

**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: OSF Saint Francis Medical Center Cancer Center 3 <sup>rd</sup> Floor Build-Out		
Street Address: 530 Northeast Glen Oak Avenue		
City and Zip Code: Peoria, Illinois 61637		
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 d/b/a OSF Saint Francis Medical Center		
Street Address: 124 SW Adams Street		
City and Zip Code: Peoria, Illinois 61602		
Name of Registered Agent: Sister Theresa Ann Barzeau, OSF		
Registered Agent Street Address: 1175 St. Francis Lane		
Registered Agent City and Zip Code: East Peoria, Illinois 61611		
Name of Chief Executive Officer: Robert C. Sehring		
CEO Street Address: 124 SW Adams Street		
CEO City and Zip Code: Peoria, Illinois 61620		
CEO Telephone Number: 309-655-2850		

**Type of Ownership of Applicants**

<input checked="" type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership	
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental	
<input type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship	<input type="checkbox"/> Other
<ul style="list-style-type: none"> <li>○ Corporations and limited liability companies must provide an <b>Illinois certificate of good standing</b>.</li> <li>○ 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.</li> </ul>				
<b>APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>				

**Primary Contact** [Person to receive ALL correspondence or inquiries]

Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli PC
Address: 150 North Riverside Plaza, Suite 3000, Chicago, Illinois 60606-1599
Telephone Number: 312-873-3639
E-mail Address: <a href="mailto:kfriedman@polsinelli.com">kfriedman@polsinelli.com</a>
Fax Number:

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

Name: Mark E. Hohulin
Title: Senior Vice President, Healthcare Analytics
Company Name: OSF HealthCare System
Address: 124 SW Adams Street, Peoria, Illinois 61602
Telephone Number: 309-308-9656
E-mail Address: <a href="mailto:mark.e.hohulin@osfhealthcare.org">mark.e.hohulin@osfhealthcare.org</a>
Fax Number: 309-308-0530

**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: 124 SW Adams Street, Peoria, Illinois 61602
Telephone Number: 309-308-9656
E-mail Address: <a href="mailto:mark.e.hohulin@osfhealthcare.org">mark.e.hohulin@osfhealthcare.org</a>
Fax Number: 309-308-0530

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: OSF HealthCare System
Address of Site Owner: 124 SW Adams Street, Peoria, Illinois 61602
Street Address or Legal Description of the Site: 530 Northeast Glen Oak Avenue, Peoria, Illinois 61603 <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: OSF HealthCare System d/b/a OSF Saint Francis Medical Center
Address: 530 Northeast Glen Oak Avenue, Peoria, Illinois 61603
<input checked="" type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none"> <li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li> <li>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.</li> <li>o <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li> </ul>
<b>APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**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.

<b>APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>
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**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](http://www.FEMA.gov) or [www.illinoisfloodmaps.org](http://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.

This Certificate of Need permit application pertains to the OSF Saint Francis Medical Center ("OSF") Comprehensive Cancer Center to be located at 530 Northeast Glen Oak Avenue, Peoria, Illinois 61603 (Proj. No. 19-057). Specifically, the OSF Comprehensive Cancer Center CON permit issued on February 25, 2020 provided for the completion of two floors, a lower level and penthouse and also the construction of a third and fourth floor core and shell ("shell space"). As required by the Health Facilities and Services Review Board ("State Board") rules, as part of the Comprehensive Cancer Center permit, OSF provided an anticipated date for developing and utilizing the shell space and further attested it would submit a Certificate of Need permit application for the development and use of this 3<sup>rd</sup> floor shell space prior to any construction relating to the shell space or other use of the shell space. As stated in the Comprehensive Cancer Center Certificate of Need permit application, OSF anticipated it would submit this application and place the shell space into service no later than twelve months of completion of the Comprehensive Cancer Center.

As a need for the 3<sup>rd</sup> and 4<sup>th</sup> floor space has been identified, OSF now, pursuant to this CON permit application, proposes to develop and utilize the third-floor shell space created pursuant to the Comprehensive Cancer Center permit at a cost of \$13,231,250. In this shell space, OSF proposes to construct physician office space.

This project is a non-substantive project, according to Section 1110.20(b) of the State Board rules, as it does not propose the establishment or discontinuation of a health care facility or category of service, increase in the number of beds, redistribution of beds among various categories of service, or relocation of beds from one physical facility or site to another.

### 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.

<b>Project Costs and Sources of Funds</b>			
<b>USE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Preplanning Costs		\$100,000	\$100,000
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts		\$9,500,000	\$9,500,000
Modernization Contracts			
Contingencies		\$400,000	\$400,000
Architectural/Engineering Fees		\$800,000	\$800,000
Consulting and Other Fees		\$200,000	\$200,000
Movable or Other Equipment (not in construction contracts)		\$1,500,000	\$1,500,000
Bond Issuance Expense (project related)		\$125,000	\$125,000
Net Interest Expense During Construction (project related)		\$606,250	\$606,250
Fair Market Value of Leased Space or Equipment			
Other Costs to Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
<b>TOTAL USES OF FUNDS</b>		<b>\$13,231,250</b>	<b>\$13,231,250</b>
<b>SOURCE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)		\$13,231,250	\$13,231,250
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
<b>TOTAL SOURCES OF FUNDS</b>		<b>\$13,231,250</b>	<b>\$13,231,250</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			



**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.**

**Not Reviewable Space [i.e. non-clinical]:** means an area for the benefit of the patients, visitors, staff or employees of a health care facility and not directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility. "Non-clinical service areas" include, but are not limited to, chapels; gift shops; newsstands; computer systems; tunnels, walkways, and elevators; telephone systems; projects to comply with life safety codes; educational facilities; student housing; patient, employee, staff, and visitor dining areas; administration and volunteer offices; modernization of structural components (such as roof replacement and masonry work); boiler repair or replacement; vehicle maintenance and storage facilities; parking facilities; mechanical systems for heating, ventilation, and air conditioning; loading docks; and repair or replacement of carpeting, tile, wall coverings, window coverings or treatments, or furniture. Solely for the purpose of this definition, "non-clinical service area" does not include health and fitness centers. [20 ILCS 3960/3]

