

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Julia Rackley Perry Memorial Hospital – Change of Ownership		
Street Address: 530 Park Avenue East		
City and Zip Code: Princeton 61356		
County: Bureau County	Health Service Area: 2	Health Planning Area: C-02

Legislators

State Senator Name: Win Stoller
State Representative Name: Daniel Swanson

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

Exact Legal Name: Julia Rackley Perry Memorial Hospital
Street Address: 530 Park Avenue East
City and Zip Code: Princeton 61356
Name of Registered Agent: Joel Quiram
Registered Agent Street Address: 2 Main Street S
Registered Agent City and Zip Code: Princeton 61356
Name of Chief Executive Officer: Patricia Luker, Interim President & CEO
CEO Street Address: 530 Park Avenue East
CEO City and Zip Code: Princeton 61356
CEO Telephone Number: 1-815-876-2236

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input checked="" type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois certificate of good standing. o Partnerships must provide the name of the state in which 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: Scott Hartman
Title: Vice President, Chief Operating Officer
Company Name: Julia Rackley Perry Memorial Hospital
Address: 530 Park Avenue East
Telephone Number: 815-876-2220
E-mail Address: SHartman@perrymemorial.org
Fax Number: 815-876-2404

Additional Contact [Person who is also authorized to discuss the Application]

Name: Deb May-Rickard
Title: CNE/Vice President, Clinical Services
Company Name: Julia Rackley Perry Memorial Hospital
Address: 530 Park Avenue East
Telephone Number: 815-876-2271
E-mail Address: dmayrickard@perrymemorial.org
Fax Number: 815-876-2404

Additional Contact [Person who is also authorized to discuss the Application]

Name: Steven Pratt
Title: Attorney
Company Name: Hall, Render, Killian, Health & Lyman, P.C.
Address: 500 N. Meridian Street, Suite 400 Indianapolis, IN 46204-1293
Telephone Number: 317-977-1442
E-mail Address: spratt@hallrender.com
Fax Number: 317-633-4878

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

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Facility/Project Identification

Facility Name: Julia Rackley Perry Memorial Hospital – Change of Ownership		
Street Address: 530 Park Avenue East		
City and Zip Code: Princeton 61356		
County: Bureau County	Health Service Area: 2	Health Planning Area: C-02

Legislators

State Senator Name: Dave Koehler
State Representative Name: Jehan Gordon-Booth

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 61603
Name of Registered Agent: Sister Theresa Ann Brazeau, OSF
Registered Agent Street Address: 1175 Saint Francis Lane
Registered Agent City and Zip Code: East Peoria 61611
Name of Chief Executive Officer: Robert C. Sehring
CEO Street Address: 800 N.E. Glen Oak Avenue
CEO City and Zip Code: Peoria 61603
CEO Telephone Number: 309-655-7804

Type of Ownership of Applicants

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

- 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 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]

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

Post Exemption Contact

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

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

Site Ownership after the Project is Complete

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: OSF Healthcare System
Address of Site Owner: 800 N.E. Glen Oak Avenue Peoria, 61603
Street Address or Legal Description of the Site: 530 Park Avenue East Princeton, 61356
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.

Current Operating Identity/Licensee

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

Exact Legal Name: Julia Rackley Perry Memorial Hospital		
Address: 530 Park Avenue East Princeton, 61356		
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Governmental <input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

Operating Identity/Licensee after the Project is Complete

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

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

Organizational Relationships

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

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

Narrative Description

In the space below, provide a brief narrative description of the change of ownership. 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.

Introduction

OSF Healthcare System ("OSF"), based in Peoria, Illinois, provides integrated healthcare services throughout Illinois at thirteen separate hospital facilities and through several affiliated entities. Julia Rackley Perry Memorial Hospital ("Perry Memorial"), a municipal hospital, based in Princeton, Illinois, has provided valuable healthcare services to the population of Princeton, Illinois area since 1903.

The parties seek for Perry Memorial to transfer its assets to OSF and as a result request a Certificate of Exemption from the Health Facilities and Services Review Board ("HFSRB") for this change of ownership.

