

**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: The Methodist Medical Center of Illinois d/b/a Young Minds Institute	
Street Address: 2223 W. Heading Avenue	
City and Zip Code: West Peoria, 61604	
County: Peoria County	Health Service Area: HSA 2 Health Planning Area: HSA 2

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

Exact Legal Name: The Methodist Medical Center of Illinois
Street Address: 221 N.E. Glen Oak Avenue
City and Zip Code: Peoria, IL 61636
Name of Registered Agent: Keith E. Knepp, M.D.
Registered Agent Street Address: 211 N.E. Glen Oak Avenue
Registered Agent City and Zip Code: Peoria, 61636
Name of Chief Executive Officer: Keith E. Knepp, M.D.
CEO Street Address: 211 N.E. Glen Oak Avenue
CEO City and Zip Code: Peoria, 61636
CEO Telephone Number: 309-871-2528

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: Amelia Boyd
Title: Vice President, Strategy and Planning
Company Name: UnityPoint Health - Central Illinois
Address: 211 N.E. Glen Oak Avenue, Peoria, IL 61636
Telephone Number: 309-671-2163
E-mail Address: amelia.boyd@unitypoint.org
Fax Number: 309-672-5952

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

Name: Tracey Klein and Rebecca Lindstrom
Title: CON Counsel
Company Name: Polsinelli PC
Address: 150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606
Telephone Number: 312-463-6217
E-mail Address: tklein@polsinelli.com; rlindstrom@polsinelli.com
Fax Number:

Facility/Project Identification

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Street Address: 2223 W. Heading Avenue	
City and Zip Code: West Peoria, 61604	
County: Peoria County	Health Service Area: HSA 2 Health Planning Area: HSA 2

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

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City and Zip Code: Peoria, IL 61636
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Facility/Project Identification

Facility Name: The Methodist Medical Center of Illinois d/b/a Young Minds Institute		
Street Address: 2223 W. Heading Avenue		
City and Zip Code: West Peoria, 61604		
County: Peoria County	Health Service Area: HSA 2	Health Planning Area: HSA 2

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

Exact Legal Name: Iowa Health System d/b/a UnityPoint Health
Street Address: 1776 W. Lakes Parkway, Ste. 400
City and Zip Code: West Des Moines, IA 50266
Name of Registered Agent: Greg Rastatter
Registered Agent Street Address: 120 NE Glen Oak Ave., Ste. 101
Registered Agent City and Zip Code: Peoria, Illinois 61603
Name of Chief Executive Officer: Clay Holderman
CEO Street Address: 1776 W. Lakes Parkway, Ste. 400
CEO City and Zip Code: West Des Moines, IA 50166
CEO Telephone Number: 515-241-8215

Type of Ownership of Applicants

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<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

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E-mail Address: tklein@polsinelli.com; rlindstrom@polsinelli.com
Fax Number:

Post Permit Contact

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

Name: Amelia Boyd
Title: Vice President, Strategy and Planning
Company Name: UnityPoint Health - Central Illinois
Address: 211 N.E. Glen Oak Avenue Peoria, IL 61636
Telephone Number: 309-671-2163
E-mail Address: amelia.boyd@unitypoint.org
Fax Number: 309-672-5952

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: The property is currently owned by the County of Peoria. The County of Peoria and The Methodist Medical Center of Illinois have executed a letter of intent to purchase the property, whereby The Methodist Medical Center of Illinois will become the legal owner of the property.
Address of Site Owner: 324 Main Street, Peoria, Illinois 61602
Street Address or Legal Description of the Site: 2223 W. Heading Avenue, West Peoria, IL 61604. See PINs in Attachment 2.
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor’s documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.
APPEND DOCUMENTATION AS <u>ATTACHMENT 2</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

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

Exact Legal Name: The Methodist Medical Center of Illinois
Address: 2223 W. Heading Avenue, West Peoria, IL 61604
<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"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.
APPEND DOCUMENTATION AS <u>ATTACHMENT 3</u> , 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 <u>ATTACHMENT 4</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.
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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 or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 (<http://www.hfsrb.illinois.gov>). **NOTE:** A SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM has been added at the conclusion of this Application for Permit that must be completed to deem a project complete.

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

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

DESCRIPTION OF PROJECT

1. Project Classification

[Check those applicable - refer to Part 1110.20 and Part 1120.20(b)]

Part 1110 Classification :

Substantive

Non-substantive

2. Narrative Description

In the space below, provide a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms, NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

The applicants, Methodist Health Services Corporation, The Methodist Medical Center of Illinois (“Methodist Hospital”), and UnityPoint Health, propose to establish a child and adolescent behavioral health campus at 2223 W. Heading Avenue in West Peoria, Illinois. The behavioral health campus will be located approximately 2 miles from Methodist Hospital, a 329-bed general acute care hospital, and placed under Methodist Hospital’s existing hospital license, pending approval by the Illinois Department of Public Health (“IDPH”). Methodist Hospital is the only facility in the planning area (HSA 2) that provides child and adolescent inpatient behavioral health services.

The behavioral health campus will be located in an existing building (a long-term care facility named Heddington Oaks), which will be repurposed and renovated to become a state-of-the-art behavioral health campus dedicated to the care of children and adolescents. The Heddington Oaks long-term care facility is currently owned by the County of Peoria, but the facility closed in 2020. The County of Peoria has filed an application to discontinue the long-term care facility (Project No. 21-035), and the application is scheduled to be heard by the Illinois Health Facilities and Services Review Board (“HFSRB”) on June 7, 2022.

There is an existing demand and need for expanded behavioral health services in Central Illinois targeting children and adolescents. The proposed behavioral health campus will provide inpatient behavioral health services (proposed 44 acute mental illness (“AMI”) beds), along with outpatient services to provide a full continuum of mental health and substance use care. The campus will also provide recreational and experiential spaces (e.g., art therapy, music therapy, and a sensory room) and community spaces for family support groups, education seminars, and community services.

Subject to the approval of the proposed project by the HFSRB, Methodist Hospital will decommission 9 AMI beds currently in operation at Methodist Hospital. As a result, the proposed project will only add 35 AMI beds to AMI Planning Area HSA 2. Following completion of the project and reduction of the 9 AMI beds, Methodist Hospital will have a combined total of 103 AMI beds (59 adult AMI beds at Methodist Hospital’s main campus (221 NE Glen Oak Avenue) and 44 child and adolescent beds at the proposed behavioral health campus).

The total capital cost of the project is \$29,327,856. The anticipated project completion date is December 31, 2023.

The project is considered “substantive” under the HFSRB’s regulations because it proposes to establish an acute mental illness category of service at a new Methodist Hospital location.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$114,000	\$186,000	\$300,000
Site Survey and Soil Investigation	\$7,600	\$12,400	\$20,000
Site Preparation	\$38,000	\$62,000	\$100,000
Off Site Work	\$19,000	\$31,000	\$50,000
New Construction Contracts	\$0	\$0	0
Modernization Contracts	\$5,179,136	\$8,450,169	\$13,629,305
Contingencies	\$456,000	\$744,000	\$1,200,000
Architectural/Engineering Fees	\$390,849	\$637,702	\$1,028,551
Consulting and Other Fees	\$380,000	\$620,000	\$1,000,000
Movable or Other Equipment (not in construction contracts)	\$760,000	\$1,240,000	\$2,000,000
Bond Issuance Expense (project related)	\$0	\$0	\$0
Net Interest Expense During Construction (project related)	\$0	\$0	0
Fair Market Value of Leased Space or Equipment	\$0	\$0	0
Other Costs to Be Capitalized	\$0	\$0	0
Acquisition of Building or Other Property (excluding land)	\$3,800,000	\$6,200,000	\$10,000,000
TOTAL USES OF FUNDS	\$11,144,585	\$18,183,271	\$29,327,856
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$5,824,585	\$9,503,271	\$15,327,856.00
Pledges	\$0	\$0	
Gifts and Bequests	\$4,560,000	\$7,440,000	\$12,000,000.00
Bond Issues (project related)	\$0	\$0	
Mortgages	\$0	\$0	
Leases (fair market value)	\$0	\$0	
Governmental Appropriations	\$0	\$0	
Grants	\$760,000	\$1,240,000	\$2,000,000.00
Other Funds and Sources	\$0	\$0	
TOTAL SOURCES OF FUNDS	\$11,144,585	\$18,183,271	\$29,327,856.00
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

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

<p style="text-align: right;">Land acquisition is related to project INCLUDED IN PURCHASE PRICE OF BUILDING</p> <p>Purchase Price: \$ _____</p> <p>Fair Market Value: \$ _____</p>
<p>The project involves the establishment of a new facility or a new category of service</p> <p style="text-align: center;"><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.</p> <p>Estimated start-up costs and operating deficit cost is \$ <u>511,560</u>.</p>

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.
<p>Indicate the stage of the project's architectural drawings:</p> <p style="text-align: center;"> <input type="checkbox"/> None or not applicable <input type="checkbox"/> Preliminary <input checked="" type="checkbox"/> Schematics <input type="checkbox"/> Final Working </p>
<p>Anticipated project completion date (refer to Part 1130.140): <u>December 31, 2023</u></p>
<p>Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):</p> <p> <input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed. <input type="checkbox"/> Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies <input checked="" type="checkbox"/> Financial Commitment will occur after permit issuance. </p>
APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals [Section 1130.620(c)]

<p>Are the following submittals up to date as applicable?</p> <p> <input checked="" type="checkbox"/> Cancer Registry <input checked="" type="checkbox"/> APORS <input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted <input checked="" type="checkbox"/> All reports regarding outstanding permits </p> <p>Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.</p>
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Cost Space Requirements - SEE ATTACHMENT 9

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
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON-REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

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

Facility Bed Capacity and Utilization

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

FACILITY NAME: Methodist Medical Center of Illinois		CITY: Peoria			
REPORTING PERIOD DATES: From: 1/1/2020 to: 12/31/2020					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	168	6,343	41,158	0	168
Obstetrics	22	1,900	4,214	0	22
Pediatrics	6	89	514	0	6
Intensive Care	26	1,982	7,954	0	26
Comprehensive Physical Rehabilitation	39	307	4,400	0	39
Acute/Chronic Mental Illness	68	2,756	15,854	+35 ¹	103 ²
Neonatal Intensive Care	0	0	0	0	0
General Long-Term Care	0	0	0	0	0
Specialized Long-Term Care	0	0	0	0	0
Long Term Acute Care	0	0	0	0	0
Other ((identify))					
TOTALS:	329	11,975	74,094	+35	364

¹ The applicants propose to establish a 44-bed child and adolescent AMI unit at a second campus/location to be placed under Methodist Hospital's license. Contingent upon the HFSRB's approval of the proposal, Methodist Hospital will decommission 9 AMI beds at Methodist Hospital's main campus (221 NE Glen Oak), bringing the total number of new AMI beds to 35 and the combined number of AMI beds under Methodist Hospital's license to 103 (59 AMI beds at Methodist Hospital's main campus and 44 AMI beds at the proposed campus).

² Id.

CERTIFICATION

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

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

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




 SIGNATURE
Keith Knepp

 PRINTED NAME

Chief Executive Officer

 PRINTED TITLE



 SIGNATURE
John Peters

 PRINTED NAME

Chief Financial Officer

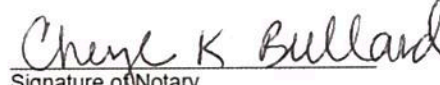
 PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 19 day of April 2022

Notarization:
Subscribed and sworn to before me
this 19 day of April 2022



 Signature of Notary



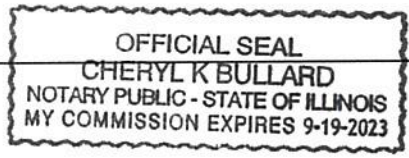
 Signature of Notary

Seal

Seal

*Insert the EXACT REGALIA of applicant

 OFFICIAL SEAL
 CHERYL K BULLARD
 NOTARY PUBLIC - STATE OF ILLINOIS
 MY COMMISSION EXPIRES 9-19-2023


 OFFICIAL SEAL
 CHERYL K BULLARD
 NOTARY PUBLIC - STATE OF ILLINOIS
 MY COMMISSION EXPIRES 9-19-2023

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




 SIGNATURE
Keith Knepp

 PRINTED NAME

Chief Executive Officer

 PRINTED TITLE



 SIGNATURE
John Peters

 PRINTED NAME

Chief Financial Officer

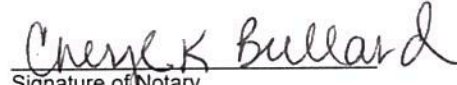
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Notarization:
Subscribed and sworn to before me
this 19 day of April 2022

Notarization:
Subscribed and sworn to before me
this 19 day of April 2022




 Signature of Notary



 Signature of Notary

Seal

 *Insert the EXACT legal name of the applicant

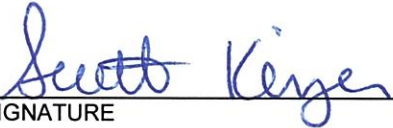
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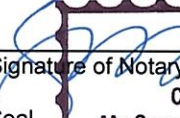
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 SIGNATURE
 Scott Kizer
 PRINTED NAME
 Chief Legal Officer & General Counsel
 PRINTED TITLE


 SIGNATURE
 Clay Holderman
 PRINTED NAME
 President and CEO
 PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 29th day of April

Notarization:
Subscribed and sworn to before me
this 29th day of April


 Signature of Notary
 Seal
 CARY D DOUGLAS
 Notarial Seal - Iowa
 Commission # 753053
 My Commission Expires 7/24/23


 Signature of Notary
 Seal
 CARY D DOUGLAS
 Notarial Seal - Iowa
 Commission # 753053
 My Commission Expires 7/24/23

*Insert the 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 SEE ATTACHED

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	MET STANDARD?
YEAR 1					
YEAR 2					

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

UNFINISHED OR SHELL SPACE: NOT APPLICABLE

Provide the following information:

1. Total gross square footage (GSF) of the proposed shell space.
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function.
3. Evidence that the shell space is being constructed due to:
 - a. Requirements of governmental or certification agencies; or
 - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
 - a. Historical utilization for the area for the latest five-year period for which data is available; and
 - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

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

ASSURANCES: NOT APPLICABLE

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

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

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:

C. Criterion 1110.210 - Acute Mental Illness and Chronic Mental Illness

1. Applicants proposing to establish, expand and/or modernize the Acute Mental Illness and Chronic Mental Illness categories of service must submit the following information:
2. Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
<input checked="" type="checkbox"/> Acute Mental Illness	68	35³
<input type="checkbox"/> Chronic Mental Illness		

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

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.210(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.210(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.210(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.210(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.210(b)(5) - Planning Area Need - Service Accessibility	X		
1110.210(c)(1) - Unnecessary Duplication of Services	X		
1110.210(c)(2) - Maldistribution	X		
1110.210(c)(3) - Impact of Project on Other Area Providers	X		
1110.210(d)(1), (2), and (3) - Deteriorated Facilities			X
1110.210(d)(4) - Occupancy			X

³ The applicants propose to establish a 44-bed child and adolescent AMI unit at a second campus/location to be placed under Methodist Hospital’s license. Contingent upon the HFSRB’s approval of the proposal, Methodist Hospital will decommission 9 AMI beds at Methodist Hospital’s main campus (221 NE Glen Oak), bringing the total number of new AMI beds to 35 and the combined number of AMI beds under Methodist Hospital’s license to 103 (59 AMI beds at Methodist Hospital’s main campus and 44 AMI beds at the proposed campus).

1110.210(e)(1) - Staffing Availability	X	X	
1110.210(f) - Performance Requirements	X	X	X
1110.210(g) - Assurances	X	X	
APPEND DOCUMENTATION AS ATTACHMENT <u>21</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

_____	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;
<u>\$2,000,000</u>	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.
\$29,327,856	TOTAL FUNDS AVAILABLE

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

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

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

Variance

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

APPEND DOCUMENTATION AS ATTACHMENT 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									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

APPEND DOCUMENTATION AS ATTACHMENT 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			
Total			
Charity (cost in dollars)	Year	Year	Year
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Medicaid (revenue)	Year	Year	Year
Inpatient			

	Outpatient			
	Total			

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
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT 39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

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



1. Applicant: The Methodist Medical Center of Illinois 221 NE Glen Oak Avenue
(Name) (Address)

Peoria IL 61636 309-871-2528
(City) (State) (ZIP Code) (Telephone Number)

2. Project Location: 2223 W. Heading Avenue West Peoria, IL 61604
(Address) (City) (State)

Peoria County West Peoria Township, Section 6
(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

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	30-33
2	Site Ownership	34-39
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	40-41
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	42-43
5	Flood Plain Requirements	44-45
6	Historic Preservation Act Requirements	46-50
7	Project and Sources of Funds Itemization	51-52
8	Financial Commitment Document if required	
9	Cost Space Requirements	53
10	Discontinuation	
11	Background of the Applicant	54-58
12	Purpose of the Project	59-73
13	Alternatives to the Project	74-75
14	Size of the Project	76-79
15	Project Service Utilization	80-81
16	Unfinished or Shell Space	
17	Assurances for Unfinished/Shell Space	
	Service Specific:	
18	Medical Surgical Pediatrics, Obstetrics, ICU	
19	Comprehensive Physical Rehabilitation	
20	Acute Mental Illness	82-129
21	Open Heart Surgery	
22	Cardiac Catheterization	
23	In-Center Hemodialysis	
24	Non-Hospital Based Ambulatory Surgery	
25	Selected Organ Transplantation	
26	Kidney Transplantation	
27	Subacute Care Hospital Model	
28	Community-Based Residential Rehabilitation Center	
29	Long Term Acute Care Hospital	
30	Clinical Service Areas Other than Categories of Service	
31	Freestanding Emergency Center Medical Services	
32	Birth Center	
	Financial and Economic Feasibility:	
33	Availability of Funds	
34	Financial Waiver	130-223
35	Financial Viability	224
36	Economic Feasibility	225-227
37	Safety Net Impact Statement	228-231
38	Charity Care Information	232
39	Flood Plain Information	28, 44-45
Appendix 1	Referral/Admission Letters	233-247

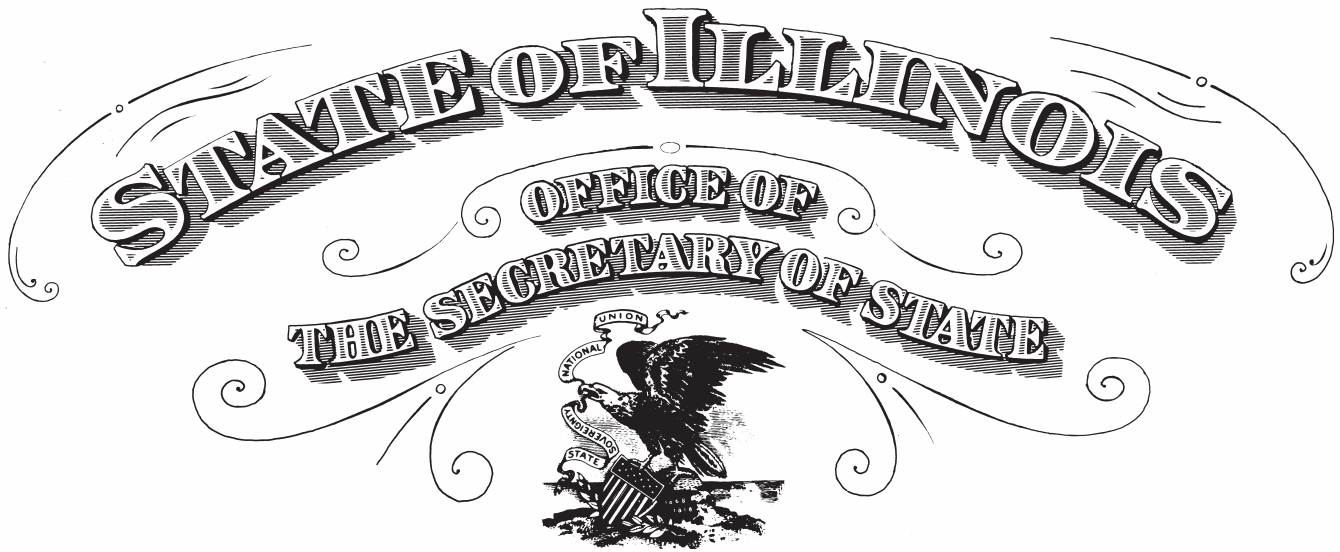
ATTACHMENT 1 – APPLICANTS

Certificates of Good Standing for the applicants are attached.

ATTACHMENT 1

File Number

0788-821-0

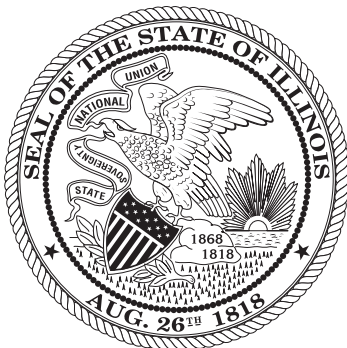


To all to whom these Presents Shall Come, Greeting:

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

THE METHODIST MEDICAL CENTER OF ILLINOIS, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON OCTOBER 28, 1898, 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 9TH day of MARCH A.D. 2022 .



Authentication #: 2206805194 verifiable until 03/09/2023

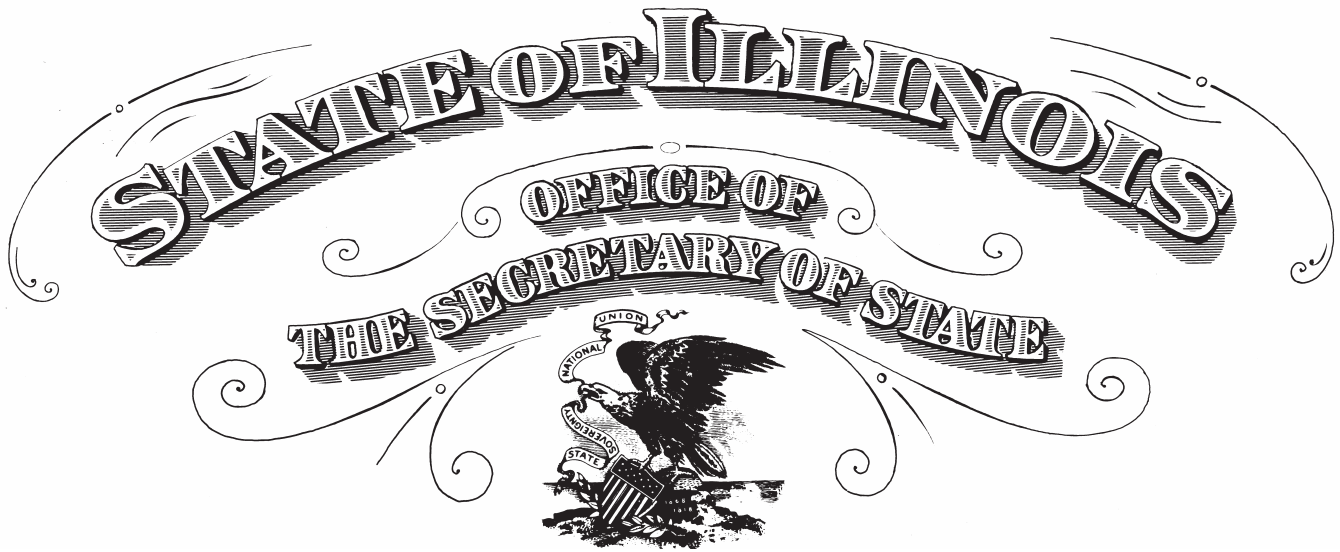
Authenticate at: <http://www.ilsos.gov>

Jesse White

SECRETARY OF STATE

File Number

5257-769-1

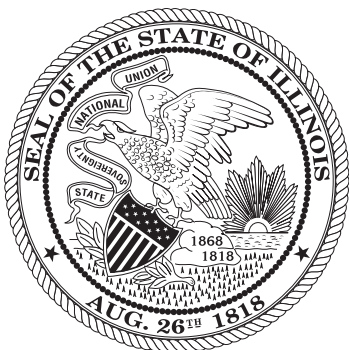


To all to whom these Presents Shall Come, Greeting:

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

METHODIST HEALTH SERVICES CORPORATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 25, 1981, 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 9TH day of MARCH A.D. 2022 .



Jesse White

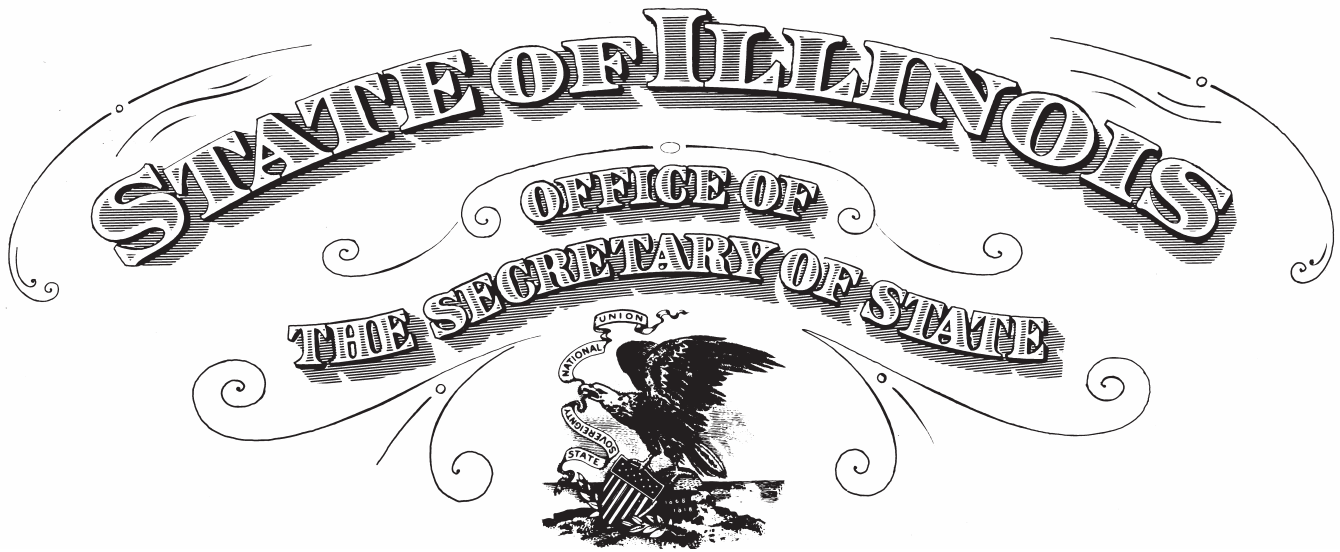
SECRETARY OF STATE

Authentication #: 2206805182 verifiable until 03/09/2023

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File Number

6720-693-2

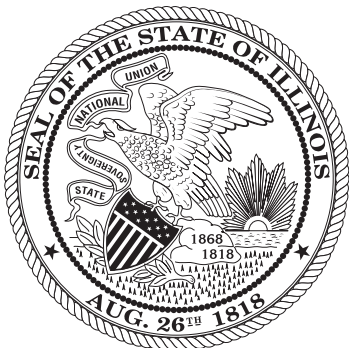


To all to whom these Presents Shall Come, Greeting:

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

IOWA HEALTH SYSTEM, INCORPORATED IN IOWA AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON JUNE 15, 2010, 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 A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO CONDUCT AFFAIRS 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 18TH day of APRIL A.D. 2022 .



Authentication #: 2210803174 verifiable until 04/18/2023

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

Jesse White

SECRETARY OF STATE

ATTACHMENT 2 – SITE OWNERSHIP

The proposed site for the project is 2223 West Heading Avenue, West Peoria, Illinois 61604 (PINs 18-06-404-007, 18-06-404-012, 18-06-404-13). The property is currently owned by the County of Peoria. The County of Peoria and The Methodist Medical Center of Illinois have executed the attached letter of intent to purchase the property, whereby, contingent upon HFSRB approval, The Methodist Medical Center of Illinois will become the legal owner of the property.

ATTACHMENT 2

LETTER OF INTENT TO PURCHASE REAL ESTATE

BUYER: THE METHODIST MEDICAL
CENTER OF ILLINOIS, an Illinois
not-for-profit corporation

SELLER: COUNTY OF PEORIA, ILLINOIS,
a local unit of government created under
the Constitution and the laws of the State of Illinois

This Letter of Intent ("LOI") sets forth certain non-binding understandings and certain binding provisions between Buyer and Seller with respect to the possible acquisition of real estate and the improvements thereon by Buyer from Seller, commonly known as 2223 Heading Avenue, West Peoria, IL 61604, with Property Identification Numbers (PIN) 18-06-404-007, 18-06-404-012 and 18-06-404-13, Peoria County, Illinois ("Premises").

NON-BINDING PROVISIONS

Upon execution by Buyer and Seller of this Letter, the following numbered paragraphs (collectively, the "Non-Binding Provisions") only reflect the understanding of the matters described in them, but each party acknowledges that the Non-Binding Provisions are not intended to constitute a complete statement of, nor a legally binding or enforceable obligation on the part of Seller or Buyer and neither of them shall have any liability to the other with respect to the Non-Binding Provisions until a Real Estate Purchase Contract ("Contract") is prepared, authorized, executed and delivered by and between them. If the Contract is not prepared, authorized, executed and delivered for any reason, no party to this Letter shall have any liability to any other party to this Letter based upon, arising from or relating to the Non-Binding Provisions.

1. Basic Transaction. On the terms and subject to the provisions to be set forth in the Contract to be negotiated and entered into by the parties, Buyer would purchase the Premises from Seller.

2. Purchase Price and Earnest Money. For the purchase of the Premises, Buyer will pay the Seller Nine Million and 00/100 Dollars (\$9,000,000.00), or if the Buyer is awarded a state transformation grant with funds equal to or greater than Two Million Dollars (\$2,000,000), the purchase price shall be Ten Million and 00/100 Dollars (\$10,000,000.00).

3. Proposed Closing. If the Contract is entered into between Buyer and Seller, the parties intend that the proposed transaction would be consummated within twenty (20) days after the expiration of the Due Diligence Period ("Closing").

4. Initial Drafting. The attorneys for Seller and Buyer have jointly prepared drafts of the Contract and the Parties will continue to work together to complete a final contract for execution by the parties.

5. Contract. The Contract will contain usual and customary conditions as those typically found in commercial real estate contracts for Central Illinois, including but not limited to the following additional provisions:

a) Seller, at Seller's expense, will provide Buyer with a standard ALTA commitment for title insurance in the amount of the purchase price, subject only to those exceptions permitted by the Contract. At Closing, Seller will convey Premises to Buyer by a recordable corporate warranty deed and deliver exclusive possession of the Premises to Buyer. Seller will pay all transfer taxes. Buyer's obligation to close will be subject to Buyer's approval of the title commitment and any title exceptions.

b) Buyer will have a due diligence period which will end on or before the date which is the earlier of November 1, 2022 and the date which is fifteen (15) days after the date on which Buyer receives written notice of approval of a Certificate of Need (the "Due Diligence Period"). During the Due Diligence Period, Seller will provide Buyer with access to the Premises so Buyer can perform all necessary inspections of the Premises, including but not limited to survey, environmental, structural, zoning, flood plain, site design and layout, utilities, feasibility and suitability. Buyer will indemnify and hold harmless the Seller from the Buyer's due diligence activities at the Premises. The Contract will provide that if the Buyer is not satisfied with any of the due diligence items prior to the expiration of the Due Diligence Period, then Buyer will have the right to terminate the Contract.

c) Buyer's obligation to close will be subject to the Buyer receiving, prior to the expiration of the Due Diligence Period, appropriate zoning and other approvals for Buyer's intended use of the Premises from West Peoria, Illinois.

d) The parties acknowledge that Buyer intends to operate the Premises following Closing and after receiving necessary approvals as a health care facility (more specifically, a child and adolescent inpatient unit, among other related uses), and, as such, will be subject to the requirements of the Illinois Health Facilities Planning Act, 20 ILCS 3960/1 et seq., Illinois Health Facilities & Services Review Board ("HFSRB"), and Illinois Department of Public Health ("IDPH"). The parties acknowledge that Buyer may not be able to operate the Premises as a health care facility unless and until Buyer obtains Certificate of Need ("CON") approval from the HFSRB and approval from IDPH for Buyer's intended use of the Premises. If Buyer is unable to obtain such approvals, prior to Closing, Buyer shall have the option to terminate the Contract. Buyer will proceed using its commercially reasonable efforts to obtain such approvals from the HFSRB and IDPH prior to Closing.

e) The Contract shall include the Buyer's acknowledgment that the Premises was originally financed and is expected to be refinanced with the proceeds of tax-exempt obligations issued by the Seller (the "Bonds") and that the Premises and equipment at the Premises are, therefore, subject to certain use and ownership restrictions under the Internal Revenue Code of 1986, as amended (the "Code"). At Closing, the Buyer will execute a Tax Exemption Certificate and Agreement and Project Certificate (the "Tax Agreement") acceptable to Buyer regarding the use and ownership of the Premises that will include covenants and representations that will remain in effect as long as the Bonds and any obligations refunding or refinancing the Bonds, are outstanding, provided, however, that the Seller agrees that any refunding or refinancing of the Bonds which extends the final maturity of the Bonds ("Extension Refunding Bonds") will be issued as taxable bonds, and the covenants and restrictions on the Buyer under the Tax Agreement will not apply to such Extension Refunding Bonds.

e) The parties intend to prorate taxes, assessments, and other similar charges to the date of Closing.

f) Buyer will have the right to assign the Contract to an entity owned entirely, controlled by, or an affiliate of it but only if the entity or affiliate is a 501(c)(3) qualified entity.

BINDING PROVISIONS

Upon execution by Buyer and Seller of this Letter, the following lettered paragraphs (collectively, the "Binding Provisions") will constitute the legally binding and enforceable agreement of Buyer and Seller (in recognition of the significant costs to be borne by all parties in pursuing this proposed transaction and further in consideration of their mutual undertakings as to the matters described herein).

A. Reasonable Efforts. Buyer and Seller will negotiate in good faith and use their reasonable efforts to arrive at a mutually acceptable Contract for approval, execution, and delivery on or before the termination date set forth in paragraph F (ii) hereof.

B. Confidentiality. In the event of termination of negotiations, each party promptly will deliver to the other party and will not retain any documents, work papers and other material (and any reproductions thereof) obtained by each party or on its behalf from such other party as a result of this proposal or in connection therewith, whether so obtained before or after the execution hereof, and will not use any information so obtained and will use its reasonable efforts to have any information so obtained kept confidential and not used in any ways detrimental to such other party.

