

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
DISCONTINUATION APPLICATION FOR EXEMPTION

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

Facility/Project Identification

Facility Name: St. Margaret's Health-Spring Valley		
Street Address: 600 East First Street		
City and Zip Code: Spring Valley 61362		
County: Bureau	Health Service Area II	Health Planning Area: C-2

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

Exact Legal Name: St. Margaret's Health-Spring Valley
Street Address: 600 East First Street
City and Zip Code: Spring Valley 61362
Name of Registered Agent: Timothy A. Muntz
Registered Agent Street Address: 600 East First Street
Registered Agent City and Zip Code: Spring Valley 61362
Name of Chief Executive Officer: Timothy A. Muntz
CEO Street Address: 600 East First Street
CEO City and Zip Code: Spring Valley 61362
CEO Telephone Number: 815-664-1372

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                             |  |
- 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: Timothy A. Muntz
Title: President & CEO
Company Name: St. Margaret's Health-Spring Valley
Address: 600 East First Street, Spring Valley, IL 61362
Telephone Number: 815-664-1335
E-mail Address: <a href="mailto:tmuntz@aboutsmh.org">tmuntz@aboutsmh.org</a>
Fax Number: 815-664-1335

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

Name: Roy M. Bossen
Title: Attorney
Company Name: Hinshaw & Culbertson LLP
Address: 151 N. Franklin St., Suite 2500, Chicago, IL 60606
Telephone Number: 312-704-3067
E-mail Address: <a href="mailto:rbossen@hinshawlaw.com">rbossen@hinshawlaw.com</a>
Fax Number: 312-704-3001

**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: Timothy A. Muntz
Title: President & CEO
Company Name: St. Margaret's Health-Spring Valley
Address: 600 East First Street, Spring Valley, IL 61362
Telephone Number: 815-664-1373
E-mail Address: <a href="mailto:tmuntz@aboutsmh.org">tmuntz@aboutsmh.org</a>
Fax Number: 815-664-1335

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: St. Margaret's Health-Spring Valley
Address of Site Owner: 600 East First Street, Spring Valley, IL 61362
Street Address or Legal Description of the Site: <b>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.</b>
<b>APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**Operating Identity/Licensee**

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

Exact Legal Name: St. Margaret's Health-Spring Valley	
Address: 600 East First Street, Spring Valley, IL 61362	
<input checked="" type="checkbox"/> Non-profit Corporation <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Other	<input type="checkbox"/> Partnership <input type="checkbox"/> Governmental <input type="checkbox"/> Sole Proprietorship
<ul style="list-style-type: none"> <li>Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li> <li>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.</li> <li><b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li> </ul>	

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 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.

St. Margaret's Health-Spring Valley is seeking a Certificate of Exemption to allow it to discontinue the Obstetrics ("OB") category of service at St. Margaret's Health-Spring Valley, located at 600 East First Street, Spring Valley, Illinois. This discontinuation of OB is done as part of the consolidation and integration of services resulting from the creation of a regional health system, St. Margaret's Health, with two hospitals: St. Margaret's Health-Spring Valley and St. Margaret's Health-Peru. That regional health system was created after both hospitals received Certificates of Exemption granted by the Illinois Health Facilities and Services Review Board in November 2020, allowing for the integrated system to be created as of January 1, 2021. As a result of evaluation and study, including a review, assessment and evaluation, including consultant's reports, the plan to discontinue the OB category of services at St. Margaret's Health-Spring Valley was developed. It was determined that maintaining two OB departments approximately four and a half miles apart was not economically sustainable or feasible. The discontinuation of this category of service would have a significant savings impact on St. Margaret's Health-Spring Valley, thus, hopefully ensuring a greater opportunity for financial viability and stability for each of the two hospitals serving the Spring Valley and Peru communities.

### 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 \_\_\_ No X. 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.

