 100, Milford OH, 45150 Tel: 513-947-8343 www.dnvglhealthcare.com



Illinois Department of
PUBLIC HEALTH

LICENSE PERMIT, CERTIFICATION, REGISTRATION

Ngozi O. Ezike, M.D.
Director

EXPIRATION DATE	CATEGORY	ID NUMBER
1/5/2021		0005645

General Hospital

Effective 01/06/2020

Advocate Health and Hospitals Corporation
dba Advocate Bromenn Medical Center
1304 Franklin Avenue

Normal, IL 61761

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 1/5/2021

Lic Number 0005645

Date Printed 12/4/2019

Advocate Health and Hospitals Corpor
dba Advocate Bromenn Medical Cente

FEE RECEIPT NO.

CERTIFICATE OF ACCREDITATION

Certificate No.:	Initial date:	Valid until:
189504-2018-AHC-USA-NIAHO	12/7/2018	12/7/2021

This is to certify that:

Advocate BroMenn Medical Center

1304 Franklin Avenue, Normal, IL 61761

has been found to comply with the requirements of the:

NIAHO® Hospital Accreditation Program

Pursuant to the authority granted to DNV GL Healthcare USA, Inc. by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, this organization is deemed in compliance with the Medicare Conditions of Participation for Hospitals (42 C.F.R. §482).

This certificate is valid for a period of three (3) years from the Effective Date of Accreditation.

For the Accreditation Body:
DNV GL - Healthcare
Katy, TX

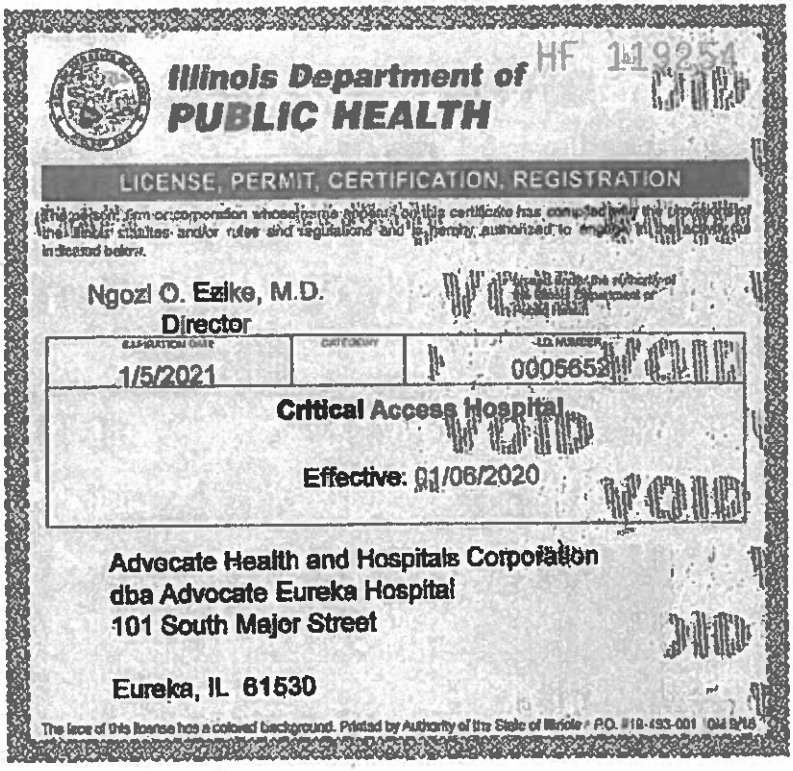
Patrick Horine
Chief Executive Officer

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

Lack of continual fulfillment of the conditions set out in the Certification/Accreditation Agreement may render this Certificate invalid.

DNV GL - Healthcare, 400 Techne Center Drive, Suite 100, Milford OH, 45150. Tel: 513-847-8343

www.dnvglhealthcare.com



Illinois Department of
PUBLIC HEALTH

HF 119251

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Ngozi O. Ezike, M.D.
Director

EXPIRATION DATE	CATEGORY	I.D. NUMBER
1/5/2021		0005652

Critical Access Hospital

Effective: 01/06/2020

Advocate Health and Hospitals Corporation
dba Advocate Eureka Hospital
101 South Major Street

Eureka, IL 61530

The face of this license has a colored background. Printed by Authority of the State of Illinois / P.O. #19-433-001 10M 8/15

DNV·GL

CERTIFICATE OF ACCREDITATION

Certificate No.:	Initial date:	Valid until:
189647-2018-AHC-USA-NIAHO	12/12/2018	12/12/2021

This is to certify that:

Advocate Eureka Hospital

101 South Major, Eureka, IL 61530

has been found to comply with the requirements of the:

NIAHO® Hospital Accreditation Program

Pursuant to the authority granted to DNV GL Healthcare USA, Inc. by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, this organization is deemed in compliance with the Medicare Conditions of Participation for Critical Access Hospitals (42 C.F.R. §485).

This certificate is valid for a period of three (3) years from the Effective Date of Accreditation.