C. Broker. The parties acknowledge that no brokers or salespersons have participated in the transaction by representing the parties during their negotiations.

D. Costs. Buyer and Seller will each be responsible for and bear all of their own respective costs and expenses, including without limitation expenses of their legal counsel, accountants and other representatives, incurred at any time in connection with the Contract.

E. Exclusive Dealings. Until the Contract has been duly executed and delivered by all the parties or until the Binding Provisions have been terminated pursuant to Paragraph F below, whichever occurs sooner: (i) Seller will not enter into any negotiations, discussions, agreements or understandings for the purpose of selling or exchanging the Premises to any other person or entity; and (ii) Buyer will not enter into any negotiations, discussions, agreements or understandings for the purpose of buying or exchanging any real property other than the Premises.

F. Termination. The Binding Provisions of the Proposal Letter may be terminated: (i) at any time by mutual written consent of Buyer and Seller; or (ii) upon written notice by any party to the other party if the Contract has not been executed by all parties by May 15, 2022; provided, however, that the termination of the Binding Provisions shall not affect the liability of a party for breach of any of the Binding Provisions prior to the termination. Upon termination of the Binding Provisions, the parties shall have no further obligations hereunder, except as stated in Paragraphs B and D, which shall survive any such termination.

SELLER:

BUYER:

COUNTY OF PEORIA, ILLINOIS,
a local unit of government created under
the Constitution and the laws of the
State of Illinois

THE METHODIST MEDICAL
CENTER OF ILLINOIS, an Illinois
not-for-profit corporation

By: Scott A. Sorrel

By: Keith Knapp

Printed Name: Scott A. Sorrel

Printed Name: Keith Knapp

Its: County Administrator

Its: President & CEO

Dated: 26-April-2022

Dated: 4/26/2022

Exhibit A
Legal Description

Parcel ID(s): 18-06-404-007 and 18-06-404-012

Lots 5 and 6 of DOBBINS' SUBDIVISION of the Southeast Quarter of Section 6, Township 8 North, Range 8 East of the Fourth Principal Meridian, situated in the County of Peoria and State of Illinois; EXCEPTING THEREFROM a part of said Lot 6, more particularly described as follows, Commencing at the Southwest corner of said Lot 6, said corner to be the Point of Beginning of the parcel to be described; From the Point of Beginning, thence North 0 degrees 13 minutes 15 seconds East (bearings assumed for description purposes only) along the West line of said Lot 6 a distance of 149.79 feet; thence South 89 degrees 46 minutes 36 seconds East 270.51 feet; thence South 0 degrees 13 minutes 24 seconds West 149.79 feet to a point on the South line of said Lot 6; thence North 89 degrees 46 minutes 36 seconds West along said South line 270.51 feet to the Point of Beginning, situated in Peoria County, Illinois. FURTHER EXCEPTING THEREFROM all that part conveyed to the State of Illinois by Warranty Deed recorded May 25, 1971 as document no. 71-07211.

Commonly known as: 2223 W Heading Ave, West Peoria, IL 61604

Parcel ID(s): 18-06-404-013

A part of Lot 6 of DOBBINS SUBDIVISION, a Subdivision of part of the Southeast Quarter of Section 6, Township 8 North, Range 8 East of the Fourth Principal Meridian, City of West Peoria, Peoria County, Illinois, as recorded July 26, 1865 in Plat Book "A", page 112, more particularly described as follows:

Commencing at an iron rod set at the Southwest corner of said Lot 6, said corner to be the Point of Beginning of the Parcel to be described:

From the Point of Beginning, thence North 0 degrees 13 minutes 15 seconds East (bearings assumed for description purposes only) along the West line of said Lot 6 a distance of 149.79 feet; thence South 89 degrees 46 minutes 36 seconds East 270.51 feet; thence South 0 degrees 13 minutes 24 seconds West 149.79 feet to a point on the South line of said Lot 6; thence North 89 degrees 46 minutes 36 seconds West along said South line 270.51 feet to the Point of Beginning, situated in Peoria County, Illinois.

Adjacent to 2223 W Heading Ave, West Peoria, IL 61604.

ATTACHMENT 3 – OPERATING IDENTITY/LICENSEE

A Certificate of Good Standing for The Methodist Medical Center of Illinois (“Methodist Hospital”) is included in Attachment 1. A copy of Methodist Hospital’s general acute care hospital license is attached. The owner of Methodist Hospital is Methodist Health Services Corporation. See organizational chart in Attachment 4.

ATTACHMENT 3



Illinois Department of
PUBLIC HEALTH HF 124025

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

Ngozi O. Ezike, M.D.

Director

Issued under the authority of
the Illinois Department of
Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
12/31/2022	General Hospital	0001594
Effective: 01/01/2022		

Methodist Medical Center of Illinois
221 Northeast Glen Oak
Peoria, IL 61636

↑
DISPLAY THIS PART IN A
CONSPICUOUS PLACE

Exp. Date 12/31/2022

Lic Number 0001594

Date Printed 10/13/2021

Methodist Medical Center of Illinois
221 Northeast Glen Oak
Peoria, IL 61636

ATTACHMENT 4 – ORGANIZATIONAL RELATIONSHIPS

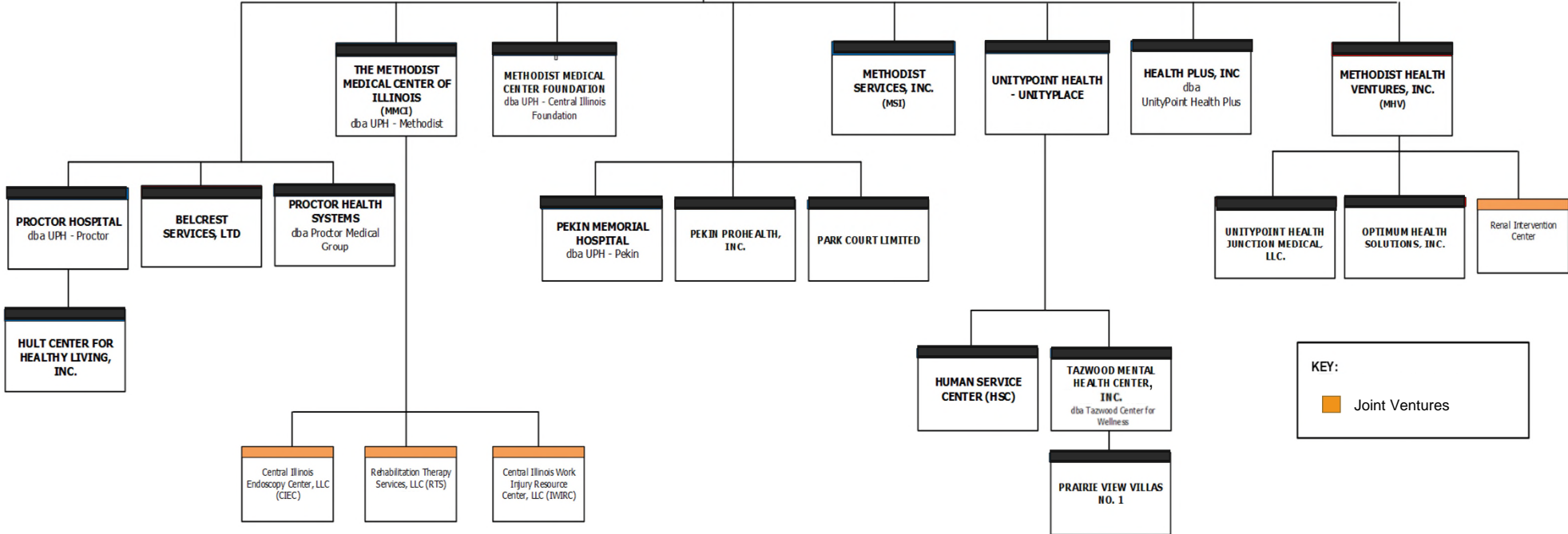
An organizational chart is attached.

ATTACHMENT 4

Methodist Health Services Corporation
Major Operating Entities
January 18, 2022



METHODIST HEALTH SERVICES CORPORATION (MHC)



ATTACHMENT 5 – FLOOD PLAIN REQUIREMENTS

Evidence that the proposed site is not located in a floodplain is shown in the attached map obtained from the FEMA Flood Map Service Center. The map shows the 2223 West Heading Avenue location, which is located in panel number 17053301675B (last revised June 1, 1983). Further contact was made with representatives of FEMA and the County of Peoria; both confirmed that the location is not located in a floodplain or a special flood hazard area. As a result, the project complies with the requirements of Illinois Executive Order #2006-5.

ATTACHMENT 5

**ATTACHMENT 6 – HISTORIC RESOURCES PRESERVATION ACT
REQUIREMENTS**

Attached is a letter to the Historic Preservation Agency requesting confirmation of compliance with the requirements of the Historic Resources Preservation Act. The Applicants will forward the Historic Preservation Act determination in relation to this project upon receipt from the Historic Preservation Agency.



150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606 • (312) 819-1900

April 19, 2022

Rebecca M. Lindstrom
312.463.6217
rlindstrom@polsinelli.com

Via Federal Express

Robert F. Appleman
Deputy State Historic Preservation Officer
Illinois Department of Natural Resources
One Natural Resources Way
Springfield, Illinois 62702-1271

Re: CON - Behavioral Health Expansion
2223 West Heading Avenue, West Peoria, Illinois 61604

Dear Mr. Appleman:

Our firm represents Methodist Health Services Corporation and The Methodist Medical Center of Illinois as their Certificate of Need (“CON”) counsel. The applicants are preparing a CON application seeking approval from the Illinois Health Facilities and Services Review Board to establish a behavioral health facility at 2223 West Heading Avenue in West Peoria, Illinois at the site of a former long-term care facility (Heddington Oaks). Enclosed is a map of the location, an aerial map of the location, and a street view of the location.

Please provide us with a letter concerning the applicability of the Preservation Act to the proposed project so that we may include it with the CON application.

Thank you for your attention to this request.

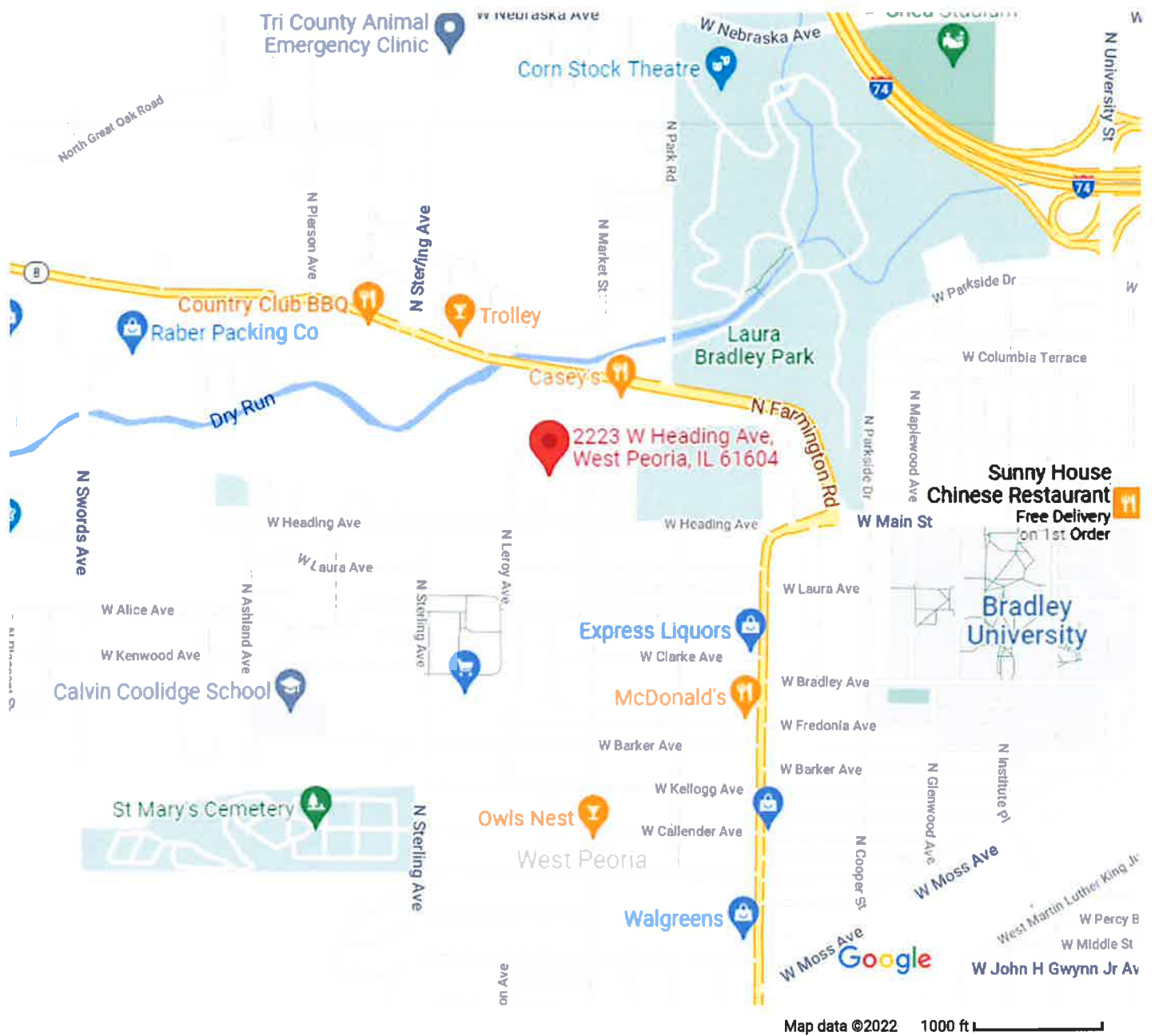
Sincerely,

A handwritten signature in blue ink that reads 'Rebecca Lindstrom'.

Rebecca M. Lindstrom

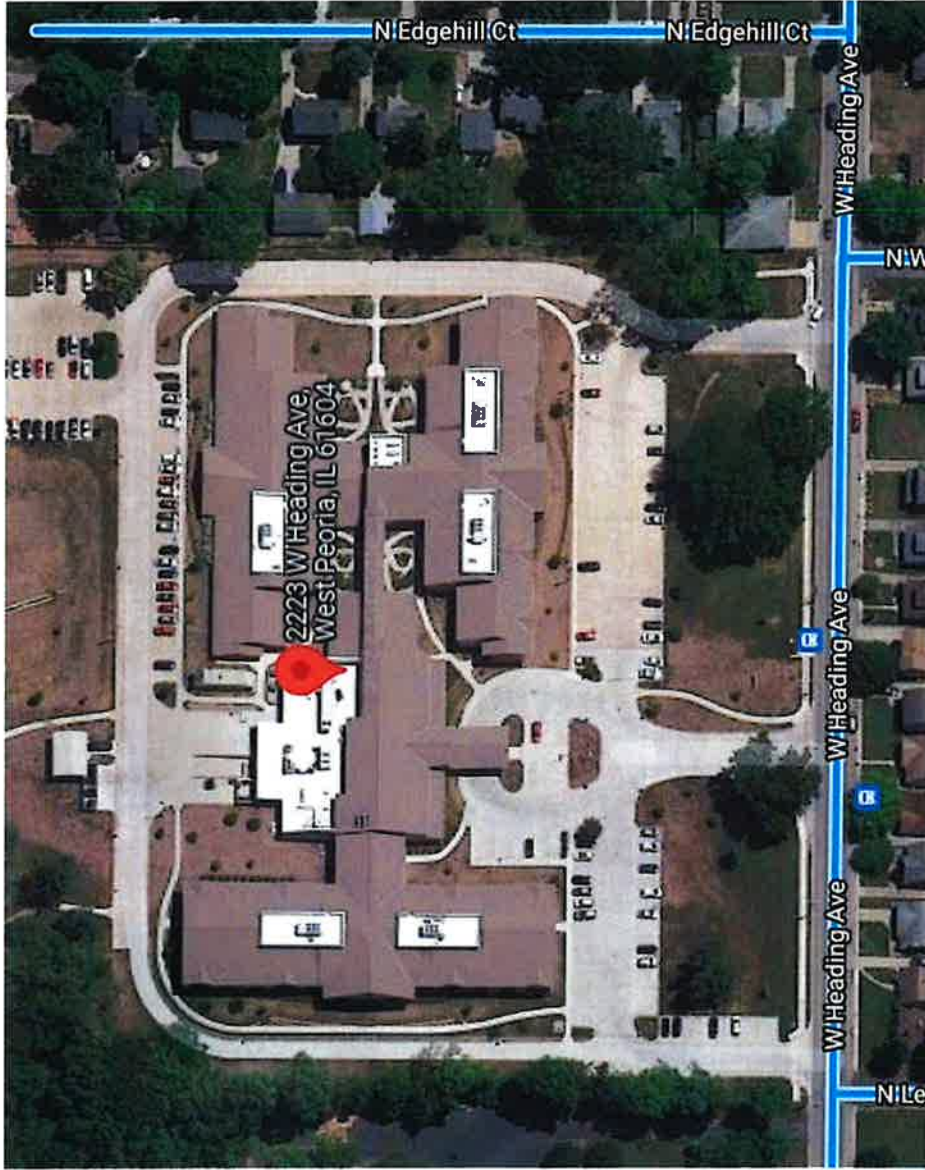
Enclosures

Google Maps 2223 W Heading Ave



2223 W. Heading Avenue West Peoria, Illinois 61604.JPG

02/14/2022



02/14/2022

2223 W. Heading Avenue West Peoria, Illinois 61604 Street View.JPG



ATTACHMENT 7 – PROJECT COSTS AND SOURCES OF FUNDS

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$114,000	\$186,000	\$300,000
Site Survey and Soil Investigation	\$7,600	\$12,400	\$20,000
Site Preparation	\$38,000	\$62,000	\$100,000
Off Site Work	\$19,000	\$31,000	\$50,000
New Construction Contracts	\$0	\$0	0
Modernization Contracts	\$5,179,136	\$8,450,169	\$13,629,305
Contingencies	\$456,000	\$744,000	\$1,200,000
Architectural/Engineering Fees	\$390,849	\$637,702	\$1,028,551
Consulting and Other Fees	\$380,000	\$620,000	\$1,000,000
Movable or Other Equipment (not in construction contracts)	\$760,000	\$1,240,000	\$2,000,000
Bond Issuance Expense (project related)	\$0	\$0	\$0
Net Interest Expense During Construction (project related)	\$0	\$0	0
Fair Market Value of Leased Space or Equipment	\$0	\$0	0
Other Costs to Be Capitalized	\$0	\$0	0
Acquisition of Building or Other Property (excluding land)	\$3,800,000	\$6,200,000	\$10,000,000
TOTAL USES OF FUNDS	\$11,144,585	\$18,183,271	\$29,327,856
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$5,824,585	\$9,503,271	\$15,327,856.00
Pledges	\$0	\$0	
Gifts and Bequests	\$4,560,000	\$7,440,000	\$12,000,000.00
Bond Issues (project related)	\$0	\$0	
Mortgages	\$0	\$0	
Leases (fair market value)	\$0	\$0	
Governmental Appropriations	\$0	\$0	
Grants	\$760,000	\$1,240,000	\$2,000,000.00
Other Funds and Sources	\$0	\$0	
TOTAL SOURCES OF FUNDS	\$11,144,585	\$18,183,271	\$29,327,856.00

ATTACHMENT 7

Project Costs & Sources of Funds - Line-Item Itemization

LINE 1: PREPLANNING COSTS	\$114,000
The PREPLANNING COSTS include early conceptual Design, Building Review, Engineering, and Project Management Consulting Fees.	
LINE 2: SITE SURVEY AND SOIL INVESTIGATION	\$7,600
The Site Survey and Soil Investigation include existing topography and courtyards.	
LINE 3: SITE PREPARATION	\$38,000
The SITE PREPARATION includes parking lot expansion, Sally Port Renovation, and Courtyard Modernization.	
LINE 4: OFFSITE WORK	\$19,000
The OFFSITE WORK includes bringing in additional utility services that are not already on the site.	
LINE 5: NEW CONSTRUCTION CONTRACTS	\$0
The NEW CONSTRUCTION CONTRACTS are at \$0 because this project will be for the modernization of an existing facility.	
LINE 6: MODERNIZATION CONTRACTS	\$5,179,136
The MODERNIZATION CONTRACTS include the renovation of approximately 57,224 SQ FT into an appropriate Behavioral Health facility. This space will host 44 beds, nurse stations, exam rooms, and administrative support areas.	
Modernization Costs, Contingency Costs, Site Preparation Costs, Site Survey & Soil Investigation Costs, Site Preparation Costs: \$5,179,136 SQ FT of Clinical Space: 57,224 COST PER SQ FT: \$90.51	
LINE 7: CONTINGENCIES	\$456,000
To cover the allowance for unforeseen circumstances. This number is set just under 10% of the total construction cost.	
LINE 8: ARCHITECTURAL/ENGINEERING FEES	\$390,849
This work includes preliminary design, schematic design, design development, construction document services, bidding and negotiation, and construction administration.	
LINE 9: CONSULTING AND OTHER FEES	\$380,000
These include Certificate of Need permit fees, consultant fees, city of Peoria fees, and other costs.	
LINE 10: MOVABLE OR OTHER EQUIPMENT	\$2,000,000
This includes standard Furniture, Fixtures, and Equipment, as well as multiple OmniCell systems for pharmaceuticals and an allowance for IT Hardware.	
LINE 15: ACQUISITION OF BUILDING OR OTHER PROPERTY	\$10,000,000
This includes the cost of purchasing the building.	

ATTACHMENT 7

ATTACHMENT 9 – COST SPACE REQUIREMENTS

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Adolescent Unit AMI	\$5,954,789	30,576			30,576		
Child Unit AMI	\$1,984,930	10,192			10,192		
Therapies	\$1,515,573	7,782			7,782		
Consultation	\$1,138,141	5,844			5,844		
Intake	\$551,153	2,830			2,830		
Total Clinical	\$11,144,585	57,224			57,224		
NON-REVIEWABLE							
Administrative	\$1,027,201	5,234			5,234		
Community Space	\$524,199	2,671			2,671		
Public	\$371,904	1,895			1,895		
Administrative Tenant Space – B Wing	\$7,618,640	38,820				38,820	
Basement	\$2,561,920	13,054				13,054	
Family Visiting	\$24,532	125			125		
Staff Lounges	\$427,248	2,177			2,177		
Food Service, Environment, etc.	\$1,037,014	5,284			5,284		
Area D – Second Floor	\$2,882,797	14,689				14,689	
Vertical Circulation	\$1,707,816	8,702				8,702	
Total Non-clinical	\$18,183,271	92,651			17,386	75,265	
TOTAL	\$29,327,856	149,875			74,610	75,265	

Note: Costs of the non-inpatient components of the building/project are included in the project cost.

ATTACHMENT 11 – BACKGROUND OF APPLICANT

A listing of Illinois health care facilities currently owned and/or operated by the applicants Methodist Health Services Corporation and The Methodist Medical Center of Illinois, along with an organizational chart, are attached.

Letters certifying that no adverse actions have been taken against any Illinois health care facilities owned or operated by the applicants, directly or indirectly, within 3 years preceding the filing of this application and authorizing the HFSRB and IDPH to have access to any documents necessary to verify information submitted are attached.

ATTACHMENT 11

Illinois Health Care Facilities Owned/Operated by Applicants
Methodist Health Services Corporation and The Methodist Medical Center of Illinois

Methodist Medical Center of Illinois (UnityPoint Health – Methodist)

221 Northeast Glen Oak

Peoria, IL 61636

IDPH License Number: 0001594, Expires 12/31/2022

JCAHO ID Number: 7408, Accredited 9/27/19 (valid for up to 36 months)

Proctor Community Hospital (UnityPoint Health – Proctor)

5409 N. Knoxville Avenue

Peoria, IL 61614

IDPH License Number: 0001925, Expires 6/30/2022

JCAHO ID Number: 7409, Accredited 9/26/19 (valid for up to 36 months)

Pekin Memorial Hospital (UnityPoint Health – Pekin)

600 S. 13th Street

Pekin, IL 61554

IDPH License Number: 0001834, Expires 12/31/2022

JCAHO ID Number: 7409, Accredited 9/26/19 (valid for up to 36 months)

Central Illinois Endoscopy Center, LLC (joint venture)

1001 Main Street, Ste. 500B

Peoria, Illinois 61606

IDPH License Number: 7003155

Renal Intervention Center (joint venture)

430 Maxine Drive

Morton, Illinois 61550

IDPH License Number: 7002728



April 19, 2022

Debra Savage, Chair
Illinois Health Facilities and Services Review Board ("HFSRB")
525 W. Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Savage:

On behalf of The Methodist Medical Center of Illinois, I hereby certify that no adverse action has been taken against The Methodist Medical Center of Illinois, directly or indirectly, within three years prior to the filing of this application. For the purpose of this letter, the term "adverse action" has the meaning given to it in Illinois Administrative Code, Title 77, Section 1130.

I hereby authorize the HFSRB and IDPH to access any documents necessary to verify the information submitted, included, but not limited to, official records of IDPH or other State agencies and the records of nationally recognized accreditation organizations.

If you have any questions, please contact me.

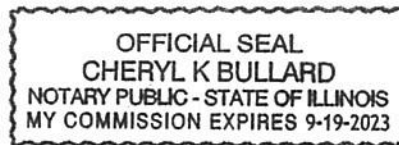
Sincerely,

Keith Knepp, M.D.
President & CEO
The Methodist Medical Center of Illinois

Subscribed and sworn to before me

This 19 day of April, 2022

Cheryl K Bullard
Notary Public





April 19, 2022

Debra Savage, Chair
Illinois Health Facilities and Services Review Board ("HFSRB")
525 W. Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Savage:

On behalf of Methodist Health Services Corporation, I hereby certify that no adverse action has been taken against Methodist Health Services Corporation, directly or indirectly, within three years prior to the filing of this application. For the purpose of this letter, the term "adverse action" has the meaning given to it in Illinois Administrative Code, Title 77, Section 1130.

I hereby authorize the HFSRB and IDPH to access any documents necessary to verify the information submitted, included, but not limited to, official records of IDPH or other State agencies and the records of nationally recognized accreditation organizations.

If you have any questions, please contact me.

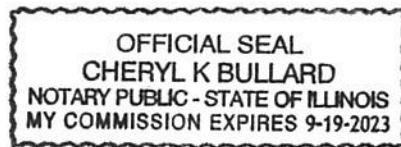
Sincerely,

Keith Knepp, M.D.
President & CEO
Methodist Health Services Corporation

Subscribed and sworn to before me

This 19 day of April, 2022

Cheryl K Bullard
Notary Public





UnityPoint Health

#22-017

Scott Kizer
SVP, Chief Legal Officer &
General Counsel
1776 West Lakes Pkwy, Ste 400
West Des Moines, IA 50266
scott.kizer@unitypoint.org

April 21, 2022

Debra Savage, Chair
Illinois Health Facilities and Services Review Board (“HFSRB”)
525 W. Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Savage:

On behalf of Iowa Health System d/b/a UnityPoint Health (“UnityPoint Health”), I hereby certify that no adverse action has been taken against UnityPoint Health, directly or indirectly, within three years prior to the filing of this application. For the purpose of this letter, the term "adverse action" has the meaning given to it in Illinois Administrative Code, Title 77, Section 1130.

I hereby authorize the HFSRB and IDPH to access any documents necessary to verify the information submitted, included, but not limited to, official records of IDPH or other State agencies and the records of nationally recognized accreditation organizations.

If you have any questions, please contact me.

Sincerely,

Scott Kizer
Chief Legal Officer & General Counsel
Iowa Health System d/b/a UnityPoint Health

Subscribed and sworn to before me

This 29th day of April, 2022

Notary Public

83114721.1

83114721.1

ATTACHMENT 12 – PURPOSE OF PROJECT

The applicants seek to expand and improve access to child and adolescent (“C&A”) behavioral health services in AMI Planning Area HSA 2 by establishing a 44-bed C&A AMI inpatient unit at a state-of-the-art behavioral health campus located approximately 2 miles from Methodist Hospital’s main campus. The proposed building for the behavioral health campus is a former long-term care facility named Heddington Oaks, which is currently owned by the County of Peoria but, subject to the HFSRB’s approval, would be purchased and owned by The Methodist Medical Center of Illinois (also known as Methodist Hospital) and placed under Methodist Hospital’s existing license pending approval from IDPH. Heddington Oaks closed in 2020, and the County of Peoria has a pending application to discontinue the facility (Project No. 21-035), which is scheduled to be heard by the HFSRB on June 7, 2022.

In addition to C&A AMI inpatient services, the campus would offer outpatient behavioral health services, providing patients with a full continuum of mental health and substance use care. The campus would also provide recreational and experiential spaces (e.g., art therapy, music therapy, and a sensory room) and community spaces for family support groups, education seminars, and community services.

Methodist Hospital is one of three Illinois hospitals owned and operated by Methodist Health Services Corporation (“MHSC”), a senior affiliate of UnityPoint Health, one of the nation’s largest nondenominational health systems. MHSC and its Illinois hospitals have a deep commitment and track record of providing quality care to residents in Central Illinois.¹ Methodist Hospital and Proctor Community Hospital (part of the MHSC and UnityPoint Health systems) have a combined total of 86 AMI beds or 77% of the total AMI beds in Planning Area HSA 2.²

Methodist Hospital is the region’s number one provider of behavioral health services and **the only hospital in the planning area that provides C&A (ages 4-17) AMI inpatient services.** Methodist Hospital has been providing comprehensive behavioral health care services to the region for more than 70 years. MHSC’s behavioral health providers address and treat a range of concerns or conditions, including suicidal thoughts and/or attempts; depression, anxiety, and other mood disorders; trauma; attention-deficit/hyperactivity disorder (ADHD); anger and stress management, and adjustment difficulties to major life changes or events. MHSC’s behavioral health team also offers continuing outpatient services after discharge from inpatient care, including individual and family services, medication management, and collaboration with community providers.

Methodist Hospital and the University of Illinois College of Medicine Peoria (“UICOMP”) have a strong partnership and long history of collaboration. Methodist Hospital is a teaching affiliate of UICOMP, and the Department of Psychiatry at UICOMP has collaborated with Methodist Hospital to provide inpatient psychiatry services for its adult AMI patients. In 2021, MHSC expanded its partnership and collaboration with the UICOMP by forming a larger

¹ Information regarding MHSC’s history and services is available here: <https://www.unitypoint.org/peoria/our-history.aspx>.

² While the latest published Inventory reflects 128 total AMI beds, as set forth in detail in Attachment 21, Galesburg Cottage Hospital is closed, and the HFSRB recently approved the removal of its beds (including its 16 AMI beds) from the HFSRB’s Inventory.

collaborative (the Youth and Family Behavioral Health Collaborative) with Children’s Home of Central Illinois, Heartland Health Services, Hult Center for Healthy Living, the Tri-County Urban League, Tazwood Center for Wellness (a subsidiary of UnityPlace), and UnityPoint Health - UnityPlace. The objective of the collaborative is to create a unified, coordinated model of care focused around a community-oriented, convenient family center and behavioral health hub (the proposed C&A behavioral health campus described in this application) that welcomes the community and its families and provides coordinated care and support for Peoria-area youth, regardless of race, income, or ethnicity. From this behavioral health hub, outreach work into the schools and other parts of the community will be coordinated by members of the collaborative. The Youth and Family Behavioral Health Collaborative submitted a Healthcare Transformation Collaborative (“HTC”) proposal to the Illinois Department of Healthcare and Family Services (“HFS”) outlining their mission, objectives, and plans in the fall of 2021 (FY 22 funding round) and seeking funding under the program.³ The HTC proposal, and specifically the proposed C&A behavioral health campus, has strong support from the community, as demonstrated in the attached letters submitted with the HTC proposal.⁴ To date, HFS has not approved or awarded funds for proposals submitted during the FY 22 funding round.

There is a strong and growing demand and need for expanded behavioral health services in Central Illinois, particularly in HSA 2, targeting children and adolescents. The proposed C&A behavioral health campus would meet the demands and needs of the community and address health care inequities and disparities as set forth below and throughout this application.

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.

The proposed project will enable Methodist Hospital to more effectively care for and treat C&A patients struggling with behavioral and mental health needs. Through the proposed behavioral health campus, Methodist Hospital will be able to provide C&A patients the full continuum of behavioral and mental health care - inpatient and outpatient - all localized in one facility. This continuum of care reflects Methodist Hospital’s belief that behavioral and mental health care is most useful when the treatment is customized to the patient’s clinical and social needs.

Peoria County has some of the most distressed zip codes in the nation (including zip codes 61603, 61604, and 61605).⁵ In fact, the CDC Social Vulnerability Index measures Peoria County at 0.6131, indicating a moderate to high level of vulnerability.⁶ At Methodist Hospital, 15.9% of all C&A behavioral health admissions are for patients from the 3 target zip codes. Of those patients, 55.5% are racial minorities (Hispanic/Latinx, black/African American, multiracial). Residents in these distressed zip codes face realities of dealing with the impact of poverty and

³ A link to the Collaborative’s proposal is available here: <https://www2.illinois.gov/hfs/HealthcareTransformation/Documents/C05YouthAndFamilyBehavioralHealthCollaborative.pdf>

⁴ See letters of support, attached as Attachment 12-A.

⁵ Agency for Toxic Substances and Disease Registry, *Social Vulnerability Index*, CTRS. FOR DISEASE CTRL., (Oct. 9, 2018), available at: <https://svi.cdc.gov/map.htm>.

⁶ Id.

health care disparities. Although behavioral health, mental health, and substance use disorders do not favor or discriminate against particular races, minorities experience greater obstacles and barriers to treatment because of various factors, including environmental factors, access to behavioral health and mental health services, cultural stigma, and systemic racism. In Peoria, unemployment, poverty, a small provider pool, and an even smaller provider pool that accepts Medicaid coverage only contributes to the underlying disparities that disadvantage persons of color. Methodist Hospital has encountered families and children in crisis who have expressed being overwhelmed by the system, and who struggle to find the time, resources, and strength to pursue all the services and resources needed to help their child heal, flourish, and succeed.

To efficaciously treat and recover from these illnesses and address the inequities, it is imperative that providers of behavioral health, mental health, and substance abuse treatment develop a coordinated system that allows all families, regardless of income or race, to pursue coordinated and quality services when necessary. The proposed behavioral health campus will provide this coordinated system to the community and will accept all patients, regardless of their ability to pay.

