

**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:	Establishment of Comprehensive Physical Rehabilitation, Greater Peoria Specialty Hospital		
Street Address:	500 West Romeo B. Garrett Avenue		
City and Zip Code:	Peoria, IL 61605-2301		
County:	Peoria	Health Service Area:	2 Health Planning Area:C-01

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

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

Type of Ownership of Applicants

☒ X 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 they are organized and the name and address of each partner specifying whether each is a general or limited partner.	
APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Primary Contact [Person to receive ALL correspondence or inquiries]

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

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

Name:	Ralph Weber
Title:	Consultant
Company Name:	Weber Alliance
Address:	920 Hoffman Lane, Riverwoods, IL 60015
Telephone Number:	847-791-0830

E-mail Address: rmweber90@gmail.com
Fax Number:

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

Name: Michael Henderson
Title: Senior Corporate Counsel
Company Name: OSF Healthcare System
Address: 800 N.E. Glen Oak Avenue, Peoria, IL 61603
Telephone Number: 309-655-2402
E-mail Address: michael.b.henderson@osfhealthcare.org
Fax Number: 309-655-4878

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Street Address: 500 West Romeo B. Garrett Avenue		
City and Zip Code: Peoria, IL 61605-2301		
County: Peoria	Health Service Area: 2	Health Planning Area: C-01

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

Exact Legal Name:	Kindred Healthcare, LLC
Street Address:	680 South Fourth Street
City and Zip Code:	Louisville, KY 40202-2412
Name of Registered Agent:	The Corporation Trust Company
Registered Agent Street Address:	1209 Orange Street
Registered Agent City and Zip Code:	Wilmington, DE 19801
Name of Chief Executive Officer:	Benjamin A. Breier
CEO Street Address:	680 South Fourth Street
CEO City and Zip Code:	Louisville, KY 40202-2412
CEO Telephone Number:	502-596-7300

Type of Ownership of Applicants

☐ Non-profit Corporation	☐ Partnership
☐ For-profit Corporation	☐ Governmental
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Primary Contact [Person to receive ALL correspondence or inquiries]

Name:	Brian Samberg		
Title:	Division Vice President		
Company Name:	Kindred Healthcare, LLC		
Address:	7733 Forsyth Blvd., Suite 1700	St Louis, MO	63105
Telephone Number	314-659-2245		
E-mail Address:	Brian.Samberg@kindred.com		
Fax Number:	314-863-6850		

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

Name:	Ralph Weber		
Title:	Consultant		
Company Name:	Weber Alliance		
Address:	920 Hoffman Lane, Riverwoods, IL 60015		
Telephone Number:	847-791-0830		
E-mail Address:	rmweber90@gmail.com		
Fax Number:			

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Facility/Project Identification

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Street Address: 500 West Romeo B. Garrett Avenue		
City and Zip Code: Peoria, IL 61605-2301		
County: Peoria	Health Service Area: 2	Health Planning Area: C-01

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

Exact Legal Name:	Greater Peoria Specialty Hospital d/b/a Kindred Hospital Peoria
Street Address:	500 West Romeo B. Garrett Avenue
City and Zip Code:	Peoria, IL 61605-2301
Name of Registered Agent:	The Corporation Trust Company
Registered Agent Street Address:	600 S. 2 nd Street, Suite 104
Registered Agent City and Zip Code:	Springfield, IL 62704
Name of Chief Executive Officer:	Christopher Curry
CEO Street Address:	500 West Romeo B. Garrett Avenue
CEO City and Zip Code:	Peoria, IL 61605-2301
CEO Telephone Number:	309-680-1501

Type of Ownership of Applicants

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☐ For-profit Corporation	☐ Governmental
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Title:	Division Vice President
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E-mail Address:	Brian.Samberg@kindred.com
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Title:	Consultant
Company Name:	Weber Alliance
Address:	920 Hoffman Lane Riverwoods, IL 60015
Telephone Number:	847-791-0830
E-mail Address:	rmweber90@gmail.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:	Brian Samberg
Title:	Division Vice President
Company Name:	Kindred Healthcare, LLC
Address:	7733 Forsyth Blvd., Suite 1700 St. Louis, MO 63105
Telephone Number:	314-659-2245
E-mail Address:	Brian.Samberg@kindred.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:	Mark E. Hohulin
Title:	Senior Vice President, Healthcare Analytics
Company Name:	OSF Healthcare System
Address:	800 N.E. Glen Oak Avenue, Peoria, IL 61603
Telephone Number:	309-308-9656
E-mail Address:	mark.e.hohulin@osfhealthcare.org
Fax Number:	309-308-0530

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	RI Wasco, LLC
Address of Site Owner:	7600 NE 41 st St. Suite 330 Vancouver, WA 98662
Street Address or Legal Description of the Site:	
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:	Greater Peoria Specialty Hospital, LLC
Address:	500 West Romeo B. Garrett Avenue Peoria, IL 61605-2301
☐ Non-profit Corporation ☐ Partnership ☐ For-profit Corporation ☐ Governmental ☒ Limited Liability Company ☐ Sole Proprietorship ☐ Other	
- o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. - o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. - o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Organizational Relationships

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

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

Flood Plain Requirements

[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>). **NOTE: A SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM has been added at the conclusion of this Application for Permit that must be completed to deem a project complete.**

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.

OSF Healthcare System and Kindred Healthcare are forming a joint venture to establish a 29 bed Comprehensive Physical Rehabilitation service, to be located at Kindred's existing 3 story Greater Peoria Specialty Hospital (GPSH). The service will replace the existing 27 bed Comprehensive Physical Rehabilitation unit now at OSF Saint Francis Medical Center in Peoria. The new 29 beds will be located in 16,848 sq ft of modernized space on the 2nd and 3rd floors of GPSH. A 6,362 sq ft two-story addition will be constructed at GPSH above an existing first floor area to house patient dining, PT/OT, and other services supporting the new rehabilitation unit. The modernization and new construction totals 23,210 sq ft. 40,079 existing sq ft in the building remains As Is, and is not part of the project.

In order to make space available for the 29 rehabilitation beds, the count of authorized LTAC beds now at GPSH will be reduced from 50 to 18, resulting in a 47 bed hospital.

Co-applicants are OSF Healthcare System, Kindred Healthcare, and Greater Peoria Specialty Hospital, LLC. Two other applications are related to this project – a Certificate of Exemption for change of ownership of Greater Peoria Specialty Hospital, and a Certificate of Exemption for the discontinuation of the existing 27 bed Comprehensive Physical Rehabilitation unit at OSF Saint Francis Medical Center. The co-applicants request that the reviews of the Certificate of Need for the establishment of the new service and the Certificates of Exemption be reviewed at the same HFSRB meeting. The co-applicants further request that consideration of the Certificate of Exemption for discontinuation be contingent upon the approval of the Certificate of Need permit application for establishment of the new rehabilitation service at Greater Peoria Specialty Hospital.

Total capital cost of the project is \$6,540,000. The project is being funded through cash and securities.

It is anticipated that construction will be started in the fall, 2021, with completion on or before September, 2022.

The project is substantive because it proposes the establishment of a new service.

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 ☒ X No Purchase Price: \$ _____ Fair Market Value: \$ _____
The project involves the establishment of a new facility or a new category of service ☒ X 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 \$ <u>597,411</u>.

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary ☒ X Schematics ☐ Final Working
Anticipated project completion date (refer to Part 1130.140): <u>December 1, 2022</u>
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 ☒ X 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?

- ☒ X Cancer Registry
- ☒ X APORS
- ☒ X All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
- ☒ X 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.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		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: Greater Peoria Specialty Hospital d/b/a Kindred Hospital Peoria		CITY: Peoria			
REPORTING PERIOD DATES: From: January 1, 2019 to: December 31, 2019					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	0	0	0	0	0
Obstetrics	0	0	0	0	0
Pediatrics	0	0	0	0	0
Intensive Care	0	0	0	0	0
Comprehensive Physical Rehabilitation	0	0	0	+29	29
Acute/Chronic Mental Illness	0	0	0	0	0
Neonatal Intensive Care	0	0	0	0	0
General Long-Term Care	0	0	0	0	0
Specialized Long-Term Care	0	0	0	0	0
Long Term Acute Care	50	312	9,269	-32	18
Other ((identify))					
TOTALS:	50	312	9,269	-3	47

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

Robert C. Sehring
SIGNATURE

Robert C. Sehring
PRINTED NAME

Chief Executive Officer
PRINTED TITLE

Michael A. Cruz
SIGNATURE

Michael A. Cruz
PRINTED NAME

Central Region, Chief Executive Officer
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 15th day of April 2021

Tonda L. Stewart
Signature of Notary

Seal

*Insert the EXACT legal name of the applicant
Notary Public - State of Illinois
My Commission Expires Sep 18, 2024

Notarization:

Subscribed and sworn to before me
this 15th day of April 2021

Tonda L. Stewart
Signature of Notary

Seal

TONDA L. STEWART
OFFICIAL SEAL
Notary Public - State of Illinois
My Commission Expires Sep 18, 2024

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- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Kindred Healthcare, 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

Douglas L. Cumutte

PRINTED NAME

Chief Development Officer

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 12th day of April, 2021

SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this _____ day of _____

Cindy S. Johnson
Signature of Notary

Seal



Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

CERTIFICATION

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- 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 Kindred Healthcare, 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

Jeffrey P. Stodghill

PRINTED NAME

Senior Vice President and Corporate Counsel

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 12th day of April

SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this ____ day of ____

Signature of Notary

Seal

Regan A. Black
Notary #0632044
September 20, 2023

Signature of Notary

Seal

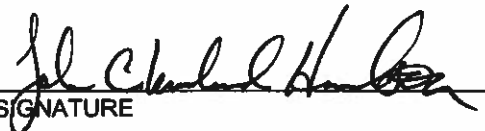
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This Application is filed on the behalf of Greater Peoria Specialty Hospital, LLC *
 In accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute 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

John Cleveland Haralson
 PRINTED NAME

Chair / VP of Real Estate & Capital Development
 PRINTED TITLE

 SIGNATURE

 PRINTED NAME

 PRINTED TITLE

Notarization:
 Subscribed and sworn to before me
 this 9th day of April, 2021

Notarization:
 Subscribed and sworn to before me
 this ____ day of _____


 Signature of Notary ex 4/18/21

 Signature of Notary

Seal

Seal

*Insert the EXACT legal name of the applicant



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This Application is filed on the behalf of Greater Peoria Specialty Hospital, 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

PRINTED NAME

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant


SIGNATURE

Jennifer A. Hopwood
PRINTED NAME

Vice Chair of Joint Venture Board
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 12th day of April, 2021


Signature of Notary

Seal

**TONDA L. STEWART
OFFICIAL SEAL
Notary Public - State of Illinois
My Commission Expires Sep 18, 2024**

In addition to these Certifications, see also Appendix B for letters of support from members of the leadership teams at OSF Healthcare System and Kindred Healthcare.

OSF Healthcare System

Robert Anderson
President, OSF Saint Francis Medical Center

Stephen E. Hippler, MD FACP
Chief Clinical Officer, OSF HealthCare

Jennifer Hopwood, DNP, NE-BC
Vice President/Chief Nursing Officer
OSF Saint Francis Medical Center

Jason Rodeghero, PhD, MBA
President
OSF Home Care & Rehabilitation Services

Robert Sparrow, MD, CHS, FASH, FAHA
Vice President/Chief Medical Officer
OSF Saint Francis Medical Center

Jeffrey Tillery
President, OSF Multi-Specialty Group

Ralph R. Velazquez, MD
Ministry Chief Medical Officer

Lois Wiegand, DNP NEA-BC
Senior Vice President, Chief Nursing Officer
OSF HealthCare

Kindred Healthcare

Russ Bailey
President, Kindred Rehabilitation Services

John Cleveland Haralson
Chair, Greater Peoria Specialty Hospital
Vice President, Real Estate & Capital Development

Martin Mann
Manager, Greater Peoria Specialty Hospital
Senior Vice President of Strategic Partnership
Development

Sean R. Muldoon, MD, MPH, FCCP
Manager, Greater Peoria Specialty Hospital
Senior Vice President and Chief Medical Officer
Kindred Healthcare, Hospital Division

SECTION II. DISCONTINUATION Not applicable for this permit application. A separate COE-Discontinuation for the Comprehensive Physical Rehabilitation service at OSF Saint Francis Medical Center is filed for the related project.

This Section is applicable to the discontinuation of a health care facility or the discontinuation of more than one category of service in a 6-month period. If the project is solely for a discontinuation of a health care facility the **Background of the Applicant(s) and Purpose of Project MUST** be addressed. A copy of the **Notice to the Local Media MUST** be submitted with this Application for Discontinuation (20 ILCS 3960/8.7).

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 are to be discontinued.
2. Identify all 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. Provide copies of the notices that were provided to the local media that would routinely be notified about facility events.
7. For applications involving the discontinuation of an entire facility, provide copies of the notices that were sent to the municipality in which the facility is located, the State Representative and State Senator of the district in which the health care facility is located, the Director of Public Health, and the Director of Healthcare and Family Services. These notices shall have been made at least 30 days prior to filing of the application.
8. 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 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 **geographic service area**.

OR
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 can 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 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; there is no unfinished or shelled space.

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. There is no unfinished or shelled space.

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.

B. Criterion 1110.205 - Comprehensive Physical Rehabilitation

1. Applicants proposing to establish, expand and/or modernize the Comprehensive Physical Rehabilitation category of service must submit the following information:
2. Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
☐ Comprehensive Physical Rehabilitation	0	29

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

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.205(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.205(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.205(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.205(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.205(b)(5) - Planning Area Need - Service Accessibility	X		
1110.205(c)(1) - Unnecessary Duplication of Services	X		
1110.205(c)(2) - Maldistribution	X		
1110.205(c)(3) - Impact of Project on Other Area Providers	X		
1110.205(d)(1), (2), and (3) - Deteriorated Facilities			X
1110.205(d)(4) - Occupancy			X
1110.205(e)(1) - Staffing Availability	X	X	
1110.205(f) - Performance Requirements	X	X	X
1110.205(g) - Assurances	X	X	

APPEND DOCUMENTATION AS ATTACHMENT 19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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
☐ Pharmacy	1	1
☐ PT / OT	1	2
☐		

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]:

\$6,540,000	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 timetable 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 timetable of receipts;
_____	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;
_____	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$6,540,000	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 the project's 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 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	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	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 39**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION XI -SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM

In accordance with Executive Order 2006-5 (EO 5), the Health Facilities & Services Review Board (HFSRB) must determine if the site of the CRITICAL FACILITY, as defined in EO 5, is located in a mapped floodplain (Special Flood Hazard Area) or a 500-year floodplain. All state agencies are required to ensure that before a permit, grant or a development is planned or promoted, the proposed project meets the requirements of the Executive Order, including compliance with the National Flood Insurance Program (NFIP) and state floodplain regulation.

1. Applicant: _____
 (Name) (Address)

 (City) (State) (ZIP Code) (Telephone Number)

- 2. Project Location:**
- (Address) _____
- (City) (State)
- (County) _____
- (Township) (Section)

3. You can create a small map of your site showing the FEMA floodplain mapping using the FEMA Map Service Center website (<https://msc.fema.gov/portal/home>) by entering the address for the property in the Search bar. If a map, like that shown on page 2 is shown, select the **Go To NFHL Viewer** tab above the map. You can print a

copy of the floodplain map by selecting the  icon in the top corner of the page. Select the pin tool icon  and place a pin on your site. Print a FIRMETTE size image.

If there is no digital floodplain map available select the **View/Print FIRM** icon above the aerial photo. You will then need to use the Zoom tools provided to locate the property on the map and use the **Make a FIRMette** tool to create a pdf of the floodplain map.

IS THE PROJECT SITE LOCATED IN A SPECIAL FLOOD HAZARD AREA: Yes___ No___

IS THE PROJECT SITE LOCATED IN THE 500-YEAR FLOOD PLAIN?

If you are unable to determine if the site is in the mapped floodplain or 500-year floodplain, contact the county or the local community building or planning department for assistance.

If the determination is being made by a local official, please complete the following:

FIRM Panel Number: _____ Effective Date: _____

Name of Official: _____ Title: _____

Business/Agency: _____ Address: _____

(City)	(State)	(ZIP Code)	(Telephone Number)

Signature: _____ Date: _____

NOTE: This finding only means that the property in question is or is not in a Special Flood Hazard Area or a 500-year floodplain as designated on the map noted above. It does not constitute a guarantee that the property will or will not be flooded or be subject to local drainage problems.

If you need additional help, contact the Illinois Statewide Floodplain Program at 217/782-4428

Floodplain Map Example

The image below is an example of the floodplain mapping required as part of the IDPH swimming facility construction permit showing that the swimming pool, to undergo a major alteration, is outside the mapped floodplain.

**National Flood Hazard Layer FIRMette****Legend**

SEE FIRM REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT	
SPECIAL FLOOD HAZARD AREAS	Without Base Flood Elevation (BFE) <i>Zone A, X, AE</i>
	With BFE or Depth Zone AE, AO, AH, VE, AR
	Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD	0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile <i>Zone 2</i>
	Future Conditions 1% Annual Chance Flood Hazard <i>Zone 2</i>
	Area with Reduced Flood Risk due to Levees. See Notes. <i>Zone X</i>
	Area with Flood Risk due to Levees <i>Zone 0</i>
OTHER AREAS	no symbol Area of Minimal Flood Hazard <i>Zone X</i>
	Effective LOMRIs
GENERAL STRUCTURES	Area of Undetermined Flood Hazard <i>Zone 0</i>
	Channel, Culvert, or Storm Sewer
OTHER FEATURES	Levee, Dike, or Floodwall
	Cross Sections with 1% Annual Chance Water Surface Elevation
MAP PANELS	Coastal Transsect
	Base Flood Elevation Line (BFE)
	Limit of Study
	Jurisdiction Boundary
	Coastal Transsect Baseline
	Profile Baseline
	Hydrographic Feature
	Digital Data Available
	No Digital Data Available
	Unmapped
The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.	

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

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File Number

0107-414-8



To all to whom these Presents Shall Come, Greeting:

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

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



***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 6TH
day of JULY A.D. 2020 .***

Jesse White

SECRETARY OF STATE

Authentication #: 2018801026 verifiable until 07/06/2021

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

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "KINDRED HEALTHCARE, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FOURTH DAY OF MARCH, A.D. 2021.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.



2875922 8300

SR# 20210804180

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JB", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed in a small font.

Authentication: 202655395

Date: 03-04-21

File Number

0174560-3



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

GREATER PEORIA SPECIALTY HOSPITAL, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON JANUARY 26, 2006, 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 FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS 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 4TH day of MARCH A.D. 2021 .

Jesse White

SECRETARY OF STATE

Authentication #: 2106302876 verifiable until 03/04/2022

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

Site Ownership

Greater Peoria Specialty Hospital is a tenant at 500 West Romeo B. Garrett, Peoria, on the property and building owned by RI Wasco, LLC, Vancouver, Washington. The entire 108 page lease is included in Certificate of Exemption #E-045-20, and is not duplicated in this attachment. The original lease was between Cullinan Medical 1, LLC, signed December 21, 2007. On February 3, 2015, Cullinan sold its interest to RI Wasco, LLC.

File Number

0174560-3



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

GREATER PEORIA SPECIALTY HOSPITAL, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON JANUARY 26, 2006, 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 FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

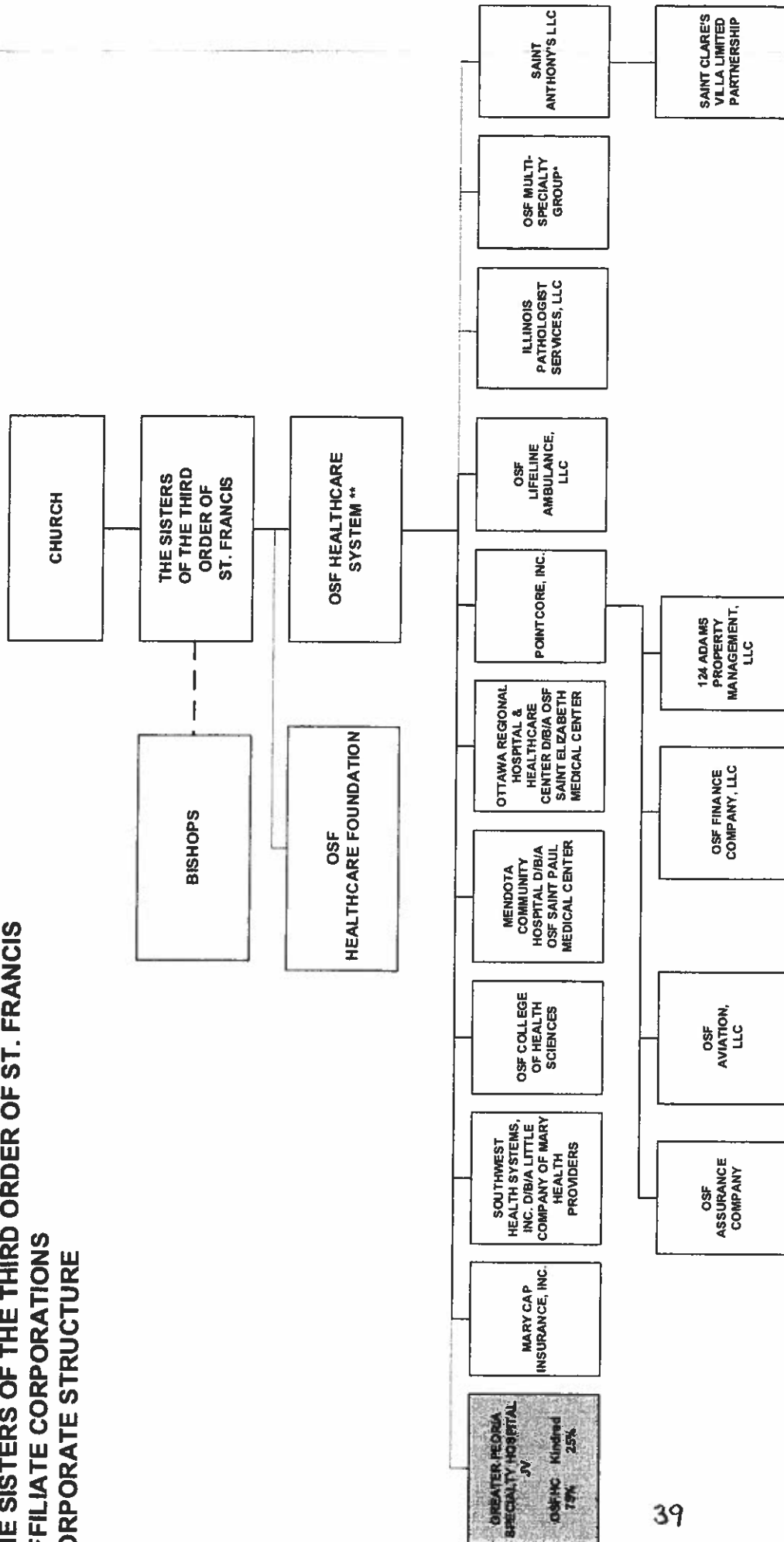


***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 4TH
day of MARCH A.D. 2021 .***

Jesse White

SECRETARY OF STATE

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



** OSF Healthcare System

* OSF Multi-Specialty Group

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

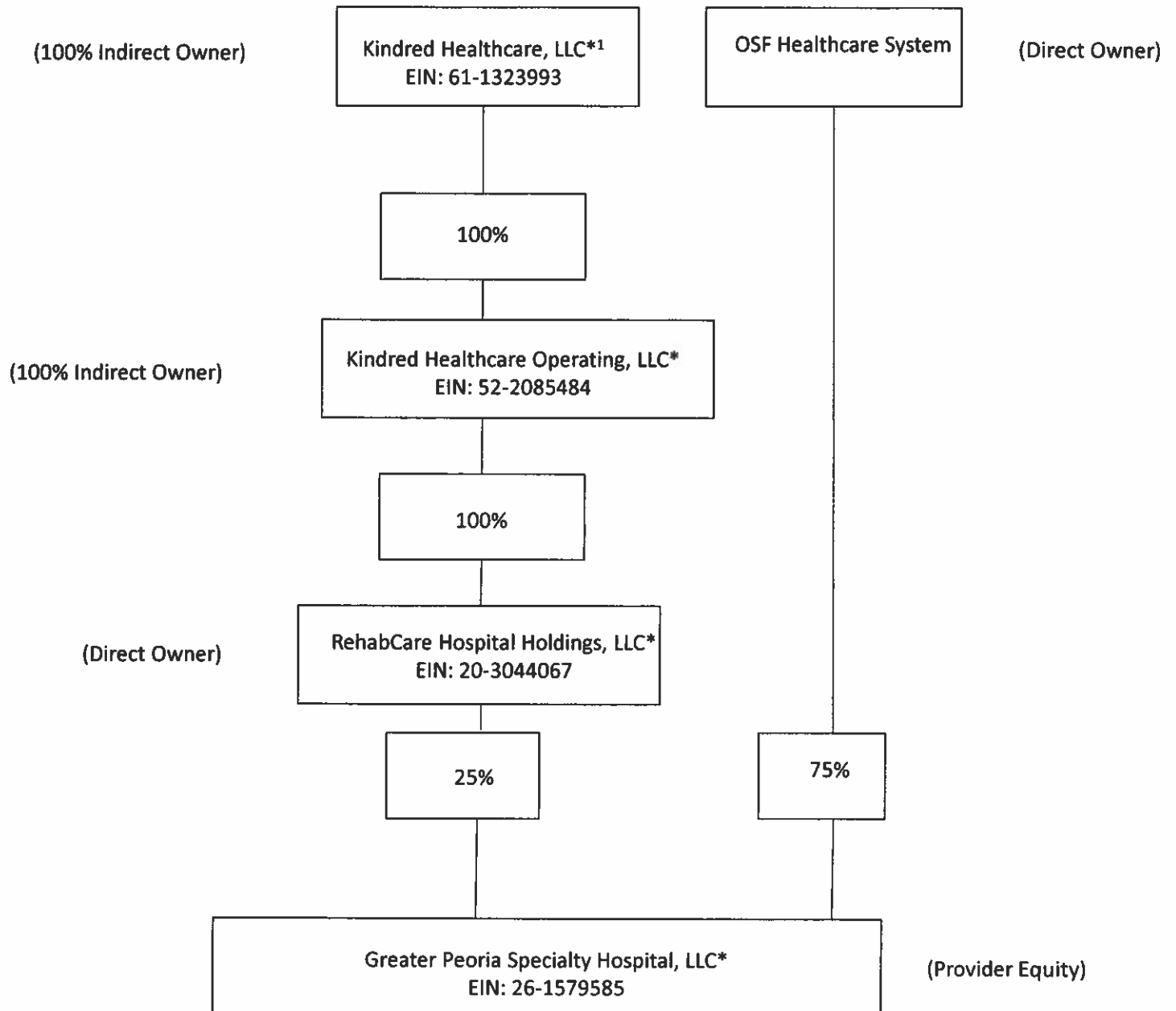
Attachment 4

#21-014

Legend:
 — Direct Responsibility
 - - - Advisory

Proposed Ownership Diagram

*Address for all entities is:
680 South Fourth Street
Louisville, KY 40202-2407



Attachment 4

¹ Additional indirect ownership information available upon request. 40

Flood Plain Requirements

Evidence that the site is not located in a floodplain is shown on the map on the following page. The map shows the area of the Greater Peoria Specialty Hospital at 500 W. Romeo B. Garrett Ave, Peoria. The area is located in panel section 1705360020B, effective 02/01/1980.