---

---

---

---

---

**Anticipated exemption completion date** (refer to Part 1130.570): \_\_\_\_\_

### State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable:

- ☒ Cancer Registry
- ☒ APORS
- ☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
- ☒ All reports regarding outstanding permits

**Failure to be up to date with these requirements will result in the Application 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**

St. Margaret's Health-Spring Valley  
600 East First Street, Spring Valley, IL 61362 \*

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.

Timothy A. Muntz  
SIGNATURE

Timothy A. Muntz  
PRINTED NAME

Board Chairperson  
PRINTED TITLE

Tommy Hobbs  
SIGNATURE

Tommy Hobbs  
PRINTED NAME

Board Member  
PRINTED TITLE

## Notarization:

Subscribed and sworn to before me  
this 20<sup>th</sup> day of October, 2021

Bonnie L. Marusich  
Signature of Notary

Seal

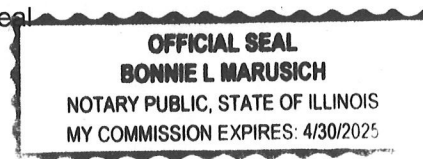


## Notarization:

Subscribed and sworn to before me  
this 20<sup>th</sup> day of October, 2021

Bonnie L. Marusich  
Signature of Notary

Seal



\*Insert the EXACT legal name of the applicant

St. Margaret's Health-Spring Valley

**SECTION II. DISCONTINUATION****Type of Discontinuation**☒ Discontinuation of a single category of service**Criterion 1130.525 and 1110.290 - Discontinuation**

READ THE REVIEW CRITERION and provide the following information:

**GENERAL INFORMATION REQUIREMENTS**

1. Identify the category of service and the number of beds, if any, that are to be discontinued.
2. Identify all of the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide attestation that the facility provided the required notice of the category of service closure to local media that the health care facility would routinely notify about facility events. The supporting documentation shall include a copy of the notice, the name of the local media outlet, the date the notice was given, and the result of the notice, e.g., number of times broadcasted, written, or published. Only notice that is given to a local television station, local radio station, or local newspaper will be accepted.

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

**REASONS FOR DISCONTINUATION**

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

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

**IMPACT ON ACCESS**

1. Document whether or not the discontinuation will have an adverse effect upon access to care for residents of the facility's market area.
2. Provide copies of notification letters sent to other resources or health care facilities that provide the same services as those proposed for discontinuation. The notification letter must include at least the anticipated date of discontinuation and the total number of patients that received care or the number of treatments provided during the latest 24 months.

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

**SECTION III. BACKGROUND**

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 certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit or exemption, 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 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 8.**



**SECTION IV. SAFETY NET IMPACT STATEMENT**

**SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL PROJECTS TO DISCONTINUE A CATEGORY OF SERVICE [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 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 9.**

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



	<b>Medicaid (revenue)</b>				
	Inpatient				
	Outpatient				
	<b>Total</b>				

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

**SECTION V. 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 10.**

CHARITY CARE			
	Year	Year	Year
<b>Net Patient Revenue</b>			
Amount of Charity Care (charges)			
Cost of Charity Care			

**APPEND DOCUMENTATION AS ATTACHMENT 10, 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
2	Site Ownership		18
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.		20
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.		23
5	Discontinuation General Information Requirements		24
6	Reasons for Discontinuation		27
7	Impact on Access		28
8	Background of the Applicant		33
9	Safety Net Impact Statement		34
10	Charity Care Information		35

**ATTACHMENT 1**

**Applicant Identification including Certificate of Good Standing**

Copy of the following Applicant's Illinois Certificate of Good Standing follow this page.

- St. Margaret's Health-Spring Valley

File Number

0961-499-1



***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***

ST. MARGARET'S HEALTH-SPRING VALLEY, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JUNE 19, 1905, 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 #: 2129201380 verifiable until 10/19/2022  
Authenticate at: <http://www.ilsos.gov>

***In Testimony Whereof, I hereto set  
my hand and cause to be affixed the Great Seal of  
the State of Illinois, this 19TH  
day of OCTOBER A.D. 2021 .***

*Jesse White*

SECRETARY OF STATE

**ATTACHMENT 2**  
**Site Ownership**

Proof of Ownership of St. Margaret's Health-Spring Valley follows this page.