Structure of Transaction

The parties intend to affiliate through an asset transfer. Upon completion, Perry Memorial in Princeton, Illinois will become part of OSF. All hospital licensure matters in connection with the transaction will be arranged in compliance with Illinois law and the rules of the Illinois Department of Public Health ("IDPH"). Post-transaction, the hospital will operate under the name of OSF Healthcare Saint Clare Medical Center. The parties anticipate that the transaction will close in summer of 2021.

As with all OSF facilities, a Community Council will be established to provide input, advice, and guidance to the President of the hospital on specific matters such as management plans, strategic plans, annual capital and operating budgets, services, quality and safety. The President of the hospital will then report to the Chief Executive Officer of OSF or his designee.

The Fair Market Value (FMV) of the transaction has been determined to be approximately \$25,000,000 based on the net property and equipment total as provided in Perry Memorial's January 2021 Unaudited Financial Statements.

Charity Care

In order to further OSF's mission in Princeton and surrounding communities, Perry Memorial's existing charity care policies will be replaced by OSF's Charity Assistance Policy for Illinois Hospitals, which not only complies with, but exceeds the requirements of Illinois law, including the Illinois Hospital Uninsured Patient Discount Act. As certified in the verifications attached, OSF will not adopt a more restrictive charity care policy than was in effect one year prior to the Closing Date of the proposed transaction. The OSF Charity Assistance Policy for Illinois Hospitals, will remain in effect for at least a two (2) year period following the Closing Date.

In general, the OSF Charity Assistance Policy for Illinois Hospitals is the same or more generous than the current Perry Memorial Charity Care Program.

Related Project Costs

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

Land acquisition is related to project ☐ Yes ☒ No
 Purchase Price: \$ 0
 Fair Market Value: \$25,000,000

Project Status and Completion Schedules

Outstanding Permits: Does the facility have any projects for which the State Board issued a permit that is not complete? Yes X No . If yes, indicate the projects by project number and whether the project will be complete when the exemption that is the subject of this application is complete.

OSF Healthcare System

18-032 OSF Little Company of Mary Medical Center-Replacement of Emergency Services Dept.
 Through New Construction & Renovation - No

19-057 OSF Saint Francis Medical Center-Comprehensive Cancer Center/Proton Beam – No

Anticipated exemption completion date (refer to Part 1130.570): anticipated summer of 2021

State Agency Submittals

Are the following submittals up to date as applicable:

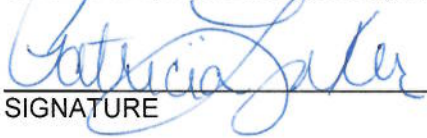
- ☒ Cancer Registry
 - ☒ APORS
 - ☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
 - ☒ All reports regarding outstanding permits
- Failure to be up to date with these requirements will result in the Application being deemed incomplete.**

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 Julia Rackley Perry Memorial Hospital* 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

Patricia Luker
PRINTED NAME

Interim President & CEO
PRINTED TITLE



SIGNATURE

Scott Hartman
PRINTED NAME

Vice President, Chief Operating Officer
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 9 day of March



Signature of Notary

Seal



Notarization:

Subscribed and sworn to before me
this 9 day of March


Signature of Notary

Seal



*Insert the EXACT legal name of the applicant

CERTIFICATION

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

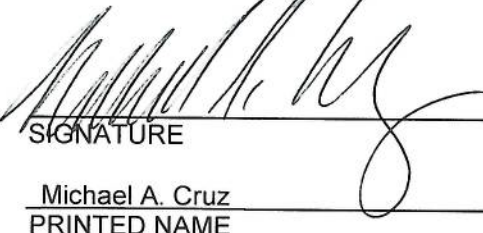
- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its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

This Application is filed on the behalf of **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.


SIGNATURE

Robert C. Sehring
PRINTED NAME

Chief Executive Officer
PRINTED TITLE


SIGNATURE

Michael A. Cruz
PRINTED NAME

Central Region, Chief Executive Officer
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 23rd day of March 2021


Signature of Notary

Seal



Notarization:

Subscribed and sworn to before me
this 23rd day of March 2021


Signature of Notary

Seal



*Insert the EXACT legal name of the applicant

SECTION II. BACKGROUND.**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. 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. 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.
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, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 5.