The map is obtained from the FEMA Flood Map Service Center. FEMA Flood Map Service Center is the official public service for flood hazard information produced in support of the National Flood Insurance Program (NFIP). The legend on the map indicates that No Digital Data Available to indicate that the area is categories as minimal flood hazard.

To obtain more information, contact was made with the Planning Department, City of Peoria. The office provided a second map, confirming that the area is an area of minimal flood hazard. The site of Greater Peoria Specialty Hospital is located in Zone C, the area that is not shaded. Zone C indicates that the area is not in a floodplain. The dark shading with PM17 label is the 100 year floodplain; the lighter shaded narrow strip northwest of it is the 500 year floodplain.

As a result, the project complies with the requirements of Illinois Executive Order #2006-5.

See also Section XI – Special Flood Hazard Area and 500-Year Floodplain Determination Form, Attachment 39, at the end of the Attachments section of this permit application.



FEMA Flood Map Service Center: Search By Address

Navigation

Search

Languages

MSC Home (/portal/)

MSC Search by Address
(/portal/search)

MSC Search All Products
(/portal/advanceSearch)

▼ MSC Products and Tools
(/portal/resources/productsandtools)

Hazus
(/portal/resources/hazus)

LOMC Batch Files
(/portal/resources/lomc)

Product Availability
(/portal/productAvailability)

MSC Frequently Asked
Questions (FAQs)
(/portal/resources/faq)

MSC Email Subscriptions
(/portal/subscriptionHome)

Contact MSC Help
(/portal/resources/contact)

Enter an address, place, or coordinates: ?

500 West Romeo B. Garret, Peoria, IL

Search

Whether you are in a high risk zone or not, you may need [flood insurance \(https://www.fema.gov/national-flood-insurance-program\)](https://www.fema.gov/national-flood-insurance-program) because most homeowners insurance doesn't cover flood damage. If you live in an area with low or moderate flood risk, you are 5 times more likely to experience flood than a fire in your home over the next 30 years. For many, a National Flood Insurance Program's flood insurance policy could cost less than \$400 per year. Call your insurance agent today and protect what you've built.

Learn more about [steps you can take \(https://www.fema.gov/what-mitigation\)](https://www.fema.gov/what-mitigation) to reduce flood risk damage.

Search Results—Products for PEORIA, CITY OF

Show ALL Products » (https://msc.fema.gov/portal/availabilitySearch?addcommunity=170536&communityName=PEOF

The flood map for the selected area is number **1705360020B**, effective on **02/01/1980** ?

MAP IMAGE



(https://msc.fema.gov/portal/viewProduct?

filepath=/17/P/Firm/1705360020B.tif&productID=1705360020B)



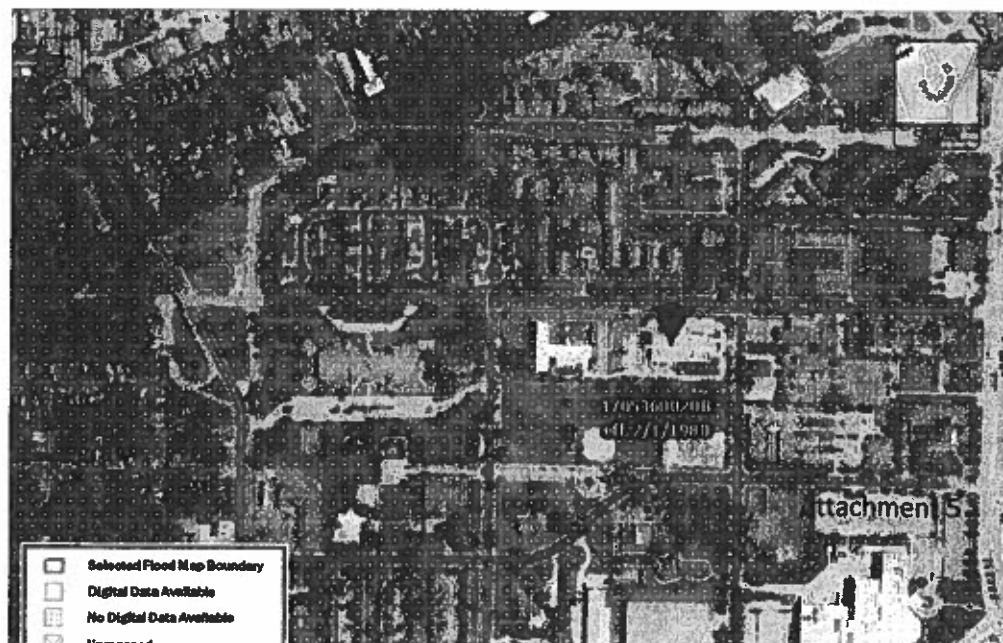
(https://msc.fema.gov/portal/downloadProduct?

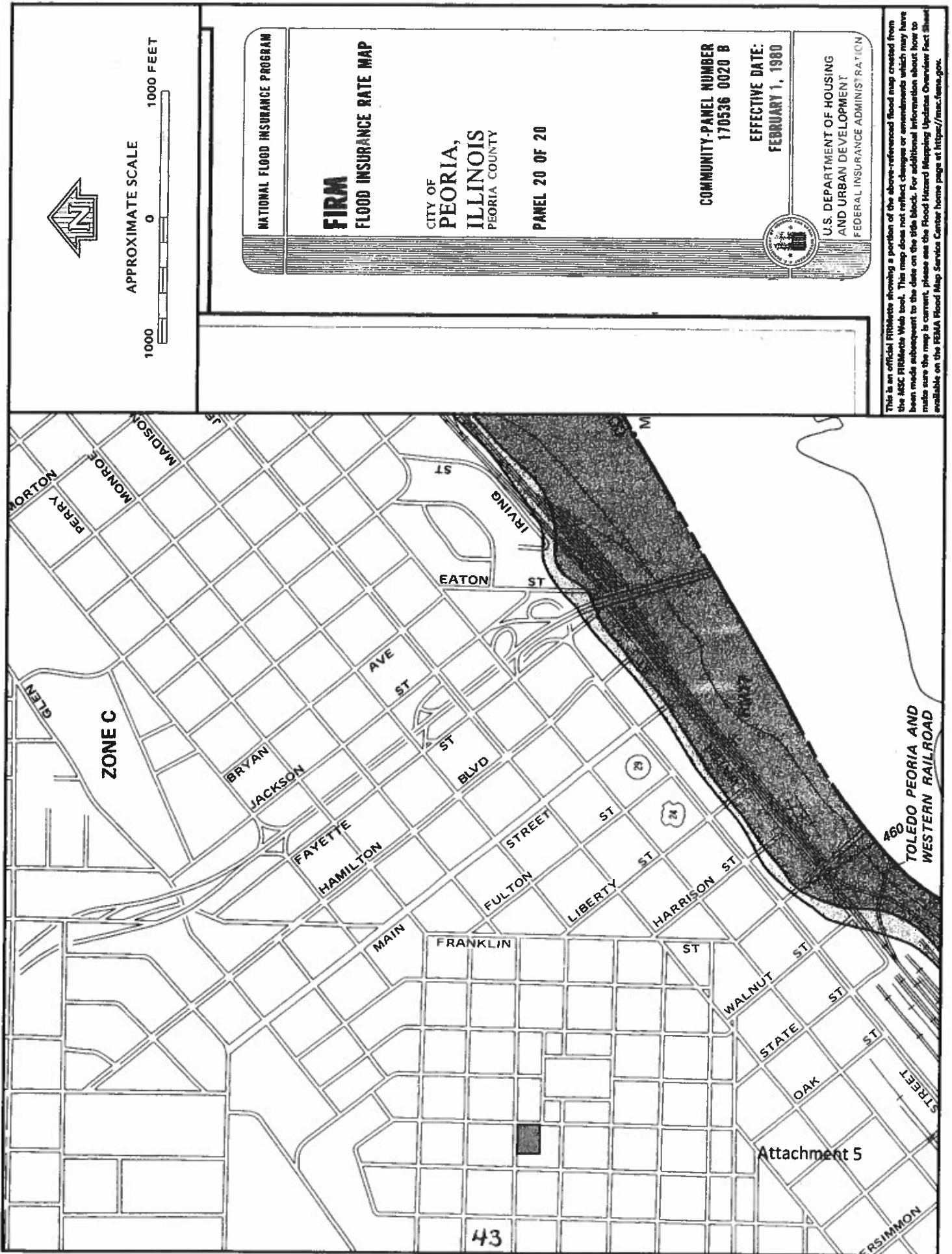
filepath=/17/P/Firm/1705360020B.tif&productTypeID=FINAL_PRODUCT&productSubTypeID=FIRM_PANEL&

Changes to this FIRM ?

- Revisions (1)
- Amendments (12)
- Revalidations (0)

You can choose a new flood map or move the location pin by selecting a different location on the locator map below or by entering a new location in the search field above. It may take a minute or more during peak hours to generate a dynamic FIRMette. If you are a person with a disability, are blind, or have low vision, and need assistance, please contact a map specialist (https://msc.fema.gov/portal/resources/contact)







Illinois Department of Natural Resources

#21-014

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

Peoria County

Peoria

CON - Modernization to Add 27 Inpatient Comprehensive Physical Rehabilitation Beds and New Construction of a Two-Story Addition, Greater Peoria Specialty Hospital d/b/a Kindred Hospital Peoria
500 W. Romeo B. Garrett Ave.
SHPO Log #007022221

March 11, 2021

Ralph Weber
Weber Alliance
920 Hoffman Lane
Riverwoods, IL 60015

Dear Mr. Weber:

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

Attachment 6

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	0	0	0
Site Survey and Soil Investigation	0	0	0
Site Preparation	0	0	0
Off Site Work	0	0	0
New Construction Contracts	\$1,696,583	\$978,457	\$2,675,040
Modernization Contracts	\$2,810,041	0	\$2,810,041
Contingencies	\$68,940	\$39,759	\$108,699
Architectural/Engineering Fees	\$220,000	\$55,000	\$275,000
Consulting and Other Fees	\$111,400	\$27,820	\$139,220
Movable or Other Equipment (not in construction contracts)	\$270,000	0	\$270,000
Bond Issuance Expense (project related)	0	0	0
Net Interest Expense During Construction (project related)	0	0	0
Fair Market Value of Leased Space or Equipment	0	0	0
Other Costs to Be Capitalized	\$210,000	\$52,000	\$262,000
Acquisition of Building or Other Property (excluding land)	0	0	0
TOTAL USES OF FUNDS	\$5,386,964	\$1,153,036	\$6,540,000
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$5,386,964	\$1,153,036	\$6,540,000
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$5,386,964	\$1,153,036	\$6,540,000
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Attachment 7

Project Costs and Sources of Funds

Line Item Itemization

Line 5. New Construction Contracts - \$2,675,040

This work involves construction of an approximately 6,400 sq ft two story addition above a portion of the existing first floor, south part of the hospital. This new space will house therapy space and patient dining. Construction cost is \$2,675,040, of which \$1,696,583 is clinical (therapy services). Costs include core and shell, interior buildout, fixed equipment, all finishes, and contractor's overhead.

Line 6. Modernization Contracts - \$2,810,041

Clinical space in the second and third floors of the existing building will be converted from LTAC use to Comprehensive Physical Rehabilitation. The space will accommodate 29 private rehabilitation rooms, nurses stations, medication rooms and support space. Modernization also includes renovation of an existing therapy space. Modernization cost is \$2,810,041, all of which is clinical.

Cost per Sq Ft Ratios

Clinical Construction plus Modernization costs = \$4,506,624

Sq ft of clinical space (Rehabilitation and therapy) = 21,179

Cost per sq ft: \$212.79

Clinical New Construction cost = \$1,696,583

Sq ft of new construction (clinical) = 4,331

Cost per sq ft: \$391.73

Clinical Modernization cost = \$2,810,041

Sq ft of modernization (clinical) = 16,848

Cost per sq ft: \$166.79

Line 7. Contingencies - \$108,699

Contingencies cover the allowance for unforeseen circumstances. Clinical contingency for construction and modernization is \$68,940. Non clinical contingency is \$39,759 for construction and modernization.

Line 8. Architectural / Engineering Fees - \$275,000

This work includes preliminary design, schematic design, design development, construction document services, bidding and negotiation, and construction administration.

Line 9. Consulting and other fees - \$139,220

These include Certificate of Need permit fees, CON consultant, city of Peoria fees, and other.

Line 10. Movable or other equipment (not in construction contracts) - \$270,000

Itemization of selected equipment above \$5,000 per unit is as follows:

TriWG Parallel Bars	2	\$15000	\$30000
Crash Cart Defibs	2	\$12000	\$24000
GE EKG	1	\$13000	\$13000
Technobody ISO free	1	\$13000	\$13000
Senaptec Sensory Sta	1	\$18000	\$18000
LiteGait Balance Control & Treadmill pkg	1	\$12000	\$12000
Spirit Medical Rehab Treadmill	1	\$6000	\$6000
HandiCare Lifts	7	\$7500	\$52500
Verathon Bladder Scanner	1	\$6500	\$6500
Pyxis Equipment for Med Rooms	2	\$10000	\$20000
Total of Items <\$5,000 each			\$75000

Line 14. Other costs to be capitalized - \$262,000

IT Equipment	\$150,000
Artwork	\$6,000
Signage	\$6,000
Furniture	\$75,000
Other	\$25,000

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							
LTAC		25685	8837	0	0	8837	0
Comp Physical Rehab	\$ 2,715,806	0	16283	0	16283	0	0
PT/OT/Speech	\$ 1,790,818	2236	7132	4,331	565	2236	0
Pharmacy		1029	1029	0	0	1029	0
Subtotal Clinical	\$ 4,506,624	28,950	33,281	4,331	16,848	12,102	0
NON REVIEWABLE							
Lobby, reception		9074	9074	0	0	9074	0
Public circulation		633	633	0	0	633	0
Public restrooms							
Food service / pt dining	\$ 860,425	3425	5211	1786	0	3425	0
Admin, staff support, lockers, lounges		6613	6613	0	0	6613	0
Mech, bldg systems, housekeeping, storage	\$ 118,031	8232	8477	245	0	8232	0
Subtotal Non-Clinical	\$ 978,456	27,977	30,008	2031	0	27,977	
Total Construction And Modernization	\$ 5,485,080	56,927	63,289	6,362	16,848	40,079	0
Other Project Costs							
Preplanning	0						
Site survey and soil investigation	0						
Site Preparation	0						
Off-site work	0						
Contingencies	\$108,699						
A/E fees	\$275,000						
Consulting & other fees	\$139,220						
Movable or other equipment	\$270,000						
Net interest expense during construction	0						
FMV leased equipment	0						
Other capitalized costs	\$262,000						
Acquisition of building or other property	0						
Total Other Project Costs	\$1,054,920						
Total Project Costs	\$6,540,000						

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

OSF Healthcare System List of Facilities in Illinois**OSF HealthCare Holy Family Medical Center**

1000 W. Harlem Avenue
 Monmouth, Illinois 61462
 License #: 0005439, Expiration 4/11/22
 JCAHO: Critical Access Hospital-no JCAHO Certificate

OSF HealthCare Saint Francis Medical Center

530 NE Glen Oak Avenue
 Peoria, Illinois 61637
 License #: 0002394, Expiration 12/31/21
 JCAHO: 2/1/20, 36 months:

OSF HealthCare Saint Anthony's Health Center

One Saint Anthony's Way
 Alton, Illinois 62002-0340
 License #: 0005942, Expiration 10/31/21
 JCAHO: 12/2/17, 36 months: Due to Pandemic, has not been surveyed.

OSF HealthCare Saint James-John W. Albrecht Medical Center

2500 W. Reynolds Street
 Pontiac, Illinois 61764
 License #: 0005264, Expiration 3/2/22
 JCAHO: 12/20/2019, 36 months

OSF HealthCare St. Joseph Medical Center

2200 E. Washington Street
 Bloomington, Illinois 61701
 License #: 0002535, Expiration 12/31/21
 JCAHO: 12/14/19, 36 months

OSF HealthCare Saint Anthony Medical Center

5666 E. State Street
 Rockford, Illinois 61108-2472
 License #: 0002253, Expiration 12/31/21
 JCAHO: 11/23/19, 36 months

OSF HealthCare Saint Luke Medical Center

1051 West South Street
 Kewanee, Illinois 61443
 License #: 0005926, Expiration 3/31/22
 JCAHO: Critical Access Hospital-no JCAHO Certificate

OSF HealthCare Saint Elizabeth Medical Center

1100 E. Norris Drive
 Ottawa, Illinois 61350
 License #: 0005520, Expiration 5/14/22
 JCAHO: 7/17/20, 36 months

OSF HealthCare St. Mary Medical Center

3333 N. Seminary Street
 Galesburg, Illinois 61401
 License #: 0002675, Expiration 12/31/21
 JCAHO: 11/1/2019, 36 months

OSF HealthCare Saint Paul Medical Center

1401 E. 12th Street
 Mendota, Illinois 61342
 License #: 0005819, Expiration 12/6/21
 JCAHO: Critical Access Hospital-no JCAHO Certificate

OSF Healthcare Sacred Heart Medical Center

812 N. Logan Avenue
Danville, Illinois 61832
License #: 0006072, Expiration 2/1/22
JCAHO: 2/28/20, 36 months

OSF HealthCare Heart of Mary Medical Center

1400 W. Park Street
Urbana, Illinois 61801
License #: 0006080, Expiration 2/1/22
JCAHO: 6/3/17, 36 months: Due to Pandemic, has not been surveyed.

OSF Saint Elizabeth Medical Center Freestanding Emergency Center

111 Spring Street
Streator, Illinois 61364
License #: 22006, Expiration 8/8/21
JCAHO: 7/17/20, 36 months (included with Saint Elizabeth Medical Center)

OSF Little Company of Mary Medical Center

2800 W. 95th Street
Evergreen Park, Illinois 60805
License #: 0006163, Expiration 1/31/22
JCAHO: 4/27/19, 36 months

**Kindred Healthcare
List of Facilities in Illinois**

Kindred Sycamore, LLC
d/b/a Kindred Hospital – Sycamore
225 Edward Street
Sycamore, IL 60178

IL License # 0006197 Expiration – 12/15/21

The Joint Commission Accreditation Effective – 8/24/19

Kindred THC North Shore, LLC
d/b/a Kindred – Chicago - Central
4058 West Melrose Street
Chicago, IL 60641

IL License # 0006205 Expiration – 12/16/21

The Joint Commission Accreditation Effective – 12/2/17

Kindred THC North Shore, LLC
d/b/a Kindred Chicago – Lakeshore
6130 N. Sheridan Road
Chicago, IL 60660

IL License # 4000014 Expiration – 11/4/21

The Joint Commission Accreditation Effective – 12/2/17

Kindred Chicago Northlake, LLC
d/b/a Kindred Hospital – Chicago (North Campus)
2544 W. Montrose Avenue
Chicago, IL 60618

IL License # 0006221 Expiration – 12/15/21

The Joint Commission Accreditation Effective – 11/9/19

Kindred Chicago Northlake, LLC
d/b/a Kindred Hospital – Chicago (Northlake Campus)
365 East North Avenue
Northlake, IL 60164

IL License # 0006213 Expiration – 12/15/21

The Joint Commission Accreditation Effective – 11/9/19

Greater Peoria Specialty Hospital LLC
d/b/a Kindred Hospital Peoria
500 West Romeo B Garrett Avenue
Peoria, IL 61605
See Attached

Notes:

Kindred Chicago – Lakeshore and Kindred – Chicago – Central share Medicare provider number, as main hospital and satellite location respectively. Therefore, they are surveyed together under Joint Commission. Joint Commission has stated that accredited organizations that have a full accreditation survey that has been postponed due to the COVID-19 pandemic will continue to be considered accredited beyond their current certificate expiration date.

Kindred Hospital – Chicago (Northlake Campus) and Kindred Hospital – Chicago (North Campus) share Medicare provider number as main hospital and extension. Therefore, they are surveyed together under Joint Commission.

← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

HF 120279



**Illinois Department of
PUBLIC HEALTH**

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

This person, firm or corporation whose name appears on this certificate has been found to be in compliance 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	LICENSE NUMBER
05/31/2021	Long Term Acute Care Hospital	0005777

Effective: 06/01/2020

**Greater Peoria Specialty Hospital LLC
dba Kindred Hospital Peoria
500 W Romeo B Garrett Ave
Peoria, IL 61605**

The face of this license has a colored background. Printed by Authority of the State of Illinois P.D. #10-400-001 10/1/19

Exp Date 05/31/2021
Lic Number 0005777

Date Printed 03/19/2020

Greater Peoria Specialty Hospital LLC
dba Kindred Hospital Peoria
500 W Romeo B Garrett Ave
Peoria, IL 61605

FEE RECEIPT NO.

#21-014

November 29, 2018

Christopher Curry
CEO
Greater Peoria Specialty Hospital, LLC
500 W. Romeo B. Garrett Avenue
Peoria , IL 61605

Joint Commission ID #: 484161
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of Standards
Compliance
Accreditation Activity Completed : 11/28/2018

Dear Mr. Curry:

The Joint Commission is pleased to grant your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- **Comprehensive Accreditation Manual for Hospital**

This accreditation cycle is effective beginning August 31, 2018 and is customarily valid for up to 36 months. Please note, The Joint Commission reserves the right to shorten or lengthen the duration of the cycle.

Should you wish to promote your accreditation decision, please view the information listed under the 'Publicity Kit' link located on your secure extranet site, The Joint Commission Connect.

The Joint Commission will update your accreditation decision on Quality Check®.

Congratulations on your achievement.

Sincerely,



Mark G. Pelletier, RN, MS
Chief Operating Officer and Chief Nurse Executive
Division of Accreditation and Certification Operations

April 15, 2021

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

Re: No Adverse Actions / Authorized Access to Information

Dear Ms. Avery:

I hereby certify that no adverse action has been taken against OSF Healthcare System or its individual hospitals directly or indirectly, within three years prior to the filing of this application. For the purpose of this letter, the term "adverse action" has the meaning given to it in the Illinois Administrative Code, Title 77, Section 1130.

I hereby authorize the Health Facilities and Services Review Board and IDPH to access any documentation which it finds necessary to verify any information submitted, including but not limited to: official records of IDPH or other State agencies and the records of nationally recognized accreditation organizations.

If you have any questions, please contact me at 309-655-7804 or robert.c.sehring@osfhealthcare.org.

Sincerely,

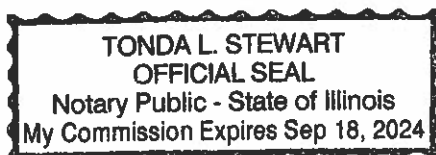

Robert C. Sehring, CEO

Subscribed and sworn to before me

This 15th day of April, 2019²¹


Notary Public

<seal>



Attachment 11



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

Dear Chair Savage:

In accordance with Review Criterion 1110.110.a, Background of the Applicant, I am submitting this letter assuring the Illinois Health Facilities and Services Review Board of the following:

1. Kindred Hospital Chicago Central received survey citations in April 2019 and September 2019. The April citation was cleared in May 2019. The September citation was cleared in February, 2020.
2. Kindred Hospital Chicago Central and Kindred Chicago Lakeshore received survey citations in November 2019 and submitted revised plans of correction. The term date has been extended to April 29, 2021 and the facility is awaiting survey.
3. Kindred Hospital Chicago Central received a CMS survey citation in September 2020 which was cleared in November 2020.
4. Kindred Hospital Chicago North received a CMS survey citation in December 2020 which was abated on site. A plan of correction was submitted January 2021 and the facility is awaiting resurvey. (IDPH memo indicated validation resurveys suspended until after March 20, 2021).
5. Kindred Chicago Lakeshore received a survey citation in February 2021. The plan of correction was submitted and accepted in February 2021
6. I hereby certify that no other adverse actions have been taken against any health care facility owned or operated by Kindred Healthcare, LLC in the State of Illinois, directly or indirectly, within three years prior to the filing of this application. For the purpose of this letter, the term "adverse action" has the meaning given to it in the Illinois Administrative Code, Title 77, Section 1130.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.110(a)(2)(J), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for exemption. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for exemption.

Attachment 11

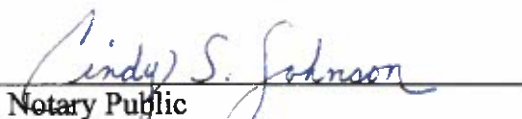
Sincerely,

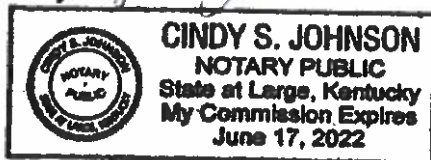


Print Name: Joseph L. Landenwich
Its: General Counsel and Corporate Secretary
Kindred Healthcare, LLC

Subscribed and sworn to me

This 9th day of April, 2021


Notary Public



Purpose of the Project

Greater Peoria Specialty Hospital d/b/a Kindred Hospital Peoria has been a provider of Long Term Acute Care (LTAC) since 2009. It is one of 8 hospitals in Illinois providing LTAC services. Last year it entered into discussions with OSF Healthcare System to consider a joint venture that would involve the relocation of OSF Saint Francis Medical Center's 27 bed Comprehensive Physical Rehabilitation service to Greater Peoria Specialty Hospital. The planned project will convert and modernize underutilized LTAC space to accommodate 29 private rooms for Comprehensive Physical Rehabilitation. In addition, new construction above an existing first floor area of the existing Greater Peoria Specialty Hospital will house patient dining, physical therapy, occupational therapy and speech therapy and other support for the rehabilitation service. The project reduces the size of the LTAC program from 50 authorized beds to 18, resulting in a 47 bed hospital – 29 Comprehensive Physical Rehabilitation beds, and 18 LTAC beds.