# St. Margaret's Health - Spring Valley

*SMP Health System*

600 East First Street  
Spring Valley, IL 61362  
(815) 664-5311  
(815) 223-5346  
aboutsmh.org

October 20, 2021

Courtney Avery  
Administrator  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, IL 62761

Dear Ms. Avery:

I hereby attest that the site of St. Margaret's Health-Spring Valley, located at 600 East First Street, Spring Valley, Illinois is owned by St. Margaret's Health-Spring Valley.

Sincerely,

Tim Muntz  
President & CEO

Subscribed and sworn to before me  
this 20<sup>th</sup> day of October, 2021.

Notary Public

**ATTACHMENT 3**  
**Operating Identity/Licensee**

Copy of the following Applicant's Illinois Certificate of Good Standing and License follow this page.



File Number

0961-499-1



***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***

ST. MARGARET'S HEALTH-SPRING VALLEY, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JUNE 19, 1905, 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 #: 2129201380 verifiable until 10/19/2022  
Authenticate at: <http://www.ilsos.gov>

***In Testimony Whereof, I hereto set  
my hand and cause to be affixed the Great Seal of  
the State of Illinois, this 19TH  
day of OCTOBER A.D. 2021 .***

*Jesse White*

SECRETARY OF STATE

 **Illinois Department of  
PUBLIC HEALTH** HF 122071

**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 State Department of Public Health

EXPIRATION DATE	EXPIRY	IC NUMBER
12/31/2021		0002576

**General Hospital**

Effective: 12/31/2020

St Margaret's Health - Spring Valley  
600 E First St  
Spring Valley, IL 61362

This type of license has a colored background. Printed by Authority of the State of Illinois PO 415-493-001 1/04/9/18

← **DISPLAY THIS PART IN A  
CONSPICUOUS PLACE**

Exp. Date 12/31/2021

Lic Number 0002576

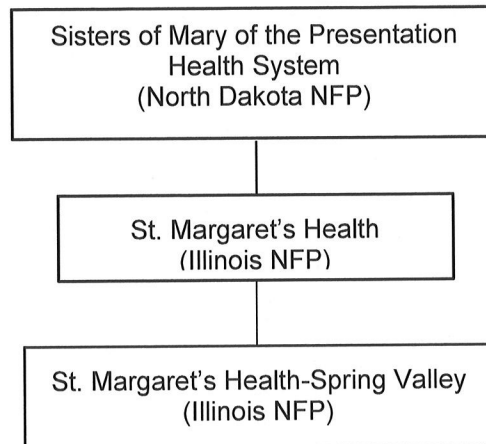
Date Printed 01/21/2021

St Margaret's Health - Spring Valley

600 E First St  
Spring Valley, IL 61362

**FEE RECEIPT NO.**

**ATTACHMENT 4**  
**Organizational Relationships**



**ATTACHMENT 5**  
**Discontinuation Criterion 1130.290**

Criterion 1110.290 (a) General Information.

1. Category of Service

Obstetrics      10

2. Clinical Service Areas

N/A

3. Anticipated Date of Discontinuation.

The applicant anticipates that the Hospital's final date of operation of the Obstetrics category of service will be no more than sixty (60) days after approval of the Application by the Illinois Health Facilities and Services Review Board.

4. Anticipated Use of Physical Plant and Equipment.

As of the filing date of this COE application, the applicant is considering taking this space temporarily out of service with the understanding the space would be available for other uses if the need arises. Equipment will be transferred to other departments, to St. Margaret's Health-Peru, or retired if it is not useable in another setting.

5. Notice to Local Media. The Applicant provided a notice of the proposed discontinuation of the Obstetrics Category of Service at St. Margaret's Health-Spring Valley to local media on October 20, 2021, specifically the News Tribune Paper, a copy of which is attached as Attachment A. The Paper ran the notice on October 20, 2021. A copy of the Paper's proof of publication is also attached as Attachment A.