There is an existing, genuine need for additional C&A AMI beds in the planning area. The total number of child and adolescent patients presenting to Methodist Hospital's ED and requiring a behavioral health crisis evaluation has risen 32% since 2019 and referrals have increased by 9.4% since 2019. Since 2019, the C&A AMI inpatient unit at Methodist Hospital was at or near capacity 33% of the year. Additionally, for ED patients waiting for a C&A AMI bed, boarding⁷ times have increased 100% since January 2021 (from an average of 8 hours to currently almost 16 hours). Deflections due to lack of available beds have increased nearly 50% since 2019. With additional C&A AMI beds in a centrally located facility designed to effectively treat C&A AMI patients, Methodist Hospital can better serve the C&A population residing in HSA 2 and Methodist Hospital's primary and secondary service areas (as described below) and reduce outmigration to AMI facilities outside the planning area.

Methodist Hospital is the only hospital in AMI Planning Area HSA 2 that provides C&A AMI services. However, due to a lack of available beds and capacity issues, many patients are turned away and forced to either travel great distances outside the planning area to receive inpatient care or forgo necessary care. On average over the past 3 years, more than 60% of C&A patients residing in AMI Planning Area HSA 2 counties had to find placement with AMI inpatient providers in other areas around the state – and a majority of those patients were placed in the Chicago market, a significant distance from Peoria.

The proposed C&A inpatient unit will increase access to quality behavioral health care provided in a state-of-the-art facility uniquely designed to provide the best care and inpatient experience. Importantly, the addition of C&A AMI beds in the AMI Planning Area HSA 2 will reduce burdens that both patients and their families often face when seeking care, which often requires traveling vast distances for C&A AMI placement.

⁷ ED boarding is the process of holding patients in the ED after the decision is made to admit the patient due to a lack of inpatient beds.

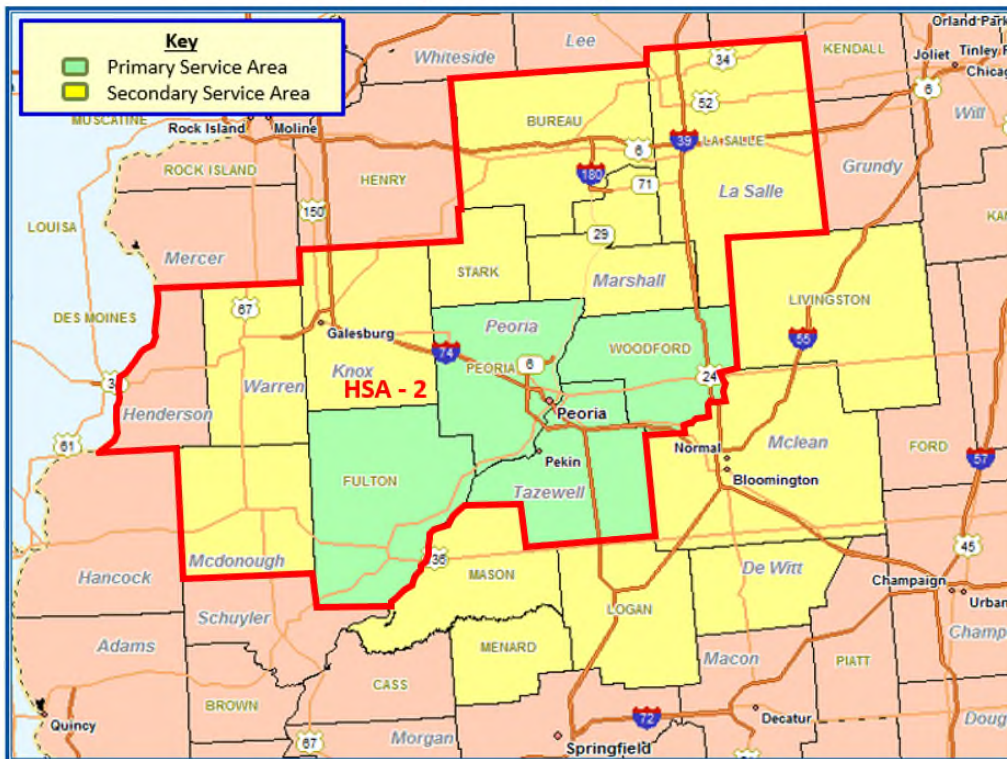
2. Define the planning area or market area, or other relevant area, per the application’s definition.

The proposed location for the 44-bed C&A behavioral health campus is 2223 W. Heading Avenue in West Peoria, Illinois, which is located in AMI Planning Area HSA 2. More than 88% of patients admitted to Methodist Hospital for AMI services over the last year reside in HSA 2, and approximately 80% of C&A patients admitted to Methodist Hospital for AMI services over the last year reside in HSA 2. More than 79% of the projected C&A patients to be treated at the proposed facility reside within HSA 2

Methodist Hospital is the only facility in HSA 2 that provides C&A AMI inpatient services.

While Methodist Hospital has also identified the following primary and secondary service areas for the proposed C&A campus, the majority of admitted patients to the new campus will reside in HSA 2.

UPH Methodist Primary and Secondary Service Area Counties



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

Methodist Hospital operates a 23-bed child and adolescent AMI unit, which is located on the 8th floor of Methodist Hospital. The current unit is located in a portion of Methodist Hospital that was built in 1917 and renovated in 1988. Since that time, only minor repairs to the unit have been completed and the unit is dated. The current unit’s design – a long hallway with no effective way to segregate high acuity patients – is not conducive to current treatment modalities and has

resulted in patients being turned away due to acuity issues. Additionally, due to limited space, children (as young as 4) are in the same unit as adolescents (as old as 17). Separate and distinct inpatient units, such as those in the proposed facility, allow for specialized, age-specific treatment and better meet the needs of patients. The unit is unable to be renovated to make the changes necessary to impact the need due to its overall layout and age.

Over the last five years, Methodist Hospital has had to ***turn away more than 2,600 children and adolescents*** in need of inpatient behavioral health, mental health, or substance use treatment due to lack of bed availability, limited space, and insufficient resources. The number of children turned away per year has been steadily increasing, with approximately 500 per year from 2016-2019 to almost 600 children per year beginning in 2020 due to lack of available beds or the patients' acuity exceeding the capability of hospital resources. The two closest hospitals with child and adolescent AMI beds are in Springfield (75 miles away) or the Quad Cities area (90 miles away). The distance needed to travel for care is particularly challenging for families without a vehicle, a common experience for those living in the most populated zip codes in Peoria, where more than 13% of individuals do not own a vehicle.⁸ When children, adolescents, and their families are turned away from Methodist Hospital due to capacity issues and insufficient resources, families must make the difficult decision of whether sending their child away 75 or 90 miles is worth the treatment. Separating families during a mental health crisis adds to this stress and, for many, makes getting help seem impossible.

Due to limited availability of C&A AMI inpatient beds in the planning area, many patients and their parents have resorted to relying on Methodist Hospital's emergency department ("ED"). Over the last three years, there has been a steady increase in demand, resulting in increased boarding, wait times, and transfers of C&A patients. The total number of C&A patients presenting to Methodist Hospital's ED who required a behavioral health crisis evaluation has risen 32% since 2019 and external referrals are up 9.4%.

On any given day, Methodist Hospital averages 4-6 calls requesting beds in its C&A unit. Of those calls, only 46% of patients can be admitted. Whether the patient can be admitted depends on whether the patient can be safely placed within the unit – not based solely on whether there is an "open" bed. In 2021, 35% of calls requesting C&A beds could not be accommodated at Methodist Hospital due to safety and acuity reasons. As described above, the current configuration of the C&A unit does not easily allow for separation of children by age and presenting condition. In 2021, Methodist Hospital had to turn away approximately 46% of patients requiring inpatient care due to a general lack of "open" beds.

Due to the lack of available inpatient beds or rooms, C&A patients often remain in the ED while waiting to be transferred. While they are seen daily by psychiatrists while in the ED waiting to be transferred, providing care in an ED is certainly not ideal for a child or adolescent with behavioral health needs. In the most extreme case, over 36 patients had to be boarded in Methodist Hospital's ED behavioral health intake area for more than 24 hours - with the longest boarded for 58 hours - before placement could be made. Methodist Hospital's ED is not equipped or designed to provide the specialized care available in the therapeutic milieu of an inpatient behavioral health unit. The ED is often the entry point for patients seeking care for a behavioral health crisis. In the

⁸ See POLICYMAP (last accessed Nov. 15, 2021), <https://www.policymap.com/newmaps/>.

last 12 months alone, over 4,400 patients entered the Methodist ED in crisis, and of those, 1,185 were children or adolescents. Given the lack of available beds, these patients are often transferred out of the planning area as described throughout Attachment 21 of the application.

The undeniable need for enhanced behavioral health services in Central Illinois are echoed by the 2019 Community Health Needs Survey (“CHNA”) for the Area. In response to the survey, 69% of residents indicated that the area’s most serious health need lies with mental health care.⁹ Compounding this need, the CHNA demonstrated that Peoria County residents often choose not to seek medical care because of co-pay obligations, long wait times, lack of insurance and lack of transportation.¹⁰ Further exacerbating the dire situation, many individuals living in the 61603, 61604, and 61605 distressed zip codes do not have access to a vehicle, making outmigration of C&A patients to other facilities an unreasonable and unfair burden.¹¹ The Institute of Medicine’s Committee on Understanding and Eliminating Racial and Ethnic Disparities in Healthcare found that barriers to accessing needed health care services may increase the risk of poor health outcomes and health disparities, which has the result that marginalized communities, like Peoria County and other parts of Central Illinois, are at a higher risk for developing health issues.¹²

4. Cite the sources of the documentation.

See sources cited and referenced throughout this Purpose Statement, along with the application.

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

The proposed project will effectively address the unmet needs of C&A patients requiring behavioral health services and their families, transform the delivery of behavioral health care model, and enhance accessibility to quality behavioral health services in the planning area. With a growing number of childhood mental health-related needs and the inability to treat all C&A patients who seek inpatient treatment at existing facilities, there is a need for additional C&A AMI beds and a facility designed to effectively treat C&A AMI patients.

As described above, the design of the C&A AMI unit at Methodist Hospital – a long hallway with no effective way to segregate high acuity patients – is not conducive to current treatment modalities and has resulted in patients being turned away due to acuity issues. Additionally, due to limited space, children (as young as 4) are in the same unit as adolescents (as old as 17). The proposed state-of-the-art C&A behavioral health campus will have separate and distinct inpatient units, allowing for specialized, age-specific treatment. There will also be outdoor space, natural lighting, and communal dining – a very different feel and environment than that of

⁹ Partnership for a Health Community, *Community Health Needs Assessment 2019*, at 22, available at: <https://www.pcchd.org/DocumentCenter/View/705/2019-Tri-County-Community-Health-Needs-Assessment-PDF>.

¹⁰ POLICYMAP (last accessed Nov. 15, 2021), available at: https://www.policymap.com/newmaps#.

¹¹ *Id.*

¹² Institute of Medicine (U.S.), *Committee on Understanding and Eliminating Racial and Ethnic Disparities in Health Care*; (2003), available at: <https://pubmed.ncbi.nlm.nih.gov/25032386/>.

a traditional mental health unit and more conducive to a therapeutic experience leading to improved outcomes.

The proposed behavioral health campus will have counselors, psychiatrists, therapy classes, outpatient treatment, and inpatient treatment all under the same roof. It will allow Methodist Hospital and its collaborating health care providers to provide a full continuum of behavioral health care to their patients and execute on additional goals of the collaborative aimed at improving health care inequities and disparities. By having inpatient, outpatient, and community services under the same roof, C&A patients and their families will benefit from earlier and greater cooperation and coordination and transition between the care levels. The proposed behavioral health campus will increase access to needed C&A behavioral health services, reduce high numbers of outmigration currently experienced due to a lack of available beds, and improve patient outcomes by expanding access to quality inpatient and outpatient care.

Additionally, the proposed facility will be located in a health professional shortage area or HPSA. By expanding C&A inpatient behavioral health services and establishing a state-of-the-art behavioral health campus, Methodist Hospital and its collaborating behavioral health providers will be able to enhance recruitment efforts and attract top behavioral health providers to the area.

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

The applicants have identified the following goals:

- a) Increase access to C&A behavioral health services to residents in Central Illinois, thereby reducing the number of C&A patients and families required to leave the planning area to receive necessary inpatient care;
- b) Address health care inequities and disparities existing in the community as they relate to C&A behavioral health concerns or conditions;
- c) Continue partnerships and collaboratives with area providers and community groups to enhance access to behavioral health services and provide C&A patients and residents with a full continuum of behavioral health care; and
- d) Improve behavioral health outcomes for C&A patients in the community.

Illinois House of Representatives

District Office:
300 E. War Memorial Drive #303
Peoria, IL 61614
309.681.1992

Springfield Address:
632 State House
Springfield, IL 62706
217.782.3186



Jehan Gordon-Booth
Deputy Majority Leader • Speaker Pro Tempore
State Representative • 92nd District

November 19, 2021

Director Theresa Eagleson
Illinois Department of Healthcare and Family Services
Prescott Bloom Building
201 South Grand Avenue, East
Springfield, Illinois 62763

Re: Expression of Support for Youth and Family Health Collaborative's
Transformation Proposal

Dear Director Eagleson,

Please accept this letter expressing my strong support for the Youth and Family Health Collaborative and the proposal they will be submitting for your review as part of the Illinois Healthcare Transformation Program.

When the General Assembly amended the Public Aid Code at Section 305 ILCS 5/14-12(d-5)(2) to provide funding for health care transformation, the intent was to ensure that collaborations focused on increasing access and reducing disparities in some of our state's most disadvantaged areas were prioritized. My hometown – Peoria - is one such area that is in desperate need of a transformative approach to healthcare, and specifically mental health, behavioral health, and substance use treatment services.

As the State Representative for the 92nd District, I have seen and understand the trauma and tragedies that too many families in the Tri-County Area experience. In fact, my family has first-hand, personal experience with the devastating violence that plagues the Peoria area and its families. Although we are fortunate to have quality community supports and healthcare services, those supports, and services are underfunded and overwhelmed because the demand for those services far exceed what is available. Methodist Medical Center is the only health system that provides inpatient mental and behavioral health services, but they lack the capacity and capability to serve all the youth who need services.

I believe an innovative and transformational approach to pediatric and adolescent behavioral health is critically important to the Tri-County Region, and particularly Peoria County. I fully support this proposal that brings healthcare providers and community supports together to develop a unified,

SOYBEAN INKS



efficient, and effective approach to reach and serve more families in crisis. Respectfully, I request your office grant and approve the proposal at the full amount requested.

Sincerely,

A handwritten signature in black ink, appearing to read 'JGB', is written over the word 'Sincerely,'. The signature is fluid and cursive.

Representative Jehan Gordon-Booth

400 NE JEFFERSON, SUITE 200
PEORIA, IL 61603
(309) 673-0120
WWW.SENATORDAVEKOEHLER.COM



M323B STATE CAPITOL
SPRINGFIELD, IL 62706
(217) 782-8250
(217) 782-2115 FAX
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ILLINOIS STATE SENATE
DAVID KOEHLER
STATE SENATOR • 46TH DISTRICT
ASSISTANT MAJORITY LEADER

November 19, 2021

Director Theresa Eagleson
Illinois Department of Healthcare and Family Services
Prescott Bloom Building
201 South Grand Avenue, East
Springfield, Illinois 62763

Re: Letter in Support of Youth and Family Health Collaborative

Dear Director Eagleson,

I am proud to offer my support for the Healthcare Transformation Proposal the Youth and Family Health Collaborative will be submitting to your office to improve access to and delivery of child and adolescent behavioral health, mental health, and substance abuse treatment services in the Tri-County Region. This proposal seeks to improve services through transformative treatment facilities and programs in the Tri-County Area, which will specifically benefit the most vulnerable and distressed areas of Peoria County.

In my Senate work with your office and the Illinois managed care program, I recognize and appreciate the need for improved mental health, behavioral health, and substance use treatment in many parts of Illinois. However, my personal experience with the violence, poverty, and other social challenges we face in the Peoria and the Tri-County Region drives my support for this proposal. Mental health does not discriminate, and mental needs cross all socioeconomic classes. However, disparities exist in parts of our state – and particularly in the Tri-County Region. Our region has pockets of extremely depressed areas with high unemployment, high poverty rate, food insecurity and reduced access to transportation, which creates insurmountable obstacles for families to find healthcare and support services related to mental health. A collaborative approach for a continuum of care model is a necessity to address this crisis.

Having learned what this collaboration intends to do as a collective to increase access and coordination of quality services, I believe their proposal is exactly what the Healthcare Transformation Program needs. I respectfully request your office accept the proposal and issue funds at the amount requested.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Koehler".

State Senator Dave Koehler
Assistant Majority Leader
46th Legislative District



WIN STOLLER

STATE SENATOR • 37TH DISTRICT

SENATORSTOLLER@GMAIL.COM • WWW.SENATORSTOLLER.COM

November 16, 2021

Theresa Eagleson, Director
Illinois Department of Healthcare and Family Services
Prescott Bloom Building
201 South Grand Avenue, East
Springfield, Illinois 62763

CAPITOL OFFICE:

105B STATE HOUSE
SPRINGFIELD, IL 62706
(217) 782-1942

DISTRICT OFFICE:

5415 N. UNIVERSITY
SUITE 105
PEORIA, IL 61614
(309) 693-4921

Dear Director Eagleson:

As a State Senator and long-time resident of the Peoria area, please accept this letter in support of the Youth and Family Health Collaborative's proposal seeking Healthcare Transformation Funds to reduce health disparities in the Tri-County Region, including Peoria County.

As a member of the Senate Public Safety Committee, I recognize the important role mental health services play in promoting safer communities. Sadly, my home community is plagued by violence and I am troubled by the impact this violence is having on our younger generations. As a resident and business owner, I understand and appreciate the importance of protecting our children and ensuring that they can access and receive critical services close to their home and families.

I strongly support this proposal because of its focus on a collaborative, unified approach among healthcare and community providers to improve access to mental health services through the coordinated delivery of evidence-based interventions. I firmly believe that, if funded, this collaborative will make a remarkable difference on the lives of our area children and families.

Respectfully,

A handwritten signature in black ink, appearing to read "Win Stoller".

Win Stoller
State Senator, 37th District



OFFICE OF THE MAYOR
RITA ALI

November 19, 2021

Theresa Eagleson, Director
Illinois Department of Healthcare and Family Services
Prescott Bloom Building
201 South Grand Avenue, East
Springfield, Illinois 62763

Re: Letter of Support for Youth and Family Health Collaborative

Dear Director Eagleson,

Please accept this letter in support of the Youth and Family Health Collaborative's proposal to the Illinois Healthcare Transformation Program for funding to increase access to and reduce disparities related to mental health, behavioral health and substance use treatment services for children and adolescents in the Tri-County Area. We strongly support this grant application and its focus on a coordinated approach expanding community outreach and increasing the delivery of evidence-based interventions in a coordinated way among all area providers.

Prior to becoming the mayor of Peoria, I spent the better part of my life and career helping those less fortunate and developing awareness and action surrounding diversity initiatives. At the age of fourteen, I took my first job with House of Peace, a community outreach program on Peoria's South Side. From that first job until now, I have seen how untreated mental and behavioral health issues plague individuals, families, and communities. I know first-hand that our community desperately needs more access to quality mental and behavioral health services. But I also recognize the need to develop meaningful jobs and careers for persons of color. This proposal does both.

We can do better and I am proud to see our area healthcare and community service providers come together and develop an innovative approach to reach more children, more effectively and in a way that will strengthen our community.

I believe this proposal can have a profound impact on our area's children, families, and workers. I respectfully request your office approve the proposal and fund the collaborative at the full amount requested.

Sincerely,

A handwritten signature in blue ink that reads "Rita Ali".

Rita Ali, Mayor
rali@peoriagov.org

Peoria City Hall
419 Fulton Street, Room 207, Peoria, IL 61602
Phone 309.494.8519 Fax 309.494.8556



Dr. Sharon Desmoulin-Kherat
Superintendent

November 15, 2021

Theresa Eagleson
Director, Illinois Department of Healthcare and Family Services
Prescott Bloom Building
201 South Grand Avenue, East
Springfield, Illinois 62763

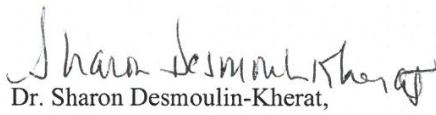
Dear Director Eagleson,

I write on behalf of the Peoria Public Schools in support of the Youth and Family Health Collaborative's proposal to the Illinois Healthcare Transformation Program for funding to increase access to and reduce disparities related to mental health, behavioral health and substance use treatment services for children and adolescents in the Tri-County Area. We strongly support this grant application and its focus on a coordinated approach expanding community outreach and, particularly outreach to our students, using evidence-based, trauma-informed programming.

As Superintendent, I have seen an escalation in school violence every year. When your community goes so does your schools. Although school is a place for learning and intellectual growth, it is a microcosm of our community are forced to double as a social service provider. The trauma our students experience at home and in community manifest in their behaviors at school. These behaviors have the adverse consequence of preventing the learning and growth that we could otherwise achieve. Earlier this year, I made the difficult decision to close one high school one hour early for a day because of my deep concern for student safety after several violent fights erupted among students and some individuals from the community. Our schools and our community need more help supporting our students' mental and behavioral health – which is exactly what the Youth and Family Health Collaborative can and will do. I cannot highlight how critical it is to have these Collaborators come together to expand their reach into the community, and into our schools, with improved coordination and shared evidence-based approaches. This proposal provides much needed help to stop, and hopefully reverse, the escalating violence.

On behalf of the Peoria Public Schools, we look forward to working with this collaboration towards improving the health and lives of our area youth. To that end, we respectfully request to approve the proposal and fund the collaborative at the full amount.

Sincerely,



Dr. Sharon Desmoulin-Kherat,
Superintendent, Peoria Public Schools



OFFICE OF PEORIA COUNTY CORONER

JAMIE HARWOOD, BSN,RN,CFN
506 E. Seneca Place
Peoria, Illinois 61603

PH: 309-669-2000 · FAX: 309-669-2005 · E-MAIL: jharwood@peoriacounty.org

November 19, 2021

Theresa Eagleson
Director
Illinois Department of Healthcare and Family Services
Prescott Bloom Building
201 South Grand Avenue, East
Springfield, Illinois 62763

Dear Director Eagleson,

By way of introduction, I am the Peoria County Coroner. I write to you in support of the Youth and Family Health Collaborative's proposal to the Illinois Healthcare Transformation Program for funding to increase access to and reduce disparities related to mental health, behavioral health and substance use treatment services for children and adolescents in the Tri-County Area. I strongly support this grant application and its focus on a coordinated approach improving mental and behavioral health in our region.

In my role, I have the unfortunate experience of seeing far too many adolescent deaths due to addiction, overdose, and suicide. I have been very vocal and active in providing first responders with access to life-saving interventions when they encounter an overdose. However, our community must do more to prevent the overdose from requiring treatment. Our adolescents who struggle with addiction and mental health issues can get well and want to get well, but there are too many obstacles and barriers that prevent them from receiving the treatment and services that will save their lives. Our area needs more hospital beds for inpatient substance use treatment and needs increased support for outpatient follow-through.

Having reviewed the Youth and Family Health Collaborative's plan for increasing services, increasing access, and expanding outreach, I truly believe this program will save lives. I implore you to consider the need in our area and fund the proposal at the fully amount requested.

Sincerely,

James Harwood

Peoria County Coroner



PEORIA POLICE DEPARTMENT

November 15, 2021

Theresa Eagleson
Illinois Department of Healthcare and Family Services
Prescott Bloom Building
201 South Grand Avenue, East
Springfield, Illinois 62763

Dear Director Eagleson,

I write on behalf of Law Enforcement in support of the Youth and Family Health Collaborative's proposal to the Illinois Healthcare Transformation Program for funding to increase access to and reduce disparities related to mental health, behavioral health and substance use treatment services for children and adolescents in the Tri-County Area. We strongly support this grant application and its focus on a coordinated approach expanding community outreach and increasing the delivery of evidence-based interventions in a coordinated way among all area providers.

This transformative approach simply must happen. In two separate incidents, Peoria's 29th and 30th homicides of the year were sadly a 15 year-old victim and an infant. These young men in our community don't know how to deal with the issues that they're facing and are quick to pull a gun out and shoot somebody.

We look forward to working with this collaboration towards improving the health and lives of our area youth. To that end, we respectfully request to approve the proposal and fund the collaborative at the full amount.

Sincerely,

A handwritten signature in blue ink, appearing to read "Eric Echevarria", written over a light blue background.

Eric Echevarria
Chief of Police
City of Peoria

600 S. W. Adams Street
Peoria, IL 61602-1592
Phone 309.494.8300

ATTACHMENT 13 – ALTERNATIVES

The applicants selected the proposed project because it is the most cost-effective means of addressing unmet needs of child and adolescent patients and their families, transforming the delivery of care model, and enhancing accessibility to quality, local care.

Before proceeding with the proposed project, the applicants considered the following alternatives:

1. Maintain Status Quo/Do Nothing/Utilize Existing Health Care Resources

Presently, Methodist Hospital operates a 23-bed child and adolescent AMI unit, which is located on the 8th floor of Methodist Hospital. The current unit is located in a portion of Methodist Hospital that was built in 1917 and renovated in 1988. Since that time, only minor repairs to the unit have been completed.

Over the last five years, Methodist Hospital has had to *turn away more than 2,600 children and adolescents* in need of inpatient behavioral health, mental health, or substance use treatment due to lack of bed availability, limited space, and insufficient resources. The number of children turned away per year has been steadily increasing, with approximately 500 per year from 2016-2019 to almost 600 children per year beginning in 2020 due to lack of available beds or the patients' acuity exceeding the capability of hospital resources. The two closest hospitals with child and adolescent AMI beds are in Springfield (75 miles away) or the Quad Cities area (90 miles away). The distance needed to travel for care is particularly challenging for families without a vehicle, a common experience for those living in the most populated zip codes in Peoria, where more than 13% of individuals do not own a vehicle.¹

The current unit's design – a long hallway with no effective way to segregate high acuity patients – is not conducive to current treatment modalities and has resulted in patients being turned away due to acuity issues. Additionally, due to limited space, children (as young as 4) are in the same unit as adolescents (as old as 17). Separate and distinct inpatient units, such as those in the proposed facility, allow for specialized, age-specific treatment and better meet the needs of patients.

The option of doing nothing was rejected by the applicants because it does not address the mental health care disparities and needs of child and adolescent Tri-County area residents. When children, adolescents, and their families are turned away from Methodist Hospital due to capacity issues and insufficient resources, families must make the difficult decision of whether sending their child away 75 or 90 miles is worth the treatment. Separating families during a mental health crisis adds to this stress and, for many, makes getting help seem impossible.

The applicants believe it is crucial to ensure that children and adolescents in the Tri-County area requiring inpatient behavioral health, mental health, or substance use treatment have local access to quality treatment.

¹ See POLICYMAP (last accessed Nov. 15, 2021), <https://www.policymap.com/newmaps/>.

While there are no upfront construction costs or expenses to this approach, it does not address the significant unmet mental health needs in the community.

2. Expand Main Campus, Add AMI Floor

The applicants explored renovating and expanding the main campus of Methodist Hospital to address the region's need for additional child and adolescent AMI beds. The applicants rejected this option because the main campus of Methodist Hospital campus lacks the requisite amount of space needed for such an expansion to be a viable option. Additionally, even if space were not an issue, the Methodist Hospital main campus would require extensive renovations and upgrades to support modern clinical needs, and the total project cost for this option would be greater than the total project cost of the proposed project.

3. Establish Separately Licensed Behavioral Health Hospital on Vacant Property

The applicants considered establishing a new, separately licensed child and adolescent behavioral health hospital at a different location on vacant property. This option was rejected as the establishment of a new, separately licensed hospital from the ground up would result in duplication of services and duplicate staffing already in operation/utilized at the main Methodist Hospital campus. Additionally, ground-up development of a new hospital would be time-consuming, more costly than the proposed project, and resource-intensive, whereas the purchase and renovation of an existing, vacant, and unused property such as the Heddington Oaks property would allow for adaptive reuse of formerly County of Peoria-owned property and result in economic, social, and environmental benefits to the community.

4. Joint Venture with Other Providers

While a joint venture was not established in relation to the proposed project, the applicants entered into a collaborative with several area providers and organizations last year to improve access to and delivery of child and adolescent behavioral health, mental health, and substance use treatment services through transformative treatment facilities and programs. Collaborators include, among others, the University of Illinois College of Medicine Peoria, Children's Home of Central Illinois, Heartland Health Services, Hult Center for Health Living, and the Tri-County Urban League. Evidence of the collaborative is detailed in the Healthcare Transformation Collaboratives proposal submitted to the Illinois Department of Healthcare and Family Services ("HFS") last fall by the applicants and collaborators.² If approved, the applicants and collaborators will continue working together to provide behavioral health care to children and adolescents, and supportive care to their families, in the proposed building and beyond.

² A link to the proposal is available here:

<https://www2.illinois.gov/hfs/HealthcareTransformation/Documents/C05YouthAndFamilyBehavioralHealthCollaborative.pdf>. At the time this application was filed, HFS had not awarded funding to any applicants from the FY 22 funding round.

ATTACHMENT 14 – SIZE OF PROJECT

The applicants propose to establish a 44-bed child and adolescent (“C&A”) AMI bed unit in an existing building located approximately 2 miles from Methodist Hospital. The building (Heddington Oaks, a former long-term care facility) will be repurposed and renovated to become a state-of-the-art behavioral health campus dedicated to the care of children and adolescents. The proposed behavioral health campus will provide inpatient behavioral health services, along with outpatient and primary care offices to provide a full continuum of mental health and substance use care. The campus will also provide recreational and experiential spaces (e.g., art therapy, music therapy, and a sensory room) and community spaces for family support groups, education seminars, and community services. Because the proposed campus will be a second location under Methodist Hospital’s license and located less than 2 miles from Methodist Hospital, which has a dedicated emergency department, the proposed campus will not have a dedicated emergency department, but, rather, will provide standby emergency services.

The renovation of the Heddington Oaks building has been designed to meet the clinical needs and operations associated with providing the highest quality of care to child and adolescent behavioral health patients and to comply with applicable IDPH licensing standards. Details of clinical space allocations are provided in the table below.

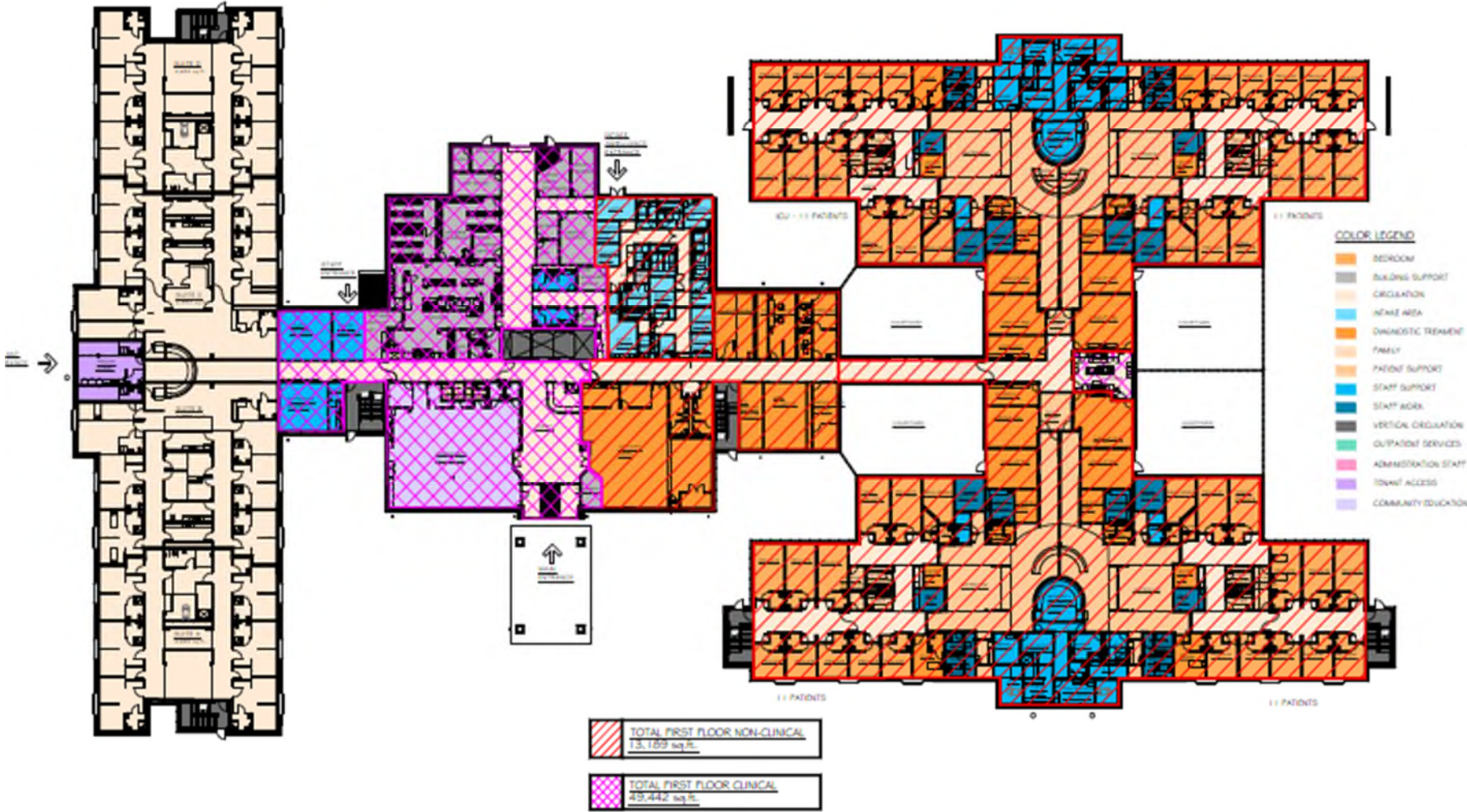
The amount of clinical space proposed for the project is necessary and not excessive. While the proposed gross square footage per AMI bed exceeds the HFSRB’s standard, the discrepancy is justified as the project involves the conversion of existing space of a former long-term care facility, which results in the excess square footage.¹ Architectural floor plans are attached as **Attachment 14-A** identifying clinical services areas and square footage, as required under the HFSRB’s review criteria.² Rather than perform a complete demolition and remodel of the interior spaces to meet the HFSRB’s standard – which would increase construction costs by nearly 40% - the applicants have chosen a more cost-effective approach of renovating the applicable existing space.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
Adolescent Unit AMI	30,576	440-560 dgsf/bed 33 beds x 560 = 18,480 dgsf	12,096	Discrepancy justified
Child Unit AMI	10,192	440-560 dgsf/bed	4,032	Discrepancy justified

¹ See 77 Ill. Admin. Code 1110.120(a)(2)(D) (discrepancies are justified for projects where the square footage is outside the HFSRB’s standards due to “the conversion of existing space that results in excess square footage.”).