Kindred Healthcare is a nationally recognized healthcare services company based in Louisville, Kentucky with annual revenues of approximately \$2.7 billion. As of December 31, 2020, Kindred, through its subsidiaries, has approximately 23,400 employees providing healthcare services in 317 locations in 36 states, including owning and operating 64 long-term acute care hospitals (6 in Illinois), 22 inpatient rehabilitation hospitals, 10 sub-acute units, 2 behavioral health hospitals, as well as managing non-affiliated hospital-based rehabilitation services in 101 inpatient rehabilitation units (6 in Illinois) and 120 LTAC hospitals, medical/surgical and outpatient therapy sites of service. Ranked as one of Fortune magazine's Most Admired Healthcare Companies for nine years, Kindred's mission is to help patients reach their highest potential for health and healing with intensive medical and rehabilitative care through a compassionate patient experience. A presentation of Kindred's outstanding quality outcomes for inpatient rehabilitation within its comparable rehabilitation hospitals across the U.S. is presented at the end of this section.

OSF HealthCare System, an integrated health system, is owned and operated by The Sisters of the Third Order of St. Francis, Peoria, Illinois. OSF HealthCare System employs more than 23,600 Mission Partners in 147 locations, including 14 hospitals – 10 acute care, 4 critical access – with over 2,000 licensed beds, and two colleges of nursing throughout Illinois and Michigan. The OSF HealthCare System physician network employs more than 1,500 primary care, specialists and advanced practice providers, who are part of the OSF Medical Group.

OSF Saint Francis Medical Center, 530 NE Glen Oak Avenue in Peoria Illinois, is a tertiary care teaching center providing numerous specialty services and extensive residency programs for physicians.

At OSF Saint Francis Medical Center, OSF Rehabilitation inpatient therapy includes occupational, physical, and speech therapies. Services are for individuals who require skilled therapy to achieve maximum functioning. As members of the care team, the inpatient rehabilitation department staff of nurses and nursing assistants collaborate with physicians, nurses, case managers and therapists in other departments to provide a complete, coordinated care plan during the hospital stay. Therapists evaluate and treat patients on the Inpatient Rehabilitation Unit providing programs and services such as evaluation of ability to safely return home alone or with assistance, assistive device recommendations, evaluation and treatment of lower extremity weakness and coordination deficits, lower extremity bracing recommendations. The OSF Rehabilitation team is made up of dedicated inpatient rehabilitation staff, who provide warm, supportive and individualized care for patients with

conditions ranging from orthopedic injuries to complex neurological trauma. The Inpatient Rehabilitation unit provides patient-specific therapy in a medically supervised setting with on-site specialty trained physicians and nurses, using modern technologies.

The joint venture will allow for the continued operation of OSF Healthcare System's highly regarded comprehensive physical rehabilitation service in Peoria in partnership with nationally recognized Kindred Healthcare. The joint venture will achieve synergies in the operation of both the rehabilitation and LTAC programs, improve the utilization of the Greater Peoria Specialty Hospital, and enhance the delivery of rehabilitation and LTAC services in the greater Peoria region.

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

OSF Saint Francis Medical Center comprehensive physical rehabilitation unit has provided an average of over 7,800 inpatient days of service annually over the past six years. The rehabilitation service specializes in the care of stroke and other neurological disorders in need of Comprehensive Physical Rehabilitation services, including neurological disorders such as traumatic and non-traumatic brain injury, spinal cord injury, multiple sclerosis, Guillain Barre, encephalopathy, Parkinson's disease, brain tumor, motor neuron disease, polyneuropathy and muscular dystrophy. The service provides care for patients with major multiple trauma, burns and complex orthopedic cases such as amputation, femur fracture, hip fractures, severe osteoarthritis or degenerative joint disease, bilateral knee or bilateral hip replacement surgery, complex arthritic conditions, polyarticular rheumatoid arthritis, psoriatic arthritis and severe muscular atrophy. The program draws patients from a large region for the care of critical illness myopathies and debilitating conditions such as cardiac deconditioning, surgical deconditioning, pneumonia, sepsis, acute kidney failure, and muscular wasting and atrophy.

The proposed collaborative joint venture will provide Comprehensive Physical Rehabilitation services which strive to achieve the highest possible level of functional independence for every patient. The psychosocial adjustment to a disability is as significant a process as is the physical and restorative services of rehabilitation nursing, physical therapy, occupational therapy, nursing and speech/language pathology. By treating each patient and his or her family members in a holistic and individualized program, optimum levels of independence are obtained. The philosophy of the Greater Peoria Specialty Hospital is to provide a warm and supportive environment for the patient and family who, together with the staff, become partners in skill development. Focusing on abilities rather than disabilities is the hallmark of the rehabilitation program. By addressing the multiple effects of trauma to the patient and family, and by integrating the combined resources of the patient, the family, and the interdisciplinary rehabilitation team, Comprehensive Physical Rehabilitation can maximize the abilities and self-esteem of the patient and family and offer a healthy reintegration into the community.

The value of Comprehensive Physical Rehabilitation is clear: a) it reduces length of stay for inpatients whose acute care needs are met, but require physical rehabilitation in a specialized setting, and require a level of care above what is typically provided in a nursing home setting, b) it reduces costs since rehabilitation rates are less than med/surg bed charges, and c) it enables quicker and more complete recovery than care provided in less specialized settings, etc.

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

The proposed new Comprehensive Physical Rehabilitation service at Greater Peoria Specialty Hospital will replace the 27 bed unit now at OSF Saint Francis Medical Center in Peoria with a slightly enlarged unit of 29 beds. As a result, patient origin data for the current rehabilitation program provides an accurate distribution of residents expected to be patients at the new rehabilitation service, and a reliable methodology for defining the planning area for the project.

Recent permit applications by OSF Saint Francis Medical Center have been for highly specialized tertiary and quaternary services. The State approved Project 18-050 for the establishment of a heart transplantation program at OSF Saint Francis Medical Center. The planning area for this project was defined as the entire State of Illinois. Project 19-057 supported the establishment of a cancer center with proton beam therapy and other major medical equipment. The application defined the planning area for this project as the areas served by 10 OSF hospitals in Illinois, also an extensive area.

The service area of inpatient comprehensive physical rehabilitation is appropriately more localized. The table at the end of this Attachment lists the zip codes of residence of two or more patients admitted to OSF Saint Francis Medical Centers' comprehensive physical rehabilitation service from HSA 2 in 2019. There is significant overlap of HSA 2 and the patient origin table shown in this section, with 91% of patients residing in 57 of the zip codes (in whole or in part) in the HSA. For purposes of this project, the planning area is defined as HSA 2. The accompanying map shows the location of zip codes. HSA 2 is highlighted with yellow overlay.

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

There are several significant planning issues associated with the need for improved Comprehensive Physical Rehabilitation services in the area:

- Lack of private rooms. The existing 27 bed unit at OSF Saint Francis Medical Center has significant facility limitations. 12 of the 19 rooms are semi-private beds, at a time when patients and their families expect single-bed rooms that provide patient and family comfort and privacy. Only 7 of the 17 rooms are private. Depending on the patient population, the semi-privates become a private and the other beds sit empty. Example: if a female is in a semi-private room, the service cannot place a male in the room. Or if a patient has an infection, the other bed is blocked and not able to be used. The semi-private rooms, averaging 229 sq. ft., are too small for the storage of equipment such as wheelchairs and Quick Move, or for clinicians to do in-room physical therapy exercises. The semi-private rooms have bathrooms but no showers. Two showers are located on the floor for use by patients in semi-private rooms.

- Space limitations for supporting functions and services. Patient dining has to occur in shifts because of insufficient space to accommodate all patients at a single setting. The floor has no conference room for family conferences or staff team meetings; these must be held in the dining room, scheduled around meals. The dining room also is the location for group therapy sessions since there is no dedicated space for those sessions. Speech therapists conduct therapeutic meal programs (swallowing techniques, other eating exercises and training) in the dining room; these cannot be performed while others are dining, and as a result require allocated time. The OT gymnasium is undersized for necessary exercises; space limitations caused the discontinuation of a bedroom set-up for occupational therapists to conduct training. The breakroom for staff is small, located in the staff locker room. There is limited

storage on the unit for equipment. Additionally, the space limitations do not allow for a distinct, dedicated Brain Injury/Neurological Nursing unit, segregated from the other rehabilitation beds.

- There is evidence of need for additional acute rehabilitation service in HSA 2. Using the US Centers for Medicaid and Medicare Services methodology (Rehabilitation Impairment Codes), 2,272 residents of HSA 2 required comprehensive physical rehabilitation services in the year ended September 30, 2020. As reported in COMPData, there were only 879 patients from HSA 2 who received comprehensive physical rehabilitation care. As a result, approximately 1400 persons either received care in a less intensive setting, such as in a nursing home or home care, or did not receive care at all.

- The large planning area requires state-of-the-art facilities. There are only two Comprehensive Physical Rehabilitation programs located in HSA 2, a large region with a year 2022 projected population of 650,500. It is essential that the programs have current state-of-the-art facilities not encumbered with space limitations.

- Underutilized inpatient LTAC beds at Greater Peoria Specialty Hospital. Greater Peoria Specialty Hospital has a bed complement of 50 LTAC beds. The Average Daily Census is 22.6 patients for years 2015 to 2020, ranging from 19.8 to 25.4. At an occupancy standard of 85%, this census requires 27 beds. This low level of utilization relative to a 50 bed facility is costly to operate and an opportunity for the introduction of another service. There is also an excess of 24 LTAC beds in the State's planning area, HSA 2 and HSA 10. A reduction of LTAC beds would be prudent from both a facility and regional planning perspective.

4. Cite the sources of information provided as documentation.

- Patient medical records, OSF Saint Francis Medical Center
- HFSRB Profiles
- COMPData, Illinois Hospital Association
- Rehabilitation Impairment Codes, U. S. Centers for Medicare and Medicaid Services
- Population Projections: Illinois, Chicago and Illinois Counties by Age and Sex, July 1, 2010 to July 1, 2025; Illinois Department of Public Health, Office of Health Informatics, Illinois Center for Health Statistics. (2014 edition)
- OSF Enterprise Explorer

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

The establishment of a 29 bed Comprehensive Physical Rehabilitation service will enable the relocation of the 27 bed unit now at OSF Saint Francis Medical Center into a slightly enlarged and adequately sized facility, with all private rooms and sufficient support space for patient dining, PT, OT and speech therapy. Patient service volumes can be increased due to the all private-room concept, achieving full utilization of the 29 bed unit. Some of the residents in HSA 2 who qualify for Comprehensive Physical Rehabilitation care (based on Rehabilitation Impairment Code assessments) but are not receiving acute rehabilitation will be able to access care in the new unit.

The collaborative joint venture will continue the excellence of the rehabilitation service now provided at OSF Saint Francis Medical Center, enhanced by the national expertise brought by Kindred Healthcare.

This relationship will especially strengthen the brain injury / neurological program by allowing for a dedicated distinct Brain Injury/Neurological Nursing unit, segregated from the other rehabilitation beds. Brain Injury/Neurological conditions can result in a wide array of medical, physical and psychosocial issues that require a focused and coordinated interdisciplinary approach to achieve the best possible outcomes. The addition of this Dedicated Nursing unit will allow for the provision of a Brain Injury inpatient program. Comprehensive Physical Rehabilitation services are provided to patients who have sustained a traumatic or non-traumatic brain injury resulting in a change of neurological function, as well as other medical conditions of recent onset or regression, and who are experiencing a loss of function in activities of daily living, mobility, cognition, or communication. This program serves persons of varying cultural backgrounds and from all payer sources. All patients are psychologically and medically stable, but have sufficient medical acuity to warrant regular inpatient physician oversight.

Kindred's program is centered on evidence-based assessments and clinical pathways to enable maximal recovery of function across the continuum of care environments. Based on each patient's ongoing needs the interdisciplinary team may include the rehabilitation physician, hospitalist, rehabilitation nurse, case manager, physical therapist, occupational therapist, speech language pathologist, recreational therapist, dietician, wound care team, respiratory therapy, chaplain services, and psychology services along with family/caregiver education. This approach improves informed decision making, social adjustment, and maintenance of rehabilitation gains. Current evidence-based clinical pathways guide our clinicians through the development and implementation of individualized treatment and interdisciplinary team approaches. Because outcomes matter, the goal is to return each patient home and able to reintegrate into the community from this hospital. The results of this process are;

- Improved functional outcomes
- Increased patient satisfaction
- Reduced hospitalization/rehospitalization
- Improved return to community

The reduction of LTAC beds from 50 to 18 beds will allow for an improved utilization of currently underutilized space at the Greater Peoria Specialty Hospital. The downsized 18 bed LTAC unit matches the need for LTAC services in HSA 2. Some of the patients now in the LTAC service can be more effectively treated in a Comprehensive Physical Rehabilitation unit, which supports the sizing of the future LTAC service to be lower than the recent years' ADC of 22.6 patients.

The co-location of Comprehensive Physical Rehabilitation Relocation and LTAC services will allow for the cross utilization of staff utilized by both services. LTAC and rehabilitation patients require the services of physical therapists, occupational therapists, speech therapists, respiratory therapists, and other staff. Cross training and utilization of staff will result in care efficiencies that may enable reduction in the cost of care for both rehabilitation and LTAC patients.

With the consolidated LTAC and rehabilitation programs, Greater Peoria Specialty Hospital will be a resource to rural areas of the region. As the only LTAC program and one of two rehabilitation programs in HSA 2, the hospital will be oriented to serving smaller hospitals in rural areas seeking post-acute rehabilitation or LTAC care for their patients.

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

Objectives of the project are as follows:

- a) Provide a minimum of 9,100 patient days of rehab care annually (above 85% occupancy of 29 beds).
- b) Reduce length of stay by 2.0 days, from an average of 14.8 over the past 6 years, to 12.8 or less.
- c) Improved utilization of the LTAC service at Greater Peoria Specialty Hospital to 85%.
- d) Begin operations in the new rehabilitation unit by September 1, 2022.

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Kindred's Rehabilitation Hospitals across the U.S. regularly track and report on key clinical quality drivers, including specific target clinical outcomes. Kindred subscribes to UDSMR®, a not-for-profit organization affiliated with the University at Buffalo, The State University of New York. UDSMR® provides the most comprehensive rehabilitation data to the industry. UDSMR® maintains the world's largest database for medical rehabilitation outcomes. A comparison of key quality performance indicators between all of Kindred's Rehabilitation Hospitals, to the UDSMR® portfolio of rehabilitation providers across the U.S. ("UDS Nation") as well as the UDSMR® Program Evaluation Model, ("PEM"), rankings are presented below.

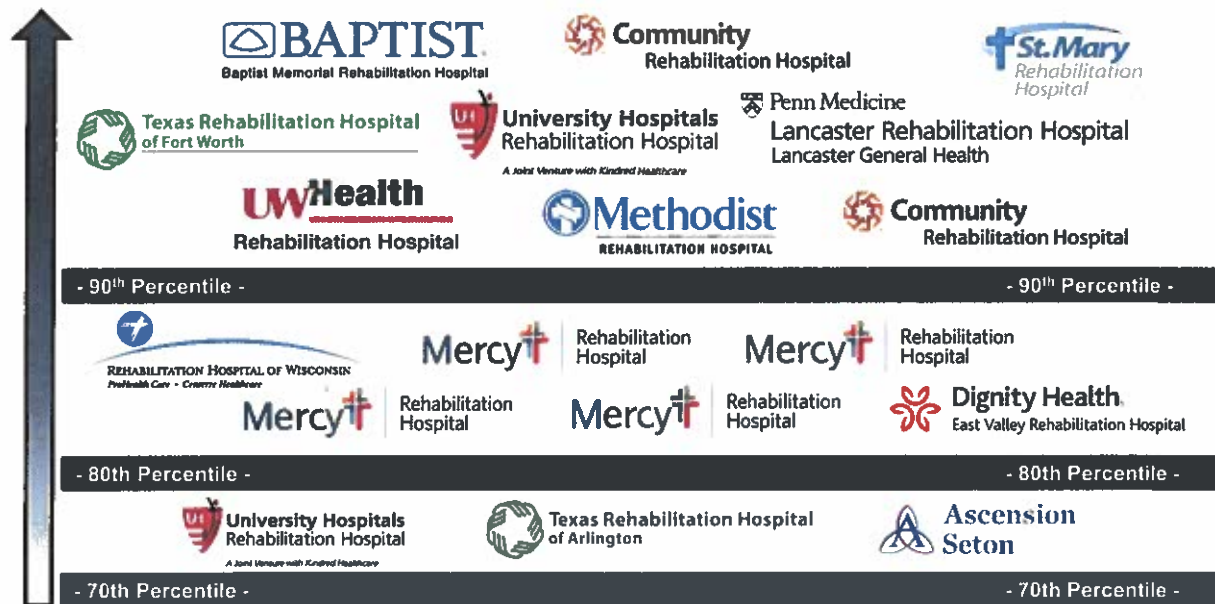


Kindred's Mercy St. Louis JV IRF has received its state quality award in pursuit of the Malcolm Baldrige National Quality Award. Other Kindred IRFs have also begun their pursuit of this prestigious award

Clinical Indicators (FY'20)	Kindred IRFs	UDS Nation	Variance	% Variance
Case Mix Index	1.52	1.43	0.08	5.8%
Discharge to Community	79.8%	76.9%	2.9%	3.8%
Discharge to Acute	10.5%	12.1%	1.6%	13.2%
Functional Efficiency	82.4%	68.0%	14.4%	21.1%

Kindred's portfolio of Joint Venture IRFs outperforms the competition in each major clinical indicator

Uniform Data System (UDS) 2019 Program Evaluation Model ("PEM") Results



Kindred's Joint Venture IRF partnerships have been recognized among the highest quality, most patient-centered rehabilitation hospitals in the Country

Patient Origin by Zip Code of Residence
Rehabilitation Inpatients at OSF Saint Francis Medical Center, year 2019
HSA 2 Planning Area

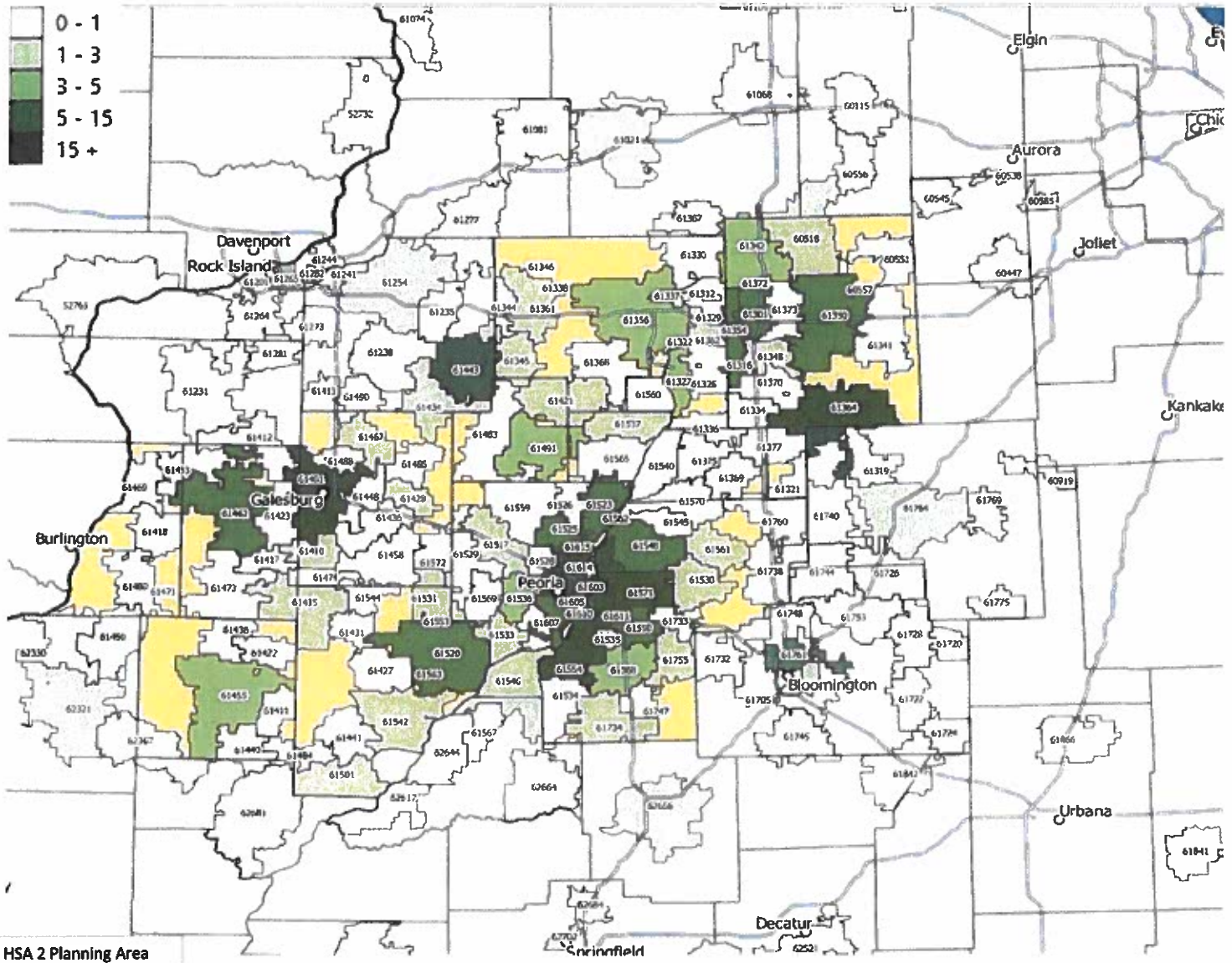
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Patient Zip Code	Patient City	Population	2019	% of SFMC Rehab Pts	Cumulative%
61604	PEORIA	31,055	30	5.5%	5.5%
61603	PEORIA	17,536	26	4.8%	10.3%
61554	PEKIN	43,587	24	4.4%	14.7%
61605	PEORIA	16,369	24	4.4%	19.0%
61401	GALESBURG	34,134	21	3.8%	22.9%
61550	MORTON	18,230	20	3.7%	26.6%
61615	PEORIA	23,737	19	3.5%	30.0%
61611	EAST PEORIA	24,966	17	3.1%	33.2%
61571	WASHINGTON	23,851	17	3.1%	36.3%
61614	PEORIA	27,276	17	3.1%	39.4%
61607	PEORIA	10,761	13	2.4%	41.8%
61364	STREATOR	19,736	12	2.2%	44.0%
61350	OTTAWA	24,072	9	1.6%	45.6%
61520	CANTON	18,268	9	1.6%	47.3%
61568	TREMONT	4,565	9	1.6%	48.9%
61462	MONMOUTH	11,274	6	1.1%	50.0%
61354	PERU	11,109	6	1.1%	51.1%
61548	METAMORA	12,354	6	1.1%	52.2%
61523	CHILLICOTHE	11,388	6	1.1%	53.3%
61362	SPRING VALLEY	5,722	6	1.1%	54.4%
61616	PEORIA HEIGHTS	5,512	6	1.1%	55.5%
61531	FARMINGTON	3,450	6	1.1%	56.6%
61301	LA SALLE	10,069	5	0.9%	57.5%
61610	CREVE COEUR	5,395	5	0.9%	58.4%
61530	EUREKA	6,568	5	0.9%	59.3%
61542	LEWISTOWN	3,602	5	0.9%	60.3%
61547	MAPLETON	3,806	5	0.9%	61.2%
61529	ELMWOOD	2,888	5	0.9%	62.1%
61341	MARSEILLES	8,212	5	0.9%	63.0%
61570	WASHBURN	1,902	5	0.9%	63.9%
61455	MACOMB	21,044	4	0.7%	64.7%
61356	PRINCETON	11,328	4	0.7%	65.4%
61546	MANITO	4,148	4	0.7%	66.1%
61559	PRINCEVILLE	3,153	4	0.7%	66.8%
61483	TOULON	1,961	4	0.7%	67.6%
61525	DUNLAP	9,185	3	0.5%	68.1%
61536	HANNA CITY	3,014	3	0.5%	68.7%
61348	OGLESBY	4,684	3	0.5%	69.2%
61517	BRIMFIELD	3,347	3	0.5%	69.8%
61473	ROSEVILLE	1,429	3	0.5%	70.3%
61528	EDWARDS	2,987	3	0.5%	70.9%
61377	WENONA	1,393	3	0.5%	71.4%
61448	KNOXVILLE	3,814	3	0.5%	72.0%
61334	LOSTANT	722	3	0.5%	72.5%
61738	EL PASO	4,391	3	0.5%	73.1%
61755	MACKINAW	4,872	2	0.4%	73.4%
61734	DELAVAN	2,820	2	0.4%	73.8%
61540	LACON	1,739	2	0.4%	74.2%
61326	GRANVILLE	2,452	2	0.4%	74.5%
61427	CUBA	2,174	2	0.4%	74.9%
61422	BUSHNELL	3,175	2	0.4%	75.3%
61572	YATES CITY	1,179	2	0.4%	75.6%
61370	TONICA	1,504	2	0.4%	76.0%
61417	BERWICK	277	2	0.4%	76.4%
61375	VARNA	1,136	2	0.4%	76.7%
61369	TOLUCA	1,525	2	0.4%	77.1%
All Other HSA 2			76	13.9%	91.0%
Total HSA 2			497	91.0%	
Patients from outside HSA 2			49	9.0%	100.0%
Total SFMC Patients			546	100.0%	100.0%

Attachment 12

Patient Origin by Zip Code of Residence
Rehabilitation Inpatients at OSF Saint Francis Medical Center
HSA 2 Planning Area

#21-014



Attachment 12

Alternatives

OSF Healthcare System and Kindred Healthcare are forming a joint venture to establish a 29 bed Comprehensive Physical Rehabilitation service, to be located at Kindred's existing 3 story Greater Peoria Specialty Hospital (GPSH). The project selected will replace the existing 27 bed Comprehensive Physical Rehabilitation unit now at OSF Saint Francis Medical Center in Peoria.