For the Accreditation Body:
DNV GL - Healthcare
Katy, TX

Patrick Horine
Chief Executive Officer

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

Lack of continual fulfillment of the conditions set out in the Certification/Accreditation Agreement may render this Certificate invalid.

DNV GL - Healthcare, 400 Technie Center Drive, Suite 320, Milford OH, 45150. Tel: 513-617-6343

www.dnvglhealthcare.com

Section III, Purpose of the Project, and Alternatives – Information Requirements

Purpose of Project

Overview of Purpose

The Applicants plan to construct a medical office building (MOB) to consolidate Carle's existing ambulatory care services currently operating in Danville, Illinois. The planned Project will provide for the continued delivery of services to meet the healthcare needs of an aging population and will help ensure Vermilion County residents have local access to state-of-the-art healthcare services. The Project is anticipated to improve access to quality, coordinated, efficient and cost effective services for Vermilion County residents.

Since the integration of physician services with The Carle Foundation in 2010, Carle has steadfastly and deliberately worked to enhance immediate access to needed primary and specialty healthcare services in the broader region. Danville, and Vermilion County more broadly, are communities that have been a significant focus for developing those services in more rural outlying areas within Carle's regional service area. Core areas of focus to coordinate primary and specialty care for patients who would not otherwise have access are ophthalmology, surgery, orthopedic care, hypertension, diabetes care and nutrition, cardiovascular and cardiac rehab services, ENT, specialty pediatrics and neurosciences.

In addition, the project would optimize real estate arrangements for Carle's operations in Danville and relocate employed providers from multiple sites in Danville to a site to be shared with Carle SurgiCenter: Danville. Co-locating these buildings will minimize travel times for healthcare professionals and create efficiencies for patients, providers and staff. The new location will also improve access by locating services closer to Interstate 74 and lower socioeconomic areas in the heart of the city of Danville. Importantly, the proposed MOB will also accommodate projected growth in demand for outpatient medical services.

The purpose of this Project is to improve quality of care and efficiency and to maintain access for residents of Danville and outlying areas within Vermilion County. As discussed below, the Project will modernize deteriorated facilities to ensure continued access to outpatient primary and specialty care. Access to these physician services is essential to the overall well-being of the community, particularly in light of the aging population and the co-morbidities associated with that shifting age cohort.

1. **Document that the Project will provide health care services that improve the health care or well-being of the market area population to be served.**

As shown in Attachment- 12A, 91.4% of the patients who had an evaluation and management (E&M) visit at a Carle Danville location in 2019 resided in Vermilion County. The Applicants do not expect the Project to alter the catchment area for these services.

2. **Define the planning area or market area, or other, per the applicant's definition.**

The geographic service area for the Project is Vermilion County, Illinois. A map of this market area is attached as Attachment 12B.

3. **Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the Project.**

The Project would achieve the following:

A. Provide additional space to accommodate increasing demand

Demand for physician services in the United States has grown substantially over the past two decades due to the nation's expanding and aging population and improving insurance coverage. Outpatient services at Carle Physician Group are no exception to this growth trend. In addition to external growth drivers, Carle's projected growth in utilization is also attributable to several internal factors, which the Applicants anticipate will continue for the foreseeable future. These factors include the Carle Foundation Hospital's position as a tertiary care facility and Level 1 Trauma Center as well as its affiliations, strategic partnerships and outreach initiatives designed to ensure the medical needs of residents in east central Illinois are met close to home.

Unfortunately, the Applicants' existing Danville MOBs are insufficient given historical and anticipated growth. The current exam rooms, support spaces and parking lots are inadequate and certainly cannot accommodate the additional providers needed to address increasing demand.

B. Address physical plant limitations of current spaces

The following issues with the existing buildings would be addressed by the Project:

- General Facility:
  - Ongoing maintenance of the building represents a significant expense.
  - The HVAC units at both existing facilities are outdated and need replaced.
  - Significant plumbing problems have caused lengthy public restroom closures.
  - Exam room walls are not sufficiently soundproofed.
  - Patient rooms are used for supply storage, office space and a lactation room.
  - The Fairchild location does not have backup power and the Vermilion location has limited backup power.
- Front Desk/Waiting Areas:
  - Waiting areas are insufficient for waiting patients and visitors.
  - Patient check-in areas are not sufficiently private.
  - ~80% of clinic traffic utilizes one communal waiting area.
- Staff Accommodations:
  - One breakroom intended for eight employees must accommodate 100+ employees.
  - Staff must utilize public restrooms.
  - The only conference room used for employee meetings is not handicap accessible.
- Security:
  - There are security concerns associated with both of the existing locations due to the surrounding neighborhoods and lack of control through the parking areas.
  - The Vermilion location does not have on-site security personnel.
- Parking/Transportation:
  - Providers must park on side streets due to lack of parking spots.

- Patient parking is limited. On high volume days, patients must park a long distance from the building.
- The bus stop for public transportation is not located on the property or near the building entrance.

C. Improve efficiency and convenience

The Applicants are separately filing an application for a CON permit to relocate an existing ASTC into the proposed medical office building. Co-locating services from multiple locations into the same facility will create efficiencies for patients, providers and staff. Doing so will also improve wayfinding and the patient experience.