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

**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**.

<b>FACILITY NAME: OSF Saint Francis Medical Center</b>		<b>CITY: Peoria</b>			
<b>REPORTING PERIOD DATES: From: January 1, 2020 to: December 31, 2020</b>					
<b>Category of Service</b>	<b>Authorized Beds</b>	<b>Admissions</b>	<b>Patient Days</b>	<b>Bed Changes</b>	<b>Proposed Beds</b>
Medical/Surgical	399	17,225	106,362	0	0
Obstetrics	52	2,887	8,184	0	0
Pediatrics	40	1,606	9,436	0	0
Intensive Care	91	5,465	20,779	0	0
Comprehensive Physical Rehabilitation	27	532	7,310	0	0
Acute/Chronic Mental Illness	0	0	0	0	0
Neonatal Intensive Care	40	421	9,444	0	0
General Long-Term Care	0	0	0	0	0
Specialized Long-Term Care	0	0	0	0	0
Long Term Acute Care	0	0	0	0	0
Other ((identify))	0	0	0	0	0
<b>TOTALS:</b>	<b>649</b>	<b>28,136</b>	<b>161,515</b>	<b>0</b>	<b>0</b>



**CERTIFICATION**

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

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

**This Application for Permit 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 for permit 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 permit application 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

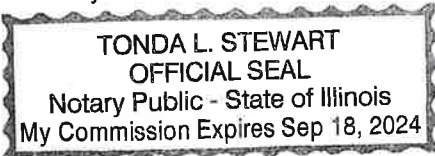
Notarization:

Subscribed and sworn to before me  
this 27 day of April 2022

*Tonda L. Stewart*

Signature of Notary

Seal



\*Insert EXACT legal name of the applicant

*Mike A. Cruz*

SIGNATURE

Mike A. Cruz, M.D.

PRINTED NAME

Chief Executive Officer, Central Region

PRINTED TITLE

Notarization:

Subscribed and sworn to before me  
this 27 day of April 2022

*Tonda L. Stewart*

Signature of Notary

Seal

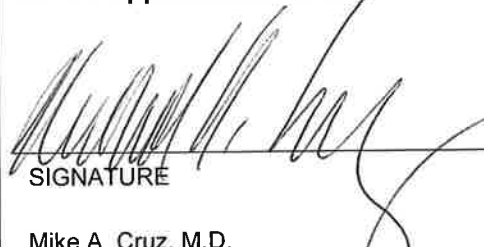


**CERTIFICATION**

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


**This Application for Permit is filed on the behalf of OSF Saint Francis Medical Center\* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit 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 permit application fee required for this application is sent herewith or will be paid upon request.**

  
 \_\_\_\_\_  
 SIGNATURE


Mike A. Cruz, M.D.  
 \_\_\_\_\_  
 PRINTED NAME

Chief Executive Officer, Central Region  
 \_\_\_\_\_  
 PRINTED TITLE

Notarization:  
 Subscribed and sworn to before me  
 this 27 day of April, 2022

  
 \_\_\_\_\_  
 Signature of Notary



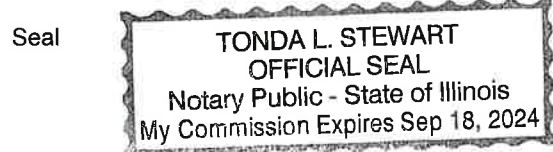
  
 \_\_\_\_\_  
 SIGNATURE

Robert G. Anderson  
 \_\_\_\_\_  
 PRINTED NAME

President  
 \_\_\_\_\_  
 PRINTED TITLE

Notarization:  
 Subscribed and sworn to before me  
 this 26<sup>th</sup> day of April, 2022

  
 \_\_\_\_\_  
 Signature of Notary



\*Insert EXACT legal name of the applicant

**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:**

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:**

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.**

SECTION VI. SERVICE SPECIFIC REVIEW CRITERIA

This Section is applicable to all projects proposing the establishment, expansion or modernization of categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion, and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria and provide the required information **APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:**

**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
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

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
<b>APPEND DOCUMENTATION AS ATTACHMENT 31, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>	

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)

**VII. 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]:

_____		<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> <li>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</li> <li>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;</li> </ol>
_____		<p>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.</p>
_____		<p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated timetable of receipts;</p>
<u>\$13,231,250</u>		<p>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:</p> <ol style="list-style-type: none"> <li>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;</li> <li>2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;</li> <li>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.;</li> <li>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;</li> <li>5) For any option to lease, a copy of the option, including all</li> </ol>



	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.
<b>\$13,231,250</b>	<b>TOTAL FUNDS AVAILABLE</b>
<b>APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>	

**SECTION VIII. 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 35, 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
<b>Enter Historical and/or Projected Years:</b>				
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 36, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**SECTION IX. 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									
<b>TOTALS</b>									

\* 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 37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**SECTION X. 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, ***including the impact on racial and health care disparities 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			
<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>			
Medicaid (revenue)	Year	Year	Year
Inpatient			

	Outpatient			
	<b>Total</b>			

APPEND DOCUMENTATION AS ATTACHMENT 38, 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
<b>Net Patient Revenue</b>			
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: OSF HealthCare System d/b/a OSF Saint Francis Medical Center 530 Northeast Glen Oak Avenue  
 (Name) (Address)  
 Peoria Illinois 61637 309-655-2000  
 (City) (State) (ZIP Code) (Telephone Number)

2. Project Location: 530 Northeast Glen Oak Avenue Peoria, Illinois  
 (Address) (City) (State)  
 Peoria Peoria  
 (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 X**

**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: \_\_\_\_\_

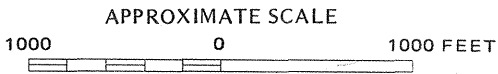
(City) (State) (ZIP Code) (Telephone Number)

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**





NATIONAL FLOOD INSURANCE PROGRAM

**FIRM**  
FLOOD INSURANCE RATE MAP

CITY OF  
**PEORIA,**  
**ILLINOIS**  
PEORIA COUNTY

PANEL 20 OF 20

COMMUNITY-PANEL NUMBER  
170536 0020 B

EFFECTIVE DATE:  
FEBRUARY 1, 1980



U.S. DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT  
FEDERAL INSURANCE ADMINISTRATION

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at [www.msc.fema.gov](http://www.msc.fema.gov)