Preferred Alternative (the Proposed Project)

The new 29 beds will be located in 16,848 sq ft of modernized space on the 2nd and 3rd floors of GPSH. The space is now occupied by Long Term Acute Care beds. 19 rehabilitation patient rooms will be located on the third floor. 10 rehabilitation rooms will be located on the second floor, along with 10 existing LTAC rooms. A 6,362 sq ft addition will be constructed at GPSH above an existing first floor area to house patient dining and PT/OT and other services supporting the new rehabilitation unit. In order to make space available for the 29 rehabilitation beds, the count of authorized LTAC beds at GPSH will be reduced from the current 50 beds to 18, resulting in a 47 bed hospital. This reduction adjusts LTAC capacity to reflect recent years' average occupancy levels. Total project capital cost is estimated at \$6,540,000.

Before this project was selected as the preferred project, a number of other alternatives were considered:

Alternative 1 Construct an addition above the existing building

Construct two floors above the existing bed floors at Greater Peoria Specialty Hospital to accommodate 29 single bed rehabilitation rooms and support space for patient dining and PT/OT. Continue the current LTAC complement of 50 beds. Total capacity of the expanded facility would be 79 beds. The alternative would require about 23,000 sq ft of new construction. The approximate capital cost of this option is \$10,000,000, including construction, equipment, A/E and other costs. A variation of this alternative is to build a 4th floor for the rehabilitation unit above the existing bed floors; PT/OT, dining and other support space would be located in new construction above the existing first floor on the north side of the existing building.

This project was rejected because of the additional cost compared to the selected project, and the disruption to existing inpatient clinical services due to the construction.

Alternative 2 Construct a wing adjacent to the existing building

At GPSH, add a two or three story wing onto the existing hospital to accommodate the new 29 single bed rehabilitation rooms and support space for patient dining and PT/OT. Continue the current LTAC complement of 50 beds. Under this option, total capacity of the enlarged facility is 79 beds. Similar to Alternative 1, the new construction would total about 23,000 sq ft new construction. The total project cost associated with this option is estimated at \$15 million.

This option was rejected due to the lack of available contiguous land for such an addition and the additional cost compared to the selected option.

Alternative 3 Construct a freestanding rehabilitation and LTAC hospital on a new site

Build a new freestanding facility to accommodate the two programs – 50 bed (or smaller) LTAC and 29 bed rehabilitation unit. Total bed capacity at the new facility would be up to 79 beds. Total project capital cost is estimated at between \$39 and \$45 million, not including the cost of land. This alternative is cost prohibitive and was rejected.

Alternative 4 Relocate the 27 bed Comprehensive Physical Rehabilitation unit at OSF Saint Francis Medical Center to an equally sized 27 bed unit at Greater Peoria Specialty Hospital.

Replacing the 27 beds at OSF Saint Francis Medical Center one-for-one with a 27 bed unit at Greater Peoria Specialty Hospital was the plan at the start of preparation of this permit application. The plan would maintain status quo relative to bed availability in the Peoria area and HSA 2.

This plan was rejected for two reasons. First, the analysis of patients needing rehabilitation services in HSA 2 revealed that the current supply of 66 beds at the two hospitals providing rehabilitation care is not sufficient. This analysis utilizes the U. S. Centers for Medicare and Medicaid Services (CMS) Rehabilitation Impairment Codes (RIC) system. It is spelled out in detail in Section 1110.205 of this permit application.

Second, during the planning and design evaluation of the two floors at GPSH, it was determined that the 17 bed layout on the 3rd floor would leave a corner of the floor with unused space that could accommodate two rooms. The incremental cost of completing these two rooms when the construction crews are converting the remainder of the floor is minimal. The 3rd floor 19 room layout will also be more efficient than a 17 room unit from a nursing coverage perspective.

Because of the RIC assessment of need for rehabilitation care and the inefficiencies and wasted space of a 17 bed layout on the 3rd floor, this option of building out 27 beds on the 2nd and 3rd floors was rejected as less optimal than the Preferred Alternative, the 29 bed project.

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As a result, the plan to relocate the rehabilitation unit from OSF Saint Francis Medical Center to a slightly larger 29 bed service at the Greater Peoria Specialty Hospital, and downsize the existing LTAC service at GPSH, was selected as the Preferred Alternative and is the Proposed Project.

Size of the Project

The project has both a modernization and a new construction component. The modernization of the second and third floors of Greater Peoria Specialty Hospital converts 16,283 sq ft of clinical space currently used as Long Term Acute Care inpatient bed units and renovates an existing 565 sq ft for PT/OT space. The converted space will house 29 Comprehensive Physical Rehabilitation beds.

The new construction component will add two stories totaling 6,362 sq ft of space above a portion of the existing first floor on the south part of the building. This space will accommodate support services including physical/occupational/speech therapy and patient dining facilities.

The project totals 23,210 departmental gross sq ft. 21,179 sq ft is clinical; 2,031 sq ft is non-clinical. 40,079 existing sq ft of space will remain As Is, and is not part of the project. When the project is complete, Greater Peoria Specialty Hospital will increase from a 56,927 sq ft building to 63,289 sq ft.

Clinical space includes the 29 bed Comprehensive Physical Rehabilitation units and related supporting space. Clinical space also includes physical therapy, occupational therapy and speech therapy (4,331 sq ft in new construction, 565 renovated).

Non-clinical space includes: lobby and public circulation, administration, case management, dayrooms, dining and dietary, storage, mechanical and building systems, clean and soiled supply, and staff lockers and lounges.

The size of the project is consistent with State standards.

<u>Department/service (Clinical)</u>	<u>Proposed dgsf</u>	<u>State standard</u>	<u>Difference</u>	<u>Met Standard?</u>
Comprehensive Physical Rehabilitation	16,283	525-660 dgsf/bed 29 x 660 = 19,140	+ 2,857	Yes
Physical therapy/ Occupational therapy	4,896	NA	NA	NA
Total Clinical Space	<u>21,179</u>	--	--	--

Project Services Utilization

OSF Saint Francis Medical Center and Kindred Healthcare project that the proposed 29 Comprehensive Physical Rehabilitation beds will serve 711 or more patients in the second year of operation, which will meet the State's standard of 85% utilization.

Documentation and analysis supporting this projection is presented in section 1110.205 of this permit application. The case for the full utilization of the 29 bed rehabilitation unit at Greater Peoria Specialty Hospital is based on the following information, which is excerpted from the analysis:

1. Patients that have been cared for in OSF Saint Francis Medical Center's 27 bed inpatient rehabilitation unit will be the base on which the new unit at Greater Peoria Specialty Hospital will add volume.

Admissions have been relatively flat over the past six years, restricted by the limitations of the current facility. The majority of patient rooms in the rehabilitation unit at OSF Saint Francis Medical Center are semi-private, and space for supporting functions (PT/OT and resident dining) are undersized and in need of modernization. Annual patient days have been relatively constant, averaging 7,812, even when including last year's low volume of 7,192 reflecting lower admissions due to the COVID pandemic. Average occupancy has been over 80% for four of the past six years, constrained mostly because of the existing facility. Nonetheless, except for year 2020, the average daily census on the existing 27 bed unit has been between 20 and 22.4 patients.

2. There is an unrealized need of about 1,400 potential additional admissions for inpatient rehabilitation by residents of HSA 2. These cases are in a skilled nursing facility, care at home, in an LTAC, or not receiving care at all. Area patients matching a Rehabilitation Impairment Code (RIC) and qualifying for post-acute care hospital rehab care generate an expected 2,272 inpatient rehabilitation cases a year. COMPdata analysis shows that for the year ended September 30, 2020, only 879 of patients residing in the area were hospitalized for inpatient rehabilitation following their discharges from hospital medical and surgical units. The potential additional admissions for needed care is the difference, 1,393 patients. This analysis uses the Rehabilitation Impairment Code system developed by the US Centers for Medicare and Medicaid Services (CMS).

3. Kindred Healthcare anticipates that certain types of LTAC patients will be better served in the acute rehabilitation unit, due to changing CMS regulations and requirements. Patients at Greater Peoria Specialty Hospital who are not ventilator dependent but have physical limitations may be better served in a rehabilitation unit. By locating the inpatient rehabilitation unit within the LTAC hospital, patients and physicians will have greater access to not only inpatient comprehensive physical rehabilitation services but continue to have all of the specialized clinical care for very complex medical conditions that Greater Peoria Specialty Hospital provides today. This is especially true for those patients with strokes, brain injuries, other neurological conditions, major multiple trauma and respiratory diagnoses, and also have other co-morbid complex medical conditions which will result in allowing for all of their care needs to be met in one location.

The unrealized need documented by the RIC match analysis, and the conversion of selected patients from LTAC to acute rehabilitation, are the two expected sources of an additional 181 patients per year, supplementing the historic referrals by OSF Saint Francis Medical Center physicians. This incremental volume will increase utilization of the unit from the average 530 patients (7,812 patient days) over the past 6 years to 711 patients (9,100 patient days) in year 2024, two years after project completion.

The following table shows historic utilization of the rehabilitation unit at OSF Saint Francis Medical Center. The new unit at Greater Peoria Specialty Hospital is scheduled to open in September, 2022. Until then, the table shows volumes continuing at OSF Saint Francis Medical Center, with volumes constrained by the current facility. Projections for years 2023 and 2024 are for the service at Greater Peoria Specialty Hospital.

	Historic						Projected			
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
admissions	511	567	536	496	547	521	543	596	644	711
av length of stay	15.5	14.4	15.3	16.0	13.6	13.8	13.8	13.6	13.2	12.8
patient days	7,908	8,185	8,185	7,959	7,445	7,192	7,500	8,100	8,500	9,100
percent occupancy	80.2%	82.8%	82.8%	80.8%	75.5%	73.0%	76.0%	82.2%	86.3%	86.0%
average daily census	21.7	22.4	22.4	21.8	20.4	19.7	20.5	22.2	23.3	24.9

Source: OSF Saint Francis Medical Center Annual Hospital Questionnaires, as reported in HFSRB Profiles

The new 29 bed unit at Greater Peoria Specialty Hospital is expected to meet the State's utilization standard for Comprehensive Physical Rehabilitation.

Year	Projected Utilization	State Standard		Met Standard
2023	8,500 (86.3%)	85%		Yes
2024	9,100 days (86.0%)	85%		Yes

Criterion 1110.205 – Comprehensive Physical Rehabilitation

Service	# Existing Rooms *	# Proposed Rooms
Comprehensive Physical Rehabilitation	0	29

Note: * does not reflect 27 rehabilitation beds in operation at OSF Saint Francis Medical Center in Peoria that will be discontinued upon approval and construction of the 29 bed unit at Greater Peoria Specialty Hospital.

1110.205(b)(1) Planning Area Need – formula calculation

The Inventory of Health Care Facilities and Services and Need Determinations shows a need for 44 inpatient rehabilitation beds in HSA 2, and a current surplus of 22 rehabilitation beds. There are 66 authorized rehabilitation beds in HSA 2, an HSA with a resident population of approximately 650,500. Two hospitals provide Comprehensive Physical Rehabilitation service in the HSA – OSF Saint Francis Medical Center (27 beds) and Methodist Medical Center of Illinois (39 beds). The ratio of rehabilitation beds per 1000 population is 0.101 in the HSA, less than the State average of 0.124. There is evidence provided later in this section that the need for rehabilitation beds is significantly more than the computed need of 44 beds in the State's Determination of Need formula, based on analysis of Rehabilitation Impairment Codes.

1110.205(b)(2) Planning Area Need - Service to Planning Area Residents

The table on the next page shows the patient residence for 546 patients served by OSF Saint Francis Medical Center's rehabilitation unit in 2019. 91.0% of patients reside in the HSA; 9.0% reside outside HSA 2. (Existing patient origin data.) Because the 27 bed unit is being relocated from OSF Saint Francis Medical Center to a 29 bed unit at Greater Peoria Specialty Hospital, a distance of about two miles, there is a net increase of 2 beds in the planned service area. HSA 2 is defined as the Planning Area for the establishment of the Comprehensive Physical Rehabilitation service at Greater Peoria Specialty Hospital.

As a result, the Planning Area is the source of more than 50% of the patients to be seen at the proposed new hospital.

1110.205(b)(3) Service Demand – Establishment of Comprehensive Physical Rehabilitation

The primary purpose of this project is to maintain and enhance access for residents of the Planning Area for Comprehensive Physical Rehabilitation care.

Patient Origin by Zip Code of Residence
Rehabilitation Inpatients at OSF Saint Francis Medical Center, year 2019
HSA 2 Planning Area

#21-014

Patient Zip Code	Patient City	Population	2019	% of SFMC Rehab Pts	Cumulative%
61604	PEORIA	31,055	30	5.5%	5.5%
61603	PEORIA	17,536	26	4.8%	10.3%
61554	PEKIN	43,587	24	4.4%	14.7%
61605	PEORIA	16,369	24	4.4%	19.0%
61401	GALESBURG	34,134	21	3.8%	22.9%
61550	MORTON	18,230	20	3.7%	26.6%
61615	PEORIA	23,737	19	3.5%	30.0%
61611	EAST PEORIA	24,966	17	3.1%	33.2%
61571	WASHINGTON	23,851	17	3.1%	36.3%
61614	PEORIA	27,276	17	3.1%	39.4%
61607	PEORIA	10,761	13	2.4%	41.8%
61364	STREATOR	19,736	12	2.2%	44.0%
61350	OTTAWA	24,072	9	1.6%	45.6%
61520	CANTON	18,268	9	1.6%	47.3%
61568	TREMONT	4,565	9	1.6%	48.9%
61462	MONMOUTH	11,274	6	1.1%	50.0%
61354	PERU	11,109	6	1.1%	51.1%
61548	METAMORA	12,354	6	1.1%	52.2%
61523	CHILLICOTHE	11,388	6	1.1%	53.3%
61362	SPRING VALLEY	5,722	6	1.1%	54.4%
61616	PEORIA HEIGHTS	5,512	6	1.1%	55.5%
61531	FARMINGTON	3,450	6	1.1%	56.6%
61301	LA SALLE	10,069	5	0.9%	57.5%
61610	CREVE COEUR	5,395	5	0.9%	58.4%
61530	EUREKA	6,568	5	0.9%	59.3%
61542	LEWISTOWN	3,602	5	0.9%	60.3%
61547	MAPLETON	3,806	5	0.9%	61.2%
61529	ELMWOOD	2,888	5	0.9%	62.1%
61341	MARSEILLES	8,212	5	0.9%	63.0%
61570	WASHBURN	1,902	5	0.9%	63.9%
61455	MACOMB	21,044	4	0.7%	64.7%
61356	PRINCETON	11,328	4	0.7%	65.4%
61546	MANITO	4,148	4	0.7%	66.1%
61559	PRINCEVILLE	3,153	4	0.7%	66.8%
61483	TOULON	1,961	4	0.7%	67.6%
61525	DUNLAP	9,185	3	0.5%	68.1%
61536	HANNA CITY	3,014	3	0.5%	68.7%
61348	OGLESBY	4,684	3	0.5%	69.2%
61517	BRIMFIELD	3,347	3	0.5%	69.8%
61473	ROSEVILLE	1,429	3	0.5%	70.3%
61528	EDWARDS	2,987	3	0.5%	70.9%
61377	WENONA	1,393	3	0.5%	71.4%
61448	KNOXVILLE	3,814	3	0.5%	72.0%
61334	LOSTANT	722	3	0.5%	72.5%
61738	EL PASO	4,391	3	0.5%	73.1%
61755	MACKINAW	4,872	2	0.4%	73.4%
61734	DELAVAN	2,820	2	0.4%	73.8%
61540	LACON	1,739	2	0.4%	74.2%
61326	GRANVILLE	2,452	2	0.4%	74.5%
61427	CUBA	2,174	2	0.4%	74.9%
61422	BUSHNELL	3,175	2	0.4%	75.3%
61572	YATES CITY	1,179	2	0.4%	75.6%
61370	TONICA	1,504	2	0.4%	76.0%
61417	BERWICK	277	2	0.4%	76.4%
61375	VARNA	1,136	2	0.4%	76.7%
61369	TOLUCA	1,525	2	0.4%	77.1%
All Other HSA 2			76	13.9%	91.0%
Total HSA 2			497	91.0%	
Patients from outside HSA 2			49	9.0%	100.0%
Total SFMC Patients			546	100.0%	100.0%

There are only 66 inpatient rehabilitation beds in HSA 2. There are 27 beds at OSF Saint Francis Medical Center in Peoria and 39 at Methodist Medical Center of Illinois. The ratio of rehabilitation beds per 1000 population in HSA 2 is 0.101 beds per 1,000 population, below the State average of .124. There is evidence that the need for beds in HSA 2 far exceeds the calculated bed need of 44 beds based on the State's Need Determination formulas.

The project justification is based on two factors: 1) historic utilization at OSF Saint Francis Medical Center's rehabilitation unit; and 2) estimation of the need for acute hospital rehabilitation care for the residents of HSA 2.

1. Historic utilization at OSF Saint Francis Medical Center provides a significant volume for the facility at Greater Peoria Specialty Hospital.

The following table shows the volume of service at OSF Saint Francis Medical Center's rehabilitation unit for the past six years. Annual patient days have been relatively constant, averaging 7,812, even when including last year's low volume of 7,192 reflecting lower admissions due to the COVID pandemic. Average occupancy has been over 80% for four of the past six years, and has been limited mostly because of the existing facility. Only 7 of the 27 rehabilitation beds are in private rooms, limiting operational efficiencies (for example, matching gender and accommodating patients with infections). The current unit does not meet the majority of patients' expectations for private rooms. In addition, the small unit has insufficient space and outdated facilities for its Activities for Daily Living (ADL) function, physical and occupational therapy, and unit dining.

	Historic						Projected			
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
admissions	511	567	536	496	547	521	543	596	644	711
av length of stay	15.5	14.4	15.3	16.0	13.6	13.8	13.8	13.6	13.2	12.8
patient days	7,908	8,185	8,185	7,959	7,445	7,192	7,500	8,100	8,500	9,100
percent occupancy	80.2%	82.8%	82.8%	80.8%	75.5%	73.0%	76.0%	82.2%	86.3%	86.0%
average daily census	21.7	22.4	22.4	21.8	20.4	19.7	20.5	22.2	23.3	24.9

The proposed project is scheduled to be completed in September, 2022. The table above anticipates that projected patient days in year 2021 and 2022 on the existing unit at OSF Saint Francis Medical Center will exceed last year's level, and reflect historic year 2015 – 2018 volumes. Once the new facility is open, volumes will increase to a level at or above 9,100 patient days in the 29 rehabilitation beds, slightly above 85% utilization standard.

Accompanying this increase in patient days is a planned reduction in average length of stay (ALOS). This result is anticipated from the application of Kindred's best practices experiences at its rehabilitation hospitals across the country. The ALOS for the past 6 years at OSF Saint Francis Medical Center has averaged 14.8 days. By the end of the second year of operation, a reduction of 2.0 days per admission is anticipated, to an ALOS of 12.8 days.

Over the past 6 years, between 70 and 120 physicians and other practitioners annually have been referring patients to the unit. The majority of these providers who have referred patients refer between one and five patients per year. Rather than solicit letters from all physicians with relatively small numbers of patient referrals, OSF Saint Francis Medical Center provides a letter aggregating referrals by clinical department, matching the total volume of admissions to the unit in 2020. The letter on the following page is the commitment by the Chief Medical Officer at OSF Saint Francis Medical Center, on behalf of physicians and other practitioners, to refer to the new unit at Greater Peoria Specialty Hospital. The patient origin table shown in this section aggregates patient admissions by zip codes associated with the total of department volumes. All of the 521 patients were admitted to the inpatient rehabilitation unit at OSF Saint Francis Medical Center; none of the 521 were admitted to other area hospitals for acute rehabilitation.

In addition, 9 letters of commitment to refer patients are included in Appendix A. These letters are from those physicians or practitioners who were among the most active in referring patients to the unit at OSF Saint Francis Medical Center. Their referrals of 212 patients to the rehabilitation unit at OSF Saint Francis Medical Center constitute 41% of total patients referred to the unit last year.

The historic volumes referenced in the letters are not, by themselves, totally sufficient to justify full utilization of the proposed new unit at Greater Peoria Specialty Hospital. Part of the justification is supported by the analysis of patients who have conditions matching Rehabilitation Impairment Codes (RICs) but who are not hospitalized for post-acute rehabilitation.

2. Using the U. S. Centers for Medicare and Medicaid Services (CMS) model for eligibility for acute inpatient rehabilitation, the need for beds in HSA 2 is greater than the Bed Need Determination of 44 beds, and more than the existing 66 beds in the HSA.

For the Greater Peoria Specialty Hospital, the projection of future referrals to the proposed comprehensive physical rehabilitation program is supported by an analysis of patients within HSA 2 who matched an RIC code, indicating that they qualified for post-acute care inpatient rehabilitation. This method estimates that there were as many as 2,272 residents of HSA 2 last year who should have received hospital-based inpatient rehabilitation care upon discharge from community hospitals in Illinois. The analysis utilized data for the most recent 12 month period for which data was available from the Illinois Hospital Association - COMPData (October 2019 – September 2020).

In establishing requirements for reimbursement for rehabilitation care, the US Centers for Medicare and Medicaid Services (CMS) established the system of Rehabilitation Impairment Codes (RICs). Patients with stroke, neurological, brain injury, spinal cord injury, amputation, hip fractures, joint replacement or other orthopedic procedures, and other conditions match an RIC, indicating their eligibility for post-acute treatment in a rehabilitation inpatient unit. Not all of these patients receive care in an inpatient rehabilitation unit. Instead, most are discharged to skilled nursing, home care services, LTAC, hospice, home without care services, or other disposition. It is the national experience of Kindred, Greater Peoria Specialty Hospital's partner in



April 23, 2021

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

Dear Ms. Avery:

My name is Robert Sparrow, M.D., the Vice President and Chief Medical Officer at OSF Saint Francis Medical Center (SFMC). I support the proposal to establish the inpatient comprehensive rehabilitation service at the Greater Peoria Specialty Hospital. In review of past Inpatient Comprehensive Rehabilitation utilization, I can attest to the 521 referrals in CY2020 to the Inpatient Rehabilitation unit, at SFMC, by providers of medical and surgical services at SFMC.

These 521 patients were referred by over 120 providers for inpatient comprehensive physical rehabilitation. The attached table lists the top 10 physicians and summary of all other providers that referred these patients during 2020 for inpatient rehabilitation services at SFMC. The top ten physicians referred 44% of all rehabilitation patients at SFMC last year.

I also estimate that 711 or more patients will be referred to the rehabilitation service at Greater Peoria Specialty Hospital in 2024, the second full year the new facility will be opened.

These referral counts have not been used to support another permit application for any other hospital's comprehensive physical rehabilitation service.

Please contact me if you have any questions.

Sincerely,

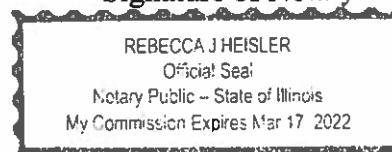
Robert T. Sparrow, MD, CHS, FASH, FAHA
Vice President, Chief Medical Officer
OSF Saint Francis Medical Center
530 NE Glen Oak Avenue
Peoria, IL 61637
(309) 624-4060

Notarization:

Subscribed and sworn to before me
this 23 day of April 2021

Signature of Notary

Seal



Attachment 19

**OSF Saint Francis Medical Center****IP Rehab Referrals - 2020**

Provider Name	Specialty	# of patients referred for inpatient rehabilitation in Year 2020
REDDY, DEEPAK	Neurology	48
TALKAD, ARUN	Neurology	40
TSUNG, ANDREW J	Neurological Surgery	31
KLOPFENSTEIN, JEFFREY D	Neurological Surgery	23
NAIR, DEEPAK S	Neurology	21
FASSETT, DANIEL R	Neurological Surgery	16
MUNNS, JAMES R	Cardiothoracic Surgery	16
MCCALL, TODD D.	Neurological Surgery	15
EVANS, CHADRICK RYAN	Surgical Critical Care	11
ANDERSON, RICHARD	Surgery	10
DINH, DZUNG H	Neurological Surgery	8
ALL OTHER - 113 Providers	Various specialties	282
Total SFMC IP Rehab Admissions		521

the operation of the proposed rehabilitation program, that only about 8 - 10% of patients matching a RIC code actually are admitted to inpatient rehabilitation.

Kindred and OSF Healthcare, in partnership in Greater Peoria Specialty Hospital, together conducted an analysis of the determination of the need for the proposed comprehensive physical rehabilitation program. The analysis is based on the needs of patients who reside within HSA 2 and who have been recently discharged from community hospitals in Illinois. Utilizing the IHA COMPData, with specific medical-surgical discharges by diagnosis for the period from October 1, 2019 to September 30, 2020, these medical-surgical discharges were selected for specific ICD-10 codes which have the potential for utilization of comprehensive physical rehabilitation. All payor categories were included as potential candidates for the proposed comprehensive physical rehabilitation unit. Utilizing Kindred's methodology developed over many years of managing Comprehensive Physical Rehabilitation programs across the country, HSA 2's most recent 12 month period of discharge data was analyzed for ICD-10 codes representing conditions requiring intensive inpatient rehabilitation. Of the patients with those ICD-10 codes, only a certain percentage for each condition was considered as potential admissions to the proposed facility. Those percentages were established based on Kindred's conservative estimate based on its years of experience with other inpatient rehabilitation facilities.

The analysis of need for this project then applied conservative estimates of the average lengths of stay specific to each of the diagnostic categories. This analysis estimates that 2,272 patients with an aggregated average length of stay of 12.2 days will produce an acute care discharged generated average daily census of 76.1. The number of beds required to serve the census estimation at an 85% planning occupancy level is 89.5 or eighty-nine (89) beds, based solely on utilization of Illinois residents living within HSA 2, originating from community hospitals in Illinois current med/surg patient population. This analysis is presented in the following Table.

HSA 2 residents discharged from IL hospitals matching Rehabilitation Impairment Codes and the estimation of those qualifying for Inpatient Comprehensive Physical Rehabilitation (CPR), generating a expected 2,272 inpatient CPR case for 12 month period ended 9/20.