D. Yield ongoing cost savings by eliminating a space lease

After services are moved from Fairchild Street to the proposed location, Carle plans to terminate its space lease for the Fairchild location. This opportunity to consolidate services will optimize real estate arrangements in Danville and provide ongoing cost savings.

E. Enhance accessibility

The new location will be a very convenient access point for patients and staff, as it will be less than two miles from Interstate 74 and approximately three miles closer to Interstate 74 than the Vermilion Street location. Furthermore, the Project would locate the MOB in a lower socioeconomic area in the heart of the city of Danville. Relocating to this area will improve access for patients who are the highest utilizers of services and are the most likely to face transportation difficulties that can lead to missed appointments and delayed care.

Access to care is particularly important in Vermilion County, as it was ranked 101 out of 102 in health outcomes and 101 out of 102 in health factors when compared to other counties in the state of Illinois. These 2020 County Health Ranking indicate that Vermilion County performed very poorly in terms of life expectancy, quality of life, health behaviors, access to care, social determinants of health and physical environment.

4. **Cite the sources of the information provided as documentation.**

Carle performs ongoing internal utilization studies based on internal reports.

Illinois Health Facilities and Services Review Board, Individual Hospital Profiles 2014-2018 available at https://www2.illinois.gov/sites/hfsrb/InventoriesData/FacilityProfiles/Pages/default.aspx (last visited December 15, 2020).

2020 County Health Rankings available at https://www.countyhealthrankings.org/reports/state-reports/2020-illinois-report (last visited December 15, 2020).

5. **Detail how the Project will address or improve the previously referenced issues as well as the population's health status and well-being.**

As discussed in greater detail above, modernizing and relocating physician offices within Danville will allow the Applicants to improve quality of care and efficiency. It will also ensure continued access to primary and specialty care for residents of Danville and outlying areas.

6. **Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.**

Carle's prevailing objectives are to maintain access to outpatient care for patients and to improve the quality and operational efficiency of these services. Specifically, the goals of the Project are:

- To streamline the delivery of care in the outpatient setting.
- To improve patient satisfaction.
- To improve quality and safety by aligning the facility with contemporary standards.

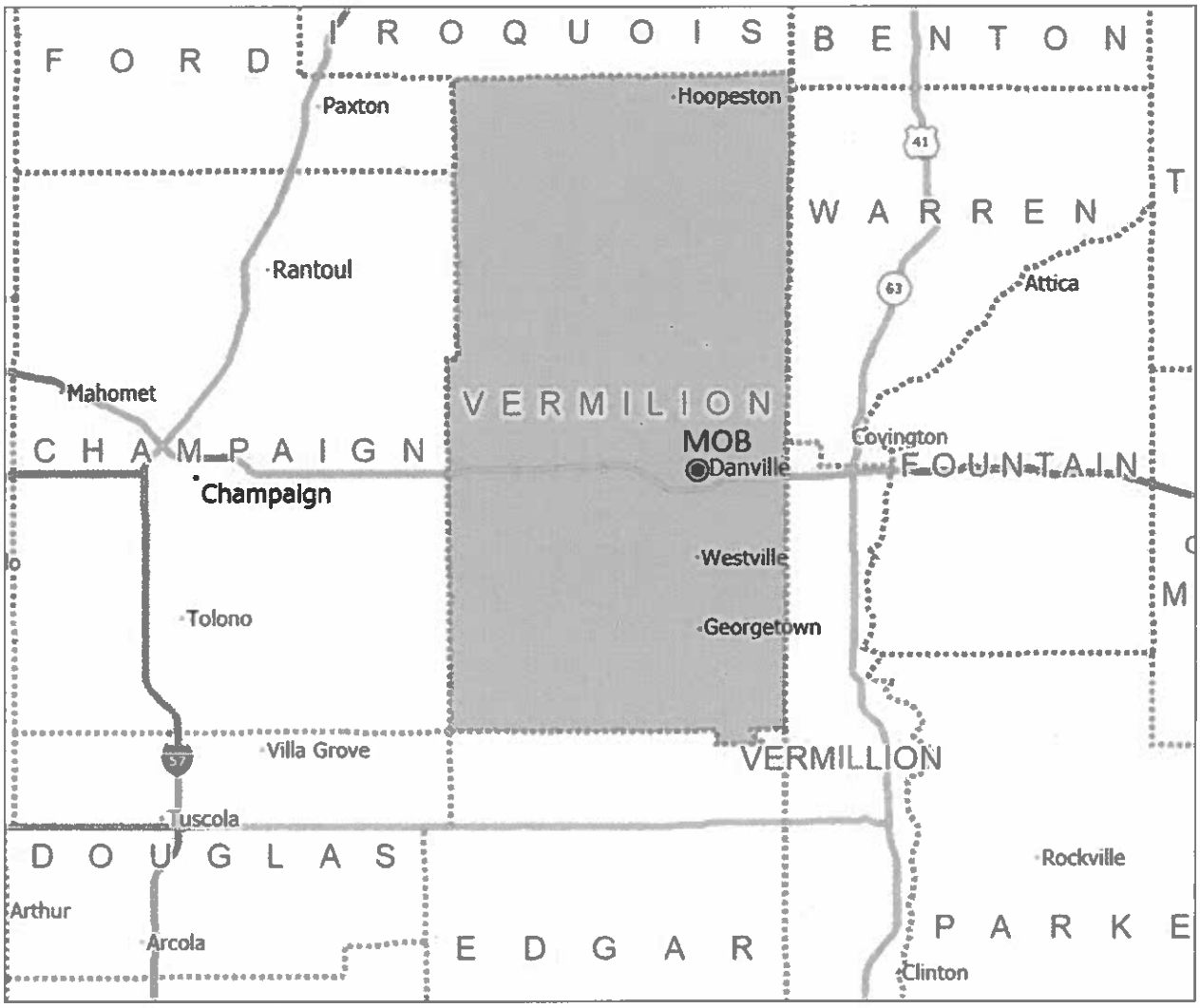
These goals can be achieved at the time of project completion.