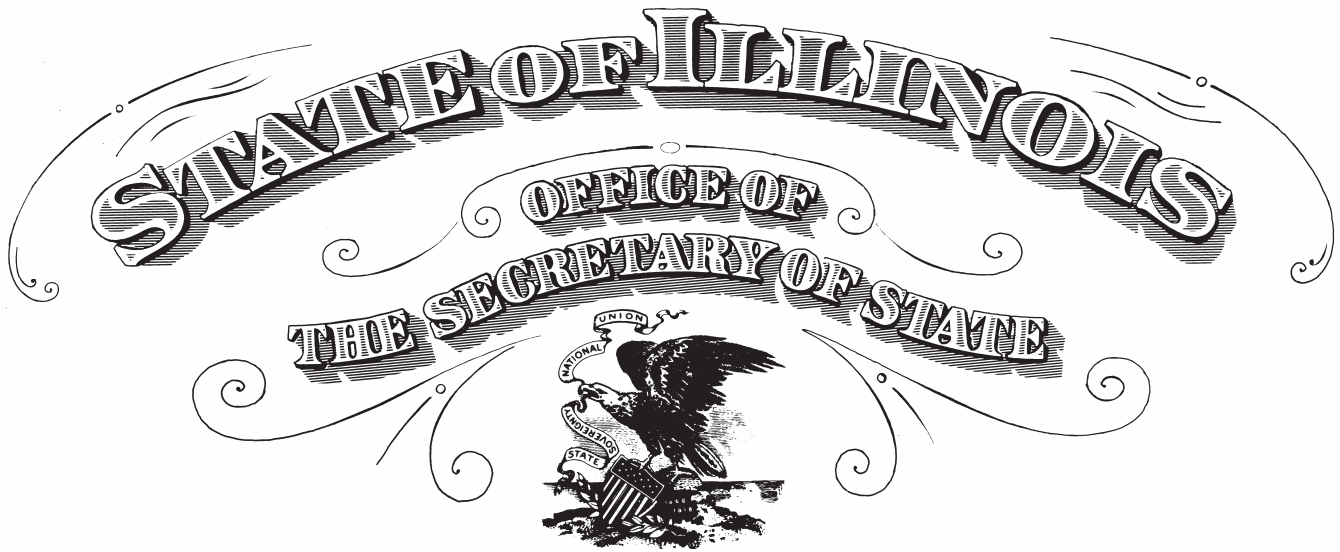
**Section I, Identification, General Information, and Certification**  
**Applicants**

The Certificate of Good Standing for OSF HealthCare System is attached at Attachment – 1.

OSF Saint Francis Medical Center will be the operator of the Comprehensive Cancer Center. OSF Saint Francis Medical Center is a trade name of OSF HealthCare System and is not separately organized.

File Number

0107-414-8

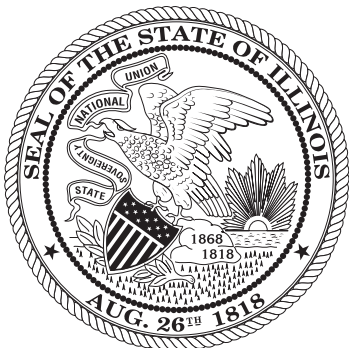


**To all to whom these Presents Shall Come, Greeting:**

*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 15TH day of SEPTEMBER A.D. 2021 .***



*Jesse White*

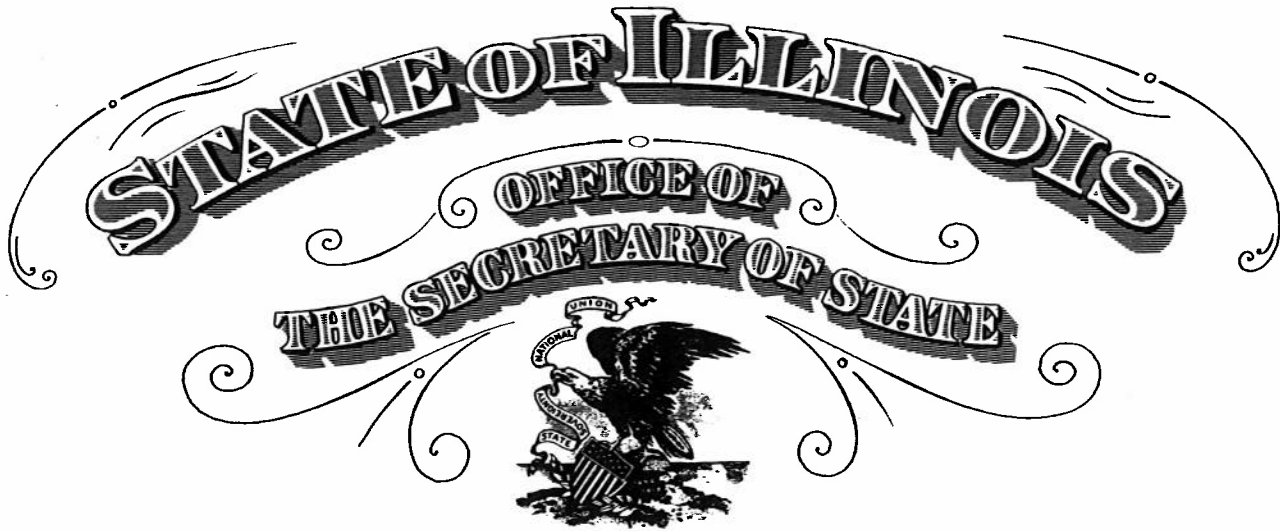
SECRETARY OF STATE

Authentication #: 2125801026 verifiable until 09/15/2022

Authenticate at: <http://www.ilsos.gov>

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, ADOPTED THE ASSUMED NAME OSF SAINT FRANCIS MEDICAL CENTER ON APRIL 16, 2020, 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 1ST day of APRIL A.D. 2022 .***



*Jesse White*

SECRETARY OF STATE

Authentication #: 2209101358 verifiable until 04/01/2023  
Authenticate at: <http://www.ilsos.gov>

**Section I, Identification, General Information, and Certification**  
**Site Ownership**

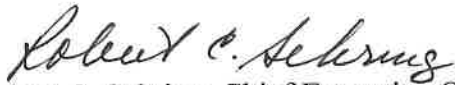
Attached at Attachment – 2 is a notarized statement from OSF HealthCare System attesting to its ownership of the site of the proposed Comprehensive Cancer Center, which is to be located on the main campus of OSF Saint Francis Medical Center.

Richard Sewell, Chairman  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2nd Floor  
Springfield, Illinois 62761

Dear Mr. Sewell:

My name is Robert C. Sehring. As Chief Executive Officer, OSF Healthcare System, I certify that OSF Healthcare System owns the site of the proposed OSF Comprehensive Cancer Center & Proton Beam Therapy.