RIC Description		# of	KHRS	REHAB	ALOS	REHAB
Diagnosis	RICS	Cases	% Req.	PTS.		PT DAYS
		A	B	C	D	E
Ric 1 Stroke - Primary	Ric 1	1,563	24.63%	385	14.45	5,563
Ric 1 Stroke - Secondary	Ric 1	1,070	11.31%	121	14.45	1,748
Ric 2 BI - Traumatic	Ric 2	414	25.60%	106	12.45	1,320
Ric 3 BI - NonTraumatic	Ric 3	668	17.07%	114	12.04	1,373
Ric 4 SCI - Traumatic	Ric 4	29	20.69%	6	14.85	89
Ric 5 SCI - NonTraumatic	Ric 5	506	19.76%	100	12.25	1,225
Ric 6 Neurological	Ric 6	304	32.89%	100	12.05	1,205
Ric 7 Fracture	Ric 7	858	26.57%	228	13.00	2,964
Ric 8 Bilat - THR	Ric 8	147	8.16%	12	10.96	132
Ric 8 Bilat - TKR	Ric 8	35	8.57%	3	9.60	29
Ric 8 Joint Rep (Other)	Ric 8	1,505	12.36%	186	9.10	1,693
Ric 9 Other Ortho	Ric 9	667	22.34%	149	11.47	1,709
Ric 10 LE Amputation	Ric 10	656	18.75%	123	13.65	1,679
Ric 11 Other Amputation	Ric 11	82	21.95%	18	12.91	232
Ric 12 Osteoarthritis	Ric 12	973	6.43%	24	11.83	284
Ric 13 Rheumatoid	Ric 13	87	6.90%	6	11.44	69
Ric 14 Cardiac	Ric 14	2,832	9.00%	255	10.50	2,678
Ric 15 Pulmonary	Ric 15	1,143	8.31%	95	10.72	1,018
Ric 16 Pain Syndrome	Ric 16	358	8.66%	31	10.97	340
Ric 17 MMT no bi / sci	Ric 17	0	N/A	21	14.00	294
Ric 18 MMT w/ bi & sci	Ric 18	0	N/A	21	13.00	273
Ric 19 Guillain - Barre	Ric 19	11	27.27%	3	24.77	74
Ric 20 Miscellaneous	Ric 20	9,927	1.61%	160	10.99	1,758
Ric 21 Burns	Ric 21	33	15.15%	5	10.99	55

RIC Match Subtotal		23,268	9.76%	2,272	12.24	27,804
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Internally Generated IRF Demand	76.1
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This analysis was conducted on all patient discharges who are residents of HSA 2 from hospitals in Illinois in the 12 months ended September, 2020. 23,268 of these patients matched a RIC code. This information is used to estimate potential demand for the proposed comprehensive physical rehabilitation program at Greater Peoria Specialty Hospital. The step-by-step calculations within the table are as follows:

- 1) Of the residents of HSA 2, 60,132 patients were admitted to hospitals in Illinois from October 1, 2019 through September 30, 2020 (inpatients only, excluding observation and those under age 18). 23,268 of these inpatients fall into a Rehabilitation Impairment Code (RIC) – A

- 2) Utilizing Kindred's actual experience across the US converts the potential total need into a realized conversion of experienced admissions into inpatient Comprehensive Physical Rehabilitation programs. These conversion rates vary by clinical condition and are shown in the column % Requiring Rehab by RIC – B. Multiplying B by the number of cases in A, yields a total of 2,272 Rehab patients expected to be admitted for inpatient comprehensive physical rehabilitation - C. In aggregate, 9.76 % of patients eligible to benefit from acute rehabilitation actually receive that care in a Comprehensive Physical Rehabilitation unit.
- 3) Utilizing Kindred's actual average length of stay (ALOS) by RIC - D and multiplying D by the number of Rehab Patients in C yields the corresponding Rehab Patient Days – E
- 4) Dividing the Rehab Patient Days – E by 365 days in a year, yields 76.1 Internally Generated IRF ADC.

In the COMPData source for 12 months ended 9/30/20, 879 patients were actually admitted for hospital rehabilitation. This is only 39% of the Match potential of 2,272 patients. The implication is that a significant number of HSA 2 inpatients qualifying for and requiring inpatient Comprehensive Physical Rehabilitation were not obtaining that level of care at all or receiving only a lesser level of rehabilitation service in a skilled nursing environment.

The 879 patients receiving rehabilitation care as reported by COMPData for the year ended September 30, 2020 compares favorably to the utilization of HSA 2 hospitals with rehabilitation units. OSF Saint Francis Medical Center and Memorial Medical Center of Illinois reported 927 rehabilitation admissions (496 and 431, respectively) in year 2018, and 950 in year 2019 (547 and 403, respectively). Differences in reporting years explains much of the difference, with COVID restrictions likely responsible for most of the lower reported volume for the later 12 month period reported by COMPData.

The projected increase in utilization at the unit planned at Greater Peoria Specialty Hospital anticipates the conversion of a small number of these potential cases as additive to the current experienced utilization at OSF Saint Francis Medical Center. As reported in the table earlier in this section, the projection of 711 admissions in year 2024 (two years after project completion) is only 181 admissions above the average of 530 admissions for the 6 historic years. That is a mere 3.5 additional admissions per week. This volume of admissions and patient days would result in a utilization level of 86% for the new unit in year 2024, exceeding the State occupancy standard for rehabilitation units.

The next page presents an application of the Rehabilitation Impairment Code methodology used several years ago to forecast area need in support of Project 14-021, the establishment of a Comprehensive Physical Rehabilitation service at Northwest Community Hospital in Arlington Heights. The unit was opened without having an adverse impact on area providers of rehabilitation service. This retrospective analysis is offered as evidence of the practicality and usefulness of the RIC analysis methodology.

Looking Back

How Rehabilitation Impairment Codes proved to be a reliable tool for planning the Comprehensive Physical Rehabilitation unit at Northwest Community Hospital, Arlington Heights, IL

In 2013, Northwest Community Hospital (NCH), a 509 bed unaffiliated hospital in the northwest suburbs of Chicago, began planning an inpatient Comprehensive Physical Rehabilitation service. To forecast and document the need for the service, NCH utilized a methodology using Rehabilitation Impairment Codes to quantify the need for rehabilitation in the area, by category of rehabilitation service (trauma, spinal cord injury, stroke, cardiac, and other clinical conditions). NCH retained RehabCare to facilitate the planning of the unit.

At the time, approximately 90% of NCH patients needing acute rehabilitation were referred to Alexian Brothers Hospital in nearby Elk Grove Village. Alexian Brothers operated a large program, 66 beds and was in the process of increasing that to 72. Their program was operated in collaboration with the Rehabilitation Institute of Chicago (now named the Shirley Ryan AbilityLab). Both Alexian Brothers and The Rehabilitation Institute of Chicago opposed NCH's Certificate of Need permit application as a duplication of service.

Rehabilitation Impairment Codes is a system developed by the Centers for Medicare and Medicaid Services to categorize patients in need of acute rehabilitation following hospitalization for medical or surgical services. Brian Samberg, Vice President at RehabCare, applied the use of Rehabilitation Impairment Codes to support the need for NCH's proposed 17 bed unit, and to demonstrate that the new service would be fully utilized, with minimal if any adverse impact on the large Alexian Brothers program.

NCH submitted its Certificate of Need permit application in May, 2014. The Health Facilities and Services Review Board approved the project in August, 2014. NCH opened its 17 bed unit in the fall of 2015.

The following table shows that during the years while the NCH program grew, there was no adverse impact on Alexian Brother's strong program. Both programs are operating at or near capacity. NCH added 16 beds to its rehabilitation unit last year.

Year	Admissions	Patient Days	% Occupancy
Northwest Community Hospital, Arlington Heights			
2015	53	722	11.6
2016	361	5001	80.4
2017	432	5940	95.7
(Rehabilitation unit increased to 33 beds in fall, 2018)			
Alexian Brothers, Elk Grove Village			
2014	1,545	21,446	81.6
2015	1,632	21,792	82.9
2016	1,617	21,359	81.1
2017	1,594	21,711	82.6

Source: HFSRB Hospital Profiles

Conclusion: The use of Rehabilitation Impairment Codes to quantify need for acute rehabilitation in a geographic area is a valid approach to planning and regulatory review. It has proven to be a reliable source of objective, nationally tested information as a resource for area rehabilitation services planning.

1110.205(b)(5) Service Accessibility

The key finding of the Rehabilitation Impairment Code analysis earlier in this section is that approximately 8% of hospital patients (nationally) being discharged from their acute medical or surgical stay are appropriate for inpatient physical rehabilitation. It was shown that for the HSA 2 Planning Area 2,272 patients need post acute care rehabilitation. This is 9.8% of all discharges from acute medical/surgical units, indicating a slightly higher complexity of patients in HSA 2. According to COMPData analysis, only 879 patients residing in HSA 2 received Comprehensive Physical Rehabilitation care in the 12 months from October 2019 to September 2020. When compared to the calculated need for care for 2,272 patients, this finding quantifies a significant service availability/access issue.

While this information indicates a likely demand for more inpatient service at the two facilities with Comprehensive Physical Rehabilitation services in HSA 2, OSF Saint Francis Medical Center's rehabilitation unit has not seen a noticeable increase in admissions over the past 6 years. In part, that is due to the lack of private rehabilitation rooms, and the restricted amount of space for PT/OT and unit patient dining. Both of these issues are addressed by the planned relocation of the unit to Greater Peoria Specialty Hospital.

Finally, it is worth noting that the ratio of rehabilitation beds population in HSA 2 is about 19% lower than the Statewide average. The ratio of rehab beds per 1000 population is 0.101 in HSA 2, which has 66 beds serving a population of 650,500. This bed to population ratio is below the Statewide average of 0.124. This measure can be an indicator of need for additional access to services and the importance of the operation of 29 beds at the new unit.

1110.205(c) Unnecessary Duplication/Maldistribution

There is one other provider of Comprehensive Physical Rehabilitation located within the area defined by the 17-mile radius around Greater Peoria Specialty Hospital. This hospital is Methodist Medical Center of Illinois. Both OSF Saint Francis Medical Center and Methodist Medical Center of Illinois are located in Peoria. There is no other hospital providing acute rehabilitation care in the entire HSA 2, a large area with a population of 650,500.

The project is the establishment of a 29 bed Comprehensive Physical Rehabilitation program at Greater Peoria Specialty Hospital. This new service is planned as the relocation of the existing 27 bed Comprehensive Physical Rehabilitation program from OSF Saint Francis Medical Center. The 27 bed unit at OSF Saint Francis Medical Center will be discontinued and closed following the opening of the 29 bed unit at Greater Peoria Specialty Hospital. A Certificate of Exemption for discontinuation of the unit at OSF Saint Francis Medical Center has been submitted for review with this permit application for the new unit. As a result, there is an increase of two Comprehensive Physical Rehabilitation beds in the area, and no duplication of service.

The increase of 181 admissions above the historic 6 year average 530 annual rehabilitation admissions will be drawn from the unmet need identified in the Rehabilitation Impairment Code analysis. The project will not have a negative impact on the Comprehensive Physical Rehabilitation service at Methodist Memorial Center of Illinois. The Comprehensive Physical

Rehabilitation service at Methodist Medical Center of Illinois is currently operating below the relevant utilization standard. The project will not reduce the utilization of Methodist Medical Center of Illinois below its current level.

The test for maldistribution of services requires a comparison of bed availability (bed to population ratios) in an area within 17 miles of the project to the availability of beds in the State. The table on the next page presents the 45 zip codes that are located in whole or in part within 17 miles of Greater Peoria Specialty Hospital in Peoria. These zip codes have a resident population of 373,696 (U.S. Bureau of the Census).

301 patients of the 546 patients who were hospitalized for Comprehensive Physical Rehabilitation services at OSF Saint Francis Medical Center in year 2019 reside in these 45 zip codes. These 301 patients are 55% of all patients hospitalized for rehabilitation at OSF Saint Francis Medical Center in 2019.

Maldistribution for a clinical service exists when a ratio of beds to population exceeds 1.5 times the Statewide average for that service.

- For the State of Illinois, the Statewide ratio is 0.124 rehabilitation beds per 1000 population.

1,632 rehabilitation beds / 13,129,233 persons = 0.124 beds per 1000 population
(As of 12/19/2019, there were 1544 rehabilitation beds in the State of Illinois.
Based on approvals by HFSRB since that date, the inventory has been increased to 1,632 Comprehensive Physical Rehabilitation beds. HFSRB Hospital Profiles)

- For HSA 2, the ratio is 0.101, about 19% lower than the State average.

66 rehabilitation beds / 650,500 residents = 0.101 beds per 1000 population.

- For the area defined by the 17-mile radius around Greater Peoria Specialty Hospital, the ratio of rehabilitation beds per 1,000 population is 0.177. The project will increase this ratio to 0.182. Both ratios are less than 0.186 (1.5 times the Statewide ratio of beds/1000 persons).

66 current rehabilitation beds / 373,696 residents = 0.177

All 66 rehabilitation beds in HSA 2 are located within the 17-mile radius. This area has a population of 373,696, compared to the HSA population of 650,500. Nonetheless, the ratio of .177 existing beds per 1,000 population in the 17-mile radius is less than 1.5 times the Statewide average of 0.124 beds per 1,000 population.
(1.5 x 0.124 = 0.186)

With the project, there will be 68 rehabilitation beds.

68 beds / 373,696 residents = 0.182
0.182 is less than 0.186, 1.5 times the Statewide ratio of rehabilitation beds per 1000 population

Zip Codes in whole or in part within 17 miles of
Greater Peoria Specialty Hospital

Patient Zip Code	Patient City	Population	Patients, Yr 2019
61604	PEORIA	31,055	30
61603	PEORIA	17,536	26
61554	PEKIN	43,587	24
61605	PEORIA	16,369	24
61550	MORTON	18,230	20
61615	PEORIA	23,737	19
61611	EAST PEORIA	24,966	17
61571	WASHINGTON	23,851	17
61614	PEORIA	27,276	17
61607	PEORIA	10,761	13
61520	CANTON	18,268	9
61568	TREMONT	4,565	9
61354	PERU	11,109	6
61548	METAMORA	12,354	6
61523	CHILLICOTHE	11,388	6
61616	PEORIA HEIGHTS	5,512	6
61531	FARMINGTON	3,450	6
61610	CREVE COUER	5,395	5
61530	EUREKA	6,568	5
61529	ELMWOOD	2,888	5
61570	WASHBURN	1,902	5
61546	MANITO	4,148	4
61559	PRINCEVILLE	3,153	4
61483	TOULON	1,961	4
61525	DUNLAP	9,185	3
61517	BRIMFIELD	3,347	3
61755	MACKINAW	4,872	2
61734	DELAVAN	2,820	2
61540	LACON	2,916	2
61572	YATES CITY	1,179	2
61491	WYOMING	1,700	0
61526	EDELSTEIN	1,088	0
61562	ROME	46	0
61565	SPARLAND	1,504	0
61747	HOPEDALE	1,560	0
61563	SAINT DAVID	562	0
61561	ROANOKE	2,788	0
61733	DEER CREEK	1,124	0
61535	GROVELAND	1,629	0
61533	GLASFORD	2,427	0
61534	GREEN VALLEY	1,737	0
61553	NORRIS	213	0
61545	LOWPOINT	646	0
61491	WYOMING	1,700	0
61567	TOPEKA	624	0
Total Population, Patients		373,696	301

- As a result, the establishment of 29 rehabilitation beds at Greater Peoria Specialty Hospital, offset by the planned discontinuation of the 27 bed rehabilitation unit at OSF Saint Francis Medical Center, does not create a maldistribution of service.

1110.205(e) Staffing

The Comprehensive Physical Rehabilitation service proposed at Greater Peoria Specialty Hospital represents a new category of service for the hospital. Since the existing rehabilitation unit will be relocated from OSF Saint Francis Medical Center to Greater Peoria Specialty Hospital, the staffing plan is to transfer the current unit staff of OSF Saint Francis Medical Center to comparable positions at Greater Peoria Specialty Hospital. Greater Peoria Specialty Hospital does not anticipate any difficulty in staffing the new unit, consistent with licensing and operational requirements.

Further, together, OSF Healthcare System and Kindred Healthcare have multiple resources available to assist with the identification and recruitment of appropriate and qualified personnel in subsequent years as positions become available.

- Experienced recruitment teams within both OSF Healthcare and Kindred to recruit qualified manpower; strong success in recruiting for critical to fill positions with recruiters that offer support on a national level as well as local level;
- Career listings on OSF Healthcare as well as Kindred Healthcare websites, respectively and job postings on multiple search engines and listing sites;
- Educational programs with local colleges and universities.

The recruiting program includes recruiting fairs, campus visits, open houses at Greater Peoria Specialty Hospital, and promotion of open positions on various recruiting and social media outlets:

- OSF Healthcare regularly advertises available positions in various online websites that cater to certain individual job types; Indeed, Zip Recruiter, UTube and Facebook with links to the healthcare system's online career postings. Positions at the Greater Peoria Specialty Hospital will be advertised in these sources as well;
- Positions may be advertised in publications that have been used in the past, such as the Association of Rehabilitation Nurses, a site geared towards rehab, Diverse Medica, Inc., and Illinois Physical Therapy Association.

Recruitment for the Greater Peoria Specialty Hospital will also take place at community-related job fairs in the area and at job fairs at four-year and two-year colleges within 50 miles of the site that OSF Healthcare routinely uses, such as Bradley University, Illinois State University and OSF Colleges of Nursing.

Additionally, Kindred is actively involved in the training of future health care personnel and partners with many educational institutions to serve as a training site for students from various disciplines who wish to prepare themselves for a future in a healthcare related field. These training programs provide a large pool of new health care professionals to the community and serve as an ongoing source for recruiting new personnel to Greater Peoria Specialty Hospital.

Kindred has clinical education agreements throughout the United States including Illinois with several universities and schools to provide clinical rotations for physical therapy, occupational therapy, speech therapy, and nursing students. These include but not limited to:

Black Hawk College	Bradley University
Chicago State University	College of DuPage
Elgin Community College	Elmhurst University
Illinois Central College, Downtown Campus	Illinois State University
Kankakee Community College	Kaskaskia College
Lake Land College	Lewis & Clark Community College
Lincoln Land Community College	Malcom X College
McHenry County College	Northern Illinois University
Northwestern University, Chicago Campus	Northwestern University, Evanston Campus
Parkland College	Rasmussen College
SOLEX College	South Suburban College of Cook County
Southern Illinois University	Southern Illinois University, Edwardsville
St. Xavier University	University of Illinois at Chicago
Wilbur Wright College	William Rainey Harper College

These education opportunities will also serve as a strong source of therapist referrals to the new Greater Peoria Specialty Hospital.

Greater Peoria Specialty Hospital will continue to implement OSF Healthcare's and Kindred's recruitment strategies and build on established affiliations with area schools to continue to provide clinical rotations for these students. As a result of these partnerships, OSF Healthcare and Kindred expect to have access to sufficient staff levels for the Greater Peoria Specialty Hospital.

1110.205(f) Performance Requirements – Bed Capacity Minimums

The project is for the establishment of a 29 bed unit. This exceeds the State standard for minimum size, 16 beds.

The project is not the establishment of a freestanding facility, since the new 29 bed unit will be located at the existing Greater Peoria Specialty Hospital, which also contains a Long Term Acute Care (LTAC) service.

1110.205(g) Assurances

The letter on the following page attests to the applicant's understanding that the Comprehensive Physical Rehabilitation unit will achieve and maintain utilization consistent with the 85% occupancy standard for a Comprehensive Physical Rehabilitation service.

Attachment 19



April 12, 2021

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

Re: Assurance, 1110.205(g)

Dear Ms. Avery:

Consistent with the requirement in 1110.205(g), I hereby attest that it is my understanding that by the second year of operation after the establishment of the Comprehensive Physical Rehabilitation service at Greater Peoria Specialty Hospital the rehabilitation service will achieve and maintain the 85% occupancy standard set in 77 Ill. Adm. Code 1100.

If you have any questions, please contact Brian Samberg at 314-659-2245.

Sincerely,

A handwritten signature in blue ink, appearing to read "Douglas L. Curnutte", enclosed within a hand-drawn oval.

Douglas L. Curnutte
Chief Development Officer
Kindred Healthcare, LLC

Subscribed and sworn to me
This 12th day of April, 2021

A handwritten signature in blue ink, appearing to read "Cindy S. Johnson", written over a horizontal line.
Notary Public



cc: Brian Samberg, Division Vice President, Kindred Healthcare

Attachment 19

1110.270 Clinical Service Areas other than Categories of Service

Service	# Existing Key Rooms	# Proposed Key Rooms
Pharmacy	1	1
PT/OT	1	2

The project to establish a Comprehensive Physical Rehabilitation service includes two supporting clinical functional areas that are not categories of service:

Pharmacy

Physical Therapy / Occupational Therapy / Speech Therapy

The table above reflects a) for PT/OT, additional rooms in new construction to support the rehabilitation service. An existing therapy gym on the first floor at Greater Peoria Specialty Hospital will continue to be the location of therapy services for LTAC patients. b) for pharmacy, continued use of the existing pharmacy, supplemented by medication rooms on the patient floors being converted from LTAC to Comprehensive Physical Rehabilitation.

1. Service to Planning Area Residents

For the proposed project, the Planning Area is defined as HSA 2. 91% of the inpatients on the existing Comprehensive Rehabilitation Service at OSF Saint Francis Medical Center reside in HSA 2. The relocated service to Greater Peoria Specialty Hospital will have the same Planning Area.

The distribution of patients utilizing the hospital pharmacy and PT/OT will be assumed to be the same as the patient origin information for the Comprehensive Physical Rehabilitation program.

2. Service Demand

Services volumes for PT/OT sessions are driven by inpatient admissions of rehabilitation patients. Based on experienced data at OSF Saint Francis Medical Center's 27 bed rehabilitation unit, a rehabilitation inpatient generates an average of 11.5 PT sessions, 11.3 OT sessions and 8.6 speech therapy sessions. These historical rates are expected to remain fairly constant, to be adjusted in 2023 and 2024 for best practices based on Kindred's national experienced rates.

Pharmacy orders are based on experienced data from 2019 and 2020 on the inpatient rehabilitation unit at OSF Saint Francis Medical Center. In 2019, there were 0.984 pharmacy orders per patient day. In 2020, the ratio was 1.004 orders per inpatient day. Accordingly, 1.000 orders per patient day were used to forecast yearly volumes through 2024.

As a result, the volume of pharmacy orders and PT and OT sessions associated with the Comprehensive Physical Rehabilitation service are shown in the following table.

	Historic						Projected			
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
PT	5723	6407	6432	6250	6061	5627	6250	6850	7400	8170
OT	5723	6350	6432	6200	5897	5366	6130	6735	7280	8030
Speech	5110	4763	4663	4365	4095	3960	4670	5125	5550	6110
Pharmacy	7908	8185	8185	7959	7325	7221	7500	8100	8500	9100

3. Impact of the project on other area providers

This project is the establishment of a 29 bed Comprehensive Physical Rehabilitation service at Greater Peoria Specialty Hospital. The new service is the relocation of the existing 27 bed Comprehensive Physical Rehabilitation service at nearby OSF Saint Francis Medical Center. Two additional rehabilitation beds are introduced by the establishment of the new service and the discontinuation of the existing service.

The expected increase in patient volume at the new facility is due to two factors: 1) an increase in the rate of admissions to Comprehensive Physical Rehabilitation, by residents of HSA 2 who have not been obtaining the level of care needed for their level of impairment, as evidenced by the Rehabilitation Impairment Code analysis. 2) inpatients at Greater Peoria Specialty Hospital's LTAC service who are not ventilator dependent, and may benefit from care in the Comprehensive Physical Rehabilitation service once it is in the same facility.

None of this additional volume is drawn from the other rehabilitation service in HSA 2, Methodist Medical Center of Illinois. No disruption of the existing service at Methodist Medical Center of Illinois is anticipated.

The above statement applies to the increased use of Comprehensive Physical Rehabilitation, and, by association, the proportional increase in pharmacy and PT/OT services.

4. Utilization

The following volumes associated with patients on the Comprehensive Physical Rehabilitation service are anticipated in year 2024, two years after project completion. There are no State utilization standards for these four services.

Pharmacy	9,100
Physical therapy	8,170
Occupational therapy	8,030
Speech Therapy	6,110



April 12, 2021

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

Re: Availability of Funds

Dear Ms. Avery:

The funds for this project will be provided by two sources: 1) \$5,240,000 of cash from OSF and 2) \$1,300,000 of existing current assets of Greater Peoria Specialty Hospital, LLC.

The availability of funds from OSF is supported by OSF's A bond rating. Please see CON application for a copy of this bond rating. Greater Peoria Specialty Hospital, LLC does not have a bond rating. In lieu of submitting a rating agency report in support of Section VI. 1120.120, I attest that financial resources are available and are sufficient to fund Greater Peoria Specialty Hospital, LLC's share of the total project costs.

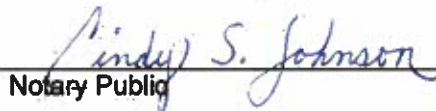
As of December 31, 2020, Greater Peoria Specialty Hospital, LLC had Current Assets of \$5,762,669.55 and Current Liabilities of \$3,638,505.73. The difference between these balances reflects net working capital of \$2,124,163.82. This is sufficient to fund the \$1,300,000 of existing capital required to be funded by Greater Peoria Specialty Hospital, LLC.

If you have any questions, please contact Brian Samberg at 314-659-2245.

Sincerely,


 Douglas L. Curnutte
 Chief Development Officer
 Kindred Healthcare, LLC

Subscribed and sworn to me
 This 12th day of April, 2021


 Notary Public



cc: Brian Samberg, Division Vice President, Kindred Healthcare

Attachment 33



April 12, 2021

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

Re: Financial Viability Waiver

Dear Ms Avery:

Section 1120.130 outlines four ways to meet the State's requirement for waiving the need to provide financial viability ratios. This letter is submitted to document the use of internal resources to address the requirement.

The project is jointly funded by OSF Healthcare and Greater Peoria Specialty Hospital. Unlike OSF Healthcare, neither Greater Peoria Specialty Hospital, LLC nor Kindred Healthcare has a bond rating that can be used to satisfy the financial viability requirement.