ATTACHMENT 12-A

Carle Danville- Vermilion & Carle Danville- Fairchild E&M Visits by Patient Origin County (CY2019)		
County	2019 E&M Visits	% of Total
VERMILION, IL	108,115	91.4%
FOUNTAIN	2,801	2.4%
VERMILLION, IN	1,919	1.6%
CHAMPAIGN	1,304	1.1%
WARREN	1,138	1.0%
IROQUOIS	940	0.8%
EDGAR	862	0.7%
MONTGOMERY	107	0.1%
BENTON	80	0.1%
DOUGLAS	58	0.0%
COOK	52	0.0%
MARION	49	0.0%
FORD	40	0.0%
NEWTON	38	0.0%
VIGO	32	0.0%
CRAWFORD	31	0.0%
COLES	30	0.0%
MCLEAN	29	0.0%
CLARK	23	0.0%
CUMBERLAND	23	0.0%
PARKE	22	0.0%
PIATT	20	0.0%
TIPPECANOE	19	0.0%
LOGAN	16	0.0%
MACON	16	0.0%
DEWITT	15	0.0%
HENDRICKS	14	0.0%
HAMILTON	13	0.0%
SANGAMON	11	0.0%
WHITE	11	0.0%
PEORIA	11	0.0%
ALLEN	10	0.0%
SAINT CLAIR	10	0.0%
ALL OTHERS	374	0.3%
Grand Total	**118,233**	**100.0%**

ATTACHMENT 12-B

Service Area for Proposed MOB



Alternatives to the Proposed Project

The Applicants propose to construct a medical office building (MOB) in Danville, Illinois. The Applicants believe that the proposed project is the most effective and least costly alternative to the other alternatives considered when balancing access and quality with costs. The following narrative consists of a comparison of the proposed project to alternative options.

The Applicants have considered the following alternatives:

A) Project of Lesser Scope: Do Nothing ($0)

This option would not address constraints on Carle's existing Vermilion St. and Fairchild St. facilities, which impact quality, patient satisfaction and operational efficiency. Furthermore, doing nothing would not allow for operational efficiencies by co-locating an ASTC within the proposed building. It would also not allow for cost savings by eliminating a space lease, and would not improve accessibility from Interstate 74.

Under this option, quality, patient satisfaction, operational efficiency, the cost of care and accessibility would be adversely affected. For these reasons, this alternative was rejected.

B) Project of Greater Scope: Build Facility with Additional Capacity ($69,825,000)

This alternative was considered since, given anticipated growth, capacity may again be an issue within five years. However, due to future uncertainties, the Applicants opted for a more measured approach. If volumes continue to grow as anticipated, the Applicants will have a few options to consider.

C) Renovate Existing MOBs ($65,000,000)

To renovate in place, the Applicants would have to invest significant financial resources to achieve suboptimal results. The cost of a major renovation in today's construction dollars is often equal to or greater than that of new construction. Furthermore, modernizing in place would not allow for the planned increase in square footage or future expansion when necessary to accommodate growth in demand. This option would also negatively impact patient access by requiring portions of the facility to be inoperable during construction, and would result in disruptions due to construction noise and debris. Finally, this option would not allow the Applicants to eliminate the space lease associated with one of the existing locations.

Under this option, project costs would not be reduced, patient care would be adversely impacted, maintenance costs would increase and operational efficiency would be affected. For these reasons, this alternative was rejected.

D) Consolidate Multiple Existing MOBs Within a Newly Constructed MOB (Proposed). ($64,825,366)

The Applicants ultimately decided to construct a new MOB. The chosen option will improve quality, patient satisfaction, operational efficiency, the cost of care and accessibility. It will also allow for future expansion when necessary.

Size of Project

The Applicants propose to construct a medical office building (MOB) in Danville, Illinois. Appendix B of Section 1110 of the Administrative Code documents the established standards for certain departments, clinical service areas, and facilities.

The table below summarizes the departments, proposed dgsf, applicable state standard, and project compliance with the state standard.