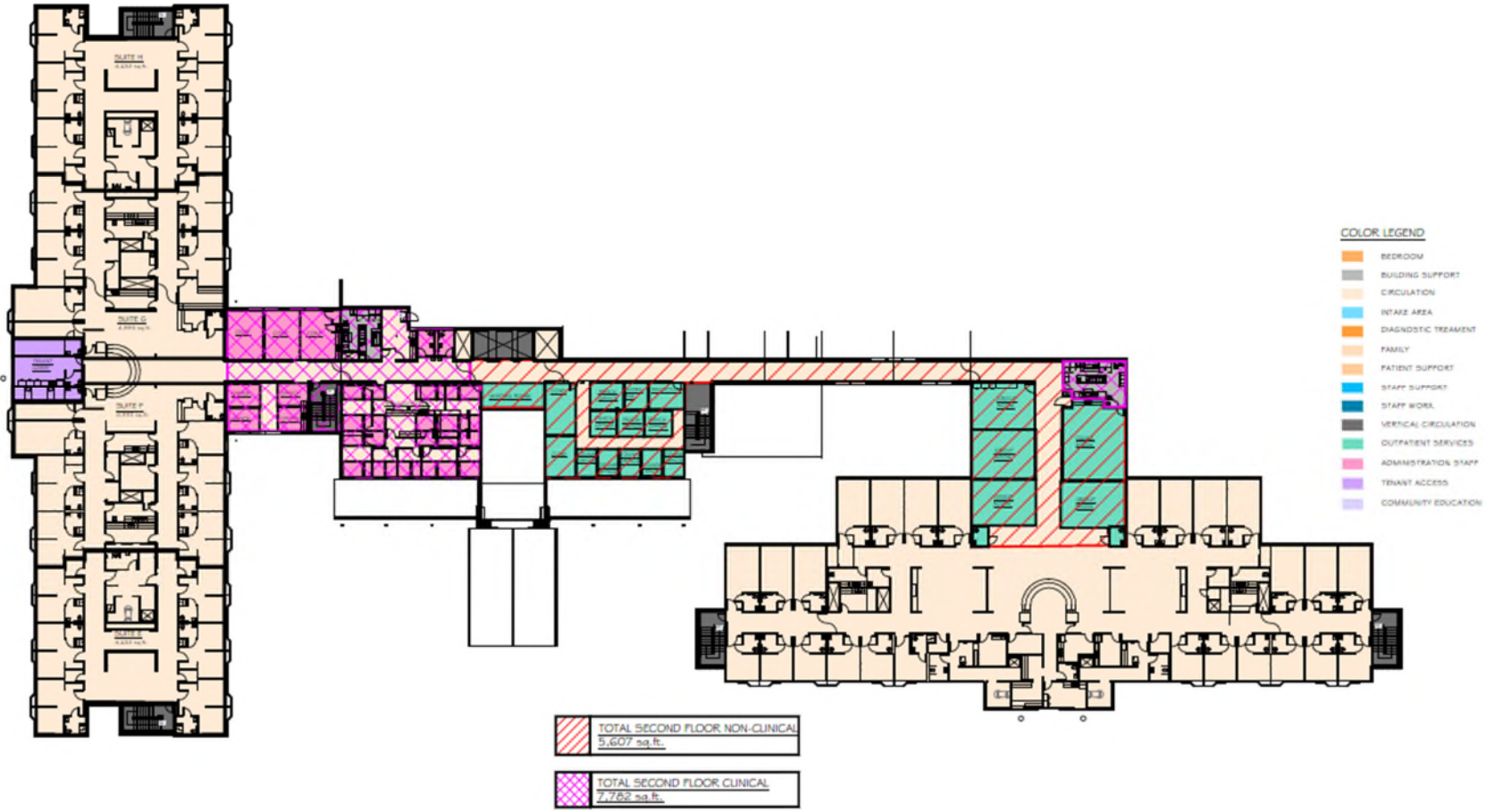
² See 77 Ill. Admin. Code 1110.120(a)(2) (“If the project square footage is outside the standards in Appendix B, the applicant shall submit architectural floor plans . . . of the project identifying all clinical service areas and those clinical services areas or components of those areas that do not conform to the standards.”)

		11 beds x 560 = 6,160 dgsf		
Activity/Therapy	7,782	N/A	N/A	N/A
Consultation	5,844	N/A	N/A	N/A
Intake	2,830	N/A	N/A	N/A
TOTAL CLINICAL SPACE	57,224	---	----	----



1 OVERALL FIRST FLOOR PLAN - BUBBLES
010' x 110'





1 OVERALL FIRST FLOOR PLAN - BUBBLES

UnityPoint Health BEHAVIORAL HEALTH FACILITY CONCEPTUAL PLANNING



ATTACHMENT 15 – PROJECT SERVICES UTILIZATION

As reflected in the table below, the applicants project that the proposed 44-bed child and adolescent (“C&A”) AMI unit will serve approximately 1,455 patients in the second year of operation and meet the HFSRB’s standard of 85% utilization.

Projections for New C&A AMI Campus			
Year	Projected Utilization	State Standard	Met Standard?
Year 1/FY 2024	65.95%	85%	No
Year 2/FY 2025	86.07%	85%	Yes

The table below demonstrates Methodist Hospital’s historic utilization of all AMI beds (adult and C&A).

Methodist Hospital – Historic Utilization – All AMI (C&A and Adult)			
	2019	2020	2021
Beds	68	68	68
Admissions	3,027	2,756	2,653
Patient Days	20,510	15,854	18,882
ALOS	6.78	5.75	7.12
% Occupancy	82.63%	63.70%	76.08%
ADC	56.19	43.32	51.73

The table below demonstrates Methodist Hospital’s historic utilization of its C&A AMI beds.

Methodist Hospital – Historic Utilization – C&A AMI Only			
	2019	2020	2021
Beds	23	23	23
Admissions	780	674	764
Patient Days	6,151	5,730	5,892
ALOS	7.89	8.50	7.71
% Occupancy	73.27%	68.07%	70.18%
ADC	16.85	15.66	16.14

There is a need for additional C&A AMI beds in a new, state-of-the-art facility where quality behavioral health care can be more effectively delivered. While Methodist Hospital has not met the 85% occupancy standard from 2019-2021, Methodist Hospital has been experiencing an increasing demand and need for additional C&A AMI inpatient services as explained throughout Attachment 21. Once the new facility is operational, Methodist Hospital expects to capture at least 700 referrals for patients who were unable to be admitted at Methodist Hospital and were historically diverted outside the planning area due to capacity, acuity, and other constraints at Methodist Hospital. Utilization of C&A AMI beds at Methodist Hospital in 2020 and 2021 was also impacted by the COVID-19 pandemic, which resulted in periodic lockdowns, an inability to admit patients needing inpatient care, and related staffing shortages.

The below table demonstrates Methodist Hospital's projected volume for C&A AMI services from 2022 – 2025. As reflected below, by year 2 of operations, the 44 C&A AMI bed unit is projected to be at 86.01% occupancy. The project admissions are supported by the letters included in Attachment 21.

2022 - 2025 C&A Projections¹				
	2022	2023	2024 [Year 1]	2025 [Year 2]
Beds	23	23	44	44
Admissions	780	780	1,180	1,455
Patient Days	6,630	6,825	10,620	13,823
ALOS	8.5	8.75	9	9.5
ADC	18.2	18.7	29	37.9
% Occupancy	78.98%	81.3%	65.95%	86.07%

The table below demonstrates Methodist Hospital's projected volume for all AMI beds (adult and C&A) by year 2 of operations of the new C&A campus. As reflected below, both the C&A campus and adult AMI beds at Methodist Hospital's main campus are projected to operate above 85% occupancy.

Methodist Hospital – Projected Utilization – All AMI						
Year 2 [2025]	Beds	Admits	Days	ALOS	ADC	Occupancy
C&A at Young Minds Institute Campus	44	1,455	13,823	9.5	38	86.07%
Adult at Methodist Hospital Main Campus²	59	2,575	19,313	7.50	53	89.68%
Combined Total	103	4,030	33,136	8.22	91	88.14%

¹ The 2022 and 2023 projections reflect projected utilization of C&A AMI beds at Methodist Hospital's main campus. The 2024 and 2025 projections reflect projected utilization of the C&A AMI beds at the proposed campus in Year 1 and Year 2 of operations.

² Contemplates decommissioning or a discontinuation of 9 AMI beds currently utilized as C&A AMI beds and conversion of 14 of the remaining existing 23 C&A AMI beds to adult AMI beds.

ATTACHMENT 21**PLANNING AREA NEED – 1110.210(B)****FORMULA CALCULATION – 1110.210(b)(1)**

The applicants propose to expand the existing AMI services provided to residents of AMI Planning Area HSA 2 by establishing a 44-bed child and adolescent (“C&A”) AMI unit at a facility located less than 2 miles from Methodist Hospital which will be placed under Methodist Hospital’s existing hospital license, pending IDPH approval. If approved by the HFSRB, the applicants have committed to decommission 9 of its 68 existing AMI beds currently utilized as C&A AMI beds at Methodist Hospital at the time the new C&A AMI unit becomes operational.¹ The applicants will subsequently convert the remaining 14 C&A AMI beds currently utilized at Methodist Hospital to adult AMI beds which will remain at Methodist Hospital’s main campus. The resulting 59 AMI beds at Methodist Hospital’s main campus will be operated as adult AMI beds. The 59 adult AMI beds at Methodist Hospital’s main campus, plus the 44 C&A beds at the new behavioral health campus, will constitute a 103-bed AMI service under Methodist Hospital’s license. As a result, only 35 new AMI beds will be added to the planning area if this project is approved.

The HFSRB does not distinguish between adult AMI beds and C&A AMI beds in relation to its Inventory or bed need calculation methodology, which incorporate utilization of both adult and C&A AMI beds. The HFSRB’s AMI bed need calculation methodology is also significantly different when compared to the calculation methodology used for certain other categories of services. The medical-surgical, obstetrics, and pediatrics categories of service are calculated to factor in outmigration and in-migration to the planning area. When the HFSRB calculates the bed need for AMI services, however, it does not adjust for any migration — which could significantly impact the calculation, particularly in relation to AMI HSA Planning Area 2 where Methodist Hospital historically admits and/or receives referrals from a large number of C&A AMI patients from outside the planning area and either transfers out or is unable to accept many C&A AMI patients due to capacity, acuity, and other constraints that result in large numbers of C&A AMI patients leaving the planning area to receive inpatient care.

Applying the HFSRB’s bed need calculation methodology, there is a calculated excess of 6 AMI beds in AMI Planning Area HSA 2. While the HFSRB’s published Inventory available at the time the application was filed reflected an excess of 22 AMI beds in AMI Planning Area HSA 2 (see below), the Inventory does not reflect the current capacity or utilization of AMI beds in the planning area today. In the published Inventory, Galesburg Cottage Hospital is noted to have 16 AMI beds, and its admissions and patient days from 2019 were incorporated in the HFSRB’s bed need calculation. In December 2021, the Centers for Medicare & Medicaid Services (“CMS”) terminated its agreement with Galesburg Cottage Hospital, effective January 14, 2022,² and the hospital officially closed in January 2022. According to recent press releases and news articles, OSF HealthCare recently purchased Galesburg Cottage Hospital and announced it did not intend to offer inpatient services at the location. Galesburg Cottage Hospital accounts for 16 of the 22 calculated excess AMI beds in the published Inventory. At the April 26, 2022 HFSRB meeting,

¹ See attached commitment letter, attached as **Attachment 21-A**.

² See attached CMS Termination Notice, available at <https://www.cms.gov/files/document/illinois-galesburg-cottage-hospital-12292021.pdf>.

the HFSRB voted to remove the Galesburg Cottage Hospital bed counts from its Inventory, **and, as a result, there is currently a calculated excess of only 6 AMI beds in AMI Planning Area HSA 2.**

		Acute Mental Illness Planning Area: 02					2019 Utilization				
Hospital		City		Beds	Admissions	Patient Days					
Galesburg Cottage Hospital		Galesburg		16	203	3,924					
McDonough District Hospital		Macomb		0	0	0					
9/17/2019 E-034-19		Facility approved to discontinue 12 bed Acute Mental Illness category of service.									
Methodist Medical Center of Illinois		Peoria		68	3,027	20,510					
OSF Saint Elizabeth Medical Center		Ottawa		26	1,116	5,664					
Proctor Community Hospital		Peoria		18	216	3,976					
				Planning Area Totals			128	4,562	34,074		
Estimated 2019 Total Population	Minimum Beds per 1,000	Minimum AMI Bed Need	Experienced AMI Use Rate	Projected 2024 Total Population	Projected Patient Days	Days in Year 2024	Projected Average Daily Census	Target Occupancy Rate	Calculated Bed Need	Planned Bed Need	Excess Beds
647,000	0.11	69	52.7	627,900	33,068	366	90.4	0.85	106	106	22

As reflected in the Inventory (and excluding Galesburg Cottage Hospital and McDonough District Hospital which no longer provide AMI services), there are only 3 hospitals in AMI HSA Planning Area 2 that currently provide AMI services. **Of those 3 hospitals, Methodist Hospital is the only hospital that provides C&A inpatient AMI services.**³ Therefore, 89 of the 112 AMI beds in the Inventory (approximately 80%) are not set up and staffed as C&A AMI beds and cannot take C&A AMI patients. Methodist Hospital is licensed for 68 AMI beds, and 23 of those 68 AMI beds are operated (set up and staffed) as C&A AMI beds.

As described in the attached letter⁴ and reflected below, in 2021, there were 685 C&A patients who resided in AMI Planning Area HSA 2 and had to leave the planning area to receive C&A AMI inpatient care. Additionally, as reflected in the attached letter, in 2021, more than 1300 calls were made directly to Methodist Hospital’s C&A inpatient unit from providers and facilities throughout Illinois seeking a C&A AMI inpatient bed. Of the more than 1300 calls, only 611 were able to be admitted to the unit, and the remaining 697 C&A patients were left searching for other inpatient care options outside the planning area.

³ See Hospital Profile Reports for CY 2020 for Galesburg Cottage Hospital, McDonough District Hospital, OSF Saint Elizabeth Medical Center, Proctor Community Hospital, and Methodist Hospital, attached as **Attachment 21-B**.

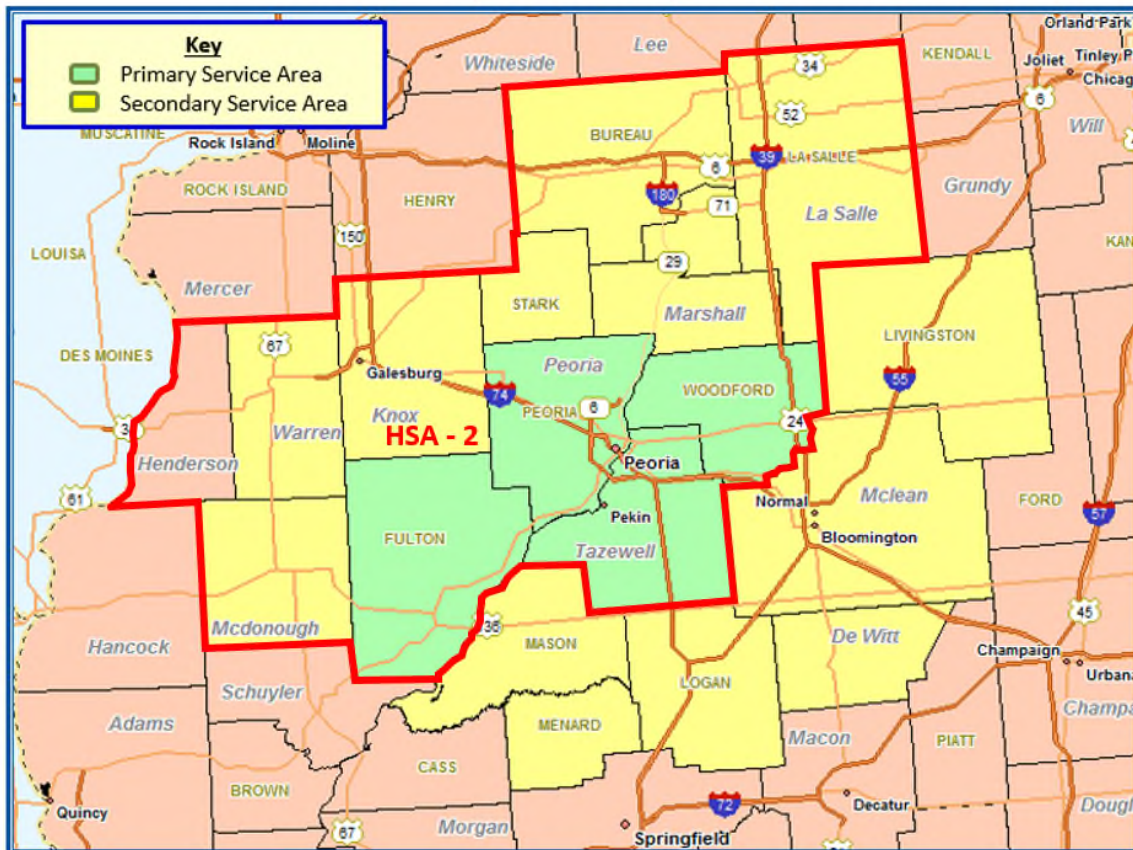
⁴ See letter detailing historic deflections, attached as **Attachment 21-C and Appendix 1**.

Illinois HSA-2 Child & Adolescents (Age 17 and Under Treated as Inpatients for Acute Mental Illness)

Year	Received care In/Out Home Mkt	Treated in what Service Area	Discharges	Days	% Of Days
2021	Out-of-Mkt	HSA-1	1	20	0.16%
2021	Out-of-Mkt	HSA-10	15	95	0.75%
2021	In-Mkt	HSA-2	619	4,770	37.66%
2021	Out-of-Mkt	HSA-3	171	1,875	14.80%
2021	Out-of-Mkt	HSA-4	43	516	4.07%
2021	Out-of-Mkt	HSA-A	455	5,389	42.55%
TOTAL HSA-2 C&A Residents			1,304	12,665	100.00%
Total Served In Mkt			619	4,770	37.66%
Had to find beds Out of Mkt			685	7,895	62.34%

When considering Methodist Hospital’s primary and secondary service areas (see map and table below), there were approximately 968 C&A AMI patients residing in those areas combined who were forced to seek C&A AMI care outside AMI Planning Area HSA 2 in 2021. The applicants conservatively project that at least 677 of the 968 (60%) patients will be able to receive care at the new 44-bed C&A AMI unit.

UPH Methodist Primary and Secondary Service Area Counties



Year	HSA Svc Area	County, State Abbrv	UPH Mkt	Svc Area	Admissions	Total Days	Recovered Admissions
				% Recovery			
2021	HSA - 2	BUREAU COUNTY, IL	SSA	60%	33	345	20
2021	HSA - 2	FULTON COUNTY, IL	PSA	95%	43	580	41
2021	HSA - 2	KNOX COUNTY, IL	SSA	60%	41	509	25
2021	HSA - 2	LASALLE COUNTY, IL	SSA	60%	249	2,501	149
2021	HSA - 2	MARSHALL COUNTY, IL	SSA	60%	12	120	7
2021	HSA - 2	MCDONOUGH COUNTY, IL	SSA	60%	46	657	28
2021	HSA - 2	PEORIA COUNTY, IL	PSA	95%	118	1,631	112
2021	HSA - 2	PUTNAM COUNTY, IL	SSA	60%	8	72	5
2021	HSA - 2	STARK COUNTY, IL	SSA	60%	6	148	4
2021	HSA - 2	TAZEWELL COUNTY, IL	PSA	95%	90	1,002	86
2021	HSA - 2	WARREN COUNTY, IL	SSA	60%	20	204	12
2021	HSA - 2	WOODFORD COUNTY, IL	PSA	95%	25	209	24
2021	HSA - 3	LOGAN COUNTY, IL	SSA	60%	23	318	14
2021	HSA - 3	MASON COUNTY, IL	SSA	60%	12	111	7
2021	HSA - 3	MENARD COUNTY, IL	SSA	60%	4	40	2
2021	HSA - 4	DE WITT COUNTY, IL	SSA	60%	14	118	8
2021	HSA - 4	LIVINGSTON COUNTY, IL	SSA	60%	44	487	26
2021	HSA - 4	MCLEAN COUNTY, IL	SSA	60%	180	1,771	108
Total:					968	10,823	677

SERVICE TO PLANNING AREA RESIDENTS - 1110.210(b)(2)

The primary purpose of the project is to provide necessary behavioral health care to the residents of AMI Planning Area HSA 2, which is where the proposed project will be located. Methodist Hospital is the only hospital in AMI Planning Area HSA 2 that provides C&A AMI services, and Methodist Hospital admits AMI patients – adult and C&A – who reside throughout Illinois. Below are tables providing historical AMI patient origin data for 2021 at Methodist Hospital (all AMI (adult and C&A) and C&A AMI alone) and projected patient origin data for the proposed facility, including the patient zip codes for these individuals.

More than 88% of patients admitted to Methodist Hospital for AMI services over the last year reside in HSA 2, and approximately 80% of C&A patients admitted to Methodist Hospital for AMI services over the last year reside in HSA 2. More than 79% of the projected C&A patients to be treated at the proposed facility reside within HSA 2.

AMI Admissions by ZIP - 2021

ZIP Code	City	Patients	% of Total			
61604	Peoria	331	12.5%			
61554	Pekin	230	8.7%			
61603	Peoria	227	8.6%			
61605	Peoria	173	6.5%			
61611	East Peoria	139	5.2%			
61614	Peoria	126	4.7%			
61615	Peoria	98	3.7%			
61571	Washington	75	2.8%			
61616	Peoria Heights	62	2.3%			
61550	Morton	61	2.3%			
61606	Peoria	52	2.0%			
61607	Peoria	52	2.0%			
61523	Chillicothe	50	1.9%			
61548	Metamora	46	1.7%			
61602	Peoria	45	1.7%			
61636	Peoria	40	1.5%			
61520	Canton	39	1.5%			
61401	Galesburg	38	1.4%			
61610	Creve Coeur	34	1.3%			
61356	Princeton	26	1.0%			
61530	Eureka	26	1.0%			
61525	Dunlap	17	0.6%			
61755	Mackinaw	17	0.6%			
61540	Lacon	16	0.6%			
61531	Farmington	14	0.5%			
61533	Glasford	14	0.5%			
61517	Brimfield	13	0.5%			
				HSA	2,346	88.4%
				Other	307	11.6%

61546	Manito	12	0.5%
61443	Kewanee	11	0.4%
61559	Princeville	11	0.4%
61529	Elmwood	10	0.4%
61535	Groveland	10	0.4%
61537	Henry	9	0.3%
61427	Cuba	8	0.3%
61528	Edwards	8	0.3%
61542	Lewistown	8	0.3%
61568	Tremont	8	0.3%
Zips with 7 or fewer patients		190	7.2%
Null	Null	16	0.6%
61761	Normal	16	0.6%
61701	Bloomington	12	0.5%
61564	South Pekin	8	0.3%
62301	Quincy	8	0.3%
62644	Havana	7	0.3%
62656	Lincoln	7	0.3%
61704	Bloomington	6	0.2%
61201	Rock Island	5	0.2%
61567	Topeka	5	0.2%
79912	El Paso	5	0.2%
53214	Milwaukee	4	0.2%
61081	Sterling	4	0.2%
61264	Milan	4	0.2%
61705	Bloomington	4	0.2%
61723	Atlanta	4	0.2%
62650	Jacksonville	4	0.2%
62704	Springfield	4	0.2%
Zips with 3 or fewer patients		184	6.9%

C&A Admissions by ZIP - 2021

ZIP Code	City	Patients	% of Total		
61554	Pekin	74	9.7%		
61604	Peoria	53	6.9%	HSA	617 80.8%
61603	Peoria	43	5.6%	Other	147 19.2%
61611	East Peoria	38	5.0%		
61571	Washington	32	4.2%		
61550	Morton	29	3.8%		
61614	Peoria	27	3.5%		
61615	Peoria	26	3.4%		
61605	Peoria	24	3.1%		
61523	Chillicothe	19	2.5%		
61607	Peoria	17	2.2%		
61530	Eureka	16	2.1%		
61616	Peoria Heights	15	2.0%		
61548	Metamora	15	2.0%		
61401	Galesburg	14	1.8%		
61610	Creve Coeur	12	1.6%		
61520	Canton	9	1.2%		
61540	Lacon	8	1.0%		
61606	Peoria	6	0.8%		
61755	Mackinaw	6	0.8%		
61559	Princeville	6	0.8%		
61535	Groveland	6	0.8%		
61427	Cuba	6	0.8%		
61528	Edwards	6	0.8%		
61525	Dunlap	5	0.7%		
61531	Farmington	5	0.7%		
61517	Brimfield	5	0.7%		
61443	Kewanee	5	0.7%		
61570	Washburn	5	0.7%		
Zips with 4 or fewer patients		85	11.1%		
61761	Normal	8	1.0%		
61704	Bloomington	6	0.8%		
61701	Bloomington	4	0.5%		
61201	Rock Island	4	0.5%		
53214	Milwaukee	4	0.5%		
61081	Sterling	4	0.5%		
62650	Jacksonville	4	0.5%		
61564	South Pekin	3	0.4%		
61264	Milan	3	0.4%		
62704	Springfield	3	0.4%		

Zips with 2 or fewer patients

104 13.6%

PROJECTED ADMISSIONS BY ZIP

HSA	ZIP Code	Zip City	Total Admits
HSA - 2	61554	Pekin	101
HSA - 2	61604	Peoria	74
HSA - 2	61603	Peoria	61
HSA - 2	61611	East Peoria	56
HSA - 2	61550	Morton	48
HSA - 2	61571	Washington	42
HSA - 2	61614	Peoria	41
HSA - 2	61615	Peoria	39
HSA - 2	61401	Galesburg	34
HSA - 2	61605	Peoria	33
HSA - 2	61350	Ottawa	32
HSA - 2	61520	Canton	29
HSA - 2	61607	Peoria	29
HSA - 2	61530	Eureka	28
HSA - 2	61301	La Salle	28
HSA - 2	61342	Mendota	26
HSA - 2	61523	Chillicothe	20
HSA - 2	61364	Streator	20
HSA - 2	61548	Metamora	18
HSA - 2	61616	Peoria Heights	17
HSA - 2	61610	Creve Coeur	16
HSA - 2	61525	Dunlap	16
HSA - 2	61455	Macomb	16
HSA - 2	61354	Peru	14
HSA - 2	61755	Mackinaw	13
HSA - 2	61531	Farmington	12
HSA - 2	61462	Monmouth	12
HSA - 2	61738	El Paso	11
HSA - 2	61341	Marseilles	11
HSA - 2	61362	Spring Valley	11
HSA - 2	61422	Bushnell	10
HSA - 2	61606	Peoria	10
HSA - 2	61517	Brimfield	9
HSA - 2	61427	Cuba	8
HSA - 2	61528	Edwards	7
HSA - 2	61540	Lacon	7
HSA - 2	61356	Princeton	7

	Total Admits	%
HSA - 2	1,155	79.38%
Other	300	20.62%
	1,455	

HSA - 2	61535	Groveland	6
HSA - 2	61348	Oglesby	6
HSA - 2	61559	Princeville	6
HSA - 2	61565	Sparland	6
HSA - 2	61570	Washburn	6
HSA - 2	61443	Kewanee	5
HSA - 2	61547	Mapleton	5
HSA - 2	60551	Sheridan	5
HSA - 2	Zips with 4 or fewer patients		144
Other	61761	Normal	36
Other	61701	Bloomington	31
Other	61704	Bloomington	28
Other	62656	Lincoln	13
Other	61764	Pontiac	12
Other	61745	Heyworth	9
Other	61705	Bloomington	8
Other	61727	Clinton	6
Other	62664	Mason City	5
Other	60921	Chatsworth	4
Other	61736	Downs	4
Other	62650	Jacksonville	4
Other	53214	Milwaukee	4
Other	61201	Rock Island	4
Other	61081	Sterling	4
Other	61723	Atlanta	3
Other	52722	Bettendorf	3
Other	61732	Danvers	3
Other	60420	Dwight	3
Other	62644	Havana	3
Other	61752	Le Roy	3
Other	61264	Milan	3
Other	62704	Springfield	3
Other	Zips with 2 or fewer patients		104

1,455

SERVICE DEMAND – ESTABLISHMENT OF AMI - 1110.210(b)(3)

The applicants seek to establish a 44-bed C&A AMI unit at a facility located approximately 2 miles from Methodist Hospital and plan to place the location under its existing hospital license. The primary purpose of this project is to enhance access to C&A AMI services for residents of AMI Planning Area HSA 2. Methodist Hospital is the only hospital in AMI Planning Area HSA 2 that provides C&A AMI services. The applicants project an annual volume of 1,455 admissions by year 2 of operations of the new unit, with an average length of stay of 9.5 days. The resulting 13,823 patient days is 86.07% occupancy of the 44 C&A AMI beds.

The number of beds proposed is necessary to accommodate the service demand historically experienced by Methodist Hospital, along with the growing demand for C&A AMI inpatient services and projected volume once the new facility is operational.

The table below demonstrates Methodist Hospital's historic utilization of all AMI beds (adult and C&A).

Methodist Hospital – Historic Utilization – All AMI (C&A and Adult)			
	2019	2020	2021
Beds	68	68	68
Admissions	3,027	2,756	2,653
Patient Days	20,510	15,854	18,882
ALOS	6.78	5.75	7.12
% Occupancy	82.63%	63.70%	76.08%
ADC	56.19	43.32	51.73

The table below demonstrates Methodist Hospital's historic utilization of the C&A AMI beds within the total AMI bed complement of 68 beds.

Methodist Hospital – Historic Utilization – C&A AMI Only			
	2019	2020	2021
Beds	23	23	23
Admissions	780	674	764
Patient Days	6,151	5,730	5,892
ALOS	7.89	8.50	7.71
% Occupancy	73.27%	68.07%	70.18%
ADC	16.85	15.66	16.14

While Methodist Hospital has not met the 85% utilization standard of the HFSRB from 2019-2021, Methodist Hospital has been experiencing an increasing demand for C&A AMI inpatient services and, once the new facility is operational, expects to capture at least 700 referrals for patients who were diverted outside the planning area due to capacity, acuity, and other constraints at Methodist Hospital. Utilization of Methodist Hospital's C&A inpatient unit in 2020 and 2021 was also impacted by the COVID-19 pandemic, which resulted in periodic lockdowns, an inability to admit patients needing inpatient care, and related staffing shortages.

The below table demonstrates Methodist Hospital's projected volume for C&A AMI services from 2022 – 2025. The new 44-bed C&A facility is expected to open on or around December 31, 2023. As reflected below, by year 2 of operations, the 44 C&A AMI beds are projected to be at 86.07% occupancy.

2022 - 2025 C&A Projections⁵				
	2022	2023	2024 [Year 1]	2025 [Year 2]
Beds	23	23	44	44
Admissions	780	780	1,180	1,455
Patient Days	6,630	6,825	10,620	13,823
ALOS	8.5	8.75	9	9.5
ADC	18.2	18.7	29	37.9
% Occupancy	78.98%	81.3%	65.95%	86.07%

The table below demonstrates Methodist Hospital's projected volume for all AMI beds (adult and C&A) by year 2 of operations of the new campus. As reflected below, both the C&A campus and adult AMI beds at Methodist Hospital's main campus are projected to operate above 85% occupancy.

Methodist Hospital – Projected Utilization – All AMI						
Year 2 [2025]	Beds	Admits	Days	ALOS	ADC	Occupancy
C&A at Young Minds Institute Campus	44	1,455	13,823	9.5	38	86.07%
Adult at Methodist Hospital Main Campus⁶	59	2,575	19,313	7.50	53	89.68%
Combined Total	103	4,030	33,136	8.22	91	88.14%

As reflected in the table below, the applicants project 1455 admissions to the new C&A AMI unit by year 2 of operations, which are supported by the information in the attached letters.⁷

⁵ The 2022 and 2023 projections reflect projected utilization of C&A AMI beds at Methodist Hospital's main campus. The 2024 and 2025 projections reflect projected utilization of the C&A AMI beds at the proposed campus in Year 1 and Year 2 of operations.

⁶ Contemplates decommissioning or a discontinuation of 9 AMI beds currently utilized as C&A AMI beds and conversion of 14 of the remaining existing 23 C&A AMI beds to adult AMI beds.

⁷ See referral/admissions letters, attached as **Attachment 21-C** and **Appendix 1**.

Of the 1455 admissions, at least 758 admissions are projected to come from C&A psychiatrists employed by Methodist Hospital who admitted 758 of the 764 C&A AMI inpatient admissions to Methodist Hospital last year. The applicants also conservatively project that at least 697 additional admissions to the new C&A AMI unit will result from correction of historic deflections that resulted from capacity, acuity, or related constraints and led to those patients seeking care outside the planning area. Total admissions by year 2 of operations are forecast at 1455 (758 + 697).

Pledged Admissions by Year 2 of Operations	
Name	Number of Projected Admissions
Dr. Kapil Aedma	195
Dr. Keila Sierra-Cintron	162
Dr. Leah Perez	207
Dr. Shobha Nookala	194
Recaptured Deflections	697
Total	1,455

The applicants project the average length of stay for C&A AMI patients at the new facility will increase in comparison to the historic average length of stay at Methodist Hospital's main campus. The increase is primarily due to the expanded treatment options and care resources that will be available to C&A AMI patients at the new campus and can be effectively utilized prior to discharge, resulting in improved outcomes and a slightly longer length of stay.