I attest that Greater Peoria Specialty Hospital's contribution to the project will be totally funded through the use of internal resources. As of December 31, 2020, Greater Peoria Specialty Hospital, LLC had Current Assets of \$5,762,669.55 and Current Liabilities of \$3,638,505.73. The difference between these balances reflects net working capital of \$2,124,163.82. This is sufficient to fund the \$1,300,000 of existing capital required to be funded by Greater Peoria Specialty Hospital, LLC.

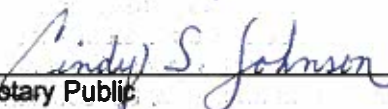
The balance of the project cost of \$5.24 million is the commitment by OSF Healthcare System.

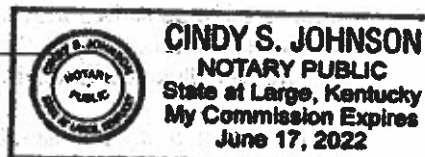
If you have any questions, please contact Brian Samberg at 314-659-2245.

Sincerely,


 Douglas L. Curnutte
 Chief Development Officer
 Kindred Healthcare, LLC

Subscribed and sworn to me
 This 12th day of April, 2021


 Notary Public



cc: Brian Samberg, Division Vice President, Kindred Healthcare

Attachment 35

RATING ACTION COMMENTARY

Fitch Rates OSF Healthcare System's (IL) Series 2020 Bonds 'A'; Affirms 'A' IDR; Outlook Positive

Tue 08 Sep, 2020 - 4:40 PM ET

Fitch Ratings - Chicago - 08 Sep 2020: Fitch Ratings has assigned an 'A' rating to approximately \$104 million of series 2020A tax-exempt fixed-rate revenue bonds, \$150 million of series 2020B put bonds, and \$169 million of series 2020C taxable fixed-rate revenue bonds to be issued by the Illinois Finance Authority on behalf of OSF Healthcare System (OSF). Fitch has also affirmed OSF's Issuer Default Rating (IDR) of 'A'.

The Rating Outlook is Positive.

Proceeds from the series 2020A, 2020B and 2020C bonds will: provide about \$200 million of new money debt to support OSF's capital projects; refund the series 2012A bonds; refund Little Company of Mary's (LCOM) legacy series 2015 bonds; and pay the costs of issuance. The bonds are expected to price the week of Sept. 14.

SECURITY

OSF's revenue bonds are secured by a security interest in the OSF obligated group's unrestricted receivables. The obligated group represents the vast majority of the system's assets and operating revenues. LCOM, which joined OSF in February 2020, is a member of OSF's obligated group.

ANALYTICAL CONCLUSION

The 'A' IDR rating reflects OSF's broad reach over multiple markets in Illinois, with a distinct market share lead in its core service area around Peoria. The rating is in the context of the system's midrange revenue defensibility and midrange operating risk assessments. The Positive Outlook reflects Fitch's expectation that OSF will return to operating EBITDA margins consistent with at least a midrange assessment, despite being pressured in the near term from the coronavirus pandemic and the integration of LCOM, and that capital-related ratios should improve over time.

The coronavirus pandemic and related government containment measures create an uncertain environment for the entire healthcare system in the near term. OSF's financial performance through the most recently available data indicated impairment related to the pandemic. As limitations on elective procedures have been lifted and federal relief funds are granted, a rebound in operating margins is expected. Fitch's ratings are forward looking, and Fitch will monitor severity and duration of developments from the virus outbreak on the sector and incorporate revised expectations for future performance and assessment of key risks.

KEY RATING DRIVERS

Revenue Defensibility: 'bbb'

Broad Reach, with Market Lead in Peoria, Although Competition Present

OSF's revenue defensibility is midrange. The system has a broad reach through multiple markets in Illinois. OSF is the distinct market share leader in the Peoria area, including for many high-end service lines. Many key OSF markets are competitive. Demographic indicators vary by local market, and while population trends in many of OSF's more populous service areas are stagnant to declining, the service area economy is considered to be stable. OSF's payor mix is consistent with a midrange assessment.

Operating Risk: 'bbb'

Track Record of Profitability; Coronavirus and Acquisition Pressure Margins

OSF's operating risk profile is midrange. The system has a track record of profitability and the operating EBITDA margin averaged approximately 8.5% between fiscals 2015 and 2019, prior to the coronavirus pandemic. Margins compressed notably in interim fiscal 2020 due to the pandemic, in addition to the integration of LCOM into the OSF system earlier in 2020. Fitch believes OSF should generate meaningful operating improvement at LCOM despite the near-term challenges of the pandemic.

Financial Profile: 'a'

Strong Capital-Related Ratios Through the Cycle

OSF's financial profile is strong in the context of its midrange revenue defensibility and midrange operating risk profile assessments. Fitch expects capital-related ratios to be strong in the forward look of its scenario analysis.

ASYMMETRIC ADDITIONAL RISK CONSIDERATIONS

There are no asymmetric risk factors associated with OSF's rating.

RATING SENSITIVITIES

The Positive Outlook reflects Fitch's expectation that OSF will return to operating EBITDA margins consistent with at least a midrange operating risk assessment (roughly 7% operating EBITDA margin) or better, despite being pressured in the near term from the coronavirus pandemic and the integration of LCOM into OSF's operations, and that capital-related ratios should improve over time. Nevertheless, the Positive Outlook is not likely to be resolved in the near term, but rather over a two-year horizon, given the current operational and financial challenges presented by the coronavirus pandemic and associated economic recession.

Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Rebound in operating EBITDA margin to level consistent with a midrange operating risk assessment (roughly 7%) or better;
- Continued improvement in liquidity and capital-related ratios such that cash to adjusted debt is expected to approach 190% in the three- to five-year forward look.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

- The Outlook could be revised to Stable from Positive if the rebound in operating margins takes longer than expected;
- A downgrade could be warranted in the long term if OSF's margins fail to rebound such that the operating EBITDA margin is expected to remain notably below 7% for a sustained period, which would lead to an operating risk profile more consistent with a weak assessment;
- Compression in liquidity and capital-related ratios, to the point where cash to adjusted debt in the forward look is expected to remain closer to 120% or lower;
- OSF's margins have been affected considerably due to disruption from the coronavirus outbreak. Fitch notes the system's volumes are rebounding and the system has a track record of profitability and adequate operating EBITDA margins. Financial market uncertainty may change OSF's liquidity profile. If economic conditions decline further than Fitch's current expectations for economic contraction, or if subsequent waves of infections and longer lockdown periods occur, Fitch would expect to see an even larger GDP decline in 2020 and a weaker recovery, and there could be rating pressure on OSF.

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Sovereigns, Public Finance and Infrastructure issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of three notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario

credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit [<https://www.fitchratings.com/site/re/10111579>].

CREDIT PROFILE

OSF is a large integrated health system headquartered in Peoria, IL. The system operates 13 inpatient acute-care hospitals in five regions: the Central Region, centered on Peoria; the Eastern Region, centered on Urbana, Danville, and Bloomington; the Western Region, centered on Galesburg (and inclusive of operations in suburban St. Louis); the Northern Region, centered on Rockville (and inclusive of a small hospital in the Upper Peninsula of Michigan); and the new Metro Region, with the February 2020 addition of LCOM in the southwestern Chicago suburbs. While assets are diversified across the five regions, the Central Region is the core of operations, accounting for approximately 40% of OSF's revenue generation. The Central Region is anchored by the OSF HealthCare Saint Francis Medical Center tertiary referral center in Peoria and the associated OSF HealthCare Children's Hospital of Illinois.

In addition to inpatient acute-care hospitals, OSF employs more than 750 physicians and 530 midlevel providers, and operates a comprehensive array of ambulatory, physician clinic and retail urgent care in more than 100 locations, as well as joint venture ambulatory surgery centers, imaging centers and cancer centers.

OSF's total audited operating revenue should exceed \$3 billion in full-year fiscal 2020 (Sept. 30 year end).

REVENUE DEFENSIBILITY

OSF's payor mix is consistent with a midrange assessment. Combined Medicaid and self-pay accounted for approximately 22%-24% of the system's gross revenues in recent years, just below the midrange threshold of 25%. This is notable given the OSF HealthCare Children's Hospital of Illinois is among the system's acute-care facilities -- Children's hospitals tend to have much higher exposure to Medicaid than most adult acute-care hospitals. Illinois expanded Medicaid under the Affordable Care Act (ACA).

OSF's market position is midrange. The system has a broad reach throughout much of Illinois, covering markets in five regions: the Central Region, the Eastern Region, the Northern Region, the Western Region and the Metro Region in the southwest Chicago suburbs (the Metro region was added earlier in 2020 with the addition of LCOM). While some markets are competitive, OSF is the leader of the combined primary service area, with approximately 40% market share. The Central Region, which includes OSF's Saint Francis Medical Center flagship hospital, accounted for just over 40% of system net patient revenue in fiscal 2019.

Nevertheless, many OSF regions are competitive. In the Peoria area (Central Region), the system's Saint Francis flagship faces competition from UnityPoint Health (AA-). UnityPoint includes three hospitals in Peoria: Methodist, Proctor, and Pekin. Excluding outmigration, which is limited given the level of service offerings at Saint Francis and Methodist, Saint Francis captured more than 61% market share in 2019, compared with UnityPoint's less than 39%. The OSF Children's Hospital of Illinois is the only dedicated children's hospital in the Peoria area.

OSF competes with Carle Foundation (AA-) in the Eastern Region of Bloomington/Pontiac and Campaign/Urbana. Of the broad market and excluding limited outmigration, OSF captured better than 37% market share in 2019, compared

with more than 62% for Carle. Within the Eastern Region, OSF is the market leader of the Bloomington/Pontiac area, while Carle is the leader of the Champaign/Urbana area.

OSF is one of three healthcare providers in Rockford, IL, which serves as the core of the Northern Region, competing with University of Wisconsin Health's SwedishAmerican Health System (A), and Mercy Health Corporation (A-). OSF captured just over 30% share in 2018, compared with 36% for SwedishAmerican and 33% for Mercy Health.

OSF was introduced to the highly competitive and fragmented Chicago healthcare market in the Metro Region with the 2020 acquisition of LCOM.

OSF's service area characteristics are consistent with a midrange assessment. While the economic health of individual local service areas varies, the population trends in many of the system's regions are stagnant to declining, most notably Peoria County (Peoria) and Winnebago County (Rockford). With assets spread across multiple markets in Illinois, OSF's cash flow generation is nevertheless well diversified and its payor mix should be relatively stable over time, despite near-term pressures from the coronavirus pandemic.

OPERATING RISK

OSF's operating cost flexibility is assessed as midrange, despite pressured operating metrics through June 30, 2020 as a result of the coronavirus pandemic. The system has a track record of profitability and the operating EBITDA margin averaged approximately 8.5% between fiscals 2015 and 2019, prior to the pandemic, including 7.9% in fiscal 2019.

Through nine-months unaudited fiscal 2020 (as of June 30), OSF recorded a negative 2.5% operating margin and 3.1% operating EBITDA margin. The primary driver for the more modest results was the coronavirus pandemic, in addition to the integration of LCOM into the OSF system starting in February 2020 -- prior to the acquisition, LCOM historically benefited from a strong balance sheet but weak core operating margins. Fitch believes OSF should generate meaningful operating improvement at LCOM despite the near-term challenges of the pandemic. Specific initiatives OSF is implementing to drive improvement at LCOM include supply chain savings, improved revenue recognition, average length of stay reduction, opening an OSF Urgo urgent care center in the Metro Region, and a targeted marketing campaign to attract younger patients to LCOM. OSF also implemented the Epic electronic medical record (EMR) system at LCOM the day the hospital joined the system.

Like virtually all hospital providers in the U.S., OSF's operating margins are pressured as a result of the coronavirus pandemic, due to restrictions on elective procedures put in place in mid-March and eased in early May, and expense pressures for personal protective equipment (PPE) and other equipment. Management implemented a number of efforts in response to the coronavirus, including: launching an emergency operations center; leveraging OSF's analytics capabilities to monitor and manage PPE supplies and other supply chains, including pharmacy throughput; having dedicated 24/7 digital nurse triage capabilities and other digital tools to monitor patient care in real-time; upgrading IT capacity to support remote working as appropriate; pausing approximately \$55 million of non-essential capital spending; furloughing non-critical staff; mandatory use of paid-time off (PTO); reducing executive staff pay; and lowering employer 401(k) contributions. Management estimates OSF implemented roughly \$80 million of expense reductions in response to the pandemic. Management notes LCOM was the one OSF hospital that faced capacity issues during a surge in coronavirus patients, but that central management helped LCOM deal with PPE supplies. Management is also utilizing a number of Coronavirus Aid, Relief, and Economic Security (CARES) Act and related stimulus funding sources, such as CARES Act hospital grants (\$123 million recorded through June 2020) and

suspension of 2% sequestration cuts. OSF also enhanced its balance sheet by taking advantage of the Medicare advanced payment program (\$311 million as of June 30, 2020) and establishing lines of credits.

Despite the weak margins through nine months of fiscal 2020, Fitch expects OSF to leverage its market position over a broad service area to generate improvement heading into 2021 and beyond. Management reports that volumes have rebounded considerably since restrictions on elective procedures were lifted starting in early May. In the longer term, Fitch expects OSF to return to operating margins consistent with at least a midrange or potentially better operating risk assessment (i.e., an operating EBITDA margin around 7%). OSF management expects to meet financial covenants, including the minimum debt service coverage, despite the weak margins through nine months of fiscal 2020.

OSF's capital expenditure requirements are manageably elevated. Over the last five years (inclusive of interim fiscal 2020), OSF's capital spending ratio exceeded 1.6x. Despite this healthy level of capex, the system's average age of plant measured a modestly high 14.9 years at FYE 2019 and 15.5 years at June 30, 2020 (A median is 12 years). The system paused roughly \$55 million of non-essential capex in response to the coronavirus pandemic. Nevertheless, management is using the pandemic as an opportunity to accelerate strategic capital, including construction of a Comprehensive Cancer Center in Peoria, which will include a proton beam, and continued investments in OSF Urgent care centers. OSF is targeting \$160 million of capex in full-year fiscal 2020 (compared to approximately \$118 million of depreciation expense) and \$120 million of capital in fiscal 2021 (roughly \$122 million of depreciation expense). Longer term capital spending priorities are being reevaluated in the context of what healthcare needs will be in the future post coronavirus pandemic; nevertheless, Fitch expects OSF to continue to invest in capital as market conditions dictate.

FINANCIAL PROFILE

OSF's financial profile is strong in the context of its midrange revenue defensibility and midrange operating risk profile assessments. Fitch expects capital-related ratios to be strong in the forward look of its scenario analysis.

Pro forma, OSF has approximately \$1.7 billion of direct debt, including the series 2020A, 2020B, and 2020C bonds. Unrestricted cash and investments measured more than \$2.1 billion at June 30, 2020, excluding \$311 million of Medicare advance payment funds.

OSF has debt equivalents in the form of a frozen defined benefit (DB) Church pension plan. At FYE 2019, the DB plan was 57% funded compared with a projected benefit obligation (PBO) of more than \$1.1 billion. Fitch includes the portion of DB pensions funded below 80% when calculating total adjusted debt. Using pension debt equivalent as of FYE 2019, OSF's pro forma adjusted debt (direct debt plus underfunded DB pension below 80% funded) is just under \$2.0 billion, including the series 2020 bonds. Pro forma net adjusted debt (pro forma adjusted debt minus unrestricted cash and investments) is favorably negative at approximately negative \$180 million. Operating leases are now captured on the balance sheet.

OSF's capital-related ratios are strong in Fitch's forward-looking scenario analysis. Based on nine-month fiscal 2020 results and including the series 2020 bonds, pro forma net adjusted debt to adjusted EBITDA measured favorably negative at about negative 1x, despite the weak operating results in the interim period and the addition of an expected \$200 million of additional debt, and pro forma cash to adjusted debt is nearly 110%. In the scenario analysis, net adjusted debt to adjusted EBITDA remains favorably negative in every year of the base case and returns to negative

by year three of the stress case, while cash to adjusted debt approaches 120% by year three of the base case and exceeds 120% by year five of the stress case.

ASYMMETRIC ADDITIONAL RISK CONSIDERATIONS

There are no asymmetric risk factors associated with OSF's rating.

OSF has a stable senior management team in place, with experience managing hospitals in competitive and somewhat economically challenged environments, while still producing sound operating results. The system has a formal succession planning process in place. No key senior management retirements are expected in the immediate term.

OSF's unrestricted cash and investments totaled just under \$2.2 billion at unaudited June 30, 2020, excluding \$311 million of Medicare advance payment funds. Cash on hand measured approximately 260 days at June 30, 2020, and does not pose an asymmetric risk. OSF's liquidity benefited from the acquisition of LCOM, which historically had a very strong balance sheet.

OSF's pro forma total direct debt is just over \$1.7 billion, including the series 2020 bonds. Just over \$300 million of pro forma debt is variable rate, including roughly \$130 million of series 2018B and 2018C variable-rate demand obligation (VRDO) bonds. The VRDO bonds are supported by letters of credit (LOC) that expire in October 2023. Smoothed pro forma maximum annual debt service (MADS) is \$107.4 million. While pro forma MADS coverage based on annualizing fiscal 2020 results is a modest 1.5x, MADS coverage does not pose an asymmetric risk.

OSF has four fixed-payor interest rate swaps. The total notional amount outstanding at June 30, 2020 was approximately \$215 million. The net mark-to-market of the swaps was negative \$65 million to OSF at June 30, 2020.

In addition to the sources of information identified in Fitch's applicable criteria specified below, this action was informed by information from Lumesis.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

The highest level of ESG credit relevance, if present, is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or to the way in which they are being managed by the entity.

For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

RATING ACTIONS

ENTITY/DEBT	RATING	PRIOR
-------------	--------	-------

ENTITY/DEBT	RATING		PRIOR	
OSF Healthcare System (IL)	LT IDR	A Rating Outlook Positive	Affirmed	A Rating Outlook Positive
● OSF Healthcare System (IL) /Issuer Default Rating/1 LT	LT	A Rating Outlook Positive	Affirmed	A Rating Outlook Positive

VIEW ADDITIONAL RATING DETAILS

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Additional information is available on www.fitchratings.com

APPLICABLE CRITERIA

U.S. Not-For-Profit Hospitals and Health Systems Rating Criteria (pub. 27 Nov 2019) (including rating assumption sensitivity)

Public Sector, Revenue-Supported Entities Rating Criteria (pub. 27 Mar 2020) (including rating assumption sensitivity)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

FAST Not-For-Profit Hospitals - Fitch Analytical Stress Test Model, v1.4.2 (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

Illinois Finance Authority (IL)

EU Endorsed

OSF Healthcare System (IL)

EU Endorsed

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US Public Finance Healthcare and Pharma North America United States



April 12, 2021

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

Re: Reasonableness of Financing Arrangements

Dear Ms. Avery:

Greater Peoria Specialty Hospital, LLC does not have a bond rating. In lieu of submitting a rating agency report in support of Section VIII. 1120.140(A), I attest that the funding of the total estimated project costs and related costs the project will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation

The funds for this project will be provided by two sources:

- 1) \$5,240,000 of cash from OSF Healthcare, and
- 2) \$1,300,000 of existing current assets of Greater Peoria Specialty Hospital, LLC.

The availability of funds from OSF Healthcare is supported by OSF's A bond rating. Please see CON application for a copy of this bond rating.

As to the availability of funds from Greater Peoria Specialty Hospital, as of December 31, 2020, Greater Peoria Specialty Hospital, LLC had Current Assets of \$5,762,669.55 and Current Liabilities of \$3,638,505.73. The difference between these balances reflects net working capital of \$2,124,163.82. This is sufficient to fund the \$1,300,000 of existing capital required to be funded by Greater Peoria Specialty Hospital, LLC.

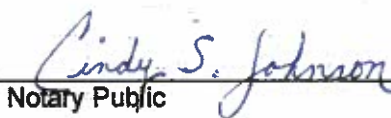
If you have any questions, please contact Brian Samberg at 314-659-2245.

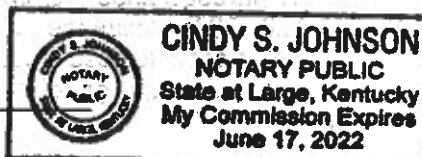
Sincerely,


 Douglas L. Curnutte
 Chief Development Officer
 Kindred Healthcare, LLC

Subscribed and sworn to me

This 12th day of April, 2021


 Notary Public



cc: Brian Samberg, Division Vice President, Kindred Healthcare

Attachment 36

1120.140

C. Reasonableness of Project and Related Costs

COST AND SQUARE FOOT BY DEPARTMENT

Department	A	B	C	D	E	F	G	H		As-Is
	Cost / Sq Ft		DGSF		DGSF		Const \$	Mod \$	Total Cost	Sq Ft
	New	Mod	New	Circ %	Mod	Circ %	(A x C)	(B x E)	(G + H)	
CLINICAL										
Comp Physical Rehab		\$166.79			16,283			\$2,715,806	\$2,715,806	
PT/OT/Speech	\$391.73	\$166.79	4,331		565		\$1,696,583	\$94,235	\$1,790,818	2,236
LTAC										8,837
Pharmacy										1,029
<i>Clinical subtotal</i>	\$391.73	\$166.79	4,331		16,848		\$1,696,583	\$2,810,041	\$4,506,614	12,102
NON-CLINICAL										
Lobby, recept, public circ										9,074
Public restrooms										633
Food svc, patient dining	\$481.76		1,786				\$860,425		\$860,425	3,425
Admin, staff, lock, lounges										6,613
Mech, bldg systems, storage	\$481.76		245				\$118,031		\$118,031	8,232
<i>Non-clinical Sub-total</i>	\$481.76		2,031				\$978,456		\$978,456	27,977
TOTAL	\$420.47	\$166.79	6,362	23%	16,848	21%	\$2,675,039	\$2,810,041	\$5,485,080	40,079

Note: LTAC and pharmacy spaces are not part of the project, and have no associated new construction or modernization costs.

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	0	0	0
Site Survey and Soil Investigation	0	0	0
Site Preparation	0	0	0
Off Site Work	0	0	0
New Construction Contracts	\$1,696,583	\$978,457	\$2,675,040
Modernization Contracts	\$2,810,041	0	\$2,810,041
Contingencies	\$68,940	\$39,759	\$108,699
Architectural/Engineering Fees	\$220,000	\$55,000	\$275,000
Consulting and Other Fees	\$111,400	\$27,820	\$139,220
Movable or Other Equipment (not in construction contracts)	\$270,000	0	\$270,000
Bond Issuance Expense (project related)	0	0	0
Net Interest Expense During Construction (project related)	0	0	0
Fair Market Value of Leased Space or Equipment	0	0	0
Other Costs to Be Capitalized	\$210,000	\$52,000	\$262,000
Acquisition of Building or Other Property (excluding land)	0	0	0
TOTAL USES OF FUNDS	\$5,386,964	\$1,153,036	\$6,540,000
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$5,386,964	\$1,153,036	\$6,540,000
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$5,386,964	\$1,153,036	\$6,540,000

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

Project Costs and Sources of Funds
Line Item Itemization

Line 5. New Construction Contracts - \$2,675,040

This work involves construction of an approximately 6,400 sq ft two story addition above a portion of the existing first floor, south part of the hospital. This new space will house therapy space and patient dining. Construction cost is \$2,675,040, of which \$1,696,583 is clinical (therapy services). Costs include core and shell, interior buildout, fixed equipment, all finishes, and contractor's overhead.

Line 6. Modernization Contracts - \$2,810,041

Clinical space in the second and third floors of the existing building will be converted from LTAC use to Comprehensive Physical Rehabilitation. The space will accommodate 29 private rehabilitation rooms, nurses stations, medication rooms and support space. Modernization also includes renovation of an existing therapy space. Modernization cost is \$2,810,041, all of which is clinical.

Cost per Sq Ft Ratios

Clinical Construction plus Modernization costs = \$4,506,624
Sq ft of clinical space (Rehabilitation and therapy) = 21,179
Cost per sq ft: \$212.79

Clinical New Construction cost = \$1,696,583
Sq ft of new construction (clinical) = 4,331
Cost per sq ft: \$391.73

Clinical Modernization cost = \$2,810,041
Sq ft of modernization (clinical) = 16,848
Cost per sq ft: \$166.79

Line 7. Contingencies - \$108,699

Contingencies cover the allowance for unforeseen circumstances. Clinical contingency for construction and modernization is \$68,940. Non clinical contingency is \$39,759 for construction and modernization.

Line 8. Architectural / Engineering Fees - \$275,000

This work includes preliminary design, schematic design, design development, construction document services, bidding and negotiation, and construction administration.

Line 9. Consulting and other fees - \$139,220

These include Certificate of Need permit fees, CON consultant, city of Peoria fees, and other.

Line 10. Movable or other equipment (not in construction contracts) - \$270,000

Itemization of selected equipment above \$5,000 per unit is as follows:

TriWG Parallel Bars	2	\$15000	\$30000
Crash Cart Defibs	2	\$12000	\$24000
GE EKG	1	\$13000	\$13000
Technobody ISO free	1	\$13000	\$13000
Senaptec Sensory Sta	1	\$18000	\$18000
LiteGait Balance Control & Treadmill pkg	1	\$12000	\$12000
Spirit Medical Rehab Treadmill	1	\$6000	\$6000
HandiCare Lifts	7	\$7500	\$52500
Verathon Bladder Scanner	1	\$6500	\$6500
Pyxis Equipment for Med Rooms	2	\$10000	\$20000
Total of Items <\$5,000 each			\$75000

Line 14. Other costs to be capitalized - \$262,000

IT Equipment	\$150,000
Artwork	\$6,000
Signage	\$6,000
Furniture	\$75,000
Other	\$25,000

D. Project Operating Costs

Estimated Project Start Up Operating Cost (first year) \$ 10,088,072

Project Direct Operating Expenses – 2 years after project completion (Year 2024)

	Rehab Project
Total Operating Costs	\$12,102,351
Equivalent Patient Days	9,100
Direct Cost per Equivalent Patient Day	\$1,330

E. Total Effect of the Project on Capital Costs

Projected Capital Costs – two years after project completion

	Project FY 2024	Total GPSH FY 2024
Equivalent Patient Days (all GPSH)	--	15,123
Total Project Capital Cost	\$6,540,000	--
Useful Life	13.7 Years	--
Total Annual Depreciation	\$476,533	\$657,033
Depreciation Cost per Equivalent Patient Day	\$52	\$43

Safety Net Impact Statement

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.