SIZE OF PROJECT					
DEPARTMENT / SERVICE	**PROPOSED UNITS**	**PROPOSED DGSF**	**STATE STANDARD**	**DIFFERENCE**	**MET STANDARD?**
General Radiology	2	495 dgsf/unit	1300 dgsf/Unit	805 dgsf under the standard	Yes
DEXA	1	159 dgsf/unit	1300 dgsf/Unit	1,141 dgsf under the standard	Yes
Mammography	1	408 dgsf/unit	900 dgsf/Unit	492 dgsf under the standard	Yes
Ultrasound	2	272 dgsf/unit	900 dgsf/Unit	628 dgsf under the standard	Yes
CT	1	720 dgsf/unit	1800 dgsf/Unit	1,080 dgsf under the standard	Yes
MRI	1	956 dgsf/unit	1800 dgsf/Unit	844 dgsf under the standard	Yes
Nuclear Medicine	1	338 dgsf/unit	1600 dgsf/Unit	1,262 dgsf under the standard	Yes

The proposed project is within the state standards for the services being added.

The proposed project will also involve construction of physician medical offices and exam rooms. There are no size standards for these departments under the State Board's rules.

Project Services Utilization

The proposed project will include spaces for diagnostic services as well as physician medical offices and exam rooms. Section 1100 Appendix B of the Administrative Code documents the established utilization standards for diagnostic equipment. There are no similar standards for physician medical offices and exam rooms.

The table below summarizes the proposed units, projected volume, applicable state standard, and project compliance with the state standard. All of the proposed units are currently at the Applicant's two existing Danville MOBs and will either be moved or replaced at the new location. There is no net change in the number of units.

DEPARTMENT / SERVICE	PROPOSED UNITS	PROJECTED VOLUME	STATE STANDARD PER UNIT	DIFFERENCE	MET STANDARD?
General Radiology	2	16,953	8,000 procedures	8,953 over standard	Yes
DEXA	1	456	6,500 procedures	n/a	n/a
Mammography	1	3,205	5,000 procedures	n/a	n/a
Ultrasound	2	3,323	3,100 visits	223 over standard	Yes
CT	1	5,706	7,000 visits	n/a	n/a
MRI	1	1,596	2,500 visits	n/a	n/a
Nuclear Medicine	1	400	2,000 visits	n/a	n/a

Unfinished or Shell Space

The proposed project does not entail unfinished or shell space, so this section is not applicable.

Section V Service Specific Review Criteria

This is project does not involve any of the following services. Therefore the associated sections are not applicable.

- Medical/Surgical, Obstetric, Pediatric and Intensive Care
- Comprehensive Physical Rehabilitation
- Acute Mental Illness and Chronic Mental Illness
- Open Heart Surgery
- Cardiac Catheterization
- In-Center Hemodialysis
- Non-Hospital Based Ambulatory Surgery
- Selected Organ Transplantation
- Kidney Transplantation
- Subacute Care Hospital Model
- Community-Based Residential Rehabilitation Center
- Long Term Acute Care Hospital
- Freestanding Emergency Center Medical Services
- Birth Center

Attachments-18-29 & 31-32

Clinical Service Areas Other than Categories of Services – Review Criteria
Criterion 1110.270

1. Deteriorated Facilities and/or Necessary Expansion

The Applicants are seeking to construct a medical office building in Danville, Illinois. The Project is necessary to modernize deteriorated facilities. The following issues with the existing buildings would be addressed by the Project:

- General Facility:
  - Ongoing maintenance of the building represents a significant expense.
  - The HVAC units at both existing facilities are outdated and need replaced.
  - Significant plumbing problems have caused lengthy public restroom closures.
  - Exam room walls are not sufficiently soundproofed.
  - Patient rooms are used for supply storage, office space and a lactation room.
  - The Fairchild location does not have backup power and the Vermilion location has limited backup power.
- Front Desk/Waiting Areas:
  - Waiting areas are insufficient for waiting patients and visitors.
  - Patient check-in areas are not sufficiently private.
  - ~80% of clinic traffic utilizes one communal waiting area.
- Staff Accommodations:
  - One breakroom intended for eight employees must accommodate 100+ employees.
  - Staff must utilize public restrooms.
  - The only conference room used for employee meetings is not handicap accessible.
- Security:
  - There are security concerns associated with both of the existing locations due to the surrounding neighborhoods and lack of control through the parking areas.
  - The Vermilion location does not have on-site security personnel.
- Parking/Transportation:
  - Providers must park on side streets due to lack of parking spots.
  - Patient parking is limited. On high volume days, patients must park a long distance from the building.
  - The bus stop for public transportation is not located on the property or near the building entrance.

2. Utilization- Service or Facility

The proposed project will include spaces for diagnostic services as well as physician medical offices and exam rooms. Section 1100 Appendix B of the Administrative Code documents the established utilization standards for diagnostic equipment. There are no similar standards for physician medical offices and exam rooms.

The table below summarizes the proposed units, projected volume, applicable state standard, and project compliance with the state standard. All of the proposed units are currently at the Applicant's two existing Danville MOBs and will either be moved or replaced at the new location. There is no net change in the number of units.