Year	HSA Svc Area	County, State Abbrv	UPH Mkt	Svc Area	Admissions	Total Days	Recovered Admissions
				% Recovery			
2021	HSA - 2	BUREAU COUNTY, IL	SSA	60%	33	345	20
2021	HSA - 2	FULTON COUNTY, IL	PSA	95%	43	580	41
2021	HSA - 2	KNOX COUNTY, IL	SSA	60%	41	509	25
2021	HSA - 2	LASALLE COUNTY, IL	SSA	60%	249	2,501	149
2021	HSA - 2	MARSHALL COUNTY, IL	SSA	60%	12	120	7
2021	HSA - 2	MCDONOUGH COUNTY, IL	SSA	60%	46	657	28
2021	HSA - 2	PEORIA COUNTY, IL	PSA	95%	118	1,631	112
2021	HSA - 2	PUTNAM COUNTY, IL	SSA	60%	8	72	5
2021	HSA - 2	STARK COUNTY, IL	SSA	60%	6	148	4
2021	HSA - 2	TAZEWELL COUNTY, IL	PSA	95%	90	1,002	86
2021	HSA - 2	WARREN COUNTY, IL	SSA	60%	20	204	12
2021	HSA - 2	WOODFORD COUNTY, IL	PSA	95%	25	209	24
2021	HSA - 3	LOGAN COUNTY, IL	SSA	60%	23	318	14
2021	HSA - 3	MASON COUNTY, IL	SSA	60%	12	111	7
2021	HSA - 3	MENARD COUNTY, IL	SSA	60%	4	40	2
2021	HSA - 4	DE WITT COUNTY, IL	SSA	60%	14	118	8
2021	HSA - 4	LIVINGSTON COUNTY, IL	SSA	60%	44	487	26
2021	HSA - 4	MCLEAN COUNTY, IL	SSA	60%	180	1,771	108
Total:					968	10,823	677

SERVICE ACCESSIBILITY - 1110.210(b)(5)

Readily available access to C&A AMI inpatient services do not exist for residents of AMI Planning Area HSA 2. The number of AMI beds being proposed is necessary to improve access to AMI services, specifically, C&A services, for residents of the planning area. As reflected in the information below obtained from the Health Resources & Services Administration (“HRSA”), the proposed child and adolescent behavioral health facility will be located in a Health Professional Shortage Area (“HPSA”) for both Mental Health and Primary Care, which is considered a service restriction under the HFSRB’s regulations.⁸ As a result, this review criterion is met.

Address
2223 W Heading Avenue, Peoria, IL

Start Over **Print**

Standardized address
2223 W Heading Ave, Peoria, Illinois, 61604

HPSA Data as of 04/28/2022
MUA Data as of 04/28/2022

[+] More about this address

In a Dental Health HPSA: ✓ Yes

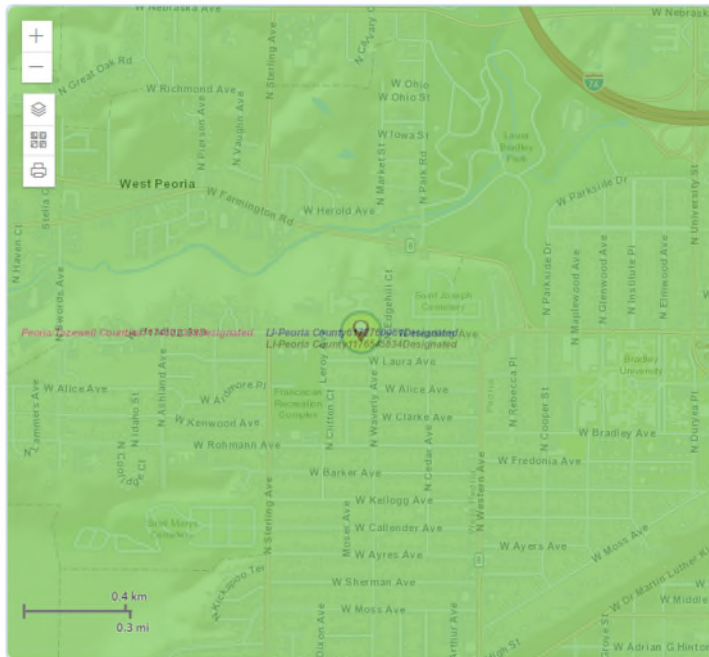
HPSA Name: LI-Peoria County
ID: 6172760061
Designation Type: HPSA Population
Status: Designated
Score: 17
Designation Date: 05/31/2001
Last Update Date: 09/10/2021

In a Mental Health HPSA: ✓ Yes

HPSA Name: Peoria/Tazewell Counties
ID: 7174522328
Designation Type: Geographic HPSA
Status: Designated
Score: 12
Designation Date: 09/09/2021
Last Update Date: 09/09/2021

In a Primary Care HPSA: ✓ Yes

HPSA Name: LI-Peoria County
ID: 1176545834
Designation Type: HPSA Population
Status: Designated
Score: 15
Designation Date: 08/02/2018
Last Update Date: 09/10/2021



Note: The address you entered is geocoded and then compared against the HPSA and MUA data in data HRSA env. Dup

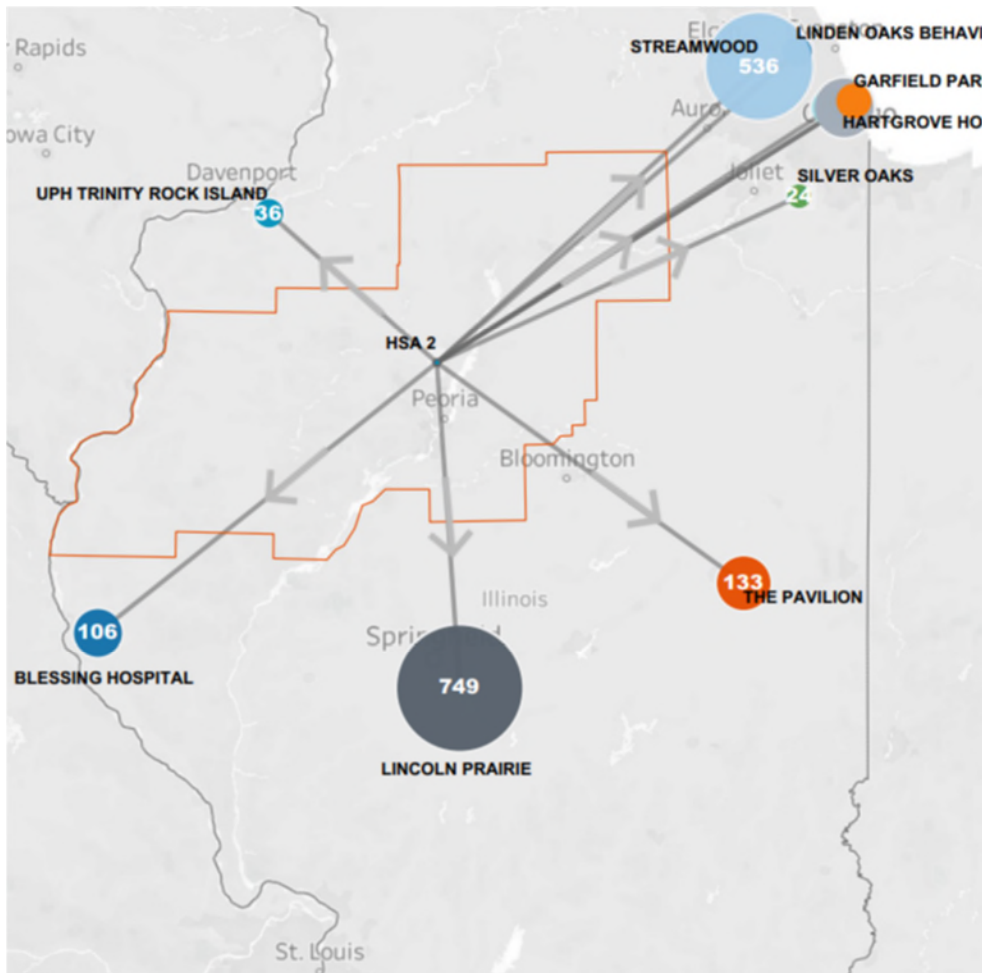
In addition, the review criterion related to service restrictions requires that all services within the established radius meet or exceed the utilization standards. The relevant radius for Peoria County is 17 miles. The only AMI services within this area are the current 68-bed service at Methodist Hospital and the 18-bed service at Proctor Community Hospital. As stated above, the smaller 59-bed AMI service at Methodist Hospital’s main campus will exceed the 85% utilization standard and serve only adult patients. The 18-bed AMI service at Proctor Community Hospital is not at the utilization standard but it serves only adult patients. The 44-bed C&A AMI

⁸ See 77 Ill. Admin. Code § 1110.210(5)(A)(iv).

unit at the new behavioral health campus will not have an impact on Proctor Community Hospital, due to the new campus serving C&A patients exclusively.

Further, Methodist Hospital is the only hospital in AMI Planning Area HSA 2 that provides C&A AMI services. However, due to a lack of available beds and capacity issues, many patients are turned away and forced to either travel great distances outside the planning area to receive inpatient care or forgo receiving any care. On average over the past 3 years, more than 60% of C&A patients residing in Planning Area HSA 2 counties have had to find placement with AMI inpatient providers in other areas around the state – with a majority of those patients being placed in the Chicago market - as illustrated in the map below and detailed in the table following the map.

Placement of C&A Residents of HSA 2 Who Could Not Receive Care At Methodist Hospital



The following tables show that there have been a relatively consistent and high level of C&A patients residing in HSA 2 who leave the planning area for care – 686 in 2019, 575 in 2020, and 685 in 2021. While there is not an absence of AMI beds in the planning area, there is a need for more C&A AMI beds, as evidenced by the number of patients leaving the area for care.

IL HSA-2 Child and Adolescent Residents [Age 17 and under] Treated as Inpatients for Acute Mental Illness					
Year	HSA Svc vs Served		Discharges	Total Days	% of Days
	Elsewhere	HSA Counties			
2019	Out-of-Mkt	HSA - 10	9	38	0.32%
2019	Out-of-Mkt	HSA - 11	8	51	0.43%
2019	HSA 2 In-Mkt	HSA - 2	598	4,639	39.46%
2019	Out-of-Mkt	HSA - 3	342	3,405	28.96%
2019	Out-of-Mkt	HSA - 4	49	470	4.00%
2019	Out-of-Mkt	HSA - A	278	3,153	26.82%
Total HSA 2 C&A Residents:			1,284	11,756	100.00%
Served In-Mkt:			598	4,639	39.46%
Had to Find Beds Out-of-Mkt:			686	7,117	60.54%
2020	Out-of-Mkt	HSA - 1	1	10	0.09%
2020	Out-of-Mkt	HSA - 10	9	42	0.39%
2020	Out-of-Mkt	HSA - 11	3	11	0.10%
2020	HSA 2 In-Mkt	HSA - 2	514	4,257	39.86%
2020	Out-of-Mkt	HSA - 3	244	2,607	24.41%
2020	Out-of-Mkt	HSA - 4	49	486	4.55%
2020	Out-of-Mkt	HSA - A	269	3,267	30.59%
Total HSA 2 C&A Residents:			1,089	10,680	100.00%
Served In-Mkt:			514	4,257	39.86%
Had to Find Beds Out-of-Mkt:			575	6,423	60.14%
2021	Out-of-Mkt	HSA - 1	1	20	0.16%
2021	Out-of-Mkt	HSA - 10	15	95	0.75%
2021	HSA 2 In-Mkt	HSA - 2	619	4,770	37.66%
2021	Out-of-Mkt	HSA - 3	171	1,875	14.80%
2021	Out-of-Mkt	HSA - 4	43	516	4.07%
2021	Out-of-Mkt	HSA - A	455	5,389	42.55%
Total HSA 2 C&A Residents:			1,304	12,665	100.00%
Served In-Mkt:			619	4,770	37.66%
Had to Find Beds Out-of-Mkt:			685	7,895	62.34%

As reflected in the HFSRB's Inventory (and excluding Galesburg Cottage Hospital and McDonough District Hospital which no longer provide AMI services), there are only 3 hospitals in AMI HSA Planning Area 2 that currently provide AMI services. Of the 3 hospitals, Methodist Hospital is the only hospital that provides C&A inpatient AMI services.⁹ The establishment of C&A AMI beds at the proposed facility will increase access to necessary C&A AMI services in the planning area and will meet the HFSRB's utilization standards by year 2 of operations.

⁹ 77 Ill. Admin. Code 1110.210(5)(A)(i) (the absence of the proposed service within the planning area demonstrates a service restriction).

Further, taking a more comprehensive look, very few facilities in HSA 1, HSA 2, HSA 3, HSA 4, and the A-14 Planning Areas can accept C&A AMI patients, with only 6 of the 19 facilities offering C&A AMI beds and only 210 C&A AMI beds **in total**, including Methodist Hospital's existing 23 C&A AMI beds. Aside from Methodist Hospital, all of the hospitals offering C&A AMI beds in the previously mentioned planning areas are outside AMI Planning Area HSA 2, which requires travel for both patients and their parents, increasing inconvenience and decreasing access to quality, necessary care. None of the facilities with C&A AMI beds are located within 50 miles and 4 of the 9 with C&A AMI beds are located more than 100 miles away.

Name	Address	C&A AMI Beds	AMI Occupancy	Distance from Methodist Hospital	Adult AMI Beds	C&A AMI Beds
Methodist Hospital	211 North East Glen Oak Avenue, Peoria, IL 61636	Yes	63.7	0 miles	24	23
OSF St. Elizabeth Medical Center	1100 East Norris Drive, Ottawa, IL 61350	No	54.7	81 miles	26	0
Proctor Community Hospital	5409 North Knoxville Peoria, IL 61614	No	53.6	4 miles	18	0
CGH Medical Center	100 E. LeFevre Road, Sterling, IL 61081	No	0.0	80 miles	10	0
Katherine Shaw Bethea Hospital	403 East First Street, Dixon, IL 61021	No	52.2	91 miles	14	0
Swedish American Hospital	1401 East State Street, Rockford, IL 61104	Yes	46.7	133 miles	20	12
Blessing Hospital at 11 th Street	Broadway at 11 th Street, Quincy, IL 62301	Yes	76.4	127 miles	26	15
Illini Community Hospital	640 West Washington, Pittsfield, IL 62363	No	44.5	118 miles	10	0
Lincoln Prairie Behavioral Health Center	5230 South 6 th Street Road, Springfield, IL 62703	Yes	70.6	79 miles	0	97
Springfield Memorial Hospital	701 North First Street, Springfield, IL 62781	No	54.1	71 miles	44	0
Carle BroMenn Medical Center	500 West Court Street, Kankakee, IL 60901	No	39.7	109 miles	25	0

Decatur Memorial Hospital	2300 North Edwards Street, Decatur, IL 62526	No	33.3	81 miles	20	0
OSF Heart of Mary Medical Center	1400 West Park Street, Urbana, IL 61801	No	36.6	90 miles	30	0
Sarah Bush Lincoln Health Center	1000 Health Center Drive, Mattoon, IL 61938	No	65.6	134 miles	18	0
St. Mary's Hospital	400 North Peasant Avenue, Centralia, IL 62801	No	58.9	174 miles	24	0
The Pavilion Foundation	809 West Church Street, Champaign, IL 61820	Yes	80.3	89 miles	42	30
Adventist Bolingbrook Hospital	500 Remington Boulevard, Bolingbrook, IL 60440	No	54.9	133 miles	24	0
Presence St. Joseph Medical Center	333 North Madison Street, Joliet, IL 60435	Yes	52.1	121 miles	22	9
Silver Oaks Behavioral Hospital ¹⁰	1004 Pawlak Parkway, New Lenox, IL 60451	Yes	65.3	131 miles	56	24
Totals:					429 beds	210 beds

The proposed C&A inpatient unit will increase access to quality behavioral health care provided in a state-of-the art facility uniquely designed to provide the best quality of care and inpatient experience. Importantly, the addition of C&A AMI beds in the AMI Planning Area HSA 2 will reduce burdens that both patients and their families often face when seeking care, which currently requires traveling vast distances for C&A AMI placement, often requiring that parents and caretakers ration resources to accommodate providing the C&A patient with necessary care.

¹⁰ Note: HFSRB Inventory of Health Care Facilities and Services and Need Determinations did not specify how the 110 total beds are being used and listed that 0 beds were staffed.

ATTACHMENT 21**UNNECESSARY DUPLICATION OF SERVICES - 1110.210(c)(1)**

This project will not result in an unnecessary duplication of services.

As required under 77 Ill. Admin. Code 1100.210(c)(1)(A)-(B), below is a list of all zip code areas located within the established radius outlined in 77 Ill. Admin. Code 1100.510(d) of the proposed project site. For Peoria County, the radius is 17 miles.

Zip Code	Population	Straight-Line Distance to Center (Miles)	Travel Time to Center (Minutes)
61625	385	0.58	2.73
61606	8,051	0.85	3.26
61605	16,303	1.37	4.41
61604	31,647	1.40	5.23
61602	1,055	1.86	6.54
61603	17,600	3.47	10.53
61611	25,268	3.85	11.18
61610	5,476	4.12	11.72
61614	27,628	4.33	13.90
61616	6,116	4.41	14.81
61536	2,919	4.70	9.72
61615	22,432	5.36	13.65
61607	10,941	5.57	13.13
61528	2,668	8.03	16.31
61552	239	9.15	21.96
61525	9,021	9.65	20.16
61550	17,721	9.69	20.41
61535	1,629	10.11	18.29
61547	3,779	11.37	22.78

61571	23,744	12.19	23.74
61539	205	12.59	21.46
61529	2,880	13.17	21.11
61564	1,077	14.00	28.31
61562	46	14.01	26.66
61733	1,124	14.59	25.73
61546	4,276	14.87	30.66
61554	43,810	15.27	29.44
61569	1,220	15.28	27.86
61548	12,085	15.37	28.69
61533	2,427	15.66	31.79
61568	4,459	15.69	25.47
Total	308,231		

As required under 77 Ill. Admin. Code 1100.210(c)(1)(c), below is a table with the names and locations of existing health care facilities located within the established radius outlined in 77 Ill. Admin. Code 1100.510(d) from the proposed project site that provide AMI services. **The only hospital that provides AMI services within the established radius of the proposed facility is Proctor Community Hospital, and Proctor Community Hospital does not provide C&A AMI inpatient services.**

Name	Address	AMI Occupancy Rate	Distance from Proposed Site	Adult AMI Beds	C&A AMI Beds
Proctor Community Hospital	5409 North Knoxville Peoria, IL 61614	53.6%	6 miles	18	0

MALDISTRIBUTION OF SERVICES - 1110.210(c)(2)

Maldistribution for a clinical service exists when a ratio of beds to population exceeds 1.5 times the Statewide average for that service. **There is no maldistribution.**

For the State of Illinois, the Statewide ratio is 0.316 AMI beds per 1000 population.

4,152 AMI beds ÷ 13,129,233 persons = **0.316 beds per 1000 population**

For HSA 2, the ratio is 0.198, significantly less than the Statewide average.

128 AMI beds ÷ 647,000 residents = **0.198 beds per 1000 population**

For the area defined by the 17-mile radius around 2223 West Heading Avenue, Peoria, the ratio of AMI beds per 1,000 population is 0.221.

68 AMI beds ÷ 308,231 residents = **0.221 beds per 1000 population**

There are currently 68 AMI beds at Methodist Hospital and 18 beds at Proctor Hospital, for a total of 86 AMI beds in the 17-mile GSA. The project establishes a 44-bed unit at 2223 West Heading Avenue in Peoria, followed by a reduction of 9 AMI beds at Methodist Hospital. As a result, the total AMI beds in the 17-mile GSA will be 121 if the project is approved.

121 AMI beds ÷ 308,231 residents = 0.393 beds per 1,000 population

The 0.393 ratio of beds to population including the proposed project remains well below 1.5 times the Statewide ratio, 0.474. **As a result, there is no maldistribution in the GSA based on this ratio test.**

Additionally, while at the time of filing this application, the HFSRB's published Inventory estimated an excess of 22 AMI beds in AMI Planning Area HSA 2, the Inventory included Galesburg Cottage Hospital's 16 AMI beds, and its admissions and patient days from 2019 were incorporated in the calculation. As described earlier in Attachment 21, the applicants understand that the HFSRB voted to remove the Galesburg Cottage Hospital bed counts from its Inventory at the April 26, 2022 HFSRB meeting, **and, as a result, there is a calculated excess of only 6 AMI beds in AMI Planning Area HSA 2.**

Further, and importantly, as reflected in the published Inventory (and excluding Galesburg Cottage Hospital and McDonough District Hospital which no longer provide AMI services), there are only 3 hospitals in AMI HSA Planning Area 2 that currently provide AMI services. **Of those 3 hospitals, Methodist Hospital is the only hospital that provides C&A inpatient AMI services.¹¹ It is our understanding that there is no maldistribution.**

¹¹ See Hospital Profile Reports for CY 2020 for Galesburg Cottage Hospital, McDonough District Hospital, OSF Saint Elizabeth Medical Center, Proctor Community Hospital, and Methodist Hospital, attached as **Attachment 21-B**.

IMPACT ON AREA PROVIDERS - 1110.210(c)(3)

This project will not negatively impact other area providers in Planning Area HSA 2. While there is a calculated excess of 6 AMI beds in the planning area, **Methodist Hospital is the only hospital in AMI Planning Area HSA 2 that provides C&A AMI services, and there is a demonstrated need for additional C&A AMI beds.** Expanding Methodist Hospital's ability to provide C&A AMI services in the planning area will not impact other providers in the planning area because there are **no other providers in the planning area who provide C&A AMI inpatient services.**

ATTACHMENT 21 – STAFFING AVAILABILITY (1110.210(e))

The child and adolescent unit at the proposed campus will be staffed to meet all necessary and applicable regulatory requirements, including IDPH and The Joint Commission staffing requirements. Methodist Hospital currently provides AMI services, including child and adolescent and adult, and will increase staffing to address the projected increased patient volume from the expansion.

Initial staffing of the child and adolescent unit at the new campus is projected to include approximately 112 FTEs as detailed below:

- 25 FTE Inpatient RNs
- 28 FTE MHAs/CMAs/Sitters
- 6.86 FTE Program Assistants/CNAs
- 2 FTE CTRS/TAS
- 7.4 FTE Security
- 0.5 FTE Chaplain
- 4.6 FTE EVS
- 5 FTE Kitchen
- 2 FTE Unit Managers
- 7 FTE Psychiatry
- 3 FTE APRNs
- 6.6 FTE MHCs
- 4.3 FTE Outpatient RNs
- 8 FTE Outpatient MOAs/CMAs
- 1 Receptionist
- 1 Supervisor

Staffing practices and protocols will be in place to ensure the highest level of quality care that the community has come to expect from Methodist Hospital. As needed, additional staff will be identified and employed utilizing existing job search sites and professional placement services. The applicants also have established teams of recruitment specialists, experienced in the recruitment of behavioral health professionals.

ATTACHMENT 21 – PERFORMANCE REQUIREMENTS
BED CAPACITY MINIMUMS (1110.210(f))

The applicants are seeking to establish a 44-bed AMI child and adolescent inpatient unit at a location approximately 2 miles from the main campus of Methodist Hospital. Subject to IDPH's approval, the new location will be placed under Methodist Hospital's existing hospital license. Methodist Hospital and the proposed location (2223 W. Heading Avenue, West Peoria) are within a Metropolitan Statistical Area ("MSA"). Methodist Hospital is currently authorized for 68 AMI beds and, if the project is approved, will add 35 AMI beds to its authorized count.¹² Pursuant to 77 Ill. Admin. Code § 1110.210(f), the minimum unit size for new AMI units within an MSA is 20 beds. This project satisfies the review criterion.

¹² If the project is approved by the HFSRB, Methodist Hospital will decommission 9 AMI beds currently in operation at Methodist Hospital at the time the new campus becomes operational. As a result, only 35 AMI beds will be added to Methodist Hospital's bed count, bringing the combined total (adult and child and adolescent) at both locations to 103 AMI beds.

ATTACHMENT 21 – ASSURANCES (1110.210(g))

Attached is a letter (**Attachment 21-D**) certifying that the occupancy standards specified in 77 Ill. Admin. Code 1100 will be achieved and maintained by the second year of operation after project completion.



April 19, 2022

Debra Savage, Chair
Illinois Health Facilities and Services Review Board (“HFSRB”)
525 W. Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Savage:

On behalf of The Methodist Medical Center of Illinois (“Methodist Hospital”), I hereby commit that if the HFSRB grants approval to establish the proposed 44-AMI bed child and adolescent behavioral health campus at 2223 W. Heading Avenue in West Peoria, Methodist Hospital will discontinue 9 existing AMI beds at Methodist Hospital’s 221 NE Glen Oak Avenue campus at the time the new behavioral health campus becomes operational.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith Knepp".

Keith Knepp, M.D.
President & CEO
The Methodist Medical Center of Illinois

Ownership, Management and General Information

ADMINISTRATOR NAME: Keith E Knepp, MD
ADMINSTRATOR PHONE: 309-671-2528
OWNERSHIP: Methodist Health Services Corporation
OPERATOR: Methodist Health Services Corporation
MANAGEMENT: Not for Profit Corporation
CERTIFICATION:
FACILITY DESIGNATION: General Hospital
ADDRESS 221 NE Glen Oak Avenue

Patients by Race

White 80.8%
 Black 16.1%
 American Indian 0.1%
 Asian 0.7%
 Hawaiian/ Pacific 0.0%
 Unknown 2.2%

Patients by Ethnicity

Hispanic or Latino: 2.2%
 Not Hispanic or Latino: 95.9%
 Unknown: 1.9%
 License Number: 1594
 Site Number: 1594
 HPA: C-01
 HSA: 2

CITY: Peoria **COUNTY:** Peoria County

Facility Utilization Data by Category of Service

Clinical Service	Authorized CON Beds 12/31/2020	Peak Beds Setup and Staffed	Peak Census	Admissions	Inpatient Days	Observation Days	Average Length of Stay	Average Daily Census	CON Occupancy Rate %	Staffed Bed Occupancy Rate %
Medical/Surgical	168	143	115	6,343	35,625	5,533	6.5	112.5	66.9	78.6
0-14 Years				0	0					
15-44 Years				839	3,609					
45-64 Years				2,107	11,085					
65-74 Years				1,591	9,092					
75 Years +				1,806	11,839					
Pediatric	6	6	6	89	219	295	5.8	1.4	23.4	23.4
Intensive Care	26	40	36	1,982	7,739	215	4.0	21.7	83.6	54.3
Direct Admission				580	2,397					
Transfers				1,402	5,342					
Obstetric/Gynecology	22	22	22	1,900	4,109	105	2.2	11.5	52.3	52.3
Maternity				1,900	4,109					
Clean Gynecology				0	0					
Neonatal	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long Term Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Swing Beds			0	0	0		0.0	0.0		
Total AMI	68			2,756	15,788	66	5.8	43.3	63.7	
Adolescent AMI		23	23	674	5,666	64	8.5	15.7		68.1
Adult AMI		44	44	2,082	10,122	2	4.9	27.7		62.9
Rehabilitation	39	16	16	307	4,398	2	14.3	12.0	30.8	75.1
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	0					0				
Facility Utilization	329			11,975	67,878	6,216	6.2	202.4	61.5	

(Includes ICU Direct Admissions Only)

Inpatients and Outpatients Served by Payor Source

	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Totals
Inpatients	37.6%	30.4%	0.5%	23.0%	1.5%	7.0%	
	4497	3646	59	2757	178	838	11,975
Outpatients	43.4%	27.7%	0.3%	25.0%	1.1%	2.5%	
	90580	57744	630	52165	2337	5235	208,691

Financial Year Reported:

1/1/2020 to 12/31/2020

Inpatient and Outpatient Net Revenue by Payor Source

	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Totals	Charity Care Expense	Total Charity Care as % of Net Revenue
Inpatient Revenue (\$)	42.9%	23.3%	0.2%	33.4%	0.2%	100.0%	960,209	2,357,869
	67,739,753	36,827,621	382,953	52,654,274	256,752	157,861,353		
Outpatient Revenue (\$)	36.9%	19.7%	0.1%	42.8%	0.4%	100.0%	1,397,660	0.7%
	70,192,482	37,452,897	282,024	81,370,511	809,991	190,107,905		

Birthing Data

Number of Total Births: 1,873
 Number of Live Births: 1,883
 Birthing Rooms: 0
 Labor Rooms: 0
 Delivery Rooms: 0
 Labor-Delivery-Recovery Rooms: 10
 Labor-Delivery-Recovery-Postpartum Rooms: 0
 C-Section Rooms: 3
 CSections Performed: 575

Newborn Nursery Utilization

Level I 30
 Level II 8
 Level II+ 6
 Beds 271
 Patient Days 1,588
 Total Newborn Patient Days 2,271
Laboratory Studies
 Inpatient Studies 487,827
 Outpatient Studies 556,553
 Studies Performed Under Contract 614,236

Organ Transplantation

Kidney: 0
 Heart: 0
 Lung: 0
 Heart/Lung: 0
 Pancreas: 0
 Liver: 0
 Total: 0

<u>Ownership, Management and General Information</u>		<u>Patients by Race</u>		<u>Patients by Ethnicity</u>	
ADMINISTRATOR NAME:	Sanjay Sharma	White	91.6%	Hispanic or Latino:	1.3%
ADMINISTRATOR PHONE:	309-345-4567	Black	7.1%	Not Hispanic or Latino:	97.8%
OWNERSHIP:	Galesburg Hospital Corp dba Galesburg Cottage Hosp	American Indian	0.0%	Unknown:	0.9%
OPERATOR:	Galesburg Hospital Corp dba Galesburg Cottage Hosp	Asian	0.6%	License Number:	5330
MANAGEMENT:	For Profit Corporation	Hawaiian/ Pacific	0.4%	Site Number:	5330
CERTIFICATION:		Unknown	0.3%	HPA:	C-03
FACILITY DESIGNATION:	General Hospital			HSA:	2
ADDRESS	695 North Kellogg Street	CITY: Galesburg	COUNTY: Knox County		

<u>Facility Utilization Data by Category of Service</u>										
<u>Clinical Service</u>	Authorized CON Beds 12/31/2020	Peak Beds Setup and Staffed	Peak Census	Admissions	Inpatient Days	Observation Days	Average Length of Stay	Average Daily Census	CON Occupancy Rate %	Staffed Bed Occupancy Rate %
Medical/Surgical	87	87	24	762	2,944	0	3.9	8.0	9.2	9.2
0-14 Years				1	1					
15-44 Years				87	261					
45-64 Years				189	677					
65-74 Years				177	675					
75 Years +				308	1,330					
Pediatric	18	18	1	1	3	0	3.0	0.0	0.0	0.0
Intensive Care	12	12	6	206	625	0	3.0	1.7	14.2	14.2
Direct Admission				206	625					
Transfers				0	0					
Obstetric/Gynecology	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Maternity				0	0					
Clean Gynecology				0	0					
Neonatal	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long Term Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Swing Beds			0	0	0		0.0	0.0		
Total AMI	16			193	4,121	0	21.4	11.3	70.4	
Adolescent AMI		0	0	0	0	0	0.0	0.0		0.0
Adult AMI		16	16	193	4,121	0	21.4	11.3		70.4
Rehabilitation	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	0					0				
Facility Utilization	133			1,162	7,693	0	6.6	21.0	15.8	

(Includes ICU Direct Admissions Only)

<u>Inpatients and Outpatients Served by Payor Source</u>							
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Totals
Inpatients	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
	0	0	0	0	0	1	1
Outpatients	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
	0	0	0	0	0	5	5

<u>Financial Year Reported:</u>	1/1/2020 to	12/31/2020	<u>Inpatient and Outpatient Net Revenue by Payor Source</u>					Charity Care Expense	Total Charity Care Expense 121,519
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Totals		Total Charity Care as % of Net Revenue	
Inpatient Revenue (\$)	59.0%	14.0%	5.0%	16.0%	6.0%	100.0%			
	8,574,006	2,034,510	726,611	2,325,154	871,933	14,532,214	553	0.6%	
Outpatient Revenue (\$)	44.0%	27.0%	16.0%	9.0%	4.0%	100.0%			
	3,230,469	1,982,333	1,174,716	660,778	293,679	7,341,975	120,966		

<u>Birthing Data</u>			<u>Newborn Nursery Utilization</u>			<u>Organ Transplantation</u>	
Number of Total Births:	0		Level I	Level II	Level II+	Kidney:	0
Number of Live Births:	0	Beds	0	0	0	Heart:	0
Birthing Rooms:	0	Patient Days	0	0	0	Lung:	0
Labor Rooms:	0	Total Newborn Patient Days			0	Heart/Lung:	0
Delivery Rooms:	0					Pancreas:	0
Labor-Delivery-Recovery Rooms:	0					Liver:	0
Labor-Delivery-Recovery-Postpartum Rooms:	0					Total:	0
C-Section Rooms:	0						
CSections Performed:	0						
			<u>Laboratory Studies</u>				
			Inpatient Studies		38,351		
			Outpatient Studies		125,047		
			Studies Performed Under Contract		15,611		

<u>Ownership, Management and General Information</u>		<u>Patients by Race</u>		<u>Patients by Ethnicity</u>	
ADMINISTRATOR NAME:	Brian Dietz	White	92.3%	Hispanic or Latino:	0.8%
ADMINISTRATOR PHONE:	309-833-4101	Black	4.9%	Not Hispanic or Latino:	97.9%
OWNERSHIP:		American Indian	0.2%	Unknown:	1.3%
OPERATOR:		Asian	0.1%	License Number:	1438
MANAGEMENT:	Government Hospital District	Hawaiian/ Pacific	0.0%	Site Number:	1438
CERTIFICATION:		Unknown	2.6%	HPA:	C-04
FACILITY DESIGNATION:	General Hospital			HSA:	2
ADDRESS	525 East Grant St	CITY:	Macomb	COUNTY:	McDonough County

<u>Facility Utilization Data by Category of Service</u>										
<u>Clinical Service</u>	Authorized CON Beds 12/31/2020	Peak Beds Setup and Staffed	Peak Census	Admissions	Inpatient Days	Observation Days	Average Length of Stay	Average Daily Census	CON Occupancy Rate %	Staffed Bed Occupancy Rate %
Medical/Surgical	31	31	15	673	1,838	457	3.4	6.3	20.2	20.2
0-14 Years				14	30					
15-44 Years				42	151					
45-64 Years				126	439					
65-74 Years				154	573					
75 Years +				337	645					
Pediatric	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Intensive Care	7	7	7	386	1,395	156	4.0	4.2	60.5	60.5
Direct Admission				229	825					
Transfers				157	570					
Obstetric/Gynecology	10	7	5	220	452	22	2.2	1.3	13.0	18.5
Maternity				220	452					
Clean Gynecology				0	0					
Neonatal	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long Term Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Swing Beds			4	8	88		11.0	0.2		
Total AMI	0			0	0	0	0.0	0.0	0.0	
Adolescent AMI		0	0	0	0	0	0.0	0.0		0.0
Adult AMI		0	0	0	0	0	0.0	0.0		0.0
Rehabilitation	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	0					0				
Facility Utilization	48			1,130	3,773	635	3.9	12.0	25.1	