SECTION III. CHANGE OF OWNERSHIP (CHOW)**Transaction Type. Check the Following that Applies to the Transaction:**

- ☐ Purchase resulting in the issuance of a license to an entity different from current licensee.
- ☐ Lease resulting in the issuance of a license to an entity different from current licensee.
- ☐ Stock transfer resulting in the issuance of a license to a different entity from current licensee.
- ☐ Stock transfer resulting in no change from current licensee.
- ☒ Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee.
- ☐ Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee.
- ☐ Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity.
- ☐ Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets.
- ☒ Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility.
- ☐ Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee.
- ☐ Change of ownership among related persons resulting in a license being issued to an entity different from the current licensee
- ☐ Change of ownership among related persons that does not result in a license being issued to an entity different from the current licensee.
- ☐ Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets and explain in "Narrative Description."

1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

1. Prior to acquiring or entering into a contract to acquire an existing health care facility, a person shall submit an application for exemption to HFSRB, submit the required application-processing fee (see Section 1130.230) and receive approval from HFSRB.
2. If the transaction is not completed according to the key terms submitted in the exemption application, a new application is required.
3. READ the applicable review criteria outlined below and **submit the required documentation (key terms) for the criteria:**

APPLICABLE REVIEW CRITERIA	CHOW
1130.520(b)(1)(A) - Names of the parties	X
1130.520(b)(1)(B) - Background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.	X
1130.520(b)(1)(C) - Structure of the transaction	X
1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction	X
1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.	X
1130.520(b)(1)(F) - Fair market value of assets to be transferred.	X
1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)]	X
1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section	X
1130.520(b)(3) - If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction	X

1130.520(b)(4) - A statement as to the anticipated benefits of the proposed changes in ownership to the community	X
1130.520(b)(5) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership;	X
1130.520(b)(6) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;	X
1130.520(b)(7) - A description of the selection process that the acquiring entity will use to select the facility's governing body;	X
1130.520(b)(8) - A statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility	X
1130.520(b)(9)- A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.	X

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

SECTION IV.CHARITY CARE INFORMATION

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 7.

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

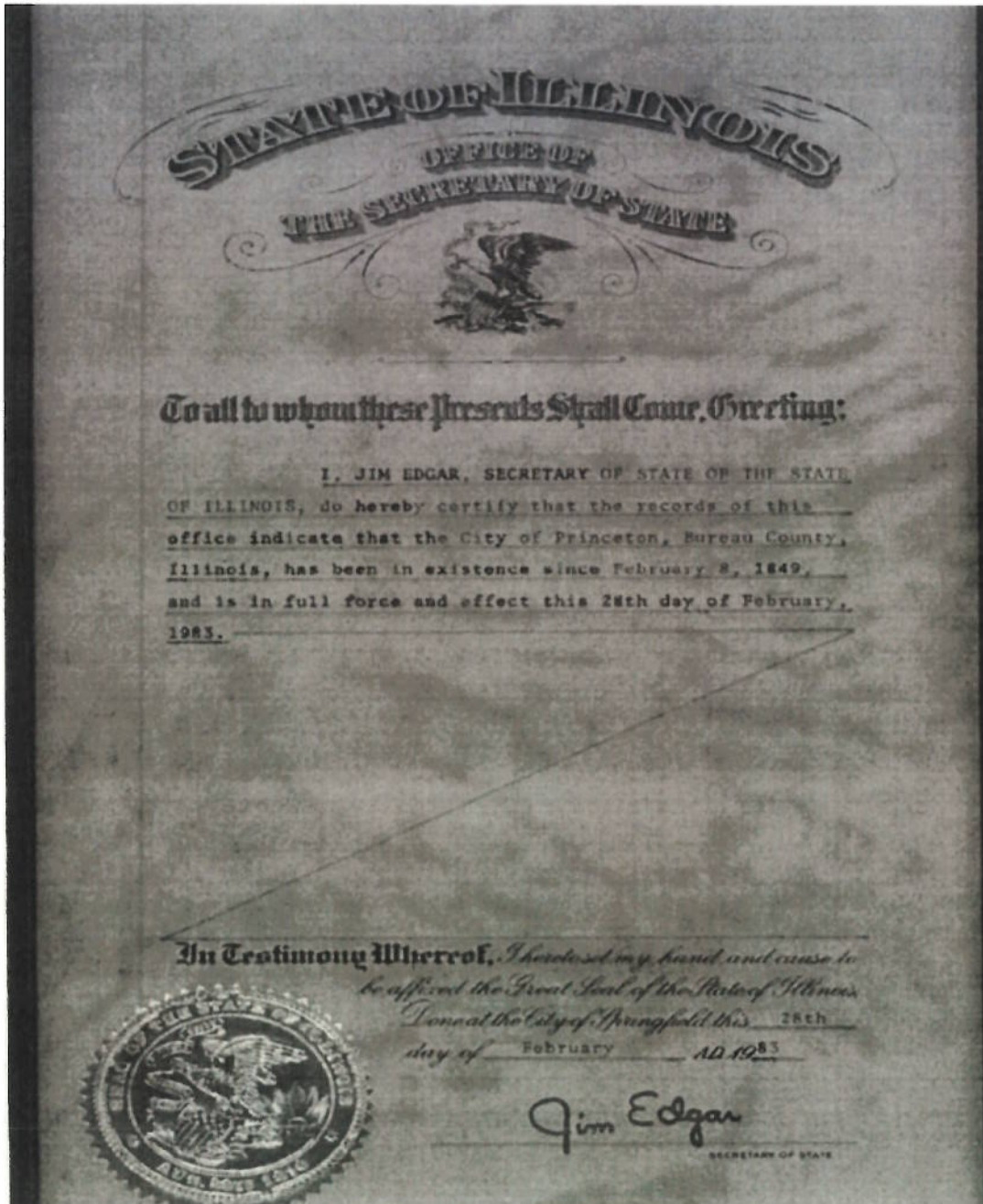
APPEND DOCUMENTATION AS ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