DEPARTMENT / SERVICE	PROPOSED UNITS	PROJECTED VOLUME	STATE STANDARD PER UNIT	DIFFERENCE	MET STANDARD?
General Radiology	2	16,953	8,000 procedures	8,953 over standard	Yes
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Mammography	1	3,205	5,000 procedures	n/a	n/a
Ultrasound	2	3,323	3,100 visits	223 over standard	Yes
CT	1	5,706	7,000 visits	n/a	n/a
MRI	1	1,596	2,500 visits	n/a	n/a
Nuclear Medicine	1	400	2,000 visits	n/a	n/a

Section 1120.120 Availability of Funds

The Applicants have the following bond rating:

- AA- from Standard & Poor's Rating Services (September 2, 2020), included as part of Attachment-33

The Applicants, therefore, are not required to address Section 1120.120 Availability of Funds.

S&P Global
Ratings

Research

Summary:

Illinois Finance Authority Carle Foundation; Joint Criteria; System

Primary Credit Analyst:
Allison Bretz, Chicago (1) 303-721-4119; allison.bretz@spglobal.com

Secondary Contact:
Suzie R Desai, Chicago (1) 312-233-7046; suzie.desai@spglobal.com

Table Of Contents

Rating Action

Stable Outlook

Related Research

Summary:

Illinois Finance Authority
Carle Foundation; Joint Criteria; System

Credit Profile		
Carle Foundation ICR		
Long Term Rating	AA-/Stable	Affirmed

Rating Action

S&P Global Ratings affirmed its 'AA-' issuer credit rating (ICR) on the Carle Foundation (Carle FD), Ill. At the same time, S&P Global Ratings affirmed its 'AA-' long-term rating and underlying rating on various issuances of the Illinois Finance Authority's bonds issued for Carle FD.

S&P Global Ratings also affirmed its 'AAA/A-1+' dual rating on Carle FD's series 2009B and 2009C variable-rate demand bonds (VRDBs), reflecting the application of our joint criteria using our low-correlation methodology. The long-term component of the rating reflects the long-term rating on Carle FD and the letters of credit (LOCs) provided by The Northern Trust Co. We based the short-term component of the rating on the liquidity provided by The Northern Trust Co. The LOCs expire March 18, 2024.

Finally, S&P Global Ratings affirmed its 'AA+/A-1' joint criteria rating on Carle FD's series 2009E and 2016B bonds, reflecting the application of our joint criteria using our low-correlation methodology. The long-term component of the rating reflects the long-term rating on Carle FD and the LOCs provided by JPMorgan Chase Bank. We based the short-term component of the rating on the liquidity provided by JPMorgan Chase Bank. The LOCs with JP Morgan expire Dec. 20, 2023.

The outlook, where applicable, is stable.

Credit overview

The 'AA-' credit rating incorporates Carle FD's healthy enterprise profile, including its leading and growing business position as a tertiary and quaternary care provider for a broad, largely rural geographic market in central Illinois, along with its integrated delivery system that accounts for half the system's total operating revenue. However, this is partially offset by a smaller geographic footprint, with some challenges related to concentration of business from the state of Illinois at its health plan. Carle FD's financial profile is anchored by a strong balance sheet, which offers some, though not unlimited, cushion as it weathers the operational pressures associated with the COVID-19 pandemic.

While we anticipated somewhat lighter operations in fiscal 2019, the reduction in operating cash flow left Carle FD with less flexibility coming into 2020. Through the first six months of the year, the system has faced substantial pressure associated with the COVID-19 pandemic. Beginning in mid-March, Carle FD cancelled or deferred all elective procedures to prepare for a possible COVID-19 surge. Patient volumes declined across the system, but Carle incurred

expense growth in labor and supplies. To date, the system has not experienced a significant surge in COVID-19 cases. Operating losses at the system's hospitals were somewhat offset by healthy operations at Health Alliance Medical Plans (HAMP), along with receipt of approximately $45 million in funding from the Coronavirus Aid, Recovery, and Economic Security (CARES) Act through June 30, 2020, with an additional $4.5 million received in July 2020. We understand that patient volumes have largely rebounded through August 2020, and Carle's management team has introduced an aggressive expense management plan to offset COVID-19-driven revenue losses. We believe the system will finish the year with an operating margin above break even, with further improvement in fiscal 2021.

Finally, the rating includes a positive holistic adjustment reflecting Carle FD's revenue diversity and integration, which are unique among regional delivery systems of its size.

On July 1, 2020, Carle FD assumed operations of two hospitals, several clinics, and a medical group formerly owned by Advocate Aurora Health--now branded as Carle BroMenn Medical Center (BroMenn), a 221-bed hospital located in Normal, Ill., and Carle Eureka Medical Center (Eureka), a 25 bed critical-access hospital located in Eureka, Ill., with total combined operating revenue of approximately $250 million. The cost of these acquisitions was $200 million, funded out of Carle FD's unrestricted reserves. Operations for Eureka and BroMenn, along with the $200 million draw on cash, are not included in financial metrics as of June 30, 2020. We believe these hospitals will benefit Carle FD's growth strategy in central Illinois. We understand that the system may issue up to $260 million in debt over the next year to reimburse itself for this acquisition and fund certain capital projects across the system. We believe this additional debt could be sustainable at the current rating. However, this would be predicated on improved operations and cash flow at the time of issuance, along with the ultimate size and structure of the transaction.