Health safety net services have been defined as services provided to patients who are low-income and otherwise vulnerable, including those uninsured and covered by Medicaid. (Agency for Healthcare Research and Quality, Public Health Services, U.S. Department of Health and Human Services, "The Safety Net Monitoring Initiative," AHRQ Pub. No 03-P011, August, 2003.)

The project is for the establishment of an inpatient Comprehensive Physical Rehabilitation service at Greater Peoria Specialty Hospital (GPSH). This service is currently provided at OSF Saint Francis Medical Center, and is being relocated to GPSH, a distance of less than 2 miles. GPSH is owned by Kindred Healthcare, which operates a 50 bed Long Term Acute Care service at GPSH. Under a joint venture agreement, OSF Healthcare System and Kindred Healthcare will own and operate GPSH's LTAC and Comprehensive Physical Rehabilitation programs.

OSF Saint Francis Medical Center provides several services that are considered safety net services. These include emergency medical care, behavioral health services, outpatient clinic services, pharmaceuticals and other medical services. These services do not cover their costs, and are subsidized by revenues generated from inpatient care, including medical, surgical and Comprehensive Physical Rehabilitation, as well as diagnostic services. The joint venture being established by OSF Healthcare System and Kindred Healthcare will continue the hospitals' abilities to subsidize and strengthen safety net services.

The payor mix of the rehabilitation service will continue to reflect the current mix (Year 2020):

Medicare:	57.3%
Medicaid:	14.9%
Commercial:	24.4%
Self Pay:	2.8%
TOTAL	100.0%

In addition, the rehabilitation will provide a similar amount of charity care as the current rehabilitation unit at OSF Saint Francis Medical Center provides.

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

Other than OSF Saint Francis Medical Center, there is only one hospital within HSA 2 that provides Comprehensive Physical Rehabilitation. This hospital is Methodist Medical Center of Illinois, located adjacent to the campus of OSF Saint Francis Medical Center in Peoria. The relocation of OSF Saint Francis Medical Center's 27-bed Comprehensive Physical Rehabilitation service to a 29 bed unit at GPSH (two

additional rehabilitation beds) will have no impact on another hospital's ability to provide safety net services in this area. That is because additional admissions and patient days are drawn from the volume of patients identified in the Rehabilitation Impairment Code analysis as requiring but not receiving care in a Comprehensive Physical Rehabilitation unit.

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.

Discontinuation of the rehabilitation service at OSF Saint Francis Medical Center will not have any negative result, since it is being relocated a short distance of less than two miles.

This Certificate of Need permit application addresses the establishment of a Comprehensive Physical Rehabilitation service at Greater Peoria Specialty Hospital. The establishment involves the relocation of the existing 27 bed service at OSF Saint Francis Medical Center, and the closure of that unit. State regulations address this project as the discontinuation of the unit at OSF Saint Francis Medical Center and establishment of the new unit at GPSH. A companion Application for Exemption will be prepared and submitted to discontinue the existing unit at OSF Saint Francis Medical Center. Issues related to the discontinuation are addressed in that application.

However, it is safe to say that the discontinuation of the service at OSF Saint Francis Medical Center will not result in any gap in safety net service, since OSF Healthcare System is a joint venture partner with Kindred Healthcare to own Greater Peoria Specialty Hospital and operate the Comprehensive Physical Rehabilitation and LTAC services there.

4. Additional information on Safety Net Services.

A. For the three fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by the 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 the appropriate methodology specified by the Board.

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

See the following tables for OSF Healthcare System and Kindred Healthcare.

Safety Net Information per PA 96-0031 For OSF Healthcare System			
CHARITY CARE			
Charity (# of patients)	2018	2019	2020
Inpatient	1,153	1,031	1,231
Outpatient	15,272	20,261	22,945
Total	16,425	21,292	24,176
Charity (cost in dollars)			
Inpatient	\$14,206,439	\$17,583,796	\$18,862,733
Outpatient	\$16,245,849	\$19,122,296	\$22,422,102
Total	\$30,452,288	\$36,706,092	\$41,284,835
MEDICAID			
Medicaid (# of patients)	2018	2019	2020
Inpatient	14,288	14,371	14,074
Outpatient	371,050	374,009	307,481
Total	385,338	388,380	321,555
Medicaid (revenue)			
Inpatient	\$257,667,313	\$222,287,288	\$253,442,281
Outpatient	\$121,127,758	\$172,028,785	\$131,986,088
Total	\$378,795,071	\$394,316,073	\$385,428,369

Kindred Healthcare Facilities in Illinois

CHARITY CARE				
Charity (# of patients)		2018	2019	2020
	Inpatient	0	0	0
	Outpatient	0	0	0
Total		0	0	0
Charity (cost in dollars:				
	Inpatient	\$0	\$0	\$0
	Outpatient	\$0	\$0	\$0
Total		\$0	\$0	\$0
MEDICAID				
Medicaid (# of patients)		2018	2019	2020
	Inpatient	462	342	365
	Outpatient	0	0	0
Total		462	342	365
Medicaid (revenue)				
	Inpatient	\$34,202,430.00	\$23,940,153.00	\$44,845,758.00
	Outpatient	\$0	\$0	\$0
Total		\$34,202,430.00	\$23,940,153.00	\$44,845,758.00

Section IV. Charity Care Information

CHARITY CARE – OSF Healthcare System			
	2018	2019	2020
Net Patient Revenue	\$2,321,396,516	\$2,410,772,560	\$2,383,901,200
Amount of Charity Care (charges)	\$145,025,489	\$180,316,461	\$201,864,109
Cost of Charity Care	\$30,452,288	\$36,706,092	\$41,284,835

Kindred Healthcare Facilities in Illinois

	Charity Care		
	2018	2019	2020
Net Patient Revenue	\$129,622,492	\$102,578,417	\$183,626,674
Amount of Charity Care (charges)	\$0	\$0	\$0
Cost of Charity Care	\$0	\$0	\$0

SECTION XI -SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM

In accordance with Executive Order 2006-5 (EO 5), the Health Facilities & Services Review Board (HFSRB) must determine if the site of the CRITICAL FACILITY, as defined in EO 5, is located in a mapped floodplain (Special Flood Hazard Area) or a 500-year floodplain. All state agencies are required to ensure that before a permit, grant or a development is planned or promoted, the proposed project meets the requirements of the Executive Order, including compliance with the National Flood Insurance Program (NFIP) and state floodplain regulation.

1. Applicant: KINDRED HEALTHCARE 680 SOUTH FOURTH STREET
 (Name) (Address)
LOUISVILLE KY 40202-2412 502-596-7300
 (City) (State) (ZIP Code) (Telephone Number)
2. Project Location: 500 W. ROMEO B. GARRETT AVE. PEORIA, IL
 (Address) (City) (State)
PEORIA COUNTY CITY OF PEORIA SECTION 9
 (County) (Township) (Section)

3. You can create a small map of your site showing the FEMA floodplain mapping using the FEMA Map Service Center website (<https://msc.fema.gov/portal/home>) by entering the address for the property in the Search bar. If a map, like that shown on page 2 is shown, select the **Go To NFHL Viewer** tab above the map. You can print a

copy of the floodplain map by selecting the  icon in the top corner of the page. Select the pin tool icon  and place a pin on your site. Print a FIRMETTE size image.

If there is no digital floodplain map available select the **View/Print FIRM** icon above the aerial photo. You will then need to use the Zoom tools provided to locate the property on the map and use the **Make a FIRMette** tool to create a pdf of the floodplain map.

IS THE PROJECT SITE LOCATED IN A SPECIAL FLOOD HAZARD AREA: Yes ___ No ☒

IS THE PROJECT SITE LOCATED IN THE 500-YEAR FLOOD PLAIN?

If you are unable to determine if the site is in the mapped floodplain or 500-year floodplain, contact the county or the local community building or planning department for assistance.

If the determination is being made by a local official, please complete the following:

FIRM Panel Number: 1705360020B Effective Date: 02/01/1980
 Name of Official: Julie Schmidt Title: In House Consultant
 Business/Agency: City of Peoria Address: 3505 N Dries Ln
Peoria IL 61604 309-494-8800
 (City) (State) (ZIP Code) (Telephone Number)
 Signature: Julie Schmidt Date: 4/7/2021

NOTE: This finding only means that the property in question is or is not in a Special Flood Hazard Area or a 500-year floodplain as designated on the map noted above. It does not constitute a guarantee that the property will or will not be flooded or be subject to local drainage problems.

If you need additional help, contact the Illinois Statewide Floodplain Program at 217/782-4428

APPENDIX A

Letters – Commitment to Refer Patients (Nine Letters)

Deepak Reddy, MD

Arun Talkad, MD

Andrew Tsung, MD

Jeffrey Klopfenstein, MD

Deepak Nair, MD

Daniel Fassett, MD

Todd McCall, MD

Richard Anderson, MD

Dzung Dinh, MD

April 12, 2021

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

Dear Ms. Avery:

I am a physician specializing in Neurology with privileges at OSF Saint Francis Medical Center (SFMC). I support the proposal to establish the Inpatient Comprehensive Rehabilitation service at the Greater Peoria Specialty Hospital and the relocation of the service from SFMC.

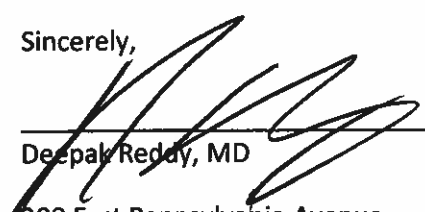
In 2020, I referred 48 patients for inpatient comprehensive physical rehabilitation. The attached table lists the zip codes of residence for these patients. All referrals were to OSF Saint Francis Medical Center's rehabilitation unit.

I estimate that I will refer a similar number or more patients to the rehabilitation service at Greater Peoria Specialty Hospital in 2024, the second full year the new facility will be opened.

These referral counts have not been used to support another permit application for any other hospital's comprehensive physical rehabilitation service.

Please contact me if you have any questions.

Sincerely,

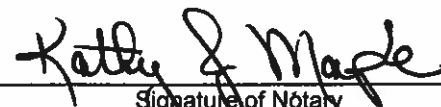

Deepak Reddy, MD

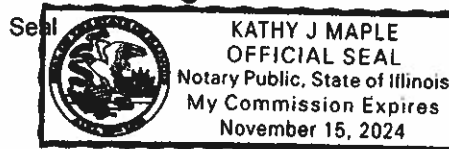
200 East Pennsylvania Avenue
Peoria, IL 61603
309-624-4000

Notarization:

Subscribed and sworn to before me

this 14th day of April 2021


Signature of Notary



APPENDIX A

Provider Name	Zip Code	# of patients referred for inpatient rehabilitation in Year 2020
REDDY, DEEPAK	61571	6
	61615	4
	61401	3
	61614	3
	61443	2
	61364	2
	61611	2
	61548	2
	61438	1
	27858	1
	61356	1
	61605	1
	61462	1
	61604	1
	61704	1
	61603	1
	61322	1
	62321	1
	61469	1
	61554	1
	61742	1
	61550	1
	61434	1
	62521	1
	61610	1
	61536	1
	61350	1
	61529	1
	61301	1
	61525	1
	61606	1
	61520	1
REDDY, DEEPAK		
Total		48

April 12, 2021

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

Dear Ms. Avery:

I am a physician specializing in Neurology with privileges at OSF Saint Francis Medical Center (SFMC). I support the proposal to establish the Inpatient Comprehensive Rehabilitation service at the Greater Peoria Specialty Hospital and the relocation of the service from SFMC.

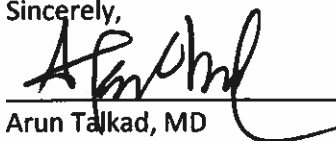
In 2020, I referred 40 patients for inpatient comprehensive physical rehabilitation. The attached table lists the zip codes of residence for these patients. All referrals were to OSF Saint Francis Medical Center's rehabilitation unit.

I estimate that I will refer a similar number or more patients to the rehabilitation service at Greater Peoria Specialty Hospital in 2024, the second full year the new facility will be opened.

These referral counts have not been used to support another permit application for any other hospital's comprehensive physical rehabilitation service.

Please contact me if you have any questions.

Sincerely,

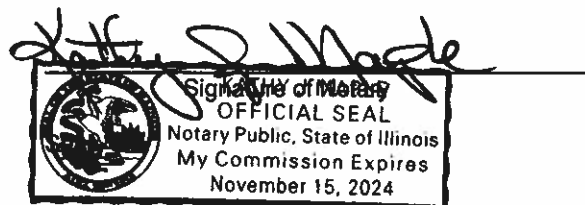

 Arun Talkad, MD

200 East Pennsylvania Avenue
 Peoria, IL 61603
 309-624-4000

Notarization:

Subscribed and sworn to before me

this 12th day of April 2021



APPENDIX A

Provider Name	Zip Code	# of patients referred for inpatient rehabilitation in Year 2020
TALKAD, ARUN	61615	3
	61401	2
	61536	2
	61607	2
	61531	2
	61421	1
	61322	1
	61356	1
	61604	1
	61605	1
	61602	1
	61364	1
	61571	1
	61345	1
	61563	1
	61301	1
	61554	1
	61430	1
	61550	1
	61720	1
	61540	1
	61362	1
	61614	1
	61348	1
	61533	1
	61327	1
	33917	1
	61319	1
	33908	1
	60616	1
	61462	1
	61440	1
	61761	1
	61523	1
TALKAD, ARUN Total		40

April 12, 2021

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

Dear Ms. Avery:

I am a physician specializing in Neurosurgery with privileges at OSF Saint Francis Medical Center (SFMC). I support the proposal to establish the Inpatient Comprehensive Rehabilitation service at the Greater Peoria Specialty Hospital and the relocation of the service from SFMC.

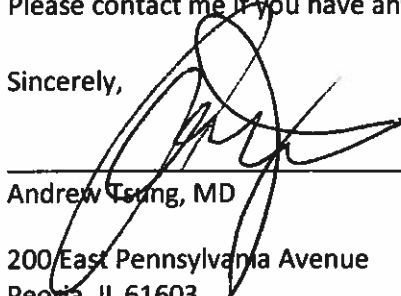
In 2020, I referred 31 patients for inpatient comprehensive physical rehabilitation. The attached table lists the zip codes of residence for these patients. All referrals were to OSF Saint Francis Medical Center's rehabilitation unit.

I estimate that I will refer a similar number or more patients to the rehabilitation service at Greater Peoria Specialty Hospital in 2024, the second full year the new facility will be opened.

These referral counts have not been used to support another permit application for any other hospital's comprehensive physical rehabilitation service.

Please contact me if you have any questions.

Sincerely,



 Andrew Tsung, MD

200 East Pennsylvania Avenue
 Peoria, IL 61603
 309-624-4000

Notarization:

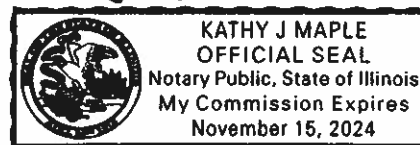
Subscribed and sworn to before me

this 12th day of April 2021



 Signature of Notary

Seal



APPENDIX A

Provider Name	Zip Code	# of patients referred for inpatient rehabilitation in Year 2020
TSUNG, ANDREW J	61554	2
	61265	2
	61364	2
	61611	2
	61603	2
	61525	2
	61350	1
	61422	1
	61615	1
	61571	1
	61401	1
	61614	1
	61342	1
	61548	1
	61436	1
	61547	1
	61410	1
	61526	1
	61616	1
	61728	1
	61348	1
	61462	1
	61607	1
	61455	1
	61442	1
TSUNG, ANDREW J Total		31

April 12, 2021

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

Dear Ms. Avery:

I am a physician specializing in Neurosurgery with privileges at OSF Saint Francis Medical Center (SFMC). I support the proposal to establish the Inpatient Comprehensive Rehabilitation service at the Greater Peoria Specialty Hospital and the relocation of the service from SFMC.

In 2020, I referred 23 patients for inpatient comprehensive physical rehabilitation. The attached table lists the zip codes of residence for these patients. All referrals were to OSF Saint Francis Medical Center's rehabilitation unit.

I estimate that I will refer a similar number or more patients to the rehabilitation service at Greater Peoria Specialty Hospital in 2024, the second full year the new facility will be opened.

These referral counts have not been used to support another permit application for any other hospital's comprehensive physical rehabilitation service.

Please contact me if you have any questions.

Sincerely,

Jeffrey Klopfenstein, MD

200 East Pennsylvania Avenue
Peoria, IL 61603
309-624-4000

Notarization:

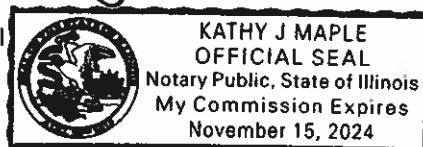
Subscribed and sworn to before me

this 12th day of April 2021

Kathy J Maple

Signature of Notary

Seal



APPENDIX A

Provider Name	Zip Code	# of patients referred for inpatient rehabilitation in Year 2020
KLOPFENSTEIN, JEFFREY D	61443	3
	61554	3
	61327	2
	61603	2
	61520	2
	61342	1
	61542	1
	61301	1
	61533	1
	61364	1
	62321	1
	61604	1
	61501	1
	61264	1
	61605	1
	61442	1
KLOPFENSTEIN, JEFFREY D Total		23

April 13, 2021

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

Dear Ms. Avery:

I am a physician specializing in Neurology with privileges at OSF Saint Francis Medical Center (SFMC). I support the proposal to establish the Inpatient Comprehensive Rehabilitation service at the Greater Peoria Specialty Hospital and the relocation of the service from SFMC.

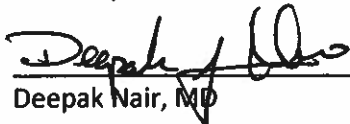
In 2020, I referred 21 patients for inpatient comprehensive physical rehabilitation. The attached table lists the zip codes of residence for these patients. All referrals were to OSF Saint Francis Medical Center's rehabilitation unit.

I estimate that I will refer a similar number or more patients to the rehabilitation service at Greater Peoria Specialty Hospital in 2024, the second full year the new facility will be opened.

These referral counts have not been used to support another permit application for any other hospital's comprehensive physical rehabilitation service.

Please contact me if you have any questions.

Sincerely,


Deepak Nair, MD

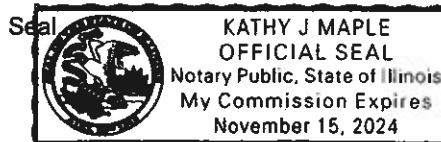
200 East Pennsylvania Avenue
Peoria, IL 61603
309-624-4000

Notarization:

Subscribed and sworn to before me

this 13th day of April 2021


Signature of Notary



APPENDIX A

Provider Name	Zip Code	# of patients referred for inpatient rehabilitation in Year 2020
NAIR, DEEPAK S	61443	4
	61364	2
	61491	2
	61615	2
	61401	2
	61550	2
	61604	1
	61449	1
	62644	1
	61761	1
	61354	1
	61542	1
	61537	1
NAIR, DEEPAK S Total		21

April 12, 2021

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

Dear Ms. Avery:

I am a physician specializing in Neurosurgery with privileges at OSF Saint Francis Medical Center (SFMC). I support the proposal to establish the Inpatient Comprehensive Rehabilitation service at the Greater Peoria Specialty Hospital and the relocation of the service from SFMC.

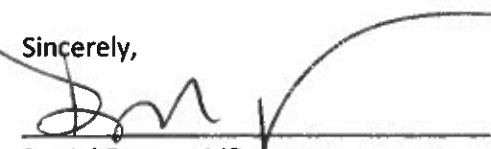
In 2020, I referred 16 patients for inpatient comprehensive physical rehabilitation. The attached table lists the zip codes of residence for these patients. All referrals were to OSF Saint Francis Medical Center's rehabilitation unit.

I estimate that I will refer a similar number or more patients to the rehabilitation service at Greater Peoria Specialty Hospital in 2024, the second full year the new facility will be opened.

These referral counts have not been used to support another permit application for any other hospital's comprehensive physical rehabilitation service.

Please contact me if you have any questions.

Sincerely,

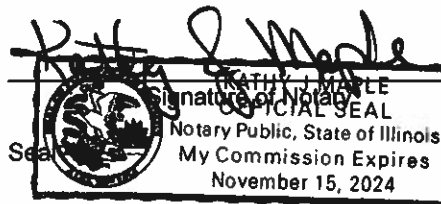

Daniel Fassett, MD

200 East Pennsylvania Avenue
Peoria, IL 61603
309-624-4000

Notarization:

Subscribed and sworn to before me

this 12th day of April, 2021



APPENDIX A

Provider Name	Zip Code	# of patients referred for inpatient rehabilitation in Year 2020
FASSETT, DANIEL R	61614	3
	61604	2
	61350	1
	61542	1
	61775	1
	61520	1
	61607	1
	61362	1
	61356	1
	61603	1
	61273	1
	61571	1
	61562	1
FASSETT, DANIEL R Total		16

April 14, 2021

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

Dear Ms. Avery:

I am a physician specializing in Neurosurgery with privileges at OSF Saint Francis Medical Center (SFMC). I support the proposal to establish the Inpatient Comprehensive Rehabilitation service at the Greater Peoria Specialty Hospital and the relocation of the service from SFMC.

In 2020, I referred 15 patients for inpatient comprehensive physical rehabilitation. The attached table lists the zip codes of residence for these patients. All referrals were to OSF Saint Francis Medical Center's rehabilitation unit.

I estimate that I will refer a similar number or more patients to the rehabilitation service at Greater Peoria Specialty Hospital in 2024, the second full year the new facility will be opened.

These referral counts have not been used to support another permit application for any other hospital's comprehensive physical rehabilitation service.

Please contact me if you have any questions.

Sincerely,



Todd McCall, MD

200 East Pennsylvania Avenue
Peoria, IL 61603
309-624-4000

Notarization:

Subscribed and sworn to before me

this 14th day of April, 2021


Signature of Notary
KATHY J MAPLE
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
November 15, 2024

APPENDIX A

Provider Name	Zip Code	# of patients referred for inpatient rehabilitation in Year 2020
MCCALL, TODD D.	61455	2
	61428	1
	61081	1
	61354	1
	61611	1
	61615	1
	61467	1
	61559	1
	61364	1
	61544	1
	61254	1
	61536	1
	61820	1
	61523	1
MCCALL, TODD D. Total		15

April 14, 2021

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

Dear Ms. Avery:

I am a physician specializing in Cardiothoracic Surgery with privileges at OSF Saint Francis Medical Center (SFMC). I support the proposal to establish the Inpatient Comprehensive Rehabilitation service at the Greater Peoria Specialty Hospital and the relocation of the service from SFMC.

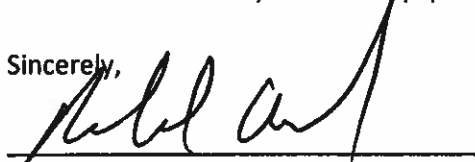
In 2020, I referred 10 patients for inpatient comprehensive physical rehabilitation. The attached table lists the zip codes of residence for these patients. All referrals were to OSF Saint Francis Medical Center's rehabilitation unit.

I estimate that I will refer a similar number or more patients to the rehabilitation service at Greater Peoria Specialty Hospital in 2024, the second full year the new facility will be opened.

These referral counts have not been used to support another permit application for any other hospital's comprehensive physical rehabilitation service.

Please contact me if you have any questions.

Sincerely,



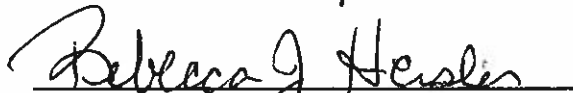
Richard Anderson, MD

1001 West Main Street, Suite 300
Peoria, IL 61606
309-495-0200

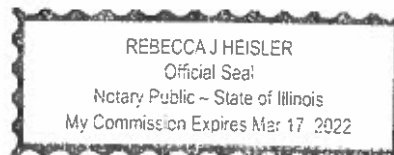
Notarization:

Subscribed and sworn to before me

this 16 day of April 2021


Signature of Notary

Seal



APPENDIX A

Provider Name	Zip Code	# of patients referred for inpatient rehabilitation in Year 2020
ANDERSON, RICHARD	61611	2
	61401	1
	46077	1
	61571	1
	60447	1
	61569	1
	33947	1
	61520	1
	61473	1
ANDERSON, RICHARD Total		10

April 12 2021

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

Dear Ms. Avery:

I am a physician specializing in Neurosurgery with privileges at OSF Saint Francis Medical Center (SFMC). I support the proposal to establish the Inpatient Comprehensive Rehabilitation service at the Greater Peoria Specialty Hospital and the relocation of the service from SFMC.

In 2020, I referred 8 patients for inpatient comprehensive physical rehabilitation. The attached table lists the zip codes of residence for these patients. All referrals were to OSF Saint Francis Medical Center's rehabilitation unit.

I estimate that I will refer a similar number or more patients to the rehabilitation service at Greater Peoria Specialty Hospital in 2024, the second full year the new facility will be opened.

These referral counts have not been used to support another permit application for any other hospital's comprehensive physical rehabilitation service.

Please contact me if you have any questions.