ATTACHMENT A  
Notice of Publication and Certification

## CERTIFICATE OF PUBLICATION

STATE OF ILLINOIS  
COUNTY OF LA SALLE

No. 1928766

This is to certify that a notice, a true copy of which is hereto attached, was published in the News Tribune, a secular newspaper with one edition only on the date of each publication, of general circulation, in the Counties of LaSalle, Bureau, Marshall, Lee, Putnam, and the adjacent areas, printed and published daily, except Sunday and Friday, in the City of LaSalle, County of LaSalle, and State of Illinois, by The Daily News Tribune, Inc., a corporation organized and existing under the laws of the State of Wyoming, and duly qualified to do business in the State of Illinois 1 times for 1 successive weeks; that the date of the first publication was the 20th day of October 2021, and the last publication in such newspaper was the 20th day of October 2021.

It is further certified that said newspaper, News Tribune, has been continuously published daily, except Sunday and Friday, for a period of more than one year prior to and immediately preceding said notice therein, and that the person who signs the name of said company to this certificate is as it appears by the records of said company, its duly authorized agent for such purpose.

Dated in the City of LaSalle this 20th day of October, 2021.

ST MARGARET'S HEALTH-SPRING VALLEY  
Publication Fees: \$109.50

By

*Jerrifer Ryster*  
(Authorized Agent)

Received Payment:

By

\_\_\_\_\_  
(Authorized Agent)

## Legals

## Notice of Publication

St. Margaret's Health-Spring Valley intends to file a Certificate of Exemption application with the Illinois Health Facilities and Services Review Board (the "Review Board") to discontinue the category of services of Obstetrics at St. Margaret's Health-Spring Valley, located at 600 East First Street, Spring Valley, Illinois 61354. The applicants anticipate that the Review Board will consider the application on or about December 14, 2021. The applicants anticipate that the Hospital's final day of operation of its Obstetrics category of service will be no more than sixty (60) days after the Illinois Health Facilities and Services Review Board approves the Application.

(Published in the News-Tribune October 20, 2021)1928766

## ATTACHMENT 6

### Reasons for Discontinuation

After significant study, assessment and evaluation, a plan was developed to integrate the services of both St. Margaret's Health-Spring Valley and St. Margaret's Health-Peru as an integrated health system to better and more efficiently provide certain services. As part of that plan, St. Margaret's Health-Spring Valley is filing this application to discontinue the category of services of Obstetrics. The decision to discontinue the category of services of Obstetrics was not an easy one. However, after significant study regarding the integrated activities of both hospitals within the St. Margaret's Health System the decision was made to discontinue the category of service of Obstetrics at St. Margaret's Health-Spring Valley. This decision will result in significant savings for St. Margaret's Health-Spring Valley without any sacrifice of services to the community served by St. Margaret's Health through its two hospitals: St. Margaret's Health-Spring Valley and St. Margaret's Health-Peru. In fact, this will enhance the new Health System's ability to continue to provide quality and necessary services. The closing of the Obstetrics Unit at St. Margaret's Health-Spring Valley will allow it to focus on other necessary health care services in the community. **See Attachment 7 for discussion that discontinuation of OB will still result in bed targets still being exceeded.**

Closing the Obstetrics services at St. Margaret's Health-Spring Valley probably would enhance that category of service at St. Margaret's Health-Peru, the other hospital within the St. Margaret's Health System. Obstetrics occupancy at St. Margaret's Health-Spring Valley has been below 20% for the past two years (2019 and 2020). On the other hand, St. Margaret's Health-Peru occupancy has been around 35% and its Obstetrics unit appears to have sufficient capacity to absorb the volume of Obstetrics admissions currently going to St. Margaret's Health-Spring Valley. Historical losses from obstetrics hospitalizations and related inpatient services at St. Margaret's Health-Spring Valley have been in the range of \$1.1MM to \$1.6MM annually. It is anticipated that the integration of services at St. Margaret's Health-Peru would result in savings of more than \$1,200,000 from a reduction on overall staffing and resulting productivity improvements due to providing inpatient Obstetrics services at a single inpatient site. See chart below.