Sincerely,



Robert C. Sehring, Chief Executive Officer  
OSF Healthcare System

Subscribed and sworn to me

This 12<sup>th</sup> day of November, 2019



Notary Public



**Section I, Identification, General Information, and Certification**  
**Operating Entity/Licensee**

The Illinois Certificate of Good Standing for OSF HealthCare System is attached at Attachment – 3.

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, ADOPTED THE ASSUMED NAME OSF SAINT FRANCIS MEDICAL CENTER ON APRIL 16, 2020, 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 1ST day of APRIL A.D. 2022 .***



*Jesse White*

SECRETARY OF STATE

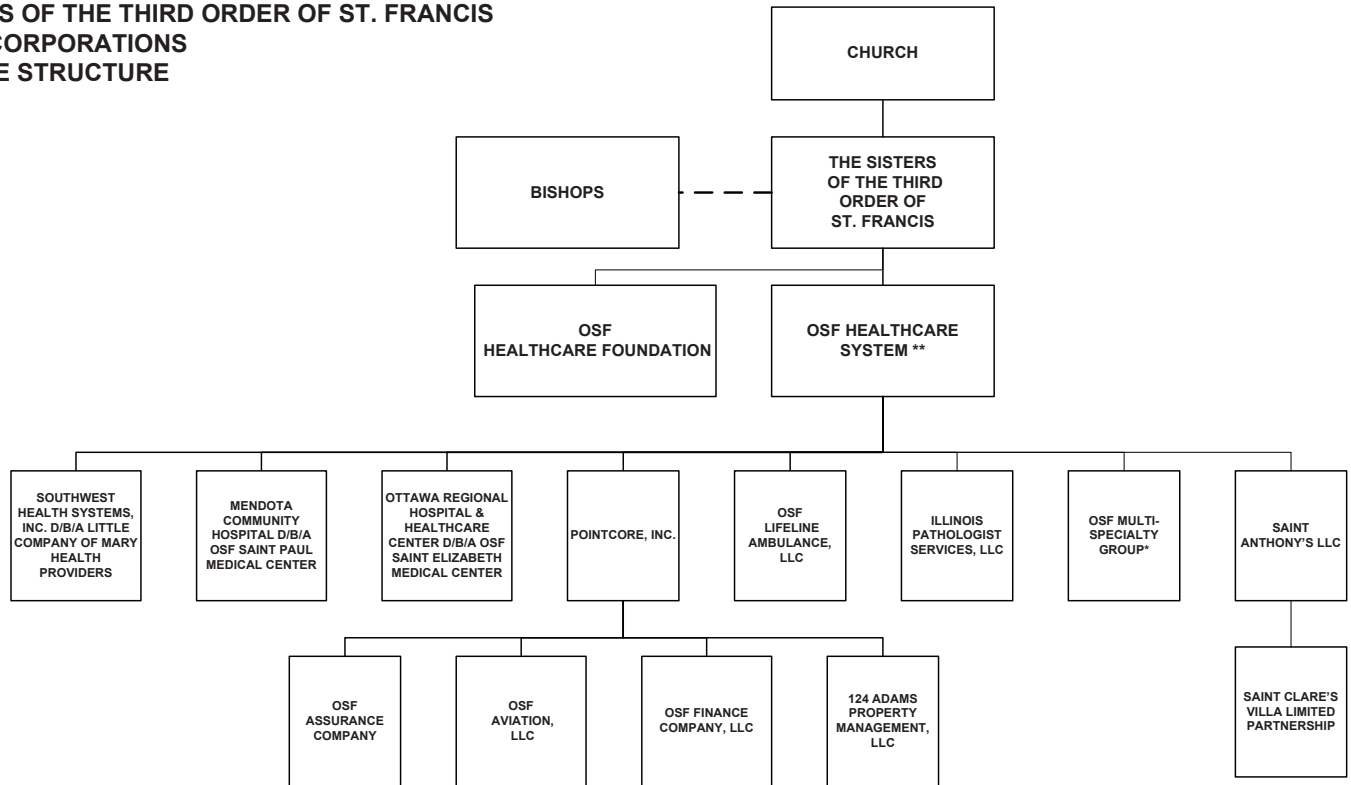
Authentication #: 2209101358 verifiable until 04/01/2023  
Authenticate at: <http://www.ilsos.gov>



**Section I, Identification, General Information, and Certification**  
**Organizational Relationships**

The organizational chart for OSF HealthCare System is attached at Attachment – 4.

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



\*\* OSF Healthcare System

- 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 Clare Medical Center - Princeton
- OSF Saint Anthony’s Health Center – Alton
- OSF Little Company of Mary Medical Center – Evergreen Park
- OSF Home Care Services

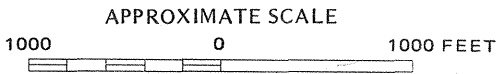
\*OSF Multi-Specialty Group

- OSF Multi-Specialty Services
- OSF Medical Group
- Ambulatory Services



**Section I, Identification, General Information, and Certification**  
**Flood Plain Requirements**

The site of the Comprehensive Cancer Center complies with the requirements of Illinois Executive Order #2006-5. The Comprehensive Cancer Center is located on the campus of OSF Saint Francis Medical Center (530 Northeast Glen Oak Avenue, Peoria, Illinois 61637). The site is located northeast of the main hospital building, adjacent to the Forest Park Building. As shown in the documentation from the FEMA Flood Map Service Center attached at Attachment – 5. The interactive map for Panel 1705360020B reveals that this area is located in an area of minimal flood hazard (Zone C).



NATIONAL FLOOD INSURANCE PROGRAM

**FIRM**  
FLOOD INSURANCE RATE MAP

CITY OF  
**PEORIA,**  
**ILLINOIS**  
PEORIA COUNTY

PANEL 20 OF 20

COMMUNITY-PANEL NUMBER  
170536 0020 B

EFFECTIVE DATE:  
FEBRUARY 1, 1980



U.S. DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT  
FEDERAL INSURANCE ADMINISTRATION

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at [www.msc.fema.gov](http://www.msc.fema.gov)

**Section I, Identification, General Information, and Certification**  
**Historic Resources Preservation Act Requirements**

The Historic Preservation Act determination from the Illinois Historic Preservation Agency is attached at Attachment – 6.