INDEX OF ATTACHMENTS			
ATTACHMENT NO.			PAGES
	1	Applicant Identification including Certificate of Good Standing	16-17
	2	Site Ownership	18
	3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	19
	4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	20-21
	5	Background of the Applicant	22-27
	6	Change of Ownership	28-29
	7	Charity Care Information	30

Certificate of Good Standing – Julia Rackley Perry Memorial Hospital

Julia Rackley Perry Memorial Hospital is a municipality and The Secretary of State does not issue a traditional certificate of good standing for municipalities. The Illinois Secretary of State issues certificates of incorporation of a city after receiving a certified record from the recorder of the county in which the newly-created city is located. The Certificate of Incorporation for the City of Princeton was issued by the Secretary of State on February 8, 1884.



Attachment 1

Certificate of Good Standing – OSF Healthcare System

File Number

0107-414-8

***To all to whom these Presents Shall Come, Greeting:***

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

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



Authentication #: 2018801026 verifiable until 07/06/2021

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

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

SECRETARY OF STATE

Attachment 1

Site Ownership

Julia Rackley Perry Memorial Hospital owns the property of 530 Park Avenue East, Princeton, IL where the hospital is located. OSF Healthcare System will take over as owner of Julia Rackley Perry Memorial Hospital pursuant to the transaction between OSF Healthcare System and Julia Rackley Perry Memorial Hospital.