	FY2017	FY2018	FY2019	FY2020
Charges	6,353,076	6,718,396	6,354,512	5,921,947
Collections	1,211,351	1,304,021	1,395,374	1,153,683
Costs	2,761,943	2,553,992	2,471,309	2,408,216
Net Income(Loss)	(1,550,592)	(1,249,971)	(1,075,935)	(1,254,533)

**ATTACHMENT 7**  
**Impact on Access**

## Criterion 1110.290 (c) – Impact on Access of Obstetric Category of Services

1. Pursuant to 77 Ill. Adm. 1110.290 (c), and as set forth below, the discontinuation of the OB category of service at the Hospital will not have an adverse impact upon the ability of OB patients to access OB services in the Hospital's market area because: (a) there are two other hospitals in the Hospital's market area that provide inpatient OB units; (b) the current number of obstetric beds in the Planning Area are 29. With the discontinuation of St. Margaret's Health-Spring Valley, there would be 19 OB beds. The Planning Board statistics indicate there is a need for the 16 OB beds. With the discontinuation of the St. Margaret's Health-Spring Valley beds, there will be an excess of 3. Furthermore, the OB occupancy at St. Margaret's Health-Spring Valley fell from 21.8% in 2017 to 15.6% in 2020. St. Margaret's Health-Peru saw a similar decline from 37.6% in 2017 to 33% in 2020; (c) on information and belief, every hospital in the Hospital's market area participates in the Medicaid Program; (d) on information and belief, every hospital in the Hospital's market area does not have any conditions, restrictions or limitations that would prevent said hospitals from serving the patient population historically served by the Hospital's inpatient OB unit; (e) the number of OB patients at St. Margaret's Health-Spring Valley can be absorbed by St. Margaret's Health-Peru; (f) the discontinuation of the Hospital's 10 OB beds will not create a shortage of OB beds in the Hospital's market area. In addition, the discontinuation of the Hospital OB beds should result in a higher utilization of the surrounding hospitals, and reduce their cost per unit of service, which would improve those hospitals' ability to cross-subsidize safety net services. Upon discontinuation of the OB beds, there still will be an excess number of beds in the Planning Area.

## Hospital Volumes (Beds)

2. The number of OB admissions at the Hospital has decreased from 336 in 2017 to 284 in 2020, representing a decrease in admissions of 52 per year. The Hospital's OB average daily census has decreased from 2.1 in 2017 to 1.4 in 2020, as set forth in the chart below.

**St. Margaret's Health-Spring Valley Obstetric (Maternity)**  
**Inpatient Beds and Occupancy**

Year	Admissions	Admissions Increase/Decrease Year Over Year	Average Daily Census	CON Authorized Beds	CON Occupancy Rate
2017	336	(13)	2.1	10	21%
2018	323	(13)	2.0	10	20%
2019	290	(33)	1.9	10	19%
2020	284	(6)	1.4	10	14%

**St. Margaret's Health-Peru Obstetric (Maternity)**  
**Inpatient Beds and Occupancy**

Year	Admissions	Admissions Increase/Decrease Year Over Year	Average Daily Census	CON Authorized Beds	CON Occupancy Rate
2017	459	12	2.6	7	38%
2018	382	(77)	2.4	7	34%
2019	399	17	2.4	7	35%
2020	362	(37)	2.1	7	30%



**OSF Saint Elizabeth Medical Center Obstetric (Maternity)  
Inpatient Beds and Occupancy**

Year	Admissions	Admissions Increase/Decrease Year Over Year	Average Daily Census	CON Authorized Beds	CON Occupancy Rate
2017	413	(68)	3.0	12	25%
2018	366	47	2.7	12	22%
2019	422	56	2.9	12	24%
2020	435	13	2.7	12	23%