(Includes ICU Direct Admissions Only)

<u>Inpatients and Outpatients Served by Payor Source</u>							
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Totals
Inpatients	58.1%	15.9%	0.9%	19.1%	1.4%	4.6%	
	688	188	11	226	17	54	1,184
Outpatients	43.4%	18.7%	1.0%	33.5%	2.0%	1.4%	
	59409	25654	1350	45907	2700	1937	136,957

<u>Inpatient and Outpatient Net Revenue by Payor Source</u>								Charity Care Expense	Total Charity Care Expense 858,357
Financial Year Reported:	7/1/2019 to	6/30/2020	Medicare	Medicaid	Other Public	Private Insurance	Private Pay		
Inpatient Revenue (\$)	61.7%	10.2%	1.6%	25.4%	1.2%	100.0%			
	7,926,498	1,309,998	201,851	3,262,380	151,879	12,852,606	134,266		
Outpatient Revenue (\$)	17.6%	10.6%	2.6%	64.2%	4.9%	100.0%			
	9,621,595	5,762,888	1,426,954	35,012,883	2,692,187	54,516,507	724,091		Total Charity Care as % of Net Revenue 1.3%

<u>Birthing Data</u>			<u>Newborn Nursery Utilization</u>			<u>Organ Transplantation</u>		
Number of Total Births:	206		Level I	Level II	Level II+	Kidney:		0
Number of Live Births:	200	Beds	10	4	0	Heart:		0
Birthing Rooms:	0	Patient Days	335	22	0	Lung:		0
Labor Rooms:	0	Total Newborn Patient Days			357	Heart/Lung:		0
Delivery Rooms:	0					Pancreas:		0
Labor-Delivery-Recovery Rooms:	3					Liver:		0
Labor-Delivery-Recovery-Postpartum Rooms:	0					Total:		0
C-Section Rooms:	0	Inpatient Studies			35,245			
CSections Performed:	61	Outpatient Studies			152,276			
		Studies Performed Under Contract			48,120			

Ownership, Management and General Information

ADMINISTRATOR NAME: Dawn Trompeter
ADMINSTRATOR PHONE: 815-431-5456
OWNERSHIP: Ottawa Regional Hospital & Health Center d/b/a OSF
OPERATOR: Ottawa Regional Hospital & Health Center d/b/a OSF
MANAGEMENT: Not for Profit Church
CERTIFICATION:
FACILITY DESIGNATION: General Hospital
ADDRESS: 1100 East Norris Drive

Patients by Race

White 91.0%
 Black 3.2%
 American Indian 0.1%
 Asian 0.3%
 Hawaiian/ Pacific 0.1%
 Unknown 5.4%

Patients by Ethnicity

Hispanic or Latino: 6.0%
 Not Hispanic or Latino: 91.8%
 Unknown: 2.2%
 License Number: 5520
 Site Number: 5520
 HPA: C-02
 HSA: 2

CITY: Ottawa **COUNTY:** LaSalle County

Facility Utilization Data by Category of Service

Clinical Service	Authorized CON Beds 12/31/2020	Peak Beds Setup and Staffed	Peak Census	Admissions	Inpatient Days	Observation Days	Average Length of Stay	Average Daily Census	CON Occupancy Rate %	Staffed Bed Occupancy Rate %
Medical/Surgical	54	54	40	1,880	5,878	2,023	4.2	21.6	40.0	40.0
0-14 Years				14	44					
15-44 Years				158	402					
45-64 Years				503	1,567					
65-74 Years				409	1,323					
75 Years +				796	2,542					
Pediatric	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Intensive Care	5	5	5	460	1,151	61	2.6	3.3	66.2	66.2
Direct Admission				355	837					
Transfers				105	314					
Obstetric/Gynecology	12	12	9	446	1,006	41	2.3	2.9	23.8	23.8
Maternity				435	985					
Clean Gynecology				11	21					
Neonatal	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long Term Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Swing Beds			0	0	0		0.0	0.0		
Total AMI	26			1,012	5,210	0	5.1	14.2	54.7	
Adolescent AMI		0	0	0	0	0	0.0	0.0		0.0
Adult AMI		26	22	1,012	5,210	0	5.1	14.2		54.7
Rehabilitation	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	0					0				
Facility Utilization	97			3,693	13,245	2,125	4.2	42.0	43.3	

(Includes ICU Direct Admissions Only)

Inpatients and Outpatients Served by Payor Source

	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Totals
Inpatients	48.8%	27.3%	0.7%	20.4%	0.5%	2.2%	
	1804	1009	27	752	18	83	3,693
Outpatients	43.0%	22.1%	0.5%	32.1%	1.1%	1.1%	
	62848	32300	721	46942	1632	1570	146,013

Financial Year Reported: 10/1/2019 to 9/30/2020

Inpatient and Outpatient Net Revenue by Payor Source

	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Totals	Charity Care Expense	Total Charity Care Expense
Inpatient Revenue (\$)	45.1%	24.4%	0.4%	29.9%	0.2%	100.0%		2,109,972
	12,925,453	6,987,331	105,747	8,560,481	64,729	28,643,741	568,753	
Outpatient Revenue (\$)	19.1%	12.7%	1.0%	66.8%	0.4%	100.0%		Total Charity Care as % of Net Revenue
	14,945,210	9,945,687	780,249	52,286,297	333,160	78,290,603	1,541,219	2.0%

Birthing Data

Number of Total Births: 414
 Number of Live Births: 410
 Birthing Rooms: 0
 Labor Rooms: 0
 Delivery Rooms: 0
 Labor-Delivery-Recovery Rooms: 6
 Labor-Delivery-Recovery-Postpartum Rooms: 0
 C-Section Rooms: 1
 CSections Performed: 105

Newborn Nursery Utilization

Level I 11
 Level II 14
 Level II+ 0
 Beds 719
 Patient Days 171
 Total Newborn Patient Days 890
Laboratory Studies
 Inpatient Studies 78,273
 Outpatient Studies 266,999
 Studies Performed Under Contract 55,250

Organ Transplantation

Kidney: 0
 Heart: 0
 Lung: 0
 Heart/Lung: 0
 Pancreas: 0
 Liver: 0
 Total: 0

Ownership, Management and General Information

ADMINISTRATOR NAME: Keith Knepp, MD
ADMINSTRATOR PHONE: 309-671-2528
OWNERSHIP: Methodist Health Services Corporation
OPERATOR: Methodist Health Services Corporation
MANAGEMENT: Not for Profit Corporation
CERTIFICATION:
FACILITY DESIGNATION: General Hospital
ADDRESS: 5409 N Knoxville Ave

Patients by Race

White 90.2%
 Black 7.4%
 American Indian 0.0%
 Asian 0.7%
 Hawaiian/ Pacific 0.0%
 Unknown 1.7%

Patients by Ethnicity

Hispanic or Latino: 1.0%
 Not Hispanic or Latino: 96.9%
 Unknown: 2.1%
 License Number: 1925
 Site Number: 1925
 HPA: C-01
 HSA: 2

CITY: Peoria **COUNTY:** Peoria County

Facility Utilization Data by Category of Service

Clinical Service	Authorized CON Beds 12/31/2020	Peak Beds Setup and Staffed	Peak Census	Admissions	Inpatient Days	Observation Days	Average Length of Stay	Average Daily Census	CON Occupancy Rate %	Staffed Bed Occupancy Rate %
Medical/Surgical	151	79	43	2,422	8,921	2,229	4.6	30.5	20.2	38.6
0-14 Years				0	0					
15-44 Years				271	825					
45-64 Years				593	2,137					
65-74 Years				643	2,222					
75 Years +				915	3,737					
Pediatric	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Intensive Care	16	8	8	425	1,208	47	3.0	3.4	21.4	42.9
Direct Admission				107	277					
Transfers				318	931					
Obstetric/Gynecology	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Maternity				0	0					
Clean Gynecology				0	0					
Neonatal	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long Term Care	43	37	35	457	8,980	0	19.6	24.5	57.1	66.3
Swing Beds			0	0	0		0.0	0.0		
Total AMI	18			223	3,528	0	15.8	9.6	53.6	
Adolescent AMI		0	0	0	0	0	0.0	0.0		0.0
Adult AMI		14	14	223	3,528	0	15.8	9.6		68.9
Rehabilitation	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	0					0				
Facility Utilization	228			3,209	22,637	2,276	7.8	68.1	29.9	

(Includes ICU Direct Admissions Only)

Inpatients and Outpatients Served by Payor Source

	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Totals
Inpatients	70.9%	5.3%	0.2%	16.3%	1.3%	6.0%	3,209
	2276	171	8	522	41	191	
Outpatients	42.5%	15.8%	0.5%	34.9%	2.4%	3.9%	49,818
	21187	7850	270	17401	1171	1939	

Financial Year Reported:

1/1/2020 to 12/31/2020

Inpatient and Outpatient Net Revenue by Payor Source

	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Totals	Charity Care Expense	Total Charity Care Expense
Inpatient Revenue (\$)	73.1%	5.1%	0.2%	21.6%	0.1%	100.0%	226,763	790,306
	22,275,712	1,553,750	49,496	6,595,605	18,647	30,493,210		
Outpatient Revenue (\$)	24.7%	7.9%	0.3%	66.2%	0.9%	100.0%	563,543	Total Charity Care as % of Net Revenue 0.7%
	19,408,470	6,218,229	247,187	52,047,725	731,883	78,653,494		

Birthing Data

Number of Total Births: 1
 Number of Live Births: 1
 Birthing Rooms: 0
 Labor Rooms: 0
 Delivery Rooms: 0
 Labor-Delivery-Recovery Rooms: 0
 Labor-Delivery-Recovery-Postpartum Rooms: 0
 C-Section Rooms: 0
 CSections Performed: 0

Newborn Nursery Utilization

Level I 0
 Level II 0
 Level II+ 0
 Beds 0
 Patient Days 0
 Total Newborn Patient Days 0
Laboratory Studies
 Inpatient Studies 102,600
 Outpatient Studies 119,658
 Studies Performed Under Contract 0

Organ Transplantation

Kidney: 0
 Heart: 0
 Lung: 0
 Heart/Lung: 0
 Pancreas: 0
 Liver: 0
 Total: 0

UnityPoint Health
Methodist

221 Northeast Glen Oak Avenue
Peoria, Illinois 61636-0002
(309) 672-5522
www.unitypoint.org/peoria

April 26, 2022

Debra Savage, Chair
Illinois Health Facilities and
Services Review Board
525 W. Jefferson St.
Springfield, IL 62761

Dear Chair Savage,

I am providing this letter to assist the Illinois Health Facilities and Services Review Board in its evaluation of a Certificate of Need application for the proposed Child & Adolescent facility with Methodist Medical Center of Illinois. This referral letter is provided pursuant to 77 Ill. Admin. Code Section 1110.210(b) in support of the proposed Child & Adolescent Unit in Peoria, Illinois.

During 2019, 2020, and 2021, I admitted approximately the following number of patients for psychiatric services to the Methodist Hospital inpatient Child & Adolescent unit listed below. I estimate that I will admit 195 patients to the proposed new unit during its second year of operation.

Admitting Physician	Provider Specialty Name	2019	2020	2021	Projected
		AEDMA, KAPIL K	Psychiatry	97	175

Attached is a patient origin analysis by zip code of my 2021 patients.

The information contained in this letter is true and correct, to the best of my information and belief, and has not been used in the support of another project.

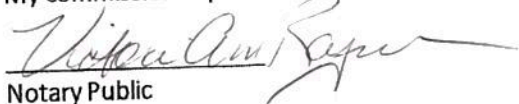
Very truly yours,

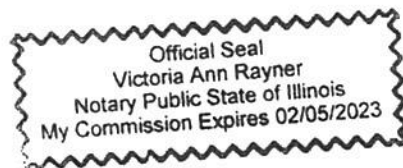


Signature/Printed Name
KAPIL AEDMA

Subscribed and sworn to before me
this 28th day of April, 2022

My commission expires: 2/15/2023


Notary Public



Zip Code Table Dr. Kapil Adema

AEDMA, KAPIL K

ZIP Code	City	2021 Patients	% of Total	ZIP Code	City	2021 Patients	% of Total			
61604	Peoria	22	11.3%	61761	Normal	2	1.0%	HSA	156	80.0%
61554	Pekin	16	8.2%	61704	Bloomington	2	1.0%	Other	39	20.0%
61571	Washington	13	6.7%	61455	Macomb	2	1.0%			
61614	Peoria	11	5.6%	61422	Bushnell	2	1.0%			
61603	Peoria	11	5.6%	61264	Milan	2	1.0%			
61605	Peoria	7	3.6%	62905	Alto Pass	1	0.5%			
61611	East Peoria	6	3.1%	62704	Springfield	1	0.5%			
61607	Peoria	6	3.1%	62703	Springfield	1	0.5%			
61550	Morton	6	3.1%	62668	Murrayville	1	0.5%			
61523	Chillicothe	6	3.1%	62650	Jacksonville	1	0.5%			
61615	Peoria	4	2.1%	62629	Chatham	1	0.5%			
61530	Eureka	4	2.1%	62563	Rochester	1	0.5%			
61610	Creve Coeur	3	1.5%	62428	Greenup	1	0.5%			
61548	Metamora	3	1.5%	62401	Effingham	1	0.5%			
61520	Canton	3	1.5%	62092	White Hall	1	0.5%			
61616	Peoria Heights	2	1.0%	62025	Edwardsville	1	0.5%			
61565	Sparland	2	1.0%	61938	Mattoon	1	0.5%			
61546	Manito	2	1.0%	61856	Monticello	1	0.5%			
61535	Groveland	2	1.0%	61822	Champaign	1	0.5%			
61531	Farmington	2	1.0%	61821	Champaign	1	0.5%			
61525	Dunlap	2	1.0%	61745	Heyworth	1	0.5%			
61443	Kewanee	2	1.0%	61740	Flanagan	1	0.5%			
61342	Mendota	2	1.0%	61732	Danvers	1	0.5%			
61738	El Paso	1	0.5%	61723	Atlanta	1	0.5%			
61734	Delavan	1	0.5%	61705	Bloomington	1	0.5%			
61606	Peoria	1	0.5%	61564	South Pekin	1	0.5%			
61572	Yates City	1	0.5%	61275	Port Byron	1	0.5%			
61570	Washburn	1	0.5%	61265	Moline	1	0.5%			
61562	Rome	1	0.5%	61201	Rock Island	1	0.5%			
61547	Mapleton	1	0.5%	61068	Rochelle	1	0.5%			
61540	Lacon	1	0.5%	60922	Chebanse	1	0.5%			
61529	Elmwood	1	0.5%	60491	Homer Glen	1	0.5%			
61528	Edwards	1	0.5%	53214	Milwaukee	1	0.5%			
61517	Brimfield	1	0.5%	52625	Donnellson	1	0.5%			
61491	Wyoming	1	0.5%							
61462	Monmouth	1	0.5%							
61449	La Fayette	1	0.5%							
61376	Walnut	1	0.5%							
61362	Spring Valley	1	0.5%							
61330	La Moille	1	0.5%							
61301	La Salle	1	0.5%							
61234	Annawan	1	0.5%							



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April 26, 2022

Debra Savage, Chair
Illinois Health Facilities and
Services Review Board
525 W. Jefferson St.
Springfield, IL 62761

Dear Chair Savage,

I am providing this letter to assist the Illinois Health Facilities and Services Review Board in its evaluation of a Certificate of Need application for the proposed Child & Adolescent facility with Methodist Medical Center of Illinois. This referral letter is provided pursuant to 77 Ill. Admin. Code Section 1110.210(b) in support of the proposed Child & Adolescent Unit in Peoria, Illinois.

During 2019, 2020, and 2021, I admitted approximately the following number of patients for psychiatric services to the Methodist Hospital inpatient Child & Adolescent unit listed below. I estimate that I will admit 162 patients to the proposed new unit during its second year of operation.

Admitting Physician	Provider Specialty Name				
		2019	2020	2021	Projected
SIERRA-CINTRON, KEILA M	Child and Adolescent Psychiatry	201	148	162	162

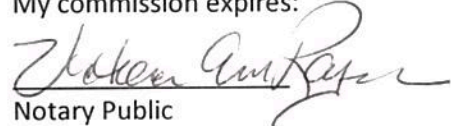
Attached is a patient origin analysis by zip code of my 2021 patients.

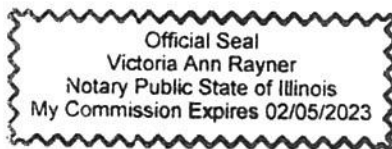
The information contained in this letter is true and correct, to the best of my information and belief, and has not been used in the support of another project.

Very truly yours,


Signature/Printed Name

Subscribed and sworn to before me
this 28 day of April, 2022
2/5/2023

My commission expires:

Notary Public



Zip Code Table Dr. Sierra-Cintron, Keila

ZIP Code	City	2021 Patients	% of Total	ZIP Code	City	2021 Patients	% of Total			
61554	Pekin	12	7.4%	62704	Springfield	2	1.2%	HSA	131	80.9%
61615	Peoria	11	6.8%	61761	Normal	2	1.2%	Other	31	19.1%
61611	East Peoria	10	6.2%	61282	Silvis	2	1.2%			
61550	Morton	9	5.6%	53214	Milwaukee	2	1.2%			
61603	Peoria	8	4.9%	62901	Carbondale	1	0.6%			
61614	Peoria	7	4.3%	62690	Virden	1	0.6%			
61571	Washington	7	4.3%	62664	Mason City	1	0.6%			
61604	Peoria	6	3.7%	62656	Lincoln	1	0.6%			
61616	Peoria Heights	4	2.5%	62650	Jacksonville	1	0.6%			
61605	Peoria	3	1.9%	62346	La Prairie	1	0.6%			
61548	Metamora	3	1.9%	62301	Quincy	1	0.6%			
61528	Edwards	3	1.9%	62294	Troy	1	0.6%			
61523	Chillicothe	3	1.9%	62225	Scott Air Force Base	1	0.6%			
61517	Brimfield	3	1.9%	61880	Tolono	1	0.6%			
61610	Creve Coeur	2	1.2%	61866	Rantoul	1	0.6%			
61607	Peoria	2	1.2%	61754	Mc Lean	1	0.6%			
61562	Rome	2	1.2%	61752	Le Roy	1	0.6%			
61561	Roanoke	2	1.2%	61564	South Pekin	1	0.6%			
61540	Lacon	2	1.2%	61310	Amboy	1	0.6%			
61535	Groveland	2	1.2%	61265	Moline	1	0.6%			
61520	Canton	2	1.2%	60959	Piper City	1	0.6%			
61401	Galesburg	2	1.2%	60505	Aurora	1	0.6%			
61760	Minonk	1	0.6%	60450	Morris	1	0.6%			
61755	Mackinaw	1	0.6%	52722	Bettendorf	1	0.6%			
61606	Peoria	1	0.6%	32043	Green Cove Springs	1	0.6%			
61569	Trivoli	1	0.6%	Null	Null	2	1.2%			
61565	Sparland	1	0.6%							
61547	Mapleton	1	0.6%							
61546	Manito	1	0.6%							
61533	Glasford	1	0.6%							
61531	Farmington	1	0.6%							
61530	Eureka	1	0.6%							
61526	Edelstein	1	0.6%							
61525	Dunlap	1	0.6%							
61480	Stronghurst	1	0.6%							
61469	Oquawka	1	0.6%							
61462	Monmouth	1	0.6%							
61448	Knoxville	1	0.6%							
61428	Dahinda	1	0.6%							
61421	Bradford	1	0.6%							
61364	Streator	1	0.6%							
61362	Spring Valley	1	0.6%							
61356	Princeton	1	0.6%							
61342	Mendota	1	0.6%							
61338	Manlius	1	0.6%							
61335	Mc Nabb	1	0.6%							
61301	La Salle	1	0.6%							
61244	East Moline	1	0.6%							



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April 26, 2022

Debra Savage, Chair
Illinois Health Facilities and
Services Review Board
525 W. Jefferson St.
Springfield, IL 62761

Dear Chair Savage,

I am providing this letter to assist the Illinois Health Facilities and Services Review Board in its evaluation of a Certificate of Need application for the proposed Child & Adolescent facility with Methodist Medical Center of Illinois. This referral letter is provided pursuant to 77 Ill. Admin. Code Section 1110.210(b) in support of the proposed Child & Adolescent Unit in Peoria, Illinois.

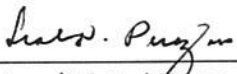
During 2019, 2020, and 2021, I admitted approximately the following number of patients for psychiatric services to the Methodist Hospital inpatient Child & Adolescent unit listed below. I estimate that I will admit 207 patients to the proposed new unit during its second year of operation.

Admitting Physician	Provider Specialty Name				
		2019	2020	2021	Projected
PEREZ, LEAH P	Child and Adolescent Psychiatry	262	176	207	207

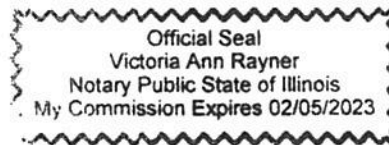
Attached is a patient origin analysis by zip code of my 2021 patients.

The information contained in this letter is true and correct, to the best of my information and belief, and has not been used in the support of another project.

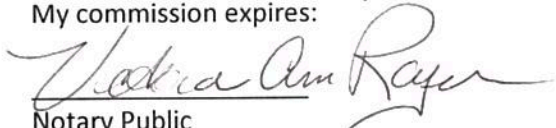
Very truly yours,



Signature/Printed Name



Subscribed and sworn to before me
this 28th day of April, 2022

My commission expires: 2/15/2023


Notary Public

Zip Code Table Dr. Leah Perez

PEREZ, LEAH P

ZIP Code	City	2021 Patients	% of Total	ZIP Code	City	2021 Patients	% of Total			
61554	Pekin	25	12.1%	61201	Rock Island	3	1.4%	HSA	166	80.2%
61604	Peoria	17	8.2%	61704	Bloomington	2	1.0%	Other	41	19.8%
61603	Peoria	15	7.2%	62966	Murphysboro	1	0.5%			
61611	East Peoria	13	6.3%	62901	Carbondale	1	0.5%			
61615	Peoria	7	3.4%	62822	Christopher	1	0.5%			
61550	Morton	7	3.4%	62711	Springfield	1	0.5%			
61530	Eureka	7	3.4%	62702	Springfield	1	0.5%			
61571	Washington	6	2.9%	62675	Petersburg	1	0.5%			
61401	Galesburg	6	2.9%	62656	Lincoln	1	0.5%			
61755	Mackinaw	4	1.9%	62650	Jacksonville	1	0.5%			
61614	Peoria	4	1.9%	62644	Havana	1	0.5%			
61605	Peoria	4	1.9%	62618	Beardstown	1	0.5%			
61616	Peoria Heights	3	1.4%	62512	Beason	1	0.5%			
61610	Creve Coeur	3	1.4%	62379	Warsaw	1	0.5%			
61607	Peoria	3	1.4%	62353	Mount Sterling	1	0.5%			
61548	Metamora	3	1.4%	62340	Griggsville	1	0.5%			
61523	Chillicothe	3	1.4%	62305	Quincy	1	0.5%			
61244	East Moline	3	1.4%	62002	Alton	1	0.5%			
61606	Peoria	2	1.0%	61938	Mattoon	1	0.5%			
61570	Washburn	2	1.0%	61925	Dalton City	1	0.5%			
61559	Princeville	2	1.0%	61866	Rantoul	1	0.5%			
61547	Mapleton	2	1.0%	61761	Normal	1	0.5%			
61443	Kewanee	2	1.0%	61723	Atlanta	1	0.5%			
61240	Coal Valley	2	1.0%	61705	Bloomington	1	0.5%			
61742	Goodfield	1	0.5%	61564	South Pekin	1	0.5%			
61734	Delavan	1	0.5%	61532	Forest City	1	0.5%			
61602	Peoria	1	0.5%	61264	Milan	1	0.5%			
61569	Trivoli	1	0.5%	61243	Deer Grove	1	0.5%			
61542	Lewistown	1	0.5%	61081	Sterling	1	0.5%			
61540	Lacon	1	0.5%	61071	Rock Falls	1	0.5%			
61536	Hanna City	1	0.5%	60922	Chebanse	1	0.5%			
61535	Groveland	1	0.5%	60487	Tinley Park	1	0.5%			
61534	Green Valley	1	0.5%	60481	Wilmington	1	0.5%			
61531	Farmington	1	0.5%	60442	Manhattan	1	0.5%			
61528	Edwards	1	0.5%	60046	Lake Villa	1	0.5%			
61520	Canton	1	0.5%	52722	Bettendorf	1	0.5%			
61462	Monmouth	1	0.5%	52402	Cedar Rapids	1	0.5%			
61447	Kirkwood	1	0.5%	Null	Null	1	0.5%			
61428	Dahinda	1	0.5%							
61427	Cuba	1	0.5%							
61362	Spring Valley	1	0.5%							
61356	Princeton	1	0.5%							
61323	Dover	1	0.5%							
61262	Lynn Center	1	0.5%							
61254	Geneseo	1	0.5%							



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April 26, 2022

Debra Savage, Chair
Illinois Health Facilities and
Services Review Board
525 W. Jefferson St.
Springfield, IL 62761

Dear Chair Savage,

I am providing this letter to assist the Illinois Health Facilities and Services Review Board in its evaluation of a Certificate of Need application for the proposed Child & Adolescent facility with Methodist Medical Center of Illinois. This referral letter is provided pursuant to 77 Ill. Admin. Code Section 1110.210(b) in support of the proposed Child & Adolescent Unit in Peoria, Illinois.

During 2019, 2020, and 2021, I admitted approximately the following number of patients for psychiatric services to the Methodist Hospital inpatient Child & Adolescent unit listed below. I estimate that I will admit 194 patients to the proposed new unit during its second year of operation.

Admitting Physician	Provider Specialty Name				
		2019	2020	2021	Projected
NOOKALA, SHOBHA R	Child and Adolescent Psychiatry	215	173	194	194

Attached is a patient origin analysis by zip code of my 2021 patients.

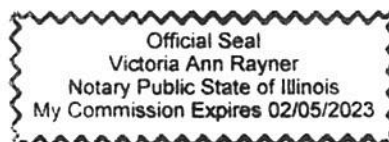
The information contained in this letter is true and correct, to the best of my information and belief, and has not been used in the support of another project.

Very truly yours,

Signature/Printed Name

Subscribed and sworn to before me
this 28 day of April, 2022

My commission expires: 2/15/2023

Notary Public

Zip Code Table Dr. Shobha Nookala

ZIP Code	City	2021 Patients	% of Total	ZIP Code	City	2021 Patients	% of Total			
61554	Pekin	23	11.9%	61701	Bloomington	4	2.1%	HSA	160	82.5%
61604	Peoria	11	5.7%	61761	Normal	3	1.5%	Other	34	17.5%
61611	East Peoria	9	4.6%	61081	Sterling	3	1.5%			
61603	Peoria	8	4.1%	61014	Chadwick	2	1.0%			
61605	Peoria	7	3.6%	62677	Pleasant Plains	1	0.5%			
61550	Morton	7	3.6%	62664	Mason City	1	0.5%			
61616	Peoria Heights	6	3.1%	62650	Jacksonville	1	0.5%			
61571	Washington	6	3.1%	62629	Chatham	1	0.5%			
61548	Metamora	6	3.1%	62557	Pana	1	0.5%			
61523	Chillicothe	6	3.1%	62526	Decatur	1	0.5%			
61401	Galesburg	6	3.1%	62501	Argenta	1	0.5%			
61615	Peoria	5	2.6%	62301	Quincy	1	0.5%			
61607	Peoria	5	2.6%	62294	Troy	1	0.5%			
61427	Cuba	5	2.6%	62243	Freeburg	1	0.5%			
61559	Princeville	4	2.1%	61910	Arcola	1	0.5%			
61530	Eureka	4	2.1%	61853	Mahomet	1	0.5%			
61738	El Paso	3	1.5%	61732	Danvers	1	0.5%			
61614	Peoria	3	1.5%	61704	Bloomington	1	0.5%			
61610	Creve Coeur	3	1.5%	61270	Morrison	1	0.5%			
61540	Lacon	3	1.5%	60952	Melvin	1	0.5%			
61520	Canton	3	1.5%	60152	Marengo	1	0.5%			
61606	Peoria	2	1.0%	53214	Milwaukee	1	0.5%			
61570	Washburn	2	1.0%	52806	Davenport	1	0.5%			
61537	Henry	2	1.0%	52761	Muscatine	1	0.5%			
61529	Elmwood	2	1.0%	52632	Keokuk	1	0.5%			
61525	Dunlap	2	1.0%	52601	Burlington	1	0.5%			
61755	Mackinaw	1	0.5%							17.5%
61742	Goodfield	1	0.5%							
61734	Delavan	1	0.5%							
61568	Tremont	1	0.5%							
61546	Manito	1	0.5%							
61536	Hanna City	1	0.5%							
61535	Groveland	1	0.5%							
61534	Green Valley	1	0.5%							
61531	Farmington	1	0.5%							
61528	Edwards	1	0.5%							
61517	Brimfield	1	0.5%							
61516	Benson	1	0.5%							
61443	Kewanee	1	0.5%							
61414	Altona	1	0.5%							
61348	Oglesby	1	0.5%							
61342	Mendota	1	0.5%							
61326	Granville	1	0.5%							



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April 26, 2022

Debra Savage, Chair
Illinois Health Facilities and
Services Review Board
525 W. Jefferson St.
Springfield, IL 62761

Dear Chair Savage,

I am writing on behalf of UnityPoint Health-Methodist ("Methodist") in support of establishing a child and adolescent ("C&A") behavioral health facility in HSA 2 to meet the ongoing needs of the community.

In 2019, Methodist received approximately 1203 calls from facilities and providers throughout Illinois seeking placement of C&A patients who required crisis interventions for a mental illness diagnosis. In 2021, that number grew to 1308. Attachment 1 documents the calls placed to Methodist's C&A AMI inpatient unit in 2019 – 2021 from various facilities and providers seeking a C&A inpatient AMI bed at Methodist. Due to a variety of constraints, Methodist could only accommodate or admit a fraction of the patients seeking inpatient care. In 2021, of the 1308 calls placed, Methodist could only accommodate or admit 611 of those patients into its C&A unit. As a result, 697 patients were unable to be admitted to Methodist in 2021 and were forced to seek care outside the planning area. As reflected in Attachment 1, the number of calls seeking inpatient admission at Methodist has significantly increased over the past few years – from 1203 in 2019 to 1308 in 2021.

Over the last three years, there has been a steady increase in demand, resulting in increased boarding, wait times, and transfers of C&A patients. The total number of C&A patients presenting to Methodist's emergency department ("ED") who required a behavioral health crisis evaluation has risen 32% since 2019 and external referrals are up 9.4%.

According to COMPdata, Peoria County ranks 2nd behind Cook County in C&A residents with a behavioral health admission. Patients with C&A behavioral health needs come from all over Illinois to receive treatment at Methodist. There are times when, due to a lack of available beds, C&A patients who reside in HSA 2 and require admission for mental illness are transferred out of the area. As reflected in the table below, in 2021, there were 685 patients with a home address in HSA 2 who had to receive care out of the area in facilities as far away as the University of Iowa. Transfers to facilities so distant from patient families are suboptimal for patient care. Removing patients from the community in which they live disrupts families and threatens the continuity of care while increasing costs to both the patient and the community. Methodist is the only facility providing inpatient C&A behavioral healthcare services in both the 4-county primary service area and the 14-county secondary service area. It is imperative for our hospital and our community to expand C&A services to help address this crisis.

Illinois HSA-2 Child & Adolescents (Age 17 and Under Treated as Inpatients for Acute Mental Illness)

Year	Received care In/Out Home Mkt	Treated in what Service Area	Discharges	Days	% Of Days
2021	Out-of-Mkt	HSA-1	1	20	0.16%
2021	Out-of-Mkt	HSA-10	15	95	0.75%
2021	In-Mkt	HSA-2	619	4,770	37.66%
2021	Out-of-Mkt	HSA-3	171	1,875	14.80%
2021	Out-of-Mkt	HSA-4	43	516	4.07%
2021	Out-of-Mkt	HSA-A	455	5,389	42.55%
	TOTAL HSA-2 C&A Residents		1,304	12,665	100.00%
	Total Served In Mkt		619	4,770	37.66%
	Had to find beds Out of Mkt		685	7,895	62.34%

*HSA-A represents the HFSRB AMI planning areas A - 01 through A - 14 making up the Chicago Area market

On any given day, Methodist averages 4-6 calls requesting beds in our C&A unit. Of those calls, only 46% of patients will be admitted. Whether the patient can be admitted depends on whether we can safely place the patient within the unit. In 2021, 35% of calls requesting C&A beds could not be accommodated due to safety and acuity reasons. The current configuration of Methodist's C&A unit does not easily allow for the separation of children by age and presenting condition. When this occurs, we cannot safely provide a bed. In addition, in 2021, we had to turn away approximately 46% of patients requiring inpatient care due to a general lack of beds. The new, proposed facility will address these problems.

The ED is often the entry point for patients seeking care for a behavioral health crisis. In the last 12 months alone, over 4,400 patients entered the Methodist ED in crisis, and of those, 1,185 were children or adolescents. Given the lack of available beds, these patients are often transferred out of the community.

Of our 68 AMI beds, 23 are set up and staffed as C&A beds. Once our 23 C&A beds are occupied, and for those patients requiring an inpatient admission who are already in our facility (e.g., in the ED), we reach out to as many as 31 different hospitals, some as far away as Indiana and Missouri, looking for placement. If we are fortunate enough to secure placement, we arrange transportation to the receiving facility, which can take anywhere from several hours to several days. Due the lack of available inpatient beds, C&A patients often remain in the ED while waiting to be transferred. While they are seen daily by psychiatrists while in the ED waiting to be transferred, providing care in an ED is certainly not ideal for a child or adolescent with behavioral health needs. In the most extreme case, over 36 patients had to be boarded in our ED behavioral health intake area for more than 24 hours - with the longest boarded for 58 hours - before placement could be made. Our ED is not equipped or designed to provide the specialized care available in the therapeutic milieu of an inpatient behavioral health unit.