# Illinois Department of Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271  
www.dnr.illinois.gov

Mailing Address: 1 Old State Capitol Plaza, Springfield, IL 62701

#22-016

JB Pritzker, Governor  
Colleen Callahan, Director

FAX (217) 524-7525

Peoria County

Peoria

CON - Demolition and New Construction to Establish a Comprehensive Cancer Center, OSF St. Francis Medical Center

Demolition - OSF Infectious Disease Center at 723 Northeast Glen Oak Ave., Allied Agencies Building at 320 E. Armstrong Ave.; New Construction - 530 Northeast Glen Oak Ave.

SHPO Log #008110619

January 14, 2020

Anne Cooper

Polsinelli

150 N. Riverside Plaza, Suite 3000

Chicago, IL 60606-1599

Dear Ms. Cooper:

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

**Section I, Identification, General Information, and Certification**  
**Project Costs and Sources of Funds**

<b>Table 1120.110</b>			
<b>Project Costs</b>	<b>Clinical</b>	<b>Non-Clinical</b>	<b>Total</b>
Pre-Planning Costs		\$100,000	\$100,000
Site Survey & Soil Investigation			
Site Preparation/Demolition			
New Construction Costs		\$9,500,000	\$9,500,000
Contingencies		\$400,000	\$400,000
Architectural/Engineering Fees		\$800,000	\$800,000
Consulting and Other Fees		\$200,000	\$200,000
Moveable and Other Equipment (not in construction)			
IT Equipment		\$600,000	\$600,000
Furniture		\$350,000	\$350,000
Medical Equipment		\$550,000	\$550,000
Total Moveable and Other Equipment		\$1,500,000	\$1,500,000
Bond Issuance Expenses (project related)		\$125,000	\$125,000
Net Interest Expenses During Construction (project related)		\$606,250	\$606,250
<b>Total Project Costs</b>		<b>\$13,231,250</b>	<b>\$13,231,250</b>
<b>SOURCE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Bond Issues (Project Related)		\$13,231,250	\$13,231,250
<b>Total Project Costs</b>		<b>\$13,231,250</b>	<b>\$13,231,250</b>





**Section I, Identification, General Information, and Certification  
Cost Space Requirements**

Cost Space Table							
Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>CLINICAL</b>							
<b>Total Clinical</b>							
<b>NON REVIEWABLE</b>							
OSF Physician Offices	\$11,128,727		25,600	25,600			
Leased Physician Office Space	\$2,102,523		5,590	5,590			
<b>Total Non-Reviewable</b>	<b>\$13,231,250</b>		<b>31,190</b>	<b>31,190</b>			
<b>TOTAL</b>	<b>\$13,231,250</b>		<b>31,190</b>	<b>31,190</b>			

**Section III, Project Purpose, Background and Alternatives – Information Requirements**  
**Criterion 1110.110(a), Project Purpose, Background and Alternatives**

Neither the Centers for Medicare and Medicaid Services nor the Illinois Department of Public Health (“IDPH”) has taken any adverse action involving civil monetary penalties or restriction or termination of participation in the Medicare or Medicaid programs against any IDPH licensed health care facilities owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of this application.

A list of health care facilities owned or operated by the Applicant in Illinois, including licensing and certification information is attached at Attachment – 11A.

Certification that no adverse action has been taken against any IDPH licensed health care facilities owned or operated by the Applicant in Illinois within three years preceding the filing of this application is attached at Attachment – 11B.

An authorization permitting the Illinois Health Facilities and Services Review Board (“State Board”) and IDPH access to any documents necessary to verify information submitted, including, but not limited to: official records of IDPH or other State agencies; and the records of nationally recognized accreditation organizations is attached at Attachment – 11B.

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

1000 W. Harlem Avenue  
Monmouth, Illinois 61462  
License #: 0005439, Expiration 4/11/23  
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 12/31/22  
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 10/31/22  
Joint Commission: 5/7/21, 36 months

**OSF HealthCare Saint James-John W. Albrecht Medical Center**

2500 W. Reynolds Street  
Pontiac, Illinois 61764  
License #: 0005264, Expiration 3/2/23  
Joint Commission: 12/20/2019, 36 months

**OSF HealthCare St. Joseph Medical Center**

2200 E. Washington Street  
Bloomington, Illinois 61701  
License #: 0002535, Expiration 12/31/22  
Joint Commission: 12/14/19, 36 months

**OSF HealthCare Saint Anthony Medical Center**

5666 E. State Street  
Rockford, Illinois 61108-2472  
License #: 0002253, Expiration 12/31/22  
Joint Commission: 11/23/19, 36 months

**OSF HealthCare Saint Luke Medical Center**

1051 West South Street  
Kewanee, Illinois 61443  
License #: 0005926, Expiration 3/31/23  
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 5/14/23  
Joint Commission: 7/17/20, 36 months

**OSF HealthCare St. Mary Medical Center**

3333 N. Seminary Street  
Galesburg, Illinois 61401  
License #: 0002675, Expiration 12/31/22  
Joint Commission: 11/1/2019, 36 months

**OSF HealthCare Saint Paul Medical Center**

1401 E. 12th Street  
Mendota, Illinois 61342  
License #: 0005819, Expiration 12/6/22  
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 2/1/23  
Joint Commission: 2/28/20, 36 months

**OSF HealthCare Heart of Mary Medical Center**

1400 W. Park Street  
Urbana, Illinois 61801  
License #: 0006080, Expiration 2/1/23  
Joint Commission: 2/11/21, 36 months:

**OSF Saint Elizabeth Medical Center Freestanding Emergency Center**

111 Spring Street  
Streator, Illinois 61364  
License #: 22006, Expiration 8/8/22  
Joint Commission: 7/17/20, 36 months (included with Saint Elizabeth Medical Center)

**OSF Little Company of Mary Medical Center**

2800 W. 95<sup>th</sup> Street  
Evergreen Park, Illinois 60805  
License #: 0006163, Expiration 1/31/23  
Joint Commission: 4/27/19, 36 months

**OSF Saint Clare Medical Center**

530 Park Avenue East  
Princeton, IL 61356  
License #: 006254, Expiration 6/30/22  
Joint Commission: Critical Access Hospital-no Joint Commission Certificate

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

Dear Chair Savage:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action as defined in 77 Ill. Admin. Code § 1130.140 has been taken against any health care facility owned or operated by OSF HealthCare System or OSF Saint Francis Medical Center in the State of Illinois during the three year period prior to filing this application.


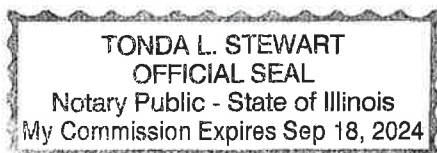
Additionally, pursuant to 77 Ill. Admin. Code § 1110.110(a)(2)(J), I hereby authorize the Health Facilities and Services Review Board (“HFSRB”) and the Illinois Department of Public Health (“IDPH”) access to any documents necessary to verify information submitted as part of this application for permit. 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 permit.