The number of births at the Hospital has decreased from 323 in 2017 to 281 in 2020, representing a decrease of 42 births between 2017 and 2020, as set forth in the following chart:

**St. Margaret's Health-Spring Valley Births**

Year	Total Births	Total Births Increase/Decrease Year Over Year	Total Births Increase/Decrease Percent Year Over Year
2017	323	(19)	(6%)
2018	330	7	2%
2019	289	(41)	(12%)
2020	281	(8)	(3%)

**St. Margaret's Health-Peru Births**

Year	Total Births	Total Births Increase/Decrease Year Over Year	Total Births Increase/Decrease Percent Year Over Year
2017	443	8	2%
2018	364	(79)	(18%)
2019	381	17	5%
2020	347	(34)	(9%)

**OSF Saint Elizabeth Medical Center Births**

Year	Total Births	Total Births Increase/Decrease Year Over Year	Total Births Increase/Decrease Percent Year Over Year
2017	312	(55)	(12%)
2018	351	(41)	(10%)
2019	399	48	14%
2020	414	15	4%

Source for Data: Hospital Profile Reports for 2017, 2018, 2019 and 2020. Annual Hospital Questionnaire, Illinois Department of Public Health, Division of Health Systems Development.



Letters sent to OSF Saint Elizabeth Medical Center and St. Margaret's Health-Peru

**St. Margaret's Health - Spring Valley***SMP Health System*600 East First Street  
Spring Valley, IL 61362  
(815) 664-5311  
(815) 223-5346  
aboutsmh.org

October 11, 2021

Mr. Tommy Hobbs  
Vice President-Operations  
St. Margaret's Health-Peru  
925 West Street  
Peru, IL 61354Re: Discontinuation of Obstetrics Category of Service at  
St. Margaret's Health-Spring Valley

Dear Mr. Hobbs:

As you know, St. Margaret's Health-Spring Valley and St. Margaret's Health-Peru have become part of the St. Margaret's Health integrated health system. This health system was created January 1, 2021 pursuant to a corporate reorganization and change of ownership exemptions granted by the Illinois Health Facilities and Services Review Board.

In accordance with the Illinois Health Facilities and Services Review Board Rules, Section 1110.290 (d), I am notifying you of St. Margaret's Health-Spring Valley's intent to discontinue its Obstetrics category of service. We anticipate that the discontinuation will be some time in the early part of 2022, depending on obtaining approval from the Illinois Health Facilities and Services Review Board of our COE discontinuation application. Please note that St. Margaret's Health-Spring Valley had 574 obstetrical admissions in the last two years. As you may know, in our planning area C2, there are excess beds for that category of service. With respect to the OB beds, with the discontinuation of the ten beds authorized at St. Margaret's Health-Spring Valley, there still will be a significant number of beds in the C2 planning area.



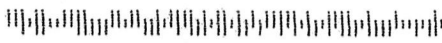
We hope that with the discontinuation of the OB category of service at St. Margaret's Health-Spring Valley, many of those patients will be treated at St. Margaret's Health-Peru, although it is quite likely that the discontinuation of this service at St. Margaret's Health-Spring Valley could lead to additional utilization of your hospital for OB services.

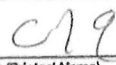

Sincerely,

Tim Muntz  
President & CEO

TM/blm

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
DISCONTINUATION APPLICATION FOR EXEMPTION- 08/2019 Edition

USPS TRACKING#			
		First-Class Mail Postage & Fees Paid USPS Permit No. G-10	
9590 9402 5926 0049 3527 73			
United States Postal Service	* Sender: Please print your name, address, and ZIP+4® in this box*  Tim Muntz St. Margaret's Health-Spring Valley 600 E. First Street Spring Valley, IL 61362		
			