Patricia Luker, Interim President & CEO

Subscribed and sworn to before me

This 4 day of March, 2021


Notary Public

<seal>

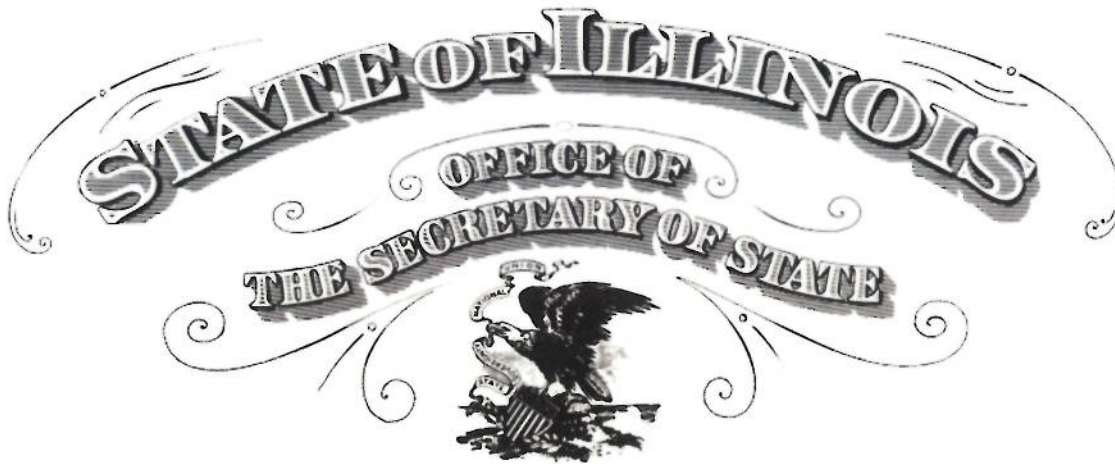


Attachment 2

Operating Identity/Licensee after the Project is Complete

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 .

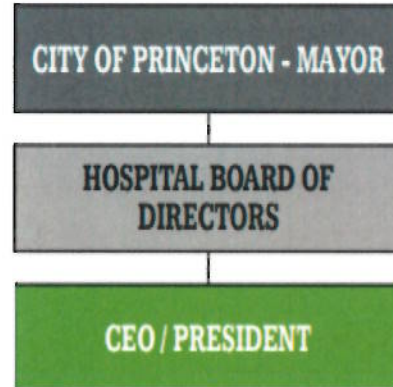
SECRETARY OF STATE

Authentication #: 2018801026 verifiable until 07/06/2021

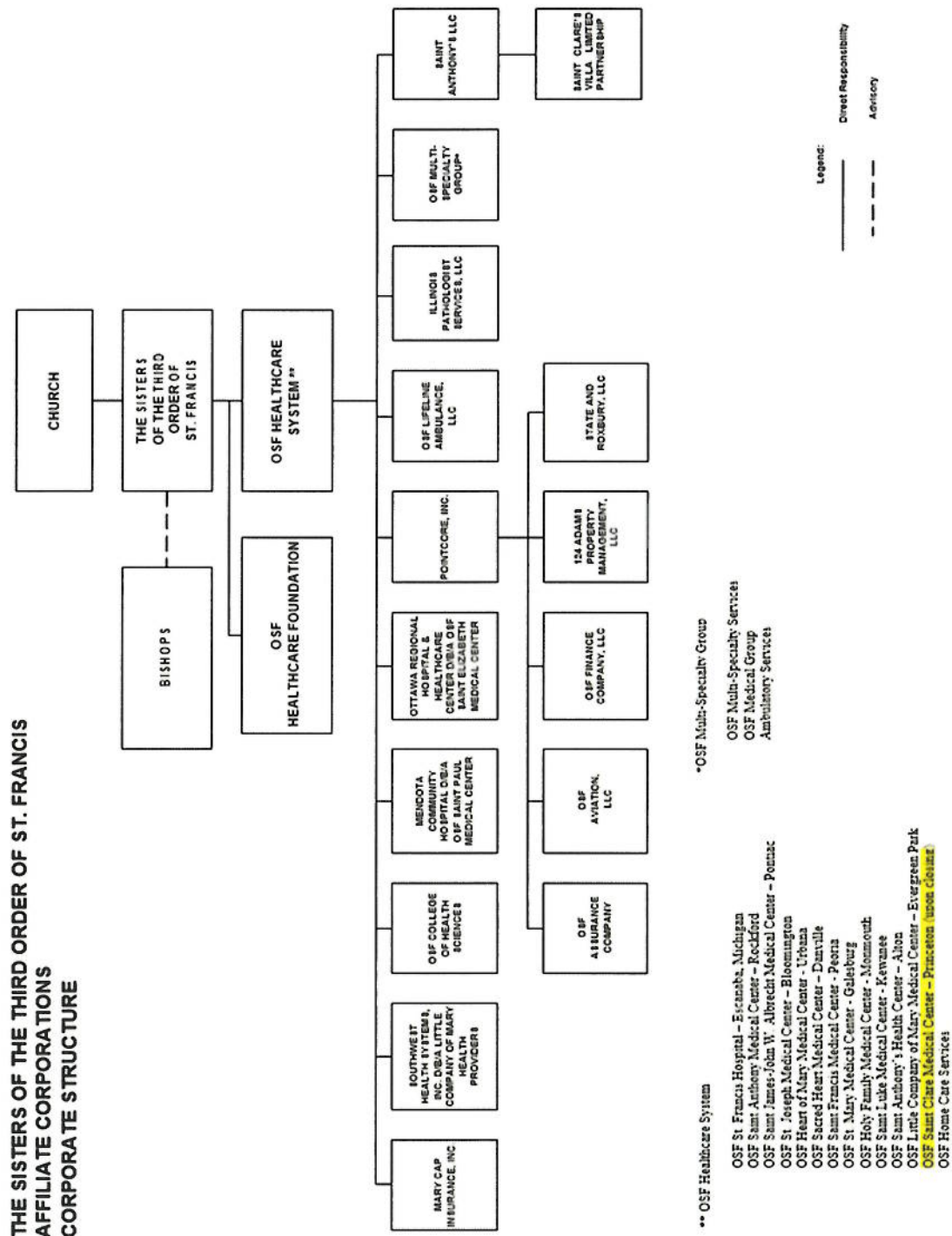
Authenticate at: <http://www.cyberdriveillinois.com>