While these patients receive psychiatric services to initiate medication management to treat the acute behavioral health concern while in the emergency department, the benefit of receiving care in an inpatient unit is delayed. If Methodist had an expanded C&A behavioral health facility, the full continuum of behavioral health services offered by a comprehensive program would be immediately available.



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There is a significant need for enhanced C&A AMI inpatient services in our community. This type of care is best provided in a facility located within a reasonable distance to home so families can more readily participate in care and ensure a smooth transition back to their families and communities upon discharge. Methodist has a commitment and proven track record in treating this population and, with the proper resources, can continue to serve the residents of both this community and nearby regions in Illinois.

Based on our historical data and referrals, if the proposed facility is approved, we expect that about 697 C&A patients per year who otherwise could not be admitted and were forced to receive care outside our planning area would be admitted to the new inpatient C&A unit.

To the best of my knowledge, these projected patient referrals or admissions have not been used to support another pending or approved certificate of need application. The information in this letter is true and correct to the best of my knowledge.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith Knepp".

Keith Knepp, M.D.
President & CEO

ATTACHMENT 1 – CALLS TO METHODIST HOSPITAL'S C&A UNIT SEEKING PLACEMENT	2019 Totals	2020 Totals	2021 Totals	MILEAGE
	1203	1251	1308	
ADVOCATE SHERMAN HOSPITAL ELGIN	4	2	9	166
ADVOCATE GOOD SAMARITAN	0	1	5	154
ALTON MEMORIAL HOSPITAL	0	0	3	156
AMITA HEALTH ADVENTIST MEDICAL CTR GLENOAKS	0	0	2	151
AMITA HEALTH ADVENTIST MEDICAL CTR LAGRANGE	0	3	0	145
ANDERSON HOSPITAL MARYVILLE	0	2	8	151
ANN & ROBERT H. CHILDREN'S HOSPITAL OF CHICAGO	3	3	1	162
BLESSING HOSPITAL - QUINCY	42	30	35	127
BRIDGEWAY MENTAL HEALTH SERVICES	28	9	8	50
CARLE BROMENN MEDICAL CENTER	45	42	25	41
CARLE FOUNDATION HOSPITAL	9	17	28	94
CENTERSTONE - ALTON	9	14	24	157
CGH MEDICAL CENTER STERLING	0	0	1	80
CHESTNUT FAMILY HEALTH CENTER BLOOMINGTON	2	3	7	38
CHILDREN'S HOME	10	7	13	1.6
COMMUNITY HOSPITAL OF STAUNTON	0	0	1	130
CROSS POINT HUMAN SERVICES	1	0	0	122
DCFS	3	2	2	NA
DELNOR COMMUNITY HOSPITAL -ST. CHARLES	0	2	7	139
EDWARD ELMHURST HEALTH CENTER BOLINGBROOK	0	0	2	139
EDWARD ELMHURST HOSPITAL - ELMHURST	0	0	1	158
EDWARD HOSPITAL NAPERVILLE	0	4	4	143
FORT DODGE HOSPITAL	1	0	0	330
FRANCISCAN HEALTH - OLYMPIA FIELDS	0	1	0	152
FREEMPORT MEMORIAL HOSPITAL	1	1	0	117
GALESBURG COTTAGE	6	0	0	48
GATEWAY REGIONAL MEDICAL CTR - GRANITE CITY	0	7	3	1
GENESIS MEDICAL CENTER SILVIS	3	1	4	156
GRAHAM HOSPITAL	8	13	7	31
GREAT RIVER HEALTH - FORT MADISON IA	7	2	0	122
GREAT RIVER MEDICAL CENTER	1	0	0	100
GROUP HOME	0	2	0	NA
HAMMOND HENRY HOSPITAL	7	9	1	90
HARTGROVE HOSPITAL	0	0	1	159
HEART OF MARY	0	7	4	91
HEARTLAND HEALTH CENTER	0	1	8	2
HEARTLAND REGIONAL - MARION	1	0	0	243
HERITAGE BEHAVIORAL HEALTH	1	1	2	64
HILLSBOROUGH AREA HOSPITAL	1	0	0	121

ATTACHMENT 1 - CALLS TO METHODIST HOSPITAL'S C&A UNIT SEEKING PLACEMENT	2019 Totals	2020 Totals	2021 Totals	MILEAGE
HOLY CROSS HOSPITAL	1	0	0	157
HOME	0	1	3	NA
HOPEDALE HOSPITAL	0	1	0	24
HSHS GOOD SHEPHERD	2	1	1	121
HSHS HOLY FAMILY HOSPITAL	0	3	1	142
HSHS ST. JOHN - SPRINGFIELD	16	18	22	72
HUMAN SERVICE CENTER	0	1	0	1
HUMBOLDT HEALTHPARK	0	0	1	164
ILLINI COMMUNITY HOSPITAL QUINCY	2	4	3	127
ILLINOIS VALLEY COMMUNITY HOSPITAL	6	4	0	61
JACKSONVILLE MEMORIAL HOSPITAL	2	0	0	86
JAVON BEA HOSPITAL	1	0	0	142
JDC	5	6	4	37
KENNETH YOUTH CENTER	2	1	4	165
KEOKUK AREA HOSPITAL	0	0	1	113
KINDRED HOSPITAL	0	0	1	1
LAWRENCEVILLE COUNTY MEMORIAL HOSPITAL	0	0	1	212
LIFE LINKS	1	5	5	129
LINCOLN MEMORIAL	8	0	0	79
LINCOLN PRAIRIE	1	0	0	76
LOCUST STREET RESOURCE	0	1	1	121
LORETTA HOSPITAL	0	1	0	159
LOYOLA GOTTLIEB - FRANKLIN PARK	0	0	1	165
LOYOLA MEDICINE	1	4	6	170
LUTHERAN GENERAL	2	2	2	161
MARSHALL BROWNING HOSPITAL	0	0	1	213
MASON DISTRICT HOSPITAL	2	0	0	45
MC LEAN COUNTY CENTER FOR HUMAN SERVICES	3	0	9	38
MC DONOUGH DISTRICT HOSPITAL	7	12	6	73
MC NEAL HOSPITAL - BERWYN	1	2	2	158
MEMORIAL - SPRINGFIELD	30	68	71	102
MEMORIAL HOSPITAL BELLEVILLE	0	0	2	170
MEMORIAL HOSPITAL CARTHAGE	1	1	1	99
MEMORIAL HOSPITAL OF CARBONDALE	0	2	0	242
MENDED HEARTS	1	0	0	15
MERCY HOSPITAL	4	8	12	166
MIDWESTERN REGION MEDICAL CENTER	0	1	1	212
MOBILE CRISIS RESPONSE / SASS	206	234	189	3
MORRISON COMMUNITY HOSPITAL	3	2	3	92
MT SINAI ED	1	0	0	153

ATTACHMENT 1 - CALLS TO METHODIST HOSPITAL'S C&A UNIT SEEKING PLACEMENT	2019 Totals	2020 Totals	2021 Totals	MILEAGE
NEW HOPE RECOVERY CENTER	1	0	0	171
NORTH CENTRAL BEHAVIORAL HEALTH	4	10	13	64
NORTH SHORE HIGHLAND PARK	0	1	0	177
NORTHWESTERN MEMORIAL HOSPITAL - CHICAGO	2	0	1	170
NORTHSHORE EVANSTON HOSPITAL	0	0	2	181
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL WINFIELD	2	2	16	160
ONARGA CLINIC	0	2	0	99
ONE HOPE UNITED	1	2	4	169
OSF SACRED HEART	0	4	0	123
OSF St ELIZABETH - OTTAWA	12	4	9	80
OSF ST. FRANCIS	0	0	112	1
OSF ST. JAMES PONTIAC	6	2	13	56
OSF ST. LUKE - KEWANEE	3	8	8	48
OSF ST. PAUL'S MEDICAL CENTER - MENDOTA	0	1	1	81
PARENT	0	1	0	
PARIS COMMUNITY HOSPITAL	3	0	0	154
PASSAVANT AREA HOSPITAL	3	5	13	111
PERRY MEMORIAL/OSF ST. CLARE	136	122	5	54
PHYSICIAN REFERRAL	26	18	18	
PILLAR COMMUNITY HEALTH	2	7	4	150
PRESENCE HEALTH ELGIN	1	4	3	166
RIVERSIDE COMMUNITY HOSPITAL	9	2	0	158
ROCHELLE COMMUNITY HOSPITAL	0	1	1	110
ROSECRANCE TREATMENT CENTER MORELAND	1	8	18	168
RUSH HOSPITAL CHICAGO	4	4	6	168
SARAH BUSH LINCOLN HEALTH CENTER	9	15	33	137
SARAH D. CULBERTSON MEMORIAL HOSPITAL	0	0	1	74
SCHOOL	4	3	3	
SIH HERRIN HOSPITAL	0	1	2	254
SILVER CROSS HOSPITAL	0	0	4	128
SINNISSIPPI CENTER	0	6	7	87
SPRINGFIELD MEMORIAL	6	0	1	72
ST ALEXIUS MEDICAL CENTER	1	1	7	168
ST ANTHONY'S MEMORIAL HOSPITAL EFFINGHAM	0	2	2	163
ST BERNARD'S HOSPITAL - CHICAGO	1	2	1	166
ST. JOSEPH'S HOSPITAL - BLOOMINGTON	10	22	14	43
ST. LOUIS CHILDREN'S HOSPITAL	0	0	7	169
ST. MARGARET'S HEALTH - SPRING VALLEY	5	4	11	58
ST. MARY'S - DECATUR	8	15	5	82
STREAMWOOD HOSPITAL	0	1	0	172

ATTACHMENT 1 - CALLS TO METHODIST HOSPITAL'S C&A UNIT SEEKING PLACEMENT	2019 Totals	2020 Totals	2021 Totals	MILEAGE
SULLIVAN COUNTY HOSPITAL - INDIANA	1	0	0	203
SWEDISH HOSPITAL - CHICAGO	0	1	1	176
TAYLORVILLE MEMORIAL HOSPITAL	1	0	0	95
THE PAVILLION	0	5	0	90
TRANSITIONS MENTAL HEALTH SERVICES	0	0	16	9
TRINITY HOSPITAL/ ROBERT YOUNG CENTER	13	39	26	97
UNION COUNTY HOSPITAL	0	3	0	260
UNIVERSITY OF CHICAGO	1	0	2	166
UPH PEORIA ED	406	337	380	0
UPH PEORIA INPATIENT	17	14	6	0
VALLEY WEST HOSPITAL	1	0	0	106
VISTA MEDICAL CENTER EAST	1	0	0	198
WARNER HOSPITAL & HEALTH SERVICES	0	0	2	63
WASHINGTON COUNTY HOSPITAL	0	1	0	154
WILL COUNTY COMMUNITY HOSPITAL - JOLIET	0	2	3	130



April 19, 2022

Debra Savage, Chair
Illinois Health Facilities and Services Review Board (“HFSRB”)
525 W. Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Savage:

On behalf of The Methodist Medical Center of Illinois, I hereby certify that it is my expectation and understanding that the occupancy standards specified in 77 Ill. Adm. Code 1100 will be achieved and maintained by the second year of operation after project completion.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Keith Knepp, M.D.
President & CEO
The Methodist Medical Center of Illinois

Subscribed and sworn to before me

This 19 day of April, 2022

Cheryl K Bullard
Notary Public



ATTACHMENT 34 –
AVAILABILITY OF FUNDS

Audited consolidated financial statements of Iowa Health System and subsidiaries d/b/a UnityPoint Health (“UnityPoint Health”), along with documentation of UnityPoint Health’s AA-bond rating from Fitch Ratings, are attached. See also Attachment 7 for the estimated total project cost and amounts for each cost component applicable to the project.

ATTACHMENT 34



RATING ACTION COMMENTARY

Fitch Affirms UnityPoint Health's (IA) Ratings at 'AA-'; Outlook Stable

Tue 20 Jul, 2021 - 12:44 PM ET

Fitch Ratings - New York - 20 Jul 2021: Fitch Ratings has affirmed the 'AA-' Issuer Default Rating (IDR) and revenue rating on approximately \$1.1 billion in outstanding bonds issued by or on behalf of UnityPoint Health (UPH) by the Iowa Finance Authority, the Illinois Finance Authority, and the Wisconsin Health & Educational Facilities Authority. Fitch has also affirmed UPH's 'F1+' short-term self-liquidity rating for its commercial paper program.

The Rating Outlook is Stable.

SECURITY

Bond payments are secured by a pledge of the gross receipts of the obligated group.

ANALYTICAL CONCLUSION

UPH's 'AA-' IDR and revenue bond rating reflects the system's strong leverage metrics, broad platform and regional diversification. UPH's already strong leverage metrics and cash position increased during the pandemic and benefited from strong market returns,

resulting in cash-to-adjusted of 225% at YE 2020. UPH's operating cash flow margin expectations remain in line with the 'bbb' assessment with fiscal 2020 results of 7.3%, which were comparable with the results for the four years before that.

Fitch assesses the financial profile within the context of the 'bbb' revenue defensibility and operating risk rating driver assessments, and UPH's balance sheet metrics remain at levels that support the 'aa' financial profile within these assessments.

KEY RATING DRIVERS

Revenue Defensibility: 'bbb'

Diversified Market Position and Favorable Payor Mix

Revenue Defensibility is assessed as midrange, reflecting the system's leading market share in seven of its nine regions, its revenue diversification and favorable payor mix. Most of UPH's service areas are slower growth markets and each region has at least one major competitor. The Peoria, IL region, representing almost 15% of the system's total operating revenue, is UPH's most challenging market and one of the two regions where the system has a secondary market position.

UPH has a favorable payor mix with Medicaid and self-pay accounting for just under 18% of gross revenue in fiscal 2020 and the system's operations in Iowa account for approximately 70% of its operating revenue. The state has favorable demographic characteristics with below average poverty, unemployment and uninsured rates relative to national averages. Population growth, however, has lagged behind the national growth rate.

Operating Risk: 'bbb'

Consistent Operating Cash Flow

Fitch's expectations for UPH's operating risk assessment remains consistent with the revision to the mid-range assessment that was made at the last review. Operations have stabilized at just over the 7% operating EBITDA margin level in recent years and have had a slower start in early 2021 as a result of the operational disruption and escalating labor costs caused by the coronavirus outbreak. Beginning in the second half of 2021, Fitch expects results to return to levels of at least 7% cash flow margins.

The system took steps to mitigate pandemic-related losses in 2020 by lowering supply expenses, instituting furloughs, reducing hours for staff and pay cuts for the executive staff in addition to recognizing \$195 million in stimulus money. UPH is continuing its trajectory from a historically holding company model to an operating model with deeper integration and synergies across the system. UPH's focus in recent years has been expense reductions, particularly in the areas of supply chain and revenue cycle. The management team, consisting of new and existing leaders, are now focusing on possible new growth strategies, including inorganic growth, in addition to re-examining its existing portfolio of assets.

UPH's average age of plant has been increasing and measured 15.2 years at YE 2020. Capital spending was curtailed in 2020 to approximately \$160 million with the cash flow uncertainty caused by the pandemic, but UPH is re-evaluating its delivery of care needs and use of capital dollars going forward. Fitch expects that spending will be close to \$260 million annually in future years after 2021 as the system returns to higher spending levels.

Financial Profile: 'aa'

Strong Leverage Metrics

UPH's leverage metrics continue to remain strong ('aa') as a result of higher liquidity reserves and remain the main driver of the 'AA-' rating.

Days cash on hand increased significantly to 285 days (\$3.4 billion) as of YE 2020 from 231 days (\$2.7 billion) at YE 2019, excluding \$372.1 million in Medicare accelerated funds and \$75.1 million in deferred employment taxes allowed by the CARES act. Adjusted debt, including operating lease liabilities, was \$1.5 billion as of YE 2020, resulting in strong cash-to-adjusted debt of 225% and above the 190% threshold that suggests a 'AA' rating category in Fitch's hospital criteria for a credit with a 'bbb' revenue defensibility and 'bbb'

operating risk assessment. UPH's defined benefit plans are 89% funded and did not contribute to Fitch's adjusted debt metrics as it exceeded the 80% funding threshold.

Given this strong starting position, UPH's balance sheet and leverage metrics remain strong through Fitch's stress case scenario that incorporates both a revenue stress and a portfolio sensitivity analysis of negative 10.2% based on UPH's portfolio asset allocation. The scenario does not include incremental debt in the coming years, but does include Fitch's expectations that future capital expenditures will be slightly above 1.3x depreciation after a couple of years of low capital spending.

Asymmetric Additional Risk Considerations

No asymmetric risk factors were applied in this rating determination. Clay Holderman joined as President and CEO of UPH in February 2021 after previously serving as Executive Vice President and COO at Presbyterian Healthcare Services in New Mexico.

RATING SENSITIVITIES

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

--Consistent operating EBITDA margin of above 9%, indicative of a strong operating risk assessment;

--Maintenance of a low debt load and well-funded pension combined with improved liquidity such that cash-to-adjusted debt consistently exceeds 275%, while generating higher operating cash flow margins.

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

--Significant declines in liquidity or pension funding that might decrease cash-to-adjusted debt to levels consistently below 190%;

--Material loss of market share in a number of regions;

--Operating cash flow margins that are consistently around 6% 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>.

UPH, headquartered in West Des Moines, Iowa, operates 20 hospitals and over 400 physician clinics across nine operating regions in Iowa, Illinois and Wisconsin. There are over 1,000 employed physicians and 1,000 employed advanced practitioners across the system. UPH has transitioned from a large, predominantly single state health care system to a larger multi-state health care system over the past ten years.

The system acquired Methodist Medical Center (Peoria, IL) in 2011, Proctor Hospital (Peoria, IL) in 2013 and Meriter Health Services (Madison, WI) in 2014. Additionally, UPH entered into a joint venture with HealthPartners in 2016 to provide health insurance products in Iowa and Illinois. Total operating revenue was \$4.6 billion in fiscal 2020. Fitch's analysis is based on UPH's consolidated financial statements.

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

RATING ACTIONS

ENTITY / DEBT ⇅	RATING ⇅	PRIOR ⇅
UnityPoint Health (IA)	LT IDR AA- Rating Outlook Stable Affirmed	AA- Rating Outlook Stable
UnityPoint Health (IA) /General Revenues/1 LT	LT AA- Rating Outlook Stable Affirmed	AA- Rating Outlook Stable
UnityPoint Health (IA) /Self-Liquidity/1 ST	ST F1+ Affirmed	F1+

[VIEW ADDITIONAL RATING DETAILS](#)

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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 - Effective from February 23, 2021 to September 1, 2021 \(pub. 23 Feb 2021\)](#) (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), v1.3.2 (1)

ADDITIONAL DISCLOSURES

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

[Solicitation Status](#)

[Endorsement Policy](#)

ENDORSEMENT STATUS

UnityPoint Health (IA)

EU Endorsed, UK Endorsed

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US Public Finance

Healthcare and Pharma

North America

United States



**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Consolidated Financial Statements and Consolidating Schedules

December 31, 2020 and 2019

(With Independent Auditors' Report Thereon)

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Table of Contents

	Page
Independent Auditors' Report	1
Consolidated Financial Statements:	
Balance Sheets	3
Statements of Operations and Changes in Net Assets	4
Statements of Cash Flows	6
Notes to Consolidated Financial Statements	8
2020 Supplementary Financial Statement Information	
1. UnityPoint Health Consolidating Balance Sheet and Statement of Operations	57
2. UnityPoint Health – Des Moines and Subsidiaries Consolidating Balance Sheet and Statement of Operations (Des Moines)	59
3. Methodist Health Services Corporation and Subsidiaries Consolidating Balance Sheet and Statement of Operations (Peoria)	61
4. Trinity Regional Health System and Subsidiaries Consolidating Balance Sheet and Statement of Operations (Rock Island)	63
5. Meriter Health Services, Inc. and Subsidiaries Consolidating Balance Sheet and Statement of Operations (Madison)	65
6. St. Luke's Healthcare and Subsidiaries Consolidating Balance Sheet and Statement of Operations (Cedar Rapids)	67
7. Allen Health Systems, Inc. and Subsidiaries Consolidating Balance Sheet and Statement of Operations (Waterloo)	69
8. St. Luke's Health System, Inc. and Subsidiaries Consolidating Balance Sheet and Statement of Operations (Sioux City)	71
9. Trinity Health Systems, Inc. and Subsidiaries Consolidating Balance Sheet and Statement of Operations (Fort Dodge)	73
10. Finley Tri-States Health Group, Inc. and Subsidiaries Consolidating Balance Sheet and Statement of Operations (Dubuque)	75
11. Keokuk Area Hospital, Inc. and Subsidiaries Consolidating Balance Sheet and Statement of Operations (Keokuk)	77
12. Affiliated Colleges Consolidating Balance Sheet and Statement of Operations	79



KPMG LLP
4200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402

Independent Auditors' Report

The Board of Directors
Iowa Health System and Subsidiaries
d/b/a UnityPoint Health:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Iowa Health System and its subsidiaries d/b/a UnityPoint Health (the System), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Iowa Health System and its subsidiaries d/b/a UnityPoint Health as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.



Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2020 accompanying supplementary financial statement information in schedules 1 through 12 are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Minneapolis, Minnesota
April 14, 2021

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Consolidated Balance Sheets

December 31, 2020 and 2019

(In thousands)

Assets	2020	2019
Current assets:		
Cash and cash equivalents	\$ 634,781	278,444
Short-term investments	173,825	25,926
Assets limited as to use – required for current liabilities	24,882	20,167
Patient accounts receivable	514,616	565,461
Other receivables	202,377	129,421
Inventories	97,147	84,406
Prepaid expenses	58,501	57,360
Total current assets	<u>1,706,129</u>	<u>1,161,185</u>
Assets limited as to use, noncurrent:		
Held by trustee under bond indenture agreements	388	485
Internally designated for capital improvements	1,405,046	1,311,258
Internally designated for insurance reserve	21,834	22,988
Total assets limited as to use, noncurrent	<u>1,427,268</u>	<u>1,334,731</u>
Property, plant and equipment, net	1,844,659	1,875,363
Operating lease right-of-use assets	204,343	220,215
Other long-term investments	1,593,860	1,102,503
Investments in joint ventures and other investments	142,910	121,916
Contributions receivable and other assets held in trust	118,623	114,617
Other	83,665	86,151
Total assets	<u>\$ 7,121,457</u>	<u>6,016,681</u>
Liabilities and Net Assets		
Current liabilities:		
Current maturities of long-term debt	\$ 151,244	129,121
Current portion of operating lease liabilities	32,282	31,450
Accounts payable	233,481	236,412
Accrued payroll	306,736	217,910
Accrued interest	11,614	9,704
Estimated settlements due to third-party payors	85,374	57,252
Other current liabilities	243,043	81,039
Total current liabilities	<u>1,063,774</u>	<u>762,888</u>
Long-term debt, net	1,134,788	895,871
Long-term operating lease liabilities	176,739	188,765
Other long-term liabilities	687,653	396,016
Total liabilities	<u>3,062,954</u>	<u>2,243,540</u>
Net assets:		
Without donor restrictions:		
Attributable to UnityPoint Health	3,781,923	3,515,956
Attributable to noncontrolling interests	32,999	31,952
Total without donor restrictions	<u>3,814,922</u>	<u>3,547,908</u>
With donor restrictions:		
Attributable to UnityPoint Health	242,852	224,446
Attributable to noncontrolling interests	729	787
Total with donor restrictions	<u>243,581</u>	<u>225,233</u>
Total net assets	<u>4,058,503</u>	<u>3,773,141</u>
Total liabilities and net assets	<u>\$ 7,121,457</u>	<u>6,016,681</u>

See accompanying notes to consolidated financial statements.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Consolidated Statements of Operations and Changes in Net Assets

Years ended December 31, 2020 and 2019

(In thousands)

	<u>2020</u>	<u>2019</u>
Operating revenues:		
Patient service revenue	\$ 3,932,963	4,184,332
Other operating revenue	667,620	389,961
Net assets released from restrictions used for operations	11,468	14,173
Total operating revenues	<u>4,612,051</u>	<u>4,588,466</u>
Operating expenses:		
Salaries and wages	1,645,140	1,624,925
Provider compensation and services	710,057	696,151
Employee benefits	412,685	418,627
Supplies	756,651	755,353
Other expenses	750,913	762,670
Depreciation and amortization	188,468	195,119
Interest	34,296	35,107
Provision for uncollectible accounts	460	64
Total operating expenses	<u>4,498,670</u>	<u>4,488,016</u>
Operating income	<u>113,381</u>	<u>100,450</u>
Nonoperating gains (losses):		
Investment income	188,710	313,065
Contributions received in affiliations, net of disaffiliation	—	(2,317)
Other, net	(7,045)	(25,226)
Total nonoperating gains, net	<u>181,665</u>	<u>285,522</u>
Revenue over expenses before loss on bond refinancing transactions	295,046	385,972
Loss on bond refinancing transactions	<u>(16,671)</u>	<u>—</u>
Excess of revenues over expenses	278,375	385,972
Less noncontrolling interest	<u>(2,620)</u>	<u>(4,974)</u>
Excess of revenues over expenses attributable to UnityPoint Health	<u>275,755</u>	<u>380,998</u>

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Consolidated Statements of Operations and Changes in Net Assets (continued)

Years ended December 31, 2020 and 2019

(In thousands)

	<u>2020</u>	<u>2019</u>
Net assets without donor restrictions:		
Excess of revenues over expenses	\$ 275,755	380,998
Amortization of previously hedged interest rate swaps fair value	1,360	1,360
Net assets released from restrictions used for capital expenditures	8,547	13,100
Change in defined benefit pension plan gains (losses) and prior costs and credits	(18,293)	3,192
Contributions of or for acquisition of property and equipment	206	1,399
Other, net	<u>(1,608)</u>	<u>(9,547)</u>
Increase in net assets without donor restrictions, UnityPoint Health	<u>265,967</u>	<u>390,502</u>
Net assets without donor restrictions, noncontrolling interest:		
Excess of revenues over expenses	2,620	4,974
Distributions of capital	(3,363)	(5,973)
Contributions of capital	1,732	336
Net assets released from restrictions used for capital expenditures	58	58
Other	<u>—</u>	<u>705</u>
Increase in net assets without donor restrictions, noncontrolling interests	<u>1,047</u>	<u>100</u>
Net assets with donor restrictions:		
Contributions	24,840	35,710
Contribution received in affiliations, net of disaffiliation	—	1,648
Investment income	5,497	5,129
Government grants	26	41
Net assets released from restrictions used for operations	(11,468)	(14,173)
Net assets released from restrictions used for capital expenditures	(8,547)	(13,100)
Change in net unrealized gains on investments	5,005	7,823
Change in beneficial interest in net assets of affiliates	2,878	9,601
Other, net	<u>175</u>	<u>4,726</u>
Increase in net assets with donor restrictions, UnityPoint Health	<u>18,406</u>	<u>37,405</u>
Net assets with donor restrictions, noncontrolling interest:		
Net assets released from restrictions used for capital expenditures	<u>(58)</u>	<u>(58)</u>
Decrease in net assets with donor restrictions, noncontrolling interests	<u>(58)</u>	<u>(58)</u>
Increase in net assets	285,362	427,949
Net assets, beginning of year	<u>3,773,141</u>	<u>3,345,192</u>
Net assets, end of year	<u>\$ 4,058,503</u>	<u>3,773,141</u>

See accompanying notes to consolidated financial statements.

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Consolidated Statements of Cash Flows

Years ended December 31, 2020 and 2019

(In thousands)

	<u>2020</u>	<u>2019</u>
Operating activities:		
Increase in net assets	\$ 285,362	427,949
Items not requiring (providing) operating cash:		
Net gain on investments	(162,572)	(279,861)
Net unrealized losses on swaps	11,016	11,234
Restricted contributions, investment income government grants received, net assets released for operations	(18,895)	(26,707)
Contributions of or for acquisition of property and equipment	(206)	(1,399)
Depreciation and amortization	188,468	195,119
Change in defined pension plans' liability	18,293	(3,192)
Contribution received in affiliations, net of disaffiliation	—	669
Amortization of bond premium and debt issuance costs, net	(2,653)	(2,549)
Loss on disposition of assets	1,359	927
Loss on bond refinancing transactions	16,671	—
Equity in earnings of joint ventures	(28,913)	(24,082)
Change in beneficial interest in net assets of affiliates	(2,878)	(9,601)
Provision for uncollectible accounts	460	64
Changes in:		
Receivables	(22,571)	(38,557)
Inventories, prepaid expenses and other assets	6,120	(19,323)
Accounts payable, accrued liabilities and other liabilities	498,794	52,786
Due to third-party payors	28,122	(35,305)
Net cash provided by operating activities	<u>815,977</u>	<u>248,172</u>
Investing activities:		
Capital expenditures	(157,534)	(239,012)
Proceeds from sale of assets	2,562	277
Cash acquired in affiliations, net of disaffiliation	—	3,335
Increase in loans receivable	(4,470)	(3,606)
Increase in short-term investments	(147,899)	(3,283)
Purchases of other long-term investments and assets limited to use	(1,049,143)	(354,687)
Proceeds from sales of other long-term investments and assets limited to use	609,570	339,768
Investments in joint ventures	(7,791)	(3,257)
Distributions received from joint ventures	30,631	64,692
Net cash used in investing activities	<u>(724,074)</u>	<u>(195,773)</u>
Financing activities:		
Proceeds from issuance of long-term debt	447,443	2,590
Payments of debt	(98,935)	(46,895)
Payments on early extinguishment of debt	(103,175)	(8,762)
Proceeds from restricted contributions, investment income grants received and net assets released for operations	18,895	26,707
Proceeds from contributions for acquisition of property and equipment	206	1,399
Net cash provided by (used in) financing activities	<u>264,434</u>	<u>(24,961)</u>
Increase in cash and cash equivalents	356,337	27,438
Cash and cash equivalents, beginning of year	<u>278,444</u>	<u>251,006</u>
Cash and cash equivalents, end of year	\$ <u><u>634,781</u></u>	<u><u>278,444</u></u>

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Consolidated Statements of Cash Flows (continued)

Years ended December 31, 2020 and 2019

(In thousands)

	<u>2020</u>	<u>2019</u>
Supplemental cash flows information:		
Interest paid (net of amount capitalized)	\$ 32,386	34,155
Capital lease obligations incurred for property and equipment	1,689	3,952
Property and equipment purchases in accounts payable	9,144	10,271
Affiliations:		
Assets acquired, less cash	—	7,705
Liabilities assumed	—	2,859
Disaffiliations:		
Assets removed, less cash	—	(42,235)
Liabilities released	—	(33,385)

See accompanying notes to consolidated financial statements.

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

(1) Nature of Operations and Summary of Significant Accounting Policies

(a) Organization

Iowa Health System is an Iowa nonprofit corporation formed in December 1994. Iowa Health System and its subsidiaries provide inpatient and outpatient care and physician services from twenty-one hospital facilities and various ambulatory service and clinic locations in Iowa, Illinois and Wisconsin. Primary, secondary, and tertiary care services are provided to residents of Iowa, Illinois, Wisconsin, and adjacent states.

Iowa Health System publicly operates as UnityPoint Health (the System). The legal name of the parent remains Iowa Health System, with the UnityPoint Health name reflecting a doing business as (d/b/a). This “d/b/a” name reflects the transformation of clinical processes underway within the System and the adaptation to better address the healthcare needs of communities, including building a model of delivering healthcare that coordinates care around the patient while focusing on improving the quality of care and reducing costs.

(b) Basis of Presentation

The consolidated financial statements include the accounts of UnityPoint Health and its subsidiaries listed below:

- Central Iowa Health System and Subsidiaries (d/b/a UnityPoint Health – Des Moines) (Des Moines)
- Methodist Health Services Corporation and Subsidiaries (Peoria)
- Trinity Regional Health System and Subsidiaries (Rock Island)
- Meriter Health Services, Inc. and Subsidiaries (Madison)
- St. Luke’s Healthcare and Subsidiaries (Cedar Rapids)
- Allen Health Systems, Inc. and Subsidiaries (Waterloo)
- St. Luke’s Health System, Inc. and Subsidiaries (Sioux City)
- Trinity Health Systems, Inc. and Subsidiaries (Fort Dodge)
- Finley Tri-States Health Group, Inc. and Subsidiaries (Dubuque)
- Memorial Hospital Association (Carthage; unaffiliated as of September 30, 2019)
- Keokuk Health Systems and Subsidiaries, Inc. (Keokuk)
- Iowa Physicians Clinic Medical Foundation (d/b/a UnityPoint Clinic)
- UnityPoint at Home

All significant intercompany balances and transactions have been eliminated in consolidation.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

On September 30, 2019, the System and Memorial Hospital Association terminated their affiliation. At the time of termination, Memorial Hospital Association assets and liabilities of \$47,183 and \$33,385, respectively, were removed from the System's consolidated balance sheets. Included in assets was cash of \$4,948.

On May 1, 2019, the System's subsidiary, Methodist Health Services Corporation, became the sole corporate member of UnityPlace, with assets and liabilities of \$15,988 and \$2,859, respectively. Included in assets is cash of \$8,283.

These transactions were accounted for as acquisitions in accordance with Accounting Standards Codification (ASC) Topic 958-805, *Business Combinations - Not-for-Profit Entities*, and assets and liabilities were recorded at fair value.

(c) Noncontrolling Interests

The consolidated financial statements include all assets, liabilities, revenue, and expenses of entities that are controlled by the System and, therefore, consolidated. Noncontrolling interests in the consolidated balance sheets and statements of operations and changes in net assets represent the portion of net assets owned by entities outside the System and the portion of operating results attributed to the noncontrolling ownership interests.

(d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(e) Cash, Cash Equivalents, and Short-Term Investments

Cash equivalents consist of demand deposits, money market funds, other debt securities with original maturities of three months or less at the date of purchase, other than those included in assets limited as to use or held in brokerage accounts. A portion of these balances are held in a pooled cash management account, with the balances and activity remaining within the respective subsidiaries. Short-term investments consist of debt securities with weighted average maturities between 91 and 365 days of the consolidated balance sheet date, and other debt securitized products, other investments held as part of deferred compensation arrangements whose distributions will occur within one year.

At times, the System's cash accounts exceeded federally insured limits. Management believes that the institutions where cash accounts are maintained are financially stable and that the credit risk related to deposits is minimal.