Sincerely,

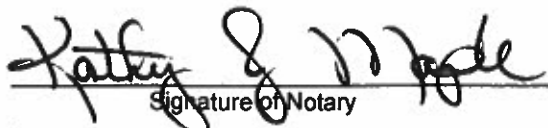

Dzung Dinn, MD

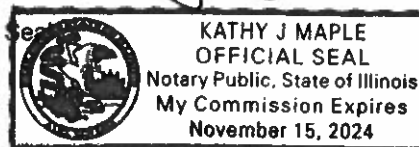
200 East Pennsylvania Avenue
Peoria, IL 61603
309-624-4000

Notarization:

Subscribed and sworn to before me

this 12th day of April 2021


Signature of Notary



APPENDIX A

Provider Name	Zip Code	# of patients referred for inpatient rehabilitation in Year 2020
DINH, DZUNG H	61341	1
	61350	1
	61462	1
	61614	1
	61348	1
	61610	1
	61615	1
	61604	1
DINH, DZUNG H Total		8

APPENDIX B**Leadership Letters of Support****OSF Healthcare System**

Robert Anderson
President, OSF Saint Francis Medical Center

Stephen E. Hippler, MD FACP
Chief Clinical Officer, OSF HealthCare

Jennifer Hopwood, DNP, NE-BC
Vice President/Chief Nursing Officer
OSF Saint Francis Medical Center

Jason Rodeghero, PhD, MBA
President
OSF Home Care & Rehabilitation Services

Robert Sparrow, MD, CHS, FASH, FAHA
Vice President/Chief Medical Officer
OSF Saint Francis Medical Center

Jeffry Tillery
President, OSF Multi-Specialty Group

Ralph R. Velazquez, MD
Ministry Chief Medical Officer

Lois Wiegand, DNP NEA-BC
Senior Vice President, Chief Nursing Officer
OSF HealthCare

Kindred Healthcare

Russ Bailey
President, Kindred Rehabilitation Services

John Cleveland Haralson
Chair, Greater Peoria Specialty Hospital
Vice President, Real Estate & Capital Development

Martin Mann
Manager, Greater Peoria Specialty Hospital
Senior Vice President of Strategic Partnership
Development

Sean R. Muldoon, MD, MPH, FCCP
Manager, Greater Peoria Specialty Hospital
Senior Vice President and Chief Medical Officer
Kindred Healthcare, Hospital Division



April 15, 2021

Illinois Health Facilities and Services Review Board
c/o Courtney Avery, Administrator
525 W Jefferson St, 2nd Floor
Springfield, IL 62761

Re: Letter of Support for the Relocation of IP Rehab Services to the Greater Peoria Specialty Hospital

As President of Saint Francis Medical Center, I am writing to express my support of the plans by OSF HealthCare and Kindred Healthcare to partner to provide comprehensive physical rehabilitation services in central Illinois. I support the plans to relocate rehabilitation services currently provided at OSF Saint Francis Medical Center to the Greater Peoria Specialty Hospital.

Inpatient rehabilitation is imperative in helping adults who have experienced a loss of function or disability due to stroke, brain injury, spinal cord injury, neurological disorders, orthopedic surgery and other conditions. Additionally, long-term acute care is an incredibly important component in delivering care for the most difficult-to-treat, critically ill and medically complex patients.

Our inpatient rehabilitation unit at OSF Saint Francis recently scored 97.9% on the measure of patients discharging to the community, exceeding the national average of 78.0%. OSF Saint Francis also comes in much lower in average of discharge to Skilled Nursing Facilities at 2.1% whereas the national average of discharges from acute rehabilitation services to SNF's is 10.5%. The implication is that our unit better prepares patients to return to home. Kindred Healthcare has experience in rehabilitation that has allowed them to achieve high standards in quality and clinical outcome measures. For example, on the measure of returning patients to functional efficiency, Kindred's score of 82.4% exceeds the national average of 68.0%.

Bringing the rehabilitation services provided by OSF HealthCare into the same building as the long-term acute care at Greater Peoria Specialty Hospital will allow for synergies in staffing and efficiencies in care delivery for both rehabilitation and long-term acute care patients. The new collaborative programs will enhance care delivery and provide increased access for patients using these services in central Illinois.

I support patients and families who are seeking highly specialized yet local access to care. I appreciate your consideration and request your support of this project and approval by the Illinois Health Facilities and Services Review Board.

Sincerely,

Robert Anderson
President
OSF Saint Francis Medical Center

APPENDIX B



April 15, 2021

Illinois Health Facilities and Services Review Board
c/o Courtney Avery, Administrator
525 W Jefferson St, 2nd Floor
Springfield, IL 62761

Re: Letter of Support for the Relocation of IP Rehab Services to the Greater Peoria Specialty Hospital

As the Chief Clinical Officer and a leader within OSF HealthCare, I am writing to express my support of the plans by OSF HealthCare and Kindred Healthcare to partner to provide comprehensive physical rehabilitation services in central Illinois. I support the plans to relocate rehabilitation services currently provided at OSF Saint Francis Medical Center to the Greater Peoria Specialty Hospital.

Inpatient rehabilitation is imperative in helping adults who have experienced a loss of function or disability due to stroke, brain injury, spinal cord injury, neurological disorders, orthopedic surgery and other conditions. Additionally, long-term acute care is an incredibly important component in delivering care for the most difficult-to-treat, critically ill and medically complex patients.

Our inpatient rehabilitation unit at OSF Saint Francis recently scored 97.9% on the measure of patients discharging to the community, exceeding the national average of 78.0%. OSF Saint Francis also comes in much lower in average of discharge to Skilled Nursing Facilities at 2.1% whereas the national average of discharges from acute rehabilitation services to SNF's 10.5%. The implication is that our unit better prepares patients to return to home. Kindred Healthcare has experience in rehabilitation that has allowed them to achieve high standards in quality and clinical outcome measures. For example, on the measure of returning patients to functional efficiency, Kindred's score of 82.4% exceeds the national average of 68.0%.

Bringing the rehabilitation services provided by OSF HealthCare into the same building as the long-term acute care at Greater Peoria Specialty Hospital will allow for synergies in staffing and efficiencies in care delivery for both rehabilitation and long-term acute care patients. The new collaborative programs will enhance care delivery and provide increased access for patients using these services in central Illinois.

I support patients and families who are seeking highly specialized yet local access to care. I appreciate your consideration and request your support of this project and approval by the Illinois Health Facilities and Services Review Board.

Sincerely,

Stephen E. Hippler, MD FACP
Chief Clinical Officer, OSF Health Care
800 NE Glen Oak Ave
Peoria, IL 61603

APPENDIX B



April 15, 2021

Illinois Health Facilities and Services Review Board
c/o Courtney Avery, Administrator
525 W Jefferson St, 2nd Floor
Springfield, IL 62761

Re: Letter of Support for the Relocation of IP Rehab Services to the Greater Peoria Specialty Hospital

As Chief Nursing Officer and Vice President of Patient Care Services at Saint Francis Medical Center, I am writing to express my support of the plans by OSF HealthCare and Kindred Healthcare to partner to provide comprehensive physical rehabilitation services in central Illinois. I support the plans to relocate rehabilitation services currently provided at OSF Saint Francis Medical Center to the Greater Peoria Specialty Hospital.

Inpatient rehabilitation is imperative in helping adults who have experienced a loss of function or disability due to stroke, brain injury, spinal cord injury, neurological disorders, orthopedic surgery and other conditions. Additionally, long-term acute care is an incredibly important component in delivering care for the most difficult-to-treat, critically ill and medically complex patients.

Our inpatient rehabilitation unit at OSF Saint Francis recently scored 97.9% on the measure of patients discharging to the community, exceeding the national average of 78.0%. OSF Saint Francis also comes in much lower in average of discharge to Skilled Nursing Facilities at 2.1% whereas the national average of discharges from acute rehabilitation services to SNF's is 10.5%. The implication is that our unit better prepares patients to return to home. Kindred Healthcare has experience in rehabilitation that has allowed them to achieve high standards in quality and clinical outcome measures. For example, on the measure of returning patients to functional efficiency, Kindred's score of 82.4% exceeds the national average of 68.0%.

Bringing the rehabilitation services provided by OSF HealthCare into the same building as the long-term acute care at Greater Peoria Specialty Hospital will allow for synergies in staffing and efficiencies in care delivery for both rehabilitation and long-term acute care patients. The new collaborative programs will enhance care delivery and provide increased access for patients using these services in central Illinois.

I support patients and families who are seeking highly specialized yet local access to care. I appreciate your consideration and request your support of this project and approval by the Illinois Health Facilities and Services Review Board.

Sincerely,

Jennifer Hopwood, DNP, NE-BC
Vice President/Chief Nursing Officer
OSF Saint Francis Medical Center

APPENDIX B



April 14, 2021

Illinois Health Facilities and Services Review Board
c/o Courtney Avery, Administrator
525 W Jefferson St, 2nd Floor
Springfield, IL 62761

Re: Letter of Support for the Relocation of IP Rehab Services to the Greater Peoria Specialty Hospital

As a leader within OSF HealthCare (President of OSF Home Care & Rehabilitation Services), I am writing to express my support of the plans by OSF HealthCare and Kindred Healthcare to partner to provide comprehensive physical rehabilitation services in central Illinois. I support the plans to relocate rehabilitation services currently provided at OSF Saint Francis Medical Center to the Greater Peoria Specialty Hospital.

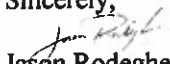
Inpatient rehabilitation is imperative in helping adults who have experienced a loss of function or disability due to stroke, brain injury, spinal cord injury, neurological disorders, orthopedic surgery and other conditions. Additionally, long-term acute care is an incredibly important component in delivering care for the most difficult-to-treat, critically ill and medically complex patients.

Our inpatient rehabilitation unit at OSF Saint Francis recently scored 97.9% on the measure of patients discharging to the community, exceeding the national average of 78.0%. OSF Saint Francis also comes in much lower in average of discharge to Skilled Nursing Facilities at 2.1% whereas the national average of discharges from acute rehabilitation services to SNF's 10.5%. The implication is that our unit better prepares patients to return to home. Kindred Healthcare has experience in rehabilitation that has allowed them to achieve high standards in quality and clinical outcome measures. For example, on the measure of returning patients to functional efficiency, Kindred's score of 82.4% exceeds the national average of 68.0%.

Bringing the rehabilitation services provided by OSF HealthCare into the same building as the long-term acute care at Greater Peoria Specialty Hospital will allow for synergies in staffing and efficiencies in care delivery for both rehabilitation and long-term acute care patients. The new collaborative programs will enhance care delivery and provide increased access for patients using these services in central Illinois.

I support patients and families who are seeking highly specialized yet local access to care. I appreciate your consideration and request your support of this project and approval by the Illinois Health Facilities and Services Review Board.

Sincerely,


Jason Rodeghero, PhD, MBA
President

OSF Home Care & Rehabilitation Services

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April 15, 2021

Illinois Health Facilities and Services Review Board
c/o Courtney Avery, Administrator
525 W Jefferson St, 2nd Floor
Springfield, IL 62761

Re: Letter of Support for the Relocation of IP Rehab Services to the Greater Peoria Specialty Hospital

As Vice President/Chief Medical Officer at Saint Francis Medical Center, I am writing to express my support of the plans by OSF HealthCare and Kindred Healthcare to partner to provide comprehensive physical rehabilitation services in central Illinois. I support the plans to relocate rehabilitation services currently provided at OSF Saint Francis Medical Center to the Greater Peoria Specialty Hospital.

Inpatient rehabilitation is imperative in helping adults who have experienced a loss of function or disability due to stroke, brain injury, spinal cord injury, neurological disorders, orthopedic surgery and other conditions. Additionally, long-term acute care is an incredibly important component in delivering care for the most difficult-to-treat, critically ill and medically complex patients.

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Bringing the rehabilitation services provided by OSF HealthCare into the same building as the long-term acute care at Greater Peoria Specialty Hospital will allow for synergies in staffing and efficiencies in care delivery for both rehabilitation and long-term acute care patients. The new collaborative programs will enhance care delivery and provide increased access for patients using these services in central Illinois.

I support patients and families who are seeking highly specialized yet local access to care. I appreciate your consideration and request your support of this project and approval by the Illinois Health Facilities and Services Review Board.

Sincerely,

Robert Sparrow, MD, CHS, FASH, FAHA
Vice President/Chief Medical Officer
OSF Saint Francis Medical Center

APPENDIX B



April 21, 2021

Illinois Health Facilities and Services Review Board
c/o Courtney Avery, Administrator
525 W Jefferson St, 2nd Floor
Springfield, IL 62761

Re: Letter of Support for the Relocation of IP Rehab Services to the Greater Peoria Specialty Hospital

As a leader within OSF HealthCare (President, Multi-Specialty Group), I am writing to express my support of the plans by OSF HealthCare and Kindred Healthcare to partner to provide comprehensive physical rehabilitation services in central Illinois. I support the plans to relocate rehabilitation services currently provided at OSF Saint Francis Medical Center to the Greater Peoria Specialty Hospital.

Inpatient rehabilitation is imperative in helping adults who have experienced a loss of function or disability due to stroke, brain injury, spinal cord injury, neurological disorders, orthopedic surgery and other conditions. Additionally, long-term acute care is an incredibly important component in delivering care for the most difficult-to-treat, critically ill and medically complex patients.

Our inpatient rehabilitation unit at OSF Saint Francis recently scored 97.9% on the measure of patients discharging to the community, exceeding the national average of 78.0%. OSF Saint Francis also comes in much lower in average of discharge to Skilled Nursing Facilities at 2.1% whereas the national average of discharges from acute rehabilitation services to SNF's 10.5%. The implication is that our unit better prepares patients to return to home. Kindred Healthcare has experience in rehabilitation that has allowed them to achieve high standards in quality and clinical outcome measures. For example, on the measure of returning patients to functional efficiency, Kindred's score of 82.4% exceeds the national average of 68.0%.

Bringing the rehabilitation services provided by OSF HealthCare into the same building as the long-term acute care at Greater Peoria Specialty Hospital will allow for synergies in staffing and efficiencies in care delivery for both rehabilitation and long-term acute care patients. The new collaborative programs will enhance care delivery and provide increased access for patients using these services in central Illinois.

I support patients and families who are seeking highly specialized yet local access to care. I appreciate your consideration and request your support of this project and approval by the Illinois Health Facilities and Services Review Board.

Sincerely,

Jeffrey Tillery
President, OSF Multi-Specialty Group

APPENDIX B



April 15, 2021

Illinois Health Facilities and Services Review Board
c/o Courtney Avery, Administrator
525 W Jefferson St, 2nd Floor
Springfield, IL 62761

Re: Letter of Support for the Relocation of IP Rehab Services to the Greater Peoria Specialty Hospital

As a leader within OSF HealthCare as the Ministry Chief Medical Officer, I am writing to express my support of the plans by OSF HealthCare and Kindred Healthcare to partner to provide comprehensive physical rehabilitation services in central Illinois. I support the plan to relocate rehabilitation services currently provided at OSF Saint Francis Medical Center to the Greater Peoria Specialty Hospital.

Inpatient rehabilitation is imperative in helping adults who have experienced a loss of function or disability due to stroke, brain injury, spinal cord injury, neurological disorders, orthopedic surgery and other conditions. Additionally, long-term acute care is an incredibly important component in delivering care for the most difficult-to-treat, critically ill, and medically complex patients.

Our inpatient rehabilitation unit at OSF Saint Francis Medical Center recently scored 97.9% on the measure of patients discharging to the community, exceeding the national average of 78.0%. Saint Francis Medical Center also comes in much lower in average of discharge to Skilled Nursing Facilities at 2.1%, whereas the national average of discharges from acute rehabilitation services to SNFs is 10.5%. The implication is that our unit better prepares patients to return to home. Kindred Healthcare has experience in rehabilitation that has allowed them to achieve high standards in quality and clinical outcome measures. For example, on the measure of returning patients to functional efficiency, Kindred Healthcare's score of 82.4% exceeds the national average of 68.0%.

Bringing the rehabilitation services provided by OSF HealthCare into the same building as the long-term acute care at Greater Peoria Specialty Hospital will allow for synergies in staffing and efficiencies in care delivery for both rehabilitation and long-term acute care patients. The new collaborative programs will enhance care delivery and provide increased access for patients using these services in central Illinois.

I support patients and families who are seeking highly specialized yet local access to care. I appreciate your consideration and request your support of this project and approval by the Illinois Health Facilities and Services Review Board.

Sincerely,

Ralph R. Velazquez, M.D.
Ministry Chief Medical Officer

APPENDIX B



April 19, 2021

Illinois Health Facilities and Services Review Board
c/o Courtney Avery, Administrator
525 W Jefferson St, 2nd Floor
Springfield, IL 62761

Re: Letter of Support for the Relocation of IP Rehab Services to the Greater Peoria Specialty Hospital

As a leader within OSF HealthCare, Senior Vice President, Chief Nursing Officer, I am writing to express my support of the plans by OSF HealthCare and Kindred Healthcare to partner to provide comprehensive physical rehabilitation services in central Illinois. I support the plans to relocate rehabilitation services currently provided at OSF Saint Francis Medical Center to the Greater Peoria Specialty Hospital.

Inpatient rehabilitation is imperative in helping adults who have experienced a loss of function or disability due to stroke, brain injury, spinal cord injury, neurological disorders, orthopedic surgery and other conditions. Additionally, long-term acute care is an incredibly important component in delivering care for the most difficult-to-treat, critically ill and medically complex patients.

Our inpatient rehabilitation unit at OSF Saint Francis recently scored 97.9% on the measure of patients discharging to the community, exceeding the national average of 78.0%. OSF Saint Francis also comes in much lower in average of discharge to Skilled Nursing Facilities at 2.1% whereas the national average of discharges from acute rehabilitation services to SNF's 10.5%. The implication is that our unit better prepares patients to return to home. Kindred Healthcare has experience in rehabilitation that has allowed them to achieve high standards in quality and clinical outcome measures. For example, on the measure of returning patients to functional efficiency, Kindred's score of 82.4% exceeds the national average of 68.0%.

Bringing the rehabilitation services provided by OSF HealthCare into the same building as the long-term acute care at Greater Peoria Specialty Hospital will allow for synergies in staffing and efficiencies in care delivery for both rehabilitation and long-term acute care patients. The new collaborative programs will enhance care delivery and provide increased access for patients using these services in central Illinois.

I support patients and families who are seeking highly specialized yet local access to care. I appreciate your consideration and request your support of this project and approval by the Illinois Health Facilities and Services Review Board.

Sincerely,

Lori Wiegand DNP NEA-BC
Senior Vice President, Chief Nursing Officer

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April 20, 2021

Ms. Debra Savage
 Chairperson
 Illinois Health Facilities and Services Review Board
 525 West Jefferson Street - 2nd Floor
 Springfield, IL 62761
 Dear Chair Savage

I am writing to express Kindred's enthusiasm to partner with OSF Healthcare System for the delivery of Comprehensive Physical Rehabilitation services in central Illinois. The joint venture, which will relocate OSF Saint Francis Medical Center's rehabilitation service to Kindred's Greater Peoria Specialty Hospital, provides an opportunity to bring together OSF's established rehabilitation service and Kindred's national best-practices experience in inpatient rehabilitation for the benefit of residents of HSA 2 and beyond.

Through its subsidiaries, Kindred Healthcare has over 23,000 employees providing healthcare services in 317 locations in 36 states, including owning and operating 64 long-term acute care hospitals (6 in Illinois), 25 inpatient rehabilitation hospitals, 10 sub-acute units, and 2 behavioral health hospitals. Kindred also partners with other hospitals in managing non-affiliated hospital-based rehabilitation services in over 100 inpatient rehabilitation units (6 in Illinois) and 120 LTAC hospitals, medical/surgical and outpatient therapy sites of service. Our national experience in rehabilitation has allowed us to achieve high standards in quality and clinical outcome measures. For example, on the measure of returning patients to functional efficiency, Kindred's score of 82.4% exceeds the national average of 68.0%. Kindred has achieved this while having a case mix index (complexity of care) of 1.52, which exceeds the national average of 1.43.

Bringing together OSF's rehabilitation service in the same building as Kindred's LTAC care at Greater Peoria Specialty Hospital will allow for synergies in staffing and efficiencies in care delivery for both rehabilitation and LTAC patients. The new collaborative programs will enhance care delivery and provide increased access for patients using these services in central Illinois.

I appreciate your consideration and request your support of this project and approval by the Illinois Health Facilities and Services Review Board.

Sincerely,

A handwritten signature in black ink, appearing to read "Russ Bailey", with a stylized flourish at the end.

Russ Bailey
 President, Kindred Rehabilitation Services

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April 22, 2021

Ms. Debra Savage
 Chairperson
 Illinois Health Facilities and Services Review Board
 525 West Jefferson Street - 2nd Floor
 Springfield, IL 62761

Dear Chair Savage,

I am Vice President Real Estate & Capital Development for Kindred Healthcare and I work with healthcare providers in communities across the country. As in those other markets, Kindred believes that by partnering with OSF Healthcare System for the delivery of Comprehensive Physical Rehabilitation services in central Illinois, both organizations can bring their best practices experience together for the benefit of patients.

Throughout the country, Kindred Healthcare works in partnership with leading healthcare providers to expand access for the communities we serve. In Peoria, we have found a partner in OSF Healthcare who we believe will help our existing Greater Peoria Specialty Hospital expand services in order to help adults who have experienced a loss of function or disability due to stroke, brain injury, spinal cord injury, neurological disorders, orthopedic surgery and other conditions. The new inpatient rehabilitation unit will feature 10, all private rooms and provide intense, interdisciplinary rehabilitation therapies and medical care to improve functional independence and help the patient return home.

The acute inpatient rehabilitation unit within Greater Peoria Specialty Hospital will feature a secure brain injury program with its own complex brain injury gym, dedicated patient dining room spaces, with a full array of activities of daily living therapy services. Greater Peoria Specialty Hospital is developing an array of neurological programs, which will help serve those needing coordinated rehabilitation care for those who would otherwise need to go outside the area for such treatment. And these programs will only be enhanced by being clinically integrated with the medically complex care and support services that Greater Peoria Specialty Hospital provides today.

Bringing together OSF's rehabilitation service in the same building as Kindred's LTAC care at Greater Peoria Specialty Hospital will allow for synergies in staffing and efficiencies in care delivery for both rehabilitation and LTAC patients. The new collaborative programs will enhance care delivery and provide increased access for patients using these services in central Illinois.

I appreciate your consideration and request your support of this project and approval by the Illinois Health Facilities and Services Review Board.

Sincerely,

A handwritten signature in blue ink that reads "John C Haralson".

John Cleveland Haralson
 Chair, Greater Peoria Specialty Hospital
 Vice President Real Estate & Capital Development

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April 19, 2021

Ms. Debra Savage
Chairperson
Illinois Health Facilities and Services Review Board
525 West Jefferson Street - 2nd Floor
Springfield, IL 62761

Dear Chair Savage

As Kindred's Senior Vice President of Strategic Partnership Development my role is to work with healthcare providers across the country. We recognized that by partnering with OSF Healthcare System, we can bring together the best of both organizations in order to provide more options for the residents of Greater Peoria to obtain Comprehensive Physical Rehabilitation services. By combining our expertise and resources, residents will be able to stay closer to home while they receive much needed healthcare services.

A new acute inpatient rehabilitation unit within Greater Peoria Specialty Hospital will help adults who have experienced a loss of function or disability due to stroke, brain injury, spinal cord injury, neurological disorders, orthopedic surgery and other conditions. It will feature all private rooms and provide intense, interdisciplinary rehabilitation therapies and medical care to improve functional independence and help the patient return home.

Greater Peoria Specialty Hospital with its LTAC beds will continue to deliver care for the most difficult-to-treat, critically ill and medically complex patients – such as patients with respiratory failure, septicemia, traumatic injuries, wounds or other severe illnesses complicated by multiple chronic conditions, including post-COVID recovery.

Bringing together OSF's rehabilitation service in the same building as Kindred's LTAC care at Greater Peoria Specialty Hospital will allow for synergies in staffing and efficiencies in care delivery for both rehabilitation and LTAC patients. The new collaborative programs will enhance care delivery and provide increased access for patients using these services in central Illinois.

I appreciate your consideration and request your support of this project and approval by the Illinois Health Facilities and Services Review Board.

Sincerely,

 A handwritten signature in black ink, appearing to read "Martin Mann".

Martin Mann

Manager, Greater Peoria Specialty Hospital
Senior Vice President of Strategic Partnership Development

680 South Fourth Street Louisville, Kentucky 40202
502.596.7300 KY TDD/TTY# 800.648.6057

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April 19, 2021

Ms. Debra Savage
 Chairperson
 Illinois Health Facilities and Services Review Board
 525 West Jefferson Street - 2nd Floor
 Springfield, IL 62761

Dear Chair Savage

As the Chief Medical Officer for Kindred Healthcare's Hospital Division since late 1999, I know the value of having a team of committed healthcare professionals working together with a common goal of providing quality patient care. By partnering with OSF Healthcare System to deliver comprehensive physical rehabilitation services in central Illinois, Kindred and OSF recognize the benefits of having a partnership focused on bringing together OSF's established rehabilitation service and Kindred's national best-practices experience in long-term acute hospitals for the benefit of residents in the Greater Peoria region.

A new acute inpatient rehabilitation unit within Greater Peoria Specialty Hospital will help adults who have experienced a loss of function or disability due to stroke, brain injury, spinal cord injury, neurological disorders, orthopedic surgery and other serious conditions. It will feature all private rooms and provide intense, interdisciplinary rehabilitation therapies and medical care to improve functional independence and help the patient return home.

Our strength is that our new acute inpatient rehabilitation unit will be located within our long-term acute care hospital (LTACH) and therefore provide patients with a broad range of physician-led rehabilitation expertise and a nearby staff of medical specialists, and for those who choose to, avoid the disruption of being transferred to a separate facility to continue care.

Physicians also benefit from the continuum of care options for their patients and from improved administrative efficiencies. With enhanced capabilities, expertise and clinical integration all under one roof, this acute inpatient rehabilitation unit will be able to deliver superior care to the most clinically complex patients.

Some of the desirable clinical features of an ARU located within an LTACH include:

- **Ease of access** – patients who require comprehensive rehabilitation services in a hospital are able to transition to a different care setting without leaving the building.

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- **Continued specialized care** through the integration of an interdisciplinary rehabilitation team that includes daily access to a physician specially trained in rehabilitation and 24-hour RN coverage. Additionally, specialty physicians from the LTACH are available for ARU patient needs. This level of care is distinct from other post-acute settings, like skilled nursing facilities (SNFs), which have limited clinician availability. Some SNFs have RN coverage for as little as eight hours per day, while others have 24-hour presence only from LPN/LVNs. Some SNFs feature daily physician visits only during the first 30 days, after which the patient receives just one visit every 60 days.
- **Comprehensive therapy with short lengths of stay** – patients who receive rehabilitation at an ARU have significantly shorter lengths of stay and substantially lower readmission rates compared to patients discharged from other post-acute settings.

Bringing together OSF's rehabilitation service in the same building as Kindred's LTAC care at Greater Peoria Specialty Hospital will allow for synergies in staffing and efficiencies in care delivery for both rehabilitation and LTAC patients. The new collaborative programs will enhance care delivery and provide increased access for patients using these services in central Illinois.

I appreciate your consideration and request your support of this project and approval by the Illinois Health Facilities and Services Review Board.

Sincerely,

A handwritten signature in black ink that reads "Sean R. Muldoon".

Sean R. Muldoon, MD, MPH, FCCP

Manager, Greater Peoria Specialty Hospital
Senior Vice President & Chief Medical Officer Kindred Healthcare, Hospital Division

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