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature X  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to:  Mr. Tommy Hobbs VP of Operations St. Margaret's Health-Peru 925 West Street Peru, IL 61354		B. Received by (Printed Name) C. Date of Delivery  D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
 9590 9402 5926 0049 3527 73		3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery	
2 EJ 864 477 554 US		Domestic Return Receipt	
PS Form 3811, July 2015 PSN 7530-02-000-9053			



## St. Margaret's Health - Spring Valley

*SMP Health System*

600 East First Street  
Spring Valley, IL 61362  
(815) 664-5311  
(815) 223-5346  
aboutsmh.org

October 11, 2021

Ms. Dawn Trompeter  
President  
OSF Saint Elizabeth Medical Center  
1100 East Norris Drive  
Ottawa, IL 61350

Re: Discontinuation of Obstetrics Category of Service at  
St. Margaret's Health-Spring Valley

Dear Ms. Trompeter:

As you know, St. Margaret's Health-Spring Valley and St. Margaret's Health-Peru have become part of the St. Margaret's Health integrated health system. This health system was created January 1, 2021 pursuant to a corporate reorganization and change of ownership exemptions granted by the Illinois Health Facilities and Services Review Board.

In accordance with the Illinois Health Facilities and Services Review Board Rules, Section 1110.290 (d), I am notifying you of St. Margaret's Health-Spring Valley's intent to discontinue its Obstetrics category of service. We anticipate that the discontinuation will be some time in the early part of 2022, depending on obtaining approval from the Illinois Health Facilities and Services Review Board of our COE discontinuation application. Please note that St. Margaret's Health-Spring Valley had 574 obstetrical admissions in the last two years. As you may know, in our planning area C2, there are excess beds for that category of service. With respect to the OB beds, with the discontinuation of the ten beds authorized at St. Margaret's Health-Spring Valley, there still will be a significant number of beds in the C2 planning area.

We hope that with the discontinuation of the OB category of service at St. Margaret's Health-Spring Valley, many of those patients will be treated at St. Margaret's Health-Peru, although it is quite likely that the discontinuation of this service at St. Margaret's Health-Spring Valley could lead to additional utilization of your hospital for OB services.

Sincerely,

  
Tim Muntz  
President & CEO

TM/blm

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
DISCONTINUATION APPLICATION FOR EXEMPTION- 08/2019 Edition

USPS TRACKING#		FIRST CLASS MAIL PERMIT NO. G-10	
9590 9402 5926 0049 3527 66			
United States Postal Service	* Sender: Please print your name, address, and ZIP+4® in this box*  Tim Muntz St. Margaret's Health-Spring Valley 600 E. First Street Spring Valley, IL 61362		

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature X <i>JSF muntz</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to:  Ms. Dawn Trompeter President OSF Saint Elizabeth Medical Center 1100 East Norris Drive Ottawa, IL 61350		B. Received by (Printed Name) C. Date of Delivery C. J. R. 10/16/21	
2. 9590 9402 5926 0049 3527 66 EJ 864 477 545 US		D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:	
3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)		<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery	

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

Domestic Return Receipt

**ATTACHMENT 8**  
**Background of the Applicant**

**St. Margaret's Health-Spring Valley**

1. Applicant, St. Margaret's Health-Spring Valley, either owns and/or operates the following facilities (with applicable certification and licensing information, if applicable).

St. Margaret's Health-Spring Valley, License Number 0002576, Medicare Number 14-0143.

2. St. Margaret's Health-Spring Valley, by its representatives' signatures to its certificate page of this Application certifies that neither Medicare, Medicaid, nor any state or federal regulatory authority has taken any adverse action against any facility that applicant owns or operates, either directly or indirectly, during the three years before the filing of this Application; and

3. St. Margaret's Health-Spring Valley, by its representatives' signatures to its certification page on this Application, authorizes the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health to access documentation (including official records of IDPH or other state agencies, the licensing or certification records of other states, when applicable, and the records of nationally-recognized accreditation organizations) necessary to verify any documentation or information Applicant submitted in this Application.