Sincerely,



Robert C. Sehring  
Chief Executive Officer  
OSF HealthCare System

Subscribed and sworn to me  
This 27 day of April, 2022

  
Notary Public

**Section III, Background, Purpose of the Project, and Alternatives – Information Requirements****Criterion 1110.110(b) – Background, Purpose of the Project, and Alternatives****Purpose of Project**

1. The OSF Comprehensive Cancer Center permit provided for the completion of two floors, a lower level and penthouse and also the construction of third and fourth floor shell space for future physician office and research space. This Project proposes the build-out of the third floor, which will house both OSF-employed oncologists as well as Illinois CancerCare oncologists. Co-locating these specialists in the OSF Comprehensive Cancer Center will allow these specialists to come together to collaborate on delivering the best and most advanced treatments and elevate the cancer care experience of patients in the region.
2. The primary service area to be served by OSF and Illinois CancerCare oncologists is the three-county area comprised of Peoria, Tazewell and Woodford Counties.
3. Illinois CancerCare and OSF have long collaborated to help patients in Central Illinois through their cancer journeys. Cancer specialists from OSF and Illinois CancerCare are disparately located in Peoria. Co-locating these specialists in the OSF Comprehensive Cancer Center will allow them to come together to collaborate on delivering the best and most advanced treatments and elevate the cancer care experience of patients in the region.

**Section III, Background, Purpose of the Project, and Alternatives**  
**Criterion 1110.110(d) – Background, Purpose of the Project, and Alternatives**

Alternatives

The Applicant considered three options prior to determining to build-out the third floor of the Comprehensive Cancer Center. The options considered are as follows:

1. Maintain the Status Quo/Do Nothing

The OSF Comprehensive Cancer Center permit provided for the completion of two floors, a lower level and penthouse and also the construction of a third and fourth floor shell space for physician office and research space. This Project proposes the build-out of the third floor, which will house both OSF-employed oncologists as well as Illinois CancerCare oncologists. Locating these specialists within the Comprehensive Cancer Center will provide the opportunity for them to come together to collaborate on delivering the best and most advanced treatments for patients who come from all communities served by OSF.

The option to do nothing

2. Build-Out Third Floor Shell Space.

The OSF Comprehensive Cancer Center permit provided for the completion of two floors, a lower level and penthouse and also the construction of a third and fourth floor shell space for physician office and research space. As a need for the space has been identified, OSF proposes to develop and utilize the third-floor shell to add physician office space.

The cost of this alternative is \$13,231,250.

**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.120(a), Size of the Project**

The space criterion is only applicable to projects that involve hospital service areas under licensure of the Illinois Hospital Licensing Act for which standards are set pursuant to Appendix B of Part 1110 of the Illinois Health Facilities and Services Review Board rules. The third floor of the Comprehensive Cancer Center will consist of physician offices and clinic space, and none of the spaces will be under a hospital license. Accordingly, these service areas are non-reviewable and this criterion is not applicable.



**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.120(b), Project Services Utilization**

The utilization criterion is only applicable to projects that involve hospital services under licensure of the Illinois Hospital Licensing Act for which standards are set pursuant to Appendix B of Part 1110 of the Illinois Health Facilities and Services Review Board rules. The third floor of the Comprehensive Cancer Center will consist of physician offices and clinic space, and none of the spaces will be under a hospital license. Accordingly, these service areas are non-reviewable and this criterion is not applicable.

**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.120(d), Unfinished or Shell Space**

The Project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.120(e), Assurances**

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

**Section VII, Service Specific Review Criteria**

The Project does not involve any of the following services. Therefore, the associated sections are not applicable.

- Medical/Surgical, Obstetric, Pediatric and Intensive Care
- Comprehensive Physical Rehabilitation
- Acute Mental Illness and Chronic Mental Illness
- Open Heart Surgery
- Cardiac Catheterization
- In-Center Hemodialysis
- Non-Hospital Based Ambulatory Surgery
- Selected Organ Transplantation
- Kidney Transplantation
- Subacute Care Hospital Model
- Community-Based Residential Rehabilitation Center
- Long Term Acute Care Hospital
- Clinical Service Areas Other than Categories of Service

**Section VIII, Financial Feasibility**  
**Criterion 1120.120 Availability of Funds**

Attached at Attachment – 34 is the most recent bond rating from Fitch Rating Agency affirming an A bond rating for OSF HealthCare System. Accordingly, this requirement is not applicable.



## RATING ACTION COMMENTARY

# Fitch Upgrades OSF HealthCare System (IL) to 'A+'; Outlook Stable

Mon 04 Apr, 2022 - 2:49 PM ET

Fitch Ratings - Chicago - 04 Apr 2022: Fitch Ratings has upgraded OSF HealthCare System's (OSF) Issuer Default Rating (IDR) to 'A+' from 'A'. Fitch has also upgraded the ratings applied to revenue bonds issued by the Illinois Finance Authority on behalf of OSF to 'A+' from 'A'.

The Rating Outlook is Stable.

## SECURITY

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

## ANALYTICAL CONCLUSION

The upgrade of the rating to 'A+' reflects OSF's ability to manage through the coronavirus pandemic and challenges associated with the acquisition of LCOM and still generate profitable operating results in fiscal 2021 and the expectation that the system will sustain operating EBITDA margins generally in the 7% range in the long term and continue to build liquidity. The 'A+' also considers OSF's broad reach over multiple markets in Illinois, with a distinct market share lead in its core service area around Peoria, and improved balance sheet metrics. The Stable Outlook considers Fitch's expectation that while macro trends such as labor and inflationary pressures may compress operating margins in the near term, OSF should continue to generate operating EBITDA margins broadly consistent with at least a midrange operating risk assessment. Fitch expects capital-related ratios should improve over time, including in a stress scenario.

## KEY RATING DRIVERS

### Revenue Defensibility: 'bbb'

Broad Reach with Market Lead in Peoria

OSF has a broad reach through multiple markets in Illinois and the system is the distinct market leader in the Peoria area, including for many high-end services (e.g., OSF has the only children's hospital between Chicago and St. Louis). Nevertheless, many key OSF markets are competitive. In the Peoria area (Central Region), OSF's flagship Saint Francis Medical Center competes with UnityPoint Health (rated AA-; UnityPoint is in discussions to sell its Peoria assets to

AA- Carle Foundation). Excluding outmigration, OSF captures approximately 60% market share and UnityPoint less than 40%. The OSF Children's Hospital of Illinois is the only dedicated children's hospital in the Peoria area.