Attachment 3

Organizational Chart – Pre CHOW



Organizational Chart – Post CHOW



Background of Applicant - Julia Rackley Perry Memorial Hospital

LICENSE, PERMIT, CERTIFICATION, REGISTRATION		
The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.		
Ngozi O. Ezike, M.D. Director		Issued under the authority of the Illinois Department of Public Health
EXPIRATION DATE	CATEGORY	I.D. NUMBER
6/30/2021		0001883
Critical Access Hospital		
Effective: 07/01/2020		
Perry Memorial Hospital 530 Park Ave E Princeton, IL 61356		
The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 TOM 9/18		

Background of Applicant

Julia Rackley Perry Memorial Hospital does hereby attest no adverse action, as that term is defined in the rules of the Illinois Health Facilities and Services Review Board, has been taken against it in the three (3) years preceding this application.

In addition, it authorizes the HFSRB and IDPH to access information necessary to verify information submitted in this application.


Patricia Luker, Interim President & CEO

Subscribed and sworn to before me

This 9 day of March, 2021


Notary Public

<seal>



Attachment 5

Background of Applicant

OSF Healthcare System does hereby attest no adverse action, as that term is defined in the rules of the Illinois Health Facilities and Services Review Board, has been taken against it in the three (3) years preceding this application.

In addition, it authorizes the HFSRB and IDPH to access information necessary to verify information submitted in this application.

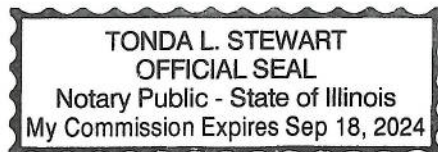

Robert C. Sehring, CEO

Subscribed and sworn to before me

This 23rd day of March, 2021


Notary Public

<seal>



Attachment 5

Background of Applicant – Julia Rackley Perry Memorial Hospital

Julia Rackley Perry Memorial Hospital

530 Park Avenue east

Princeton, Illinois 61356

License #:0001883, Expiration 6/30/21

Joint Commission: Critical Access Hospital-no Joint Commission Certificate

Background of Applicant – OSF Healthcare System**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