**ATTACHMENT 9**  
**Safety Net Impact Statement**

Safety Net Information per PA 96-0031			
ST. MARGARET'S HEALTH-SPRING VALLEY CHARITY CARE			
Charity (# of patients)	Year 2018	Year 2019	Year 2020
Inpatient	148	158	145
Outpatient	2,018	1,508	1,866
<b>Total</b>	<b>2,166</b>	<b>1,666</b>	<b>2,011</b>
Charity (cost in dollars)			
Inpatient	159,558	204,619	230,323
Outpatient	819,239	890,336	934,085
<b>Total</b>	<b>978,797</b>	<b>1,094,955</b>	<b>1,164,408</b>
MEDICAID			
Medicaid (# of patients)	Year 2018	Year 2019	Year 2020
Inpatient	595	542	432
Outpatient	9,090	8,034	7,552
<b>Total</b>	<b>9,685</b>	<b>8,576</b>	<b>7,984</b>
Medicaid (revenue)			
Inpatient	782,540	865,401	824,081
Outpatient	6,212,139	6,155,815	5,677,379
<b>Total</b>	<b>6,994,679</b>	<b>7,021,216</b>	<b>6,501,460</b>

**Safety Net Impact Statement**

The discontinuation of these beds will not negatively impact other safety net providers, and will not affect the ability of other providers to provide safety net services. In the C-2 Planning Area, two of the four other hospitals do not provide obstetrical services, so there should be no impact to those facilities. The other two hospitals, OSF Saint Elizabeth's Medical Center and St. Margaret's Health-Peru, will be able to absorb the additional OB patients necessary in the community.

Both hospitals have significant excess OB capacity and, in fact, neither is operating at more than thirty-eight percent (38%) capacity. As indicated in Attachment 7, the number of OB admissions to St. Margaret's Health-Spring Valley has steadily decreased in the years from 2017 through 2020. St. Margaret's Health-Peru Obstetrical inpatient occupancy in that time period has decreased from thirty-eight percent (38%) to thirty percent (30%). OSF Saint Elizabeth Medical Center Obstetrical inpatient bed and occupancy has not exceed twenty-five percent (25%) in those same years.

Thus, the two remaining hospitals in the C-2 Planning Area will be able to absorb patients who formerly may have gone to St. Margaret's Health-Spring Valley. Furthermore, the number of total births at St. Margaret's Health-Spring Valley in the four year period decreased by forty-two (42). St. Margaret's Health-Peru births decreased by 96, and Saint Elizabeth Medical Center births increased slightly. These numbers suggest that the discontinuation of the ten (10) beds at St. Margaret's Health-Spring Valley will not have a negative impact on the safety net providers, and will not affect the ability of those providers to provide safety net services.

We are unaware of any restrictions or limitations that would prevent the two other hospitals providing OB services in the C-2 Planning Area, that would interfere with their ability to provide services to patients within the community. We also understand that both hospitals continue to take Medicaid patients and provide charity care. Thus, the discontinuation of the Hospital's OB beds can be absorbed by St. Margaret's Health-Peru and OSF Saint Elizabeth Medical Center and still maintain appropriate services for the Medicaid population and charity care population in the relevant service area. In fact, the discontinuation of those services should result in a higher utilization of the surrounding hospitals, and reduce their cost per unit of service, which would improve those hospitals' ability to cross-subsidize safety net services.

**ATTACHMENT 10**  
**Charity Care Information**

ST. MARGARET'S HEALTH-SPRING VALLEY CHARITY CARE			
	Year 2018	Year 2019	Year 2020
Net Patient Revenue	87,625,423	88,328,911	77,173,881
Amount of Charity Care (charges)	2,782,404	3,107,462	3,490,150
Cost of Charity Care	978,797	1,094,955	1,164,408





## AUGUST 2019 EDITION

## TABLE OF CONTENTS

[illegible]

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
525 WEST JEFFERSON STREET, 2nd FLOOR  
SPRINGFIELD, ILLINOIS 62761  
(217) 782-3516**