OSF competes with Carle in the Eastern Region of Bloomington/Pontiac and Campaign/Urbana, where Carle is the market leader in the Urbana area, while OSF is the leader in Bloomington/Pontiac. OSF is one of three healthcare providers in Rockford, IL (the core of the Northern Region), competing with University of Wisconsin Health's SwedishAmerican Health System and Mercy Health (rated A-), where the three systems capture roughly similar market share. The acquisition of LCOM in early calendar year 2020 introduced OSF to the competitive Chicago metro area market.

Demographic indicators vary by local market. Population trends in many of OSF's more populous service areas are stagnant to declining, although the service area economy is considered to be generally stable. OSF's payor mix is consistent with a midrange assessment, with combined Medicaid and self pay less than 25% of gross revenue (including 21.5% in fiscal 2021), even though OSF has a large children's hospital (children's hospitals tend to be heavily reliant on Medicaid).

### Operating Risk: 'bbb'

#### Track Record of Profitability; Margins Rebounded in 2021

OSF has a track record of profitability and the operating EBITDA margin generally averaged around 8% prior to the pandemic. The coronavirus pandemic and the integration of LCOM in February 2020 affected OSF's margins as the system recorded an operating loss of -1.3% and modest operating EBITDA margin of 4.0% in fiscal 2020 (margins adjusted to move contributions from operating revenue to non-operating). Margins rebounded considerably in fiscal 2021 with a 2.9% operating margin and 7.4% operating EBITDA margin.

Fiscal 2021 results benefited from approximately \$100 million of expense savings that were implemented in part in reaction to the pandemic, as well as volume rebounds in many key areas, such as inpatient admissions (up 10% over fiscal 2020), unique patients (up 11%), inpatient surgeries (up 5.6%), outpatient surgeries (up 16%), and outpatient visits (up 21%). While part of the volume rebound in fiscal 2021 is due to LCOM joining in mid-fiscal 2020 (fiscal 2021 being the first full year as part of the system), most of the volume gains are the result of same-store rebound. OSF recorded \$53 million of CARES Act grants in fiscal 2021 (following \$127 million in fiscal 2020). The Metro Region, anchored by the former LCOM, continues to be a drag on system results, as the affiliate recorded roughly \$72 million in operating losses in fiscal 2021, and will continue to be a focus for operational improvement for management, including opening six urgent care centers in the market.

Fitch expects OSF's operating margins to be sustained in the long term to levels consistent with at least a midrange assessment (e.g., operating EBITDA margin in the 7% range). OSF is facing ongoing headwinds such as labor pressures and inflation as are all other health systems in the U.S., and the early part of fiscal 2022 was affected by the omicron variant coronavirus surge in late calendar year 2021 and early 2022. Consequently, operating margins may be somewhat compressed, as management's re-casted budget shows an operating margin of 1.9% and operating EBITDA margin of 6.1% in fiscal 2022. Nevertheless, long term, Fitch expects operating margins to be sustained with an operating EBITDA margin generally in the 7% range (and potentially higher long term, if material improvements in the Metro Region can be realized). Even with the aforementioned pressures, OSF recorded an operating EBITDA margin of 6.6% in 1Q fiscal 2022 (as of Dec. 31, 2021).

OSF's capital spending plans are manageable. Capex has been robust in recent years, as the capital spending ratio averaged approximately 1.7x between fiscals 2017 and 2021. OSF expects nearly \$800 million of capital spending

between fiscals 2022 and 2024, and then capex should moderate thereafter. Capital spending is highlighted by the Comprehensive Cancer Center in Peoria, which includes a proton beam, as well as continued investments in OSF urgent care centers. The Cancer Center is supported by considerable philanthropy and a portion of the project is financed by bond proceeds from a prior issuance (management notes that the project is on time and on budget). Management does not have new money debt plans in the near term, although Fitch expects a system of OSF's scope and reach to access the capital markets opportunistically from time-to-time as strategic plans evolve.

### Financial Profile: 'a'

#### Strong Capital-Related Ratios Expected to be Sustained

OSF's financial profile remains 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 stress case of the forward looking scenario analysis.

Direct debt measured nearly \$1.9 billion at FYE 2021, inclusive of operating leases, which are now captured on the balance sheet. OSF has a defined benefit (DB) Church pension plan. The DB plan was 68% funded compared to a projected benefit obligation (PBO) of nearly \$1.4 billion at FYE 2021. Combined with direct debt, total adjusted debt measured just over \$2.0 billion at FYE 2021 (Fitch counts the portion of a DB pension plan below 80% funded when calculating adjusted debt). Unrestricted cash and investments measured \$2.7 billion (excluding Medicare advance payments and FICA payroll deferrals), translating to cash-to-adjusted debt of 134%. Net adjusted debt-to-adjusted EBITDA was favorably negative in fiscal 2021.

Given Fitch's expectation of operating margins, cash should continue to grow in a base case of the scenario analysis and cash-to-adjusted debt should strengthen. Even in a stress case, cash-to-adjusted debt should rebound and exceed 150% by year four and net adjusted debt-to-adjusted EBITDA should remain favorably negative.

### Asymmetric Additional Risk Considerations

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

Liquidity measured a strong nearly 290 days cash on hand at FYE 2021 (excluding Medicare advance payments and FICA payroll tax deferrals).

Approximately \$525 million of OSF's debt is variable rate, including roughly \$130 million of series 2018B&C variable-rate demand obligation (VRDO) bonds that are supported by letters of credit (LOC) that expire in October 2023. Maximum annual debt service (MADS) coverage measured 6x in fiscal 2021 and does not pose an asymmetric risk. OSF has four fixed-payor interest rate swaps. The total notional amount outstanding was approximately \$210 million at FYE 2021, at which point the net termination value was nearly negative \$45 million to OSF.

### RATING SENSITIVITIES

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

--Sustained improvement in operating EBITDA margin closer to 9% (or better) that could warrant a stronger operating risk assessment;

--Continued improvement in liquidity, such that cash-to-adjusted debt exceeds 190% even in a stress case of Fitch's forward-looking scenario analysis.