Specifically, the 'AA-' rating reflects our view of Carle FD's:

- Continued growth of the system inpatient market share and patient volumes in the Champaign-Urbana hub, as well as a comprehensive and tertiary service profile with strength in key service lines such as oncology, neurosciences, women's services, and cardiology;
- Solid financial profile, reflecting historically strong maximum annual debt service (MADS) coverage and healthy cash on hand at slightly less than 300 days, despite the large insurance presence, which maintains a different capital structure; and
- Health Alliance Medical Plans (HAMP), which is a strategic asset within the CHA Holding Inc. subsidiary, allowing Carle FD to expand and diversify beyond its hospital footprint and gain strong experience with population health management.

Partly offsetting the above strengths, in our view, are Carle FD's:

- Weaker operating margins in fiscal 2019 and through the first six months of fiscal 2020, and which we expect to persist through year-end;
- Exposure to delayed payments from the state for its employees who are insured through HAMP, although Carle FD has effectively managed these delayed payments through a line of credit and state programs that help manage those receivables, so the effect has been largely muted; and
- Acquisition of several new assets in the first half of fiscal 2020, which will be dilutive to days' cash on hand, and which may create some short-term operating pressure.

The stable outlook reflects our view of Carle FD's strong business position and healthy balance sheet as well as our expectation that operating margins should improve modestly at year-end, and improve further in fiscal 2021 and beyond. We believe there is limited flexibility at the rating level if operating margins are sustained at or near current levels, particularly given Carle FD's debt plans. The stable outlook also reflects our belief that management will continue to build on Carle FD's business position, both in Champaign-Urbana and in the broader region. Finally, the stable outlook incorporates our view that Carle FD can sustain the planned debt issuance at the current rating, although this will depend on the system's operating performance at the time of issuance.

For more information, see the full analysis published Sept. 2, 2020, on RatingsDirect.

Environmental, social, and governance factors

We analyzed Carle FD's environmental and governance risks relative to its economic fundamentals, market position, and management and governance and the corresponding effects on its financial profile and determined that all are in line with the industry as a whole. We also view Carle FD's social risk to be in line with our view of the sector. That said, COVID-19 has exposed Carle FD to additional social risks related to health and safety that could result in financial pressure, including significant cash flow challenges in the short term, particularly if there are surges of COVID-19 patients or if patients are reluctant to obtain care due to health and safety concerns.

Stable Outlook

Downside scenario

We could lower the ratings or revise the outlook to negative if Carle FD's operating performance does not improve over the outlook period, following some expected weakness in fiscal 2020 as a result of COVID-19. In addition, Carle FD's planned debt issuance without improvement to operations would likely result in rating pressure, particularly if pro forma coverage is below 4x. Finally, we could consider a negative rating action if Carle FD experiences a sharp decline in unrestricted reserves.

Upside scenario

Given Carle FD's weaker operating performance in fiscal 2019 and through the first half of fiscal 2020, along with the pressures associated with COVID-19 and the current recession, we do not anticipate raising the ratings over the outlook period. We could consider a higher rating over time if Carle FD is able to meaningfully expand its revenue base while sustaining financial metrics appropriate for a higher rating.

Related Research

Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020

Ratings Detail (As Of September 2, 2020)		
Illinois Finance Authority, Illinois		
Carle Foundn, Illinois		
Illinois Finance Authority (Carle Foundn) rev bnds		
Long Term Rating	AA+/A-1	Affirmed

Ratings Detail (As Of September 2, 2020) (cont.)		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed
Illinois Fin Auth (Carle Foundation) (AGM)		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed
Illinois Fin Auth (Carle Foundn) JOINTCRIT		
Long Term Rating	AAA/A-1+	Affirmed
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed
Illinois Fin Auth (Carle Foundn) JOINTCRIT		
Long Term Rating	AAA/A-1+	Affirmed
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed
Illinois Fin Auth (Carle Foundn) JOINTCRIT		
Long Term Rating	AA+/A-1	Affirmed
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

Section 1120.130 Financial Viability

The Applicants have the following bond rating:

- AA- from Standard & Poor's Rating Services (September 2, 2020), included as part of Attachment-33

The Applicants, therefore, are not required to address Section 1120.130 Financial Viability.

Section 1120.140 Economic Feasibility
A. Reasonableness of Financing Arrangements

The Applicants have the following bond rating:

- AA- from Standard & Poor's Rating Services (September 2, 2020), included as part of Attachment-33

The Applicants, therefore, are not required to address Section 1120.140 (a) Reasonableness of Financing Arrangements.