Joint Commission: Critical Access Hospital-no Joint Commission Certificate

OSF HealthCare Saint Francis Medical Center

530 NE Glen Oak Avenue

Peoria, Illinois 61637

License #: 0002394, Expiration 12/31/21

Joint Commission: 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

Joint Commission: 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

Joint Commission: 12/20/2019, 36 months

OSF HealthCare St. Joseph Medical Center

2200 E. Washington Street

Bloomington, Illinois 61701

License #: 0002535, Expiration 12/31/21

Joint Commission: 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

Joint Commission: 11/23/19, 36 months

OSF HealthCare Saint Luke Medical Center

1051 West South Street

Kewanee, Illinois 61443

License #: 0005926, Expiration 3/31/22

Joint Commission: Critical Access Hospital-no Joint Commission Certificate

OSF HealthCare Saint Elizabeth Medical Center

1100 E. Norris Drive

Ottawa, Illinois 61350

License #: 0005520, Expiration 5/14/21

Joint Commission: 7/17/20, 36 months

OSF HealthCare St. Mary Medical Center

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

OSF HealthCare Saint Paul Medical Center

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

OSF Healthcare Sacred Heart Medical Center

812 N. Logan Avenue
Danville, Illinois 61832
License #: 0006072, Expiration 2/1/22
Joint Commission: 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
Joint Commission: 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
Joint Commission: 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
Joint Commission: 4/27/19, 36 months

APPLICABLE REVIEW CRITERIA**1130.520(b)(1)(A) - Names of the parties**

The parties to the change of ownership are OSF Healthcare System and Julia Rackley Perry Memorial Hospital.

1130.520(b)(1)(B) - Background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.

See attached certification for (1) OSF Healthcare System, the entity acquiring the assets comprising Julia Rackley Perry Memorial Hospital, and (2) Julia Rackley Perry Memorial Hospital, the entity whose assets are being acquired by OSF Healthcare System.

1130.520(b)(1)(C) - Structure of the transaction

Asset transfer by where Julia Rackley Perry Memorial Hospital will become an operating entity of OSF Healthcare System.

1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction

OSF Healthcare System will adopt a registered name for Julia Rackley Perry Memorial Hospital upon closing which will be OSF Saint Clare Medical Center.

1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.

For the ownership structure pre and post the transaction, please see attachment 4. OSF Healthcare System will become the 100% owner. The Sisters of the Third Order of Saint Francis is the sole corporate member and operator of OSF Healthcare System, which will own Julia Rackley Perry Memorial Hospital in Princeton, Illinois.

1130.520(b)(1)(F) - Fair market value of assets to be transferred.

\$25,000,000 (NOTE: This allocated value is solely for COE purposes.)

1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)]

\$ 0 (transfer of assets)

1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section

OSF Healthcare System affirms that the current CON permits for OSF Healthcare System and will be completed in accordance with the provisions of the this section. Refer to page 7 for the list of projects.

1130.520(b)(3) - If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction

OSF Healthcare System affirms that the charity care policy at Julia Rackley Perry Memorial Hospital will not be more restrictive than its current form, and that its current charity care policy will remain in place and/or be less restrictive for a minimum period of two years from the change of ownership.

Attachment 6

APPLICABLE REVIEW CRITERIA CONTINUED**1130.520(b)(4) - A statement as to the anticipated benefits of the proposed changes in ownership to the community**

The community will benefit from the continued operation of the hospital by OSF Healthcare System, which operates many hospitals in the state of Illinois and by the available capital and shared ministry resources of OSF Healthcare System.

1130.520(b)(5) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership;

Anticipate cost savings in an unknown amount due to economics of scale gained by integration into a large healthcare system.

1130.520(b)(6) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;

Both Julia Rackley Perry Memorial Hospital and OSF Health System have extensive and focused quality improvement and monitoring programs, policies and procedures. OSF will extend QI programs in place, and will review same post change of ownership to align same with OSF's overall system wide quality improvement and monitoring policies upon closing.

1130.520(b)(7) - A description of the selection process that the acquiring entity will use to select the facility's governing body;

The governing body will be the Board of Directors of OSF Healthcare System as appointed by the Sisters of the Third Order of Saint Francis.

1130.520(b)(8) - A statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility

A description of the transaction has been prepared and is available for public review at the facility.

1130.520(b)(9) - A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.

OSF Healthcare System does not anticipate any reductions to the scope of services or level of care provided at the hospital within 24 months after acquisition. Between closing and October 1, 2021, OSF Healthcare System will provide a capital allocation of \$500,000 for projects to be determined.

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

CHARITY CARE – Julia Rackley Perry Memorial Hospital			
	2018	2019	2020
Net Patient Revenue	\$43,846,606	\$41,662,848	\$40,894,887
Amount of Charity Care (charges)	\$430,866	\$330,423	\$263,574
Cost of Charity Care	\$191,917	\$146,510	\$124,239