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

--Sustained compression in operating metrics, particularly if the operating EBITDA margin were to be maintained below 6%;

--Compression in liquidity and capital-related ratios, particularly if cash to adjusted debt in the forward look were to be sustained closer to 120% (or lower).

### 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 15 acute-care hospitals in five regions: the Central Region, centered on Peoria, IL; the Eastern Region, centered on Urbana, Danville, and Bloomington, IL; the Western Region, centered on Galesburg, IL (and inclusive of suburban St. Louis operations); the Northern Region, centered on Rockford, IL (and inclusive of a small hospital in the UP of Michigan); and the Metro Region in the southwestern Chicago suburbs. OSF's total audited operating revenue approached \$3.7 billion in audited fiscal 2021 (Sept. 30 YE).

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

Unless otherwise disclosed in this section, the highest level of ESG credit relevance 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 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](http://www.fitchratings.com/esg).

### RATING ACTIONS

ENTITY / DEBT ⇅	RATING ⇅	PRIOR ⇅
OSF Healthcare System (IL)	LT IDR A+ Rating Outlook Stable Upgrade	A Rating Outlook Positive

OSF Healthcare System (IL)  
/Issuer Default Rating/1 LT

LT A+ Rating Outlook Stable Upgrade

A Rating Outlook  
Positive

[VIEW ADDITIONAL RATING DETAILS](#)

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Additional information is available on [www.fitchratings.com](http://www.fitchratings.com)

**PARTICIPATION STATUS**

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

**APPLICABLE CRITERIA**

[U.S. Not-For-Profit Hospitals and Health Systems Rating Criteria \(pub. 18 Nov 2020\) \(including rating assumption sensitivity\)](#)

[Public Sector, Revenue-Supported Entities Rating Criteria \(pub. 01 Sep 2021\) \(including rating assumption sensitivity\)](#)

**APPLICABLE MODELS**

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

Portfolio Analysis Model (PAM), v1.3.3 (1)

## ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

[Solicitation Status](#)

[Endorsement Policy](#)

## ENDORSEMENT STATUS

Illinois Finance Authority (IL)

EU Endorsed, UK Endorsed

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Fitch’s international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be. Fitch’s approach to endorsement in the EU and the UK can be found on Fitch’s [Regulatory Affairs](#) page on Fitch’s website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.

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[US Public Finance](#)   [Healthcare and Pharma](#)   [North America](#)   [United States](#)

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**Section IX, Financial Feasibility**  
**Criterion 1120.130 – Financial Viability Waiver**

Attached at Attachment – 34 is the most recent bond rating from Fitch Rating Agency affirming an A bond rating for OSF HealthCare System. Accordingly, this requirement is not applicable.

**Section X, Economic Feasibility Review Criteria**  
**Criterion 1120.140(a), Reasonableness of Financing Arrangements**

The Applicant has an A bond rating from Fitch Ratings. Accordingly, this criterion is not applicable.

**Section X, Economic Feasibility Review Criteria**  
**Criterion 1120.140(b), Conditions of Debt Financing**

Attached is a letter from Michael Allen, Chief Financial Officer, OSF HealthCare System, certifying the selected form of debt financing for the project will be at the lowest net cost available, or if not, it will be more advantageous due to the terms, such as pre-payment privileges, lack of security interest, loan timing, or other reasons.



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

**Re: Reasonableness of Financing Arrangements**

Dear Chair Savage:

My name is Michael Allen. As Chief Financial Officer, OSF HealthCare System, I attest the selected form of debt financing for the project will be at the lowest net cost available, or if not, it will be more advantageous due to the terms, such as pre-payment privileges, lack of security interest, loan timing, or other reasons.

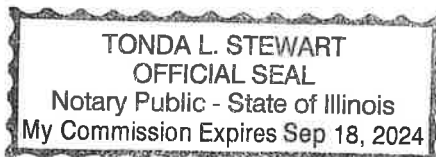
Sincerely,



Michael Allen  
Chief Financial Officer  
OSF HealthCare System

Subscribed and sworn to me  
This 27 day of April, 2022

  
Notary Public



**Section X, Economic Feasibility Review Criteria**  
**Criterion 1120.140(c), Reasonableness of Project and Related Costs**

1. The Cost and Gross Square Feet by Department is provided in the table below.

<b>COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE</b>									
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)	
<b>CLINICAL</b>									
Contingency									
<b>TOTAL CLINICAL</b>									
<b>NON- CLINICAL</b>									
OSF Physician Offices	\$304.59		25,600				\$7,797,371		\$7,797,371
Leased Physician Office Space	\$304.59		5,590				\$1,702,629		\$1,702,629
Contingency	\$12.82		31,190				\$400,000		\$400,000
<b>TOTAL NON- CLINICAL</b>	<b>\$317.41</b>		<b>31,190</b>				<b>\$9,900,000</b>		<b>\$9,900,000</b>
<b>TOTAL</b>	<b>\$317.41</b>		<b>31,190</b>				<b>\$9,900,000</b>		<b>\$9,900,000</b>

\* Include the percentage (%) of space for circulation

**Section X, Economic Feasibility Review Criteria**  
**Criterion 1120.140(d), Projected Operating Costs**

This criterion is applicable to projects or portions thereof that involve hospital-related clinical departments or services, and the Project does not involve hospital services.

**Section X, Economic Feasibility Review Criteria**  
**Criterion 1120.140(e), Total Effect of Project on Capital Costs**

This criterion is applicable to projects or portions thereof that involve hospital-related clinical departments or services, and the Project does not involve hospital services.

**Section XI, Safety Net Impact Statement**

The Project is non-substantive. Accordingly, this criterion is not applicable.

**Section XII, Charity Care Information**

The table below provides charity care information for all OSF HealthCare System and OSF Saint Francis Medical Center located in the State of Illinois that are owned or operated by the Applicant.

<b>CHARITY CARE – OSF Healthcare System</b>			
	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Net Patient Revenue</b>	\$2,410,772,560	\$2,383,901,200	\$2,978,991,756
Amount of Charity Care (charges)	\$180,316,461	\$201,864,109	\$195,002,654
Cost of Charity Care	\$36,706,092	\$41,284,835	\$40,569,889

<b>CHARITY CARE – OSF Saint Francis Medical Center</b>			
	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Net Patient Revenue</b>	\$1,165,697,011	\$1,105,603,908	\$1,263,651,673
Amount of Charity Care (charges)	\$80,086,733	\$92,237,752	\$77,331,719
Cost of Charity Care	\$15,536,208	\$17,755,767	\$15,226,287

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

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