Carle
611 West Park Street, Urbana, IL 61801-2595

Debra Savage, Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Conditions of Debt Financing

Dear Chair Savage:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1120.140(b) that the selected form of debt financing the project will be the lowest net cost available.
Sincerely,

James C. Leonard, M.D.
President and CEO

Notarization:

Subscribed and sworn to before

me this 16th day of December, 2020

Signature of Notary

seal

"OFFICIAL SEAL"
Ann E. Beyers
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 01/12/23

Attachment- 36b

1120.140 Economic Feasibility
C. Reasonableness of Project and Related Costs

The Applicants seek to construct a Medical Office Building (MOB).

The table below shows the cost and gross square foot allocation for all clinical departments impacted by the proposed project.

Cost and Gross Square Feet by Department of Service									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost / sf		Gross sf		Gross sf		Const $ (A x C)	Mod $ (B x E)	
	New	Mod	New	Circ	Mod	Circ			
MOB	$277.94		91,746				$25,500,000		$25,500,000
Clinical Contingency	$25.07		91,746				$2,300,000		$2,300,000
Total Clinical	**$303.01**		**91,746**				**$27,800,000**		**$27,800,000**

The values in column C reflect the total gross square footage

Circulation is 23.1% of the gross square footage.

The following is documentation regarding whether the estimated project costs are reasonable and in compliance with the state standards, as defined in Section 1120.140 (C) of the Administrative Code,

1. Preplanning costs are 1.2% of the sum of new construction, modernization, contingency, and equipment costs, which is under the state standard of 1.8%. Therefore this item is compliant with the state standard.

2. Site Survey, Soil Investigation, and Site Preparation costs are 4.0% of Construction and Contingency costs, which is under the state standard of 5.0%. Therefore this item is compliant with the state standard.

3. There is no state standard for Off-site Work.

4. New Construction and Contingency costs are $303.01 per gsf, which is under the state standard for a four story MOB in 61832 of $304.60/gsf. Therefore this item is compliant with the state standard.

5. There are no Modernization Contracts associated with this project. Therefore this item is not applicable.

6. The New Construction contingency is 9.0% of New Construction contracts, compared with the state standard of 10% for projects in the schematics stage. Therefore this item is compliant with the state standard.

7. Architectural and Engineering Fees for new construction are 6.84% of the sum of new construction contracts and the new construction contingency budget. This is

1120.140 Economic Feasibility
C. Reasonableness of Project and Related Costs

within the state standard of a range of 4.63%-6.95% for a new construction budget under $30,000,000. Therefore this item is compliant with the state standard.

8. There is no state standard for Consulting and Other Fees.

9. There is no state standard for Movable or Other Equipment (Not in Construction Contracts) costs in a MOB.

10. There is no state standard for Bond Issuance Expense.

11. There is no state standard for Net Interest Expense.

12. There is no Fair Market Value of Leased Space or Equipment associated with the proposed project.

13. There is no state standard for Other Costs to Be Capitalized.

14. There is no Acquisition of Building or Other Property cost associated with the proposed project. Therefore this item is not applicable.

Section 1120.140 Economic Feasibility
D. Projected Operating Costs
E. Total Effect of the Project on Capital Costs

The Applicants seek to build a medical office building.

The table below provides information regarding costs as they relate to 31,639 diagnostic imaging units of service.

Line 5 of the table addresses criterion 1120.140(d), Projected Operating Costs.

Line 4 of the table addresses criterion 1120.140(e), Total Effect of the Project on Capital Costs.

Review Criteria Relating to Economic Feasibility		
1	Units of Service	31,639
2	Total Capital Cost	$725,684
3	Total Operating Cost	$2,206,261
4	Capital Cost per Unit of Service	$22.94
5	Operating Cost per Unit of Service	$69.73

Section IX, Safety Net Impact Statement

This project is non-substantive. Accordingly, this criterion is not applicable.

Charity Care Information

Charity care figures for The Carle Foundation Hospital for the latest three audited fiscal years are provided in the table below:

The Carle Foundation Hospital

		Charity Care		
		2017	2018	2019
1	Net Patient Revenue	$783,720,000	$821,613,000	$874,680,000
2	Amount of Charity Care (charges)	$98,860,547	$107,874,527	$93,083,649
3	Cost of Charity Care	$19,081,957	$20,642,677	$18,862,150
4	Ratio of the cost of Charity Care to Net Patient Revenue	2.4%	2.5%	2.2%

#20-048

Carle
611 West Park Street, Urbana, IL 61801-2595

Via Federal Express

Collin Anderson
(217) 902-5521
Collin.Anderson@Carle.com

Mr. Michael Constantino
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, Illinois 62761

Re: Certificate of Need Application

Dear Mike:

The Carle Foundation, The Carle Foundation Hospital and Carle Health Development, LLC, as co-applicants, hereby submit the attached Certificate of Need application to construct a new medical office building ("MOB") in Danville, Illinois. The co-applicants are separately filing a Certificate of Need application to relocate an existing ASTC to this proposed building.

For your review, I have attached the following:

1. An original and one copy of the completed application for permit
2. A check for $2,500 for the application processing fee

Thank you for your time and consideration of the co-applicants' application for permit. If you have any questions or need any additional information to complete your review of the application for permit, please feel free to contact Kara Friedman or me as needed.

Sincerely,

Collin Anderson
Strategic Planning Coordinator
Carle Foundation Hospital