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

(f) Assets Limited as to Use

Assets limited as to use include amounts held by trustees under bond indenture agreements and related documents, in addition to assets internally designated by the Board of Directors for identified purposes and over which the Board of Directors retains control and may, at its discretion, subsequently use for other purposes. Amounts required to meet current liabilities are classified as current assets.

(g) Inventories

Inventories consist of supplies and are stated at the lower of cost or market.

(h) Short-Term Investments, Other Long-Term Investments, Investments in Joint Ventures, and Investment Income

Investments in equity securities with readily determinable fair values and all investments in fixed-income securities are measured at fair value in the consolidated balance sheets. The fair values are based on quoted market prices or dealer quotes.

Investments in joint ventures and other affiliates, which are more than 20% and not more than 50% owned, are recorded using the equity method. Other investments are reported at cost, as adjusted for permanent impairment in value, if any.

The System classifies its investments as trading securities. Realized gains and losses from the sale of investments, interest and dividends (except those earned as a function of operations) and investments carried at fair value pursuant to ASC Topic 825, *Financial Instruments*, are reported as nonoperating investment income unless restricted by a donor. Income from investments restricted by donors is included as a component of the change in net assets based upon the nature of the restriction.

The System elected the net asset value as practical expedient option for its alternative investments (including hedge funds and private equity funds) that are primarily limited liability corporations and partnerships. Management has elected this option for the alternative investments because it more accurately reflects the portfolio returns and consolidated financial position of the System. Gains and losses on investments subject to the net asset value option are reported in investment income in nonoperating gains (losses) in the accompanying consolidated statements of operations and changes in net assets.

Refer to notes 5 and 12 for additional disclosures regarding balance sheet line items and fair value of those investments carried under ASC Topic 825.

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs), and Level 3 (significant unobservable inputs) are recognized on the actual transfer date.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

(i) Property, Plant and Equipment

Property, plant and equipment acquisitions are recorded at cost, less accumulated depreciation. Depreciation is provided primarily using the straight-line method over the estimated useful lives of the assets, including componentized building costs. Depreciation of assets under capital leases is provided using the straight-line method over the shorter of the lease term or the estimated useful life of the assets. Donated property, plant and equipment are recorded at fair value at the date of donation.

Property, plant, and equipment assets are depreciated on the straight-line method over the following usual estimated useful lives:

Buildings	10–45 years
Fixed equipment	5–30 years
Moveable equipment	2–30 years
Computer software	3 years

Property, plant, and equipment is stated at cost and is summarized at December 31 as follows:

	<u>2020</u>	<u>2019</u>
Land	\$ 197,007	197,311
Land improvements	74,509	73,656
Buildings, improvements and fixed equipment	2,605,653	2,518,714
Moveable equipment	<u>1,754,355</u>	<u>1,667,627</u>
	4,631,524	4,457,308
Less accumulated depreciation and amortization	<u>2,858,114</u>	<u>2,695,488</u>
	1,773,410	1,761,820
Construction/information systems installation in progress	<u>71,249</u>	<u>113,543</u>
Net property, plant and equipment	<u>\$ 1,844,659</u>	<u>1,875,363</u>

Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of construction in progress, net of interest earned on investments acquired with the proceeds of the borrowing. During 2020 and 2019, the System capitalized \$37 and \$1 of interest expense, respectively.

As of December 31, 2020 and 2019, the System has committed \$107,222 and \$209,079, respectively, for costs related to various construction projects. The System plans to fund the majority of these projects through internal funds, with supplemental debt financing for certain projects.

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

(j) Asset Retirement Obligation

The System recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which it is incurred if a reasonable estimate of the fair value of the obligation can be made. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations and changes in net assets. Liabilities for such obligations of \$21,585 and \$20,707 are recorded in other long-term liabilities as of December 31, 2020 and 2019, respectively. The year-over-year increase of \$878 is primarily due to the accretion of the liability.

(k) Long-Lived Asset Impairment

The System evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2020 and 2019.

(l) Other Assets

Other assets include certain intangible assets that are stated at cost less accumulated amortization. In addition, other assets include goodwill. The System follows ASU 2017-04, which simplifies the goodwill impairment test. Goodwill is an asset representing the future economic benefits arising from other assets acquired as part of business combinations that are not individually identified and separately recognized. The System has \$36,177 and \$36,708 of goodwill at December 31, 2020 and 2019, respectively. If necessary, based on qualitative factors, the System will perform an impairment test of its goodwill and intangible assets using a discounted cash flow method, and any identified impairment loss is recognized as expense. The analysis performed during 2020 and 2019 showed the carrying amount exceeded fair value for one and two of the System's subsidiaries, respectively, and \$531 and \$575 of impairment was recognized in depreciation and amortization expense in the accompanying consolidated statements of operations and changes in net assets in 2020 and 2019, respectively.

Other intangible assets at December 31, 2020 and 2019 were \$3,102 and \$3,786, respectively, which are subject to amortization.

(m) Net Assets

Net assets are classified into two mutually exclusive classes: without donor restrictions and with donor restrictions. The two classes are based on the presence or absence of donor-imposed restrictions. The release of net assets from donor restrictions is recorded in the period in which the restrictions are met. Contributions with donor-imposed restrictions that are met in the same reporting period are reported as without donor restriction.

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

Donor-imposed restrictions are generally restricted for capital expenditures, passage of time, or other donor-specified restrictions.

For entities in which the System has less than full ownership but has a controlling interest, a noncontrolling interest is recorded for the portion of net assets controlled by unrelated parties.

(n) Excess of Revenues over Expenses

Excess of revenues over expenses transactions affecting net assets without donor restrictions are reflected in the consolidated statements of operations and changes in net assets. Consistent with industry practice, changes in defined benefit plans and contributions of long-lived assets (including assets acquired with donor-restricted cash contributions) are excluded from determination of the excess of revenues over expenses. Transactions with donor restrictions are recorded as additions or deductions to net assets with donor restrictions and are reflected in the consolidated statements of operations and changes in net assets.

(o) Patient Service Revenue and Accounts Receivable

Patient service revenue is reported at the amount that reflects the consideration to which the System expects to be entitled in exchange for providing patient care. These amounts, representing transaction price, are due from patients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the System bills the patients and third-party payors several days after the services are performed and/or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the System. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The System believes that this method provides a reasonable depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in the System's hospitals receiving inpatient acute care and outpatient services. The System measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided and the System does not believe it is required to provide additional goods or services. Because all of its performance obligations relate to contracts with a duration of less than one year, the System has elected to apply the optional exemption provided in ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

The System determines the transaction price, which involves significant estimates and judgment, based on standard charges for goods and services provided, reduced by explicit and implicit price concessions, including contractual adjustments provided to third-party payors, discounts provided to uninsured and underinsured patients in accordance with policy, and/or implicit price concessions based on the historical collection experience of patient accounts. The System determines the transaction price associated with services provided to patients who have third-party payor coverage based on reimbursement terms per contractual agreements, discount policies, and historical experience. For uninsured patients who do not qualify for charity care, the System determines the transaction price associated with services on the basis of charges reduced by implicit price concessions. Implicit price concessions included in the estimate of the transaction price are based on historical collection experience for applicable patient portfolios. Patients who meet the System's criteria for free care "charity" are provided care without charge and related amounts are not reported as revenue. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care using the most-likely outcome method. These settlements are estimated based on the terms of the payment agreements with the payor, correspondence from the payor, and historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as new information becomes available or as years are settled or are no longer subject to such audits, reviews, and investigations.

The System uses a portfolio approach to account for categories of patient contracts as a collective group rather than recognizing revenue on an individual contract basis. The portfolios consist of major payor classes for inpatient revenue and major payor classes and types of services provided for outpatient revenue. Based on the historical collection trends and other analyses, the System believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach were used.

The percentage of patient service revenue by payor recognized in the years ended December 31 was as follows:

	<u>2020</u>	<u>2019</u>
Medicare	35 %	35 %
Medicaid	16	15
Wellmark/Blue Cross	21	21
Commercial and other	27	28
Self-pay	<u>1</u>	<u>1</u>
	<u>100 %</u>	<u>100 %</u>

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

The percentage of patient accounts receivable by payor at December 31 was as follows:

	<u>2020</u>	<u>2019</u>
Medicare	32 %	28 %
Medicaid	11	15
Wellmark/Blue Cross	21	19
Commercial and other	34	34
Self-pay	2	4
	<u>100 %</u>	<u>100 %</u>

The sources of patient service revenue, disaggregated by lines of service, for the years ended December 31 were as follows:

	<u>2020</u>	<u>2019</u>
Hospital	\$ 2,866,816	3,236,678
Physician services	757,547	653,889
Home health and hospice	230,668	230,126
Other	<u>77,932</u>	<u>63,639</u>
	<u>\$ 3,932,963</u>	<u>4,184,332</u>

Other operating revenue primarily includes income from joint ventures, reference lab, retail pharmacy and shared savings revenue from value-based contracts with third party payors. Revenue from services recorded as other operating revenue is primarily recognized at the time service is rendered. Other operating revenue for years ended December 31, 2020 and 2019 was \$667,620 and \$389,961, respectively.

(p) Charity Care

The System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Amounts determined to be charity care are not reported as revenue.

(q) Contributions and Beneficial Interest in Net Assets

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Donor-imposed restrictions are considered fulfilled as soon as the stipulated time has expired or the qualifying expenditure has been made. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions.

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

Contributions not expected to be collected within a year are recorded at the present value of expected future cash flows using a risk-free interest rate over the term of the contribution. Contributions of property are recorded at fair value when received.

Interests in charitable trusts and perpetual trusts are carried at the present value of expected future cash flows, which approximates fair value. The System's interest in the net assets (the Interest) of certain foundations that raise and hold assets on behalf of the System is accounted for in a manner similar to the equity method. The Interest is recorded at its beneficial interest in the underlying assets, and changes in the Interest are included in the change in net assets. Transfers of assets between these foundations and the System are recognized as increases or decreases in the Interest.

(r) *Estimated Malpractice Costs, Health Insurance, and Workers' Compensation*

An annual estimated provision is accrued for the self-insured portion of medical malpractice, health insurance, and workers' compensation claims and includes an estimate of the ultimate costs for both reported claims and claims incurred but not reported.

Claims liabilities are recorded at the gross amount without consideration of insurance recoveries. Expected recoveries are presented separately as receivables in the consolidated balance sheets.

(s) *Interest Rate Swap Agreements*

The System has entered into various interest rate swap agreements (the Swaps) to reduce the effect of changes in cash flows primarily related to interest rate fluctuations on the System's various variable rate debt.

As described in note 7, the changes in fair value for all swap agreements are recorded as a component of nonoperating gains (losses) in excess of revenue over expense as they do not qualify for hedge accounting.

The Swaps are recognized in the consolidated balance sheets at fair value. The net cash payments or receipts under the Swaps are recorded as an increase or decrease to other nonoperating income (loss).

(t) *Income Taxes*

UnityPoint Health and most of its subsidiaries are classified as tax-exempt organizations as described in Sections 501(c)(3) and 501(c)(2) of the Internal Revenue Code (the Code). Tax-exempt organizations are not subject to federal and state income taxes on related income, pursuant to Section 501(a) of the Code. These organizations are subject to federal and state income taxes to the extent they have unrelated business income as described under provisions of Section 511 of the Code.

The System files Form 990 for substantially all of its operating entities in the U.S. federal jurisdiction and is no longer subject to examination by tax authorities for the years before 2017. The System has no material uncertain tax positions.

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

Certain subsidiaries are subject to federal and state income taxes. Some of these corporations have accumulated net operating loss carryforwards that are available to offset future taxable income, if any, during the carryforward period. Deferred tax assets and liabilities related to these subsidiaries were not material.

(u) Retirement Plans

Substantially all employees meeting age and length of service requirements participate in defined-contribution plans. Certain subsidiaries also have defined-benefit plans, most of which have been substantially frozen. Pension costs for the defined-benefit plans, which are composed of normal costs and amortization of prior service costs related to defined-benefit plans, are funded currently.

(v) Lease Commitments

The System regularly enters into agreements with third parties to lease real estate and equipment over various lengths of time. The System follows ASU 2016-02, *Leases (Topic 842)*, which requires the lessee to recognize right-of-use assets and liabilities for leases with lease terms of more than twelve months. All leases greater than twelve months are evaluated for classification as either operating or finance leases. For finance leases, the System recognizes both interest expense and depreciation expense. For operating leases, the System recognizes rent expense, generally on a straight-line basis, as part of other expenses.

Certain of the System's arrangements provide for maintenance costs to be the responsibility of the System as incurred or charged by the lessor. The maintenance cost is a non-lease component that the System elected to combine with the total monthly rental payment and account for the total cost as operating lease expense.

Leases less than twelve months, or those that operate on month-to-month agreements, are deemed short term leases and are expensed as incurred.

(w) Reclassifications

Certain 2019 amounts have been reclassified in order to conform to the 2020 presentation.

(2) Charity Care

The System provides charity care and financial assistance discounts for medically necessary healthcare services provided to persons who meet the System's policy. The policy provides a percentage discount to the patient that decreases at gradually higher income levels or higher levels of household net assets. The benchmark, which the income level is compared to, is the Federal Poverty Income Guideline and is updated annually. Patients who are already receiving benefits from certain identified government programs qualify for presumptive eligibility.

The availability of charity care is widely communicated to all patients, and patients are notified prior to receiving services if their treatment does not fall within the guidelines of the policy. Amounts charged for care that is provided to individuals eligible for charity may not be more than the amounts generally billed to

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

individuals who have insurance covering such care. Amounts billed are based on either the best, or an average of the three best, negotiated commercial rates or Medicare rates.

Accounts that are classified by the System as charity care are not reported as patient service revenue. In some cases, the charity care is subsidized by contributions from volunteer organizations or other donors. Charity care subsidies are not material to the consolidated financial statements.

Cost of charity care is calculated by applying hospital specific cost-to-charge ratios to the total amount of charity care deductions from gross revenue. The cost-to-charge ratio is calculated by taking the hospital total expenses and gross charges and applying adjustments to remove the cost of nonpatient care activity, Medicaid provider taxes paid, identifiable community benefit expenses, as well as gross patient charges that are generated for identifiable community benefit services. The amount of charity care provided at cost was \$22,139 and \$25,377 for the years ended December 31, 2020 and 2019, respectively. The expansion of Medicaid coverage, under the provisions of the PPACA, for a large population of previously uninsured patients has had a significant impact on the amount of self-pay charges and resulting charity care provided.

Community benefit is also provided through reduced price services and free programs offered throughout the year. The System provides an array of uncompensated activities and services intended to meet the community health needs. These activities include wellness programs, community education programs and various health screening programs.

(3) Third-Party Reimbursement

As a provider of healthcare services, the System generally grants credit to patients without requiring collateral or other security. The System routinely obtains assignments of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans, or policies. These health insurance programs or providers are commonly referred to as third-party payors and include the Medicare and Medicaid programs, Wellmark/Blue Cross and various health maintenance and preferred provider organizations.

A major portion of the System's revenue is derived from these third-party payors. Significant changes have been made, and may be made, in certain of these programs, which could have a material, adverse impact on the financial condition of the System. These changes include federal and state laws and regulations, particularly those pertaining to Medicare and Medicaid.

The System has agreements with certain third-party payors that provide for payment of services at amounts that differ from established rates. Third-party payor payment rates vary by payor and include established charges; contracted rates less than established charges; prospectively determined rates per discharge, bundled payment per episode of care, per procedure, or per diem; and retroactively determined cost-based rates.

(a) Medicaid State Plans

The System has operations within states that have enacted a Medicaid State Plan. Under each of these plans, a tax assessment is levied on certain hospital providers in order to provide funding for

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

Medicaid to obtain federal matching funds. A portion of these additional federal funds are then redistributed to participating hospitals through increased Medicaid payments in order to help bring Medicaid reimbursement closer to the cost of providing care. The allocation of these funds to specific health care providers is based primarily on the amount of care provided to Medicaid recipients.

The System's aggregate tax assessment during 2020 and 2019 was \$59,398 and \$55,348, respectively, and is included in operating expenses in the consolidated statements of operations and changes in net assets. Additional Medicaid reimbursement in the same periods was \$133,626 and \$104,933, respectively, and is included in patient service revenue in the consolidated statements of operations and changes in net assets, resulting in a net increase in operating income of \$74,228 and \$49,585 for 2020 and 2019, respectively.

(4) Functional Expenses

The System provides general healthcare services, including hospital, physician and home health and hospice, and incurs related general and administrative expenses. Expenses related to providing these services for the years ended December 31 were as follows:

	2020					
	Hospital Services	Physician Services	Home Health and Hospice	Other	G&A	Total
Salaries and wages	\$ 730,680	156,028	49,698	94,045	614,689	1,645,140
Physician compensation and services	59,277	587,510	575	12,375	50,320	710,057
Employee benefits	175,377	47,387	11,537	25,319	153,065	412,685
Supplies	538,783	54,527	11,780	114,485	37,076	756,651
Other expenses	205,670	50,756	8,583	67,383	418,521	750,913
Depreciation and amortization	52,636	8,492	169	5,778	121,393	188,468
Interest	—	229	—	44	34,023	34,296
Provision for uncollectible accounts	—	—	—	17	443	460
	<u>\$ 1,762,423</u>	<u>904,929</u>	<u>82,342</u>	<u>319,446</u>	<u>1,429,530</u>	<u>4,498,670</u>
	2019					
	Hospital Services	Physician Services	Home Health and Hospice	Other	G&A	Total
Salaries and wages	\$ 742,445	159,548	52,348	91,217	579,367	1,624,925
Physician compensation and services	59,248	582,872	407	12,678	40,946	696,151
Employee benefits	180,321	47,912	12,586	26,305	151,503	418,627
Supplies	558,291	57,143	10,845	100,753	28,321	755,353
Other expenses	173,613	54,992	8,361	65,858	459,846	762,670
Depreciation and amortization	53,678	7,777	196	5,470	127,998	195,119
Interest	—	339	—	114	34,654	35,107
Provision for uncollectible accounts	—	—	—	9	55	64
	<u>\$ 1,767,596</u>	<u>910,583</u>	<u>84,743</u>	<u>302,404</u>	<u>1,422,690</u>	<u>4,488,016</u>

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

The consolidated financial statements report certain expense categories that are attributable to more than one healthcare service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function are allocated based on revenue.

(5) Investments

(a) Investment Summary

A summary of short-term investments at December 31 is as follows:

	<u>2020</u>	<u>2019</u>
Cash equivalents	\$ —	489
U.S. Treasury obligations	70,950	750
U.S. government agency obligations	445	720
Asset-backed securities:		
Other	29,540	5,108
Mortgage-backed securities:		
Government	1,139	1,156
Nongovernment	933	1,347
Certificates of deposit	1,050	—
Corporate bonds	60,500	6,592
Municipal bonds	2,117	466
Mutual funds:		
International	162	191
Index	934	892
Equity	825	1,081
Fixed income	453	469
Other	4,777	6,665
Total short-term investments	<u>\$ 173,825</u>	<u>25,926</u>

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

A summary of investments reported as assets limited as to use at December 31 is as follows:

	<u>2020</u>	<u>2019</u>
Held by trustees under bond indenture agreements:		
Cash equivalents	\$ 388	485
Internally designated:		
Cash equivalents	2,388	2,580
U.S. Treasury obligations	3,636	2,146
Asset-backed securities:		
Other	30	—
Corporate bonds	499	191
Equity securities:		
Domestic	17,763	16,299
International	799	858
Mutual funds:		
Domestic	4,219	4,469
International	251,827	358,788
Emerging markets	726	637
Index	504	—
Equity	230,500	279,341
Fixed income	567,289	344,054
Other	1,160	—
Alternative funds	103,015	101,853
Hedge funds	123,075	109,037
Private equity funds	65,984	57,019
Fund of funds	<u>78,348</u>	<u>77,141</u>
	<u>1,451,762</u>	<u>1,354,413</u>
Total assets limited as to use	1,452,150	1,354,898
Less amount required to meet current obligations	<u>24,882</u>	<u>20,167</u>
Noncurrent portion of assets limited as to use	\$ <u>1,427,268</u>	<u>1,334,731</u>

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

Assets held by trustee under bond indenture agreements are required to be held in separate trust accounts. A summary of these trust accounts aggregated by their required use at December 31 is as follows:

	<u>2020</u>	<u>2019</u>
Debt service accounts	\$ 388	485

Internally designated current and non-current assets are summarized below based on the designation at December 31:

	<u>2020</u>	<u>2019</u>
Capital improvements	\$ 1,405,046	1,311,257
Self-insured reserves	46,716	43,156
	<u>\$ 1,451,762</u>	<u>1,354,413</u>

Investments presented as other long-term investments at December 31 are summarized as follows:

	<u>2020</u>	<u>2019</u>
Cash equivalents	\$ 3,451	2,588
U.S. Treasury obligations	—	3,619
U.S. government agency obligations	57,206	708
Asset-backed securities:		
Other	14,317	6,099
Mortgage-backed securities:		
Government	5,019	2,989
Nongovernment	6,031	1,279
Corporate bonds	326,601	8,131
Municipal bonds	20,944	585
Equity securities:		
Domestic	1,341	1,054
Equity securities – PIF:		
Domestic	—	200
Mutual funds:		
Domestic	14,401	13,061
International	182,347	261,753
Emerging markets	10,060	8
Index	8,921	7,019

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

	<u>2020</u>	<u>2019</u>
Equity	\$ 176,368	215,453
Fixed income	467,205	253,722
Other	171	50,837
Alternative funds	77,424	75,284
Hedge funds	92,502	80,595
Private equity funds	49,592	42,145
Fund of funds	58,885	57,018
Insurance policies	18,249	16,915
Interest rate swaps (note 7)	2,825	1,441
	<u>1,593,860</u>	<u>1,102,503</u>
Total other long-term investments	\$ <u>1,593,860</u>	<u>1,102,503</u>

The following schedule summarizes the investment return and its classification in the consolidated statements of operations and changes in net assets for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Investment return:		
Interest and dividends	\$ 37,193	47,016
Realized gains on sales of investments	66,294	29,496
Unrealized gains on investments	57,379	205,508
Equity in earnings of joint ventures	28,913	24,082
Change in fair value of investments accounted for under the fair value option of ASC Topic 825	38,899	44,857
	<u>228,678</u>	<u>350,959</u>
	\$ <u>228,678</u>	<u>350,959</u>
Investment return classification:		
Net assets without donor restrictions:		
Other operating revenue	\$ 29,466	24,942
Nonoperating gains – investment income	188,710	313,065
Net assets with donor restrictions	10,502	12,952
	<u>228,678</u>	<u>350,959</u>
	\$ <u>228,678</u>	<u>350,959</u>

(b) Alternative Investments

At December 31, 2020 and 2019, 20% and 24%, respectively, of the System's investments were invested in alternative investment vehicles. These investments are included in either internally designated or other long-term investments in the investment summary tables (previously presented) based on the underlying investments. Due to the nature of the alternative investments and the need for

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

the fund managers to execute on long-term strategies, many of the vehicles contain specific lock-up periods, restricted redemption timing, as well as advanced notice of redemption requests.

Alternative investments that have been estimated using net asset value per share as a practical expedient consist of the following at December 31:

	December 31, 2020			
	Fair value	Unfunded commitments	Redemption frequency	Redemption notice period
Diversified property alternative fund	\$ 137,233	—	Quarterly	95 days
Structured credit alternative fund	112,320	—	Quarterly	65 days
Diversified private equity alternative fund III	50,741	16,775	No specific lock-up provision ****	N/A
Diversified private equity alternative fund IV	35,819	45,305	No specific lock-up provision ****	N/A
Diversified private equity alternative fund V	1,727	40,364	No specific lock-up provision ****	N/A
Hedge fund segregated portfolio	215,577	—	Based on holdings***	N/A
Energy debt alternative fund	68,119	—	Semi-annual, 3 year lock-up*	95 days
Healthcare private equity fund I	10,962	168	10 year lock-up**	N/A
Healthcare private equity fund II	7,519	1,449	10 year lock-up**	N/A
Healthcare private equity fund III	424	9,576	10 year lock-up**	N/A
Health Velocity	8,384	2,450	No specific lock-up provision ****	N/A
	<u>\$ 648,825</u>	<u>116,087</u>		
			December 31, 2019	
	Fair value	Unfunded commitments	Redemption frequency	Redemption notice period
Diversified property alternative fund	\$ 134,159	—	Quarterly	95 days
Structured credit alternative fund	105,194	—	Quarterly	65 days
Diversified private equity alternative fund III	54,306	22,450	No specific lock-up provision ****	N/A
Diversified private equity alternative fund IV	21,384	54,185	No specific lock-up provision ****	N/A
Diversified private equity alternative fund V	—	42,000	No specific lock-up provision ****	N/A
Hedge fund segregated portfolio	189,632	—	Based on holdings***	N/A
Energy debt alternative fund	71,943	—	Semi-annual, 3 year lock-up*	95 days
Healthcare private equity fund I	11,488	168	10 year lock-up**	N/A
Healthcare private equity fund II	7,446	2,159	10 year lock-up**	N/A
Healthcare private equity fund III	—	10,000	10 year lock-up**	N/A
Health Velocity	4,540	5,300	No specific lock-up provision ****	N/A
	<u>\$ 600,092</u>	<u>136,262</u>		

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

- * Subject to 3-year lockup based on initial subscriptions in the investment, which was originally set to expire in 2019 (50% available after lock-up period ends and 25% available for each of the following semiannual reporting periods). In 2018, the System recommitted to this fund, which extended the lock-up period. 50% is available at the next redemption window in June 2022, 25% in December 2022, and the remainder in June 2023.
- ** Subject to 10-year lockup based on initial subscriptions in the investment, which will expire in 2021, 2025 and 2030 for Fund I, II and III respectively.
- *** The liquidity of the segregated portfolio and the availability for redemptions will be determined based on the liquidity and redemption terms set forth in the underlying funds. As a result, the System's ability to obtain liquidity or redeem participating shares will be limited.
- **** Private equity funds are nonredeemable so there is no tender or withdrawal process. The limited partners agree to stay in the investment until the fund closes, at which time all remaining assets are distributed back to the limited partners.

As of December 31, 2020, the alternative investment vehicles consist of two alternative funds, one fund of funds, one hedge fund and seven private equity funds. The investment strategy of the diversified property fund of funds is to invest in income producing real estate properties utilizing a low level of leverage. The structured credit alternative fund is a fixed-income fund with an objective of generating high total returns using a strategy of investing in domestic credit markets, primarily through collateralized debt obligations and other structured credit instruments, such as loan participations and derivative instruments. The investment strategy of the energy debt alternative fund is to generate high absolute returns by taking advantage of the energy and related industries, market dislocation, and commodity price volatility, primarily by investing in debt securities, which are purchased or acquired at a significant discount to fair value and/or offer higher coupon rates. The hedge fund segregated portfolio has an investment object to produce returns comparable to those of the equity markets over a full market cycle while targeting substantially less volatility than equities by investing in a diversified portfolio of hedge funds. The three diversified private equity alternative funds have an objective of investing in a diversified set of private equity funds. The healthcare private equity funds have a strategy of investing in early stage companies and entrepreneurs within the healthcare industry. There is no public market for shares in these alternative investment vehicles. Health Velocity invests in private healthcare industry companies, similar to the healthcare private equity funds. The value of the investments in the funds is determined based on the fair values of the underlying investments, as determined by the net asset value per share.

In situations when investments do not have readily determinable fair values, the fund managers provide the net asset value (NAV) per share, or its equivalent, to the System. The NAV provided by the fund managers is supported by quoted market prices, operating results, balance sheet stability, growth, and other business and market sector fundamentals of the private investment funds. The System follows ASU 2009-12, which provided a practical expedient for certain investments to use net asset value per share to measure fair value. Accordingly, the System uses the NAV as a practical expedient for fair value for each of its alternative investments.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

(c) Investments in Joint Ventures

At December 31, 2020 and 2019, investments in joint ventures amounted to \$91,746 and \$85,673, respectively. Other investments also included in this line in the consolidated balance sheets consist primarily of investments reported at cost and real estate held for investment.

The joint ventures consist of 48 privately held healthcare organizations in which the System's ownership interest ranges from 20% to 50%. The collective financial position of the joint ventures as of and for the years ended December 31 were:

	2020	2019
	(unaudited)	(unaudited)
Total assets	\$ 335,045	320,171
Total equity	181,327	162,385
Net revenues	420,733	405,877
Net income	73,899	62,998

The System's share of earnings on the investments in joint ventures is included in other operating revenue in the consolidated statements of operations and changes in net assets. The System recorded activity related to joint ventures for the years ended December 31 as follows:

	2020	2019
Earnings on investments in joint ventures	\$ 28,913	24,082
New investments in joint ventures	7,791	3,257
Distributions received from joint ventures	30,631	64,692

The System both purchases services and sells services and supplies to several joint ventures. In 2020 and 2019, services purchased from joint ventures totaled \$27,352 and \$19,093, respectively. Services and supplies sold to joint ventures in 2020 and 2019 were \$1,989 and \$1,866, respectively. The System has loaned \$4,500 to a joint venture as of December 31, 2020 and 2019. This loan is interest bearing and carries a rate of interest commensurate with prevailing market rates.

(d) Investments at Cost

Investments reported at cost include direct equity and convertible-debt investments in early stage companies within the healthcare industry. These investments are directed to generate financial and strategic returns in companies with high-growth potential that are addressing areas of targeted innovation within the System. The funds are drawn from the balance sheet and the System has governance approval to deploy a total of \$100,000. The expectation is to invest the majority of the allocated capital aggressively over the next three to four years. Financial returns on these investments are anticipated throughout the next 10 to 12 years. These investments are reported based on the initial

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

cost of each investment. As of December 31, 2020 and 2019, the System has contributed \$21,999 and \$6,500 to these investments, respectively.

(6) Long-Term Debt

Long-term debt at December 31, 2020 and 2019 is summarized as follows:

	<u>Payable through</u>	<u>Issuance type (1)</u>	<u>Interest rate (2)</u>	<u>2020</u>	<u>2019</u>
Hospital facility revenue bonds:					
Series 2020	2050	Fixed	3.67 %	\$ 319,635	—
Series 2018A	2035	VRDB	1.12	76,970	78,300
Series 2018B	2048	Fixed	5.00	70,770	72,980
Series 2018C	2041	VRDB	0.57	54,340	56,950
Series 2018D	2041	VRDB	0.54	54,335	56,945
Series 2018E	2041	VRDB	0.40	54,375	56,995
Series 2018F	2041	VRDB	0.45	54,355	56,970
Series 2017A	2027	Fixed	3.15	18,349	18,765
Series 2016D	2046	Fixed	4.00%–5.00%	38,440	40,420
Series 2016E	2046	Fixed	4.00%–5.00%	158,155	161,410
Series 2014A (WHEFA)	2029	Fixed	5.00	61,150	65,725
Series 2014C	2035	Fixed	4.47%–5.00%	69,145	69,145
Series 2013A	2044	Fixed	5.25	—	103,175
Series 2013B	2039	VRDB	0.43	72,575	72,960
Series 2012A	2024	Fixed	2.16	6,200	7,750
Series 2012C	2037	Fixed	2.43	16,495	16,860
Series 2011A	2021	Fixed	3.29	6,660	13,115
Series 2011	2031	Fixed	4.40	314	360
Series 2005	2031	Fixed	1.45%–4.00%	2,430	2,590
Series 1992A	2022	Fixed	6.00	2,050	2,990
				<u>1,136,743</u>	<u>954,405</u>
Total hospital facility revenue bonds					
Finance lease obligations net book value 2020 – \$13,039; 2019 – \$15,228	2026	Fixed	0%–9.05%	15,471	17,832
Commercial paper	Ongoing	Variable	Various	—	16,857
Other notes and mortgages	2022	Fixed	1.00%–8.00%	107,861	7,292
				<u>1,260,075</u>	<u>996,386</u>
Current maturities				(151,244)	(129,121)
Unamortized bond issuance costs				(7,478)	(6,468)
Unamortized bond premium				<u>33,435</u>	<u>35,074</u>
				<u>\$ 1,134,788</u>	<u>895,871</u>
Long-term portion					

(1) Fixed rate, variable rate, or variable rate demand bonds (VRDB)

(2) Variable rates shown as of December 31, 2020 and 2019, respectively, and do not include letter of credit and remarketing fees.

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

On May 13, 2020, the System issued \$319,635 of taxable bonds, Series 2020, which included refinancing the 2013A bonds and new money to finance general corporate purposes.

The Series 2020, 2018B, 2018C, 2018D, 2018E, 2018F, 2016D, 2016E, 2014A, 2014C, 2013A, 2013B, and 1992A bonds (collectively, the Bonds) and the Series 2018A, 2017A, 2012A, 2012C, and 2011A direct note obligations (collectively, the Notes) are general obligations of the System and its affiliates. The System is required to meet certain operating and financial ratios contained in the master bond trust indenture, bond insurance agreements, and bank letter of credit agreements (related to the variable rate demand bonds).

The Bonds and Notes are subject to the provisions of amended and restated master trust indentures, which generally require monthly or quarterly deposits for principal and interest payments be made and certain funds be maintained by the trustee for interest payment and bond retirement purposes. The Bonds and the Notes are secured by the System's revenue.

The variable interest rates on substantially all of the bonds are adjusted daily or weekly by remarketing agents. The bonds may be tendered by the bond holders each interest rate period. The System maintains letters of credit that can be drawn on should the Series 2013B, 2018C, 2018D, 2018E, or 2018F variable rate demand bonds not be remarketed. The letter of credit for the Series 2018D and 2018F bonds expires in 2021, and thus the related debt is shown as current debt in the System's consolidated financial statements. The remaining letters of credit have varying expiration dates and are renewable, subject to approval and at the option of the providers, through the term of the bonds. Outstanding amounts under the letters of credit are due at the earlier of expiration of the agreement or over a period of three years, commencing after an initial outstanding period of 366 days or more.

On December 1, 2014, the System established a \$200,000 taxable commercial paper program. The System did not have any commercial paper outstanding as of December 31, 2020 and had \$16,857 outstanding as of December 31, 2019. The System's commercial paper program is sold in tranches, with varying maturities of 1 to 270 days so that no more than \$25,000 will mature in any 5-business-day period.

On June 4, 2020, the System entered into a term loan agreement with an aggregate principle amount of \$100,000 and a maturity date in 2023.

The System maintains four separate revolving line-of-credit facilities, three facilities that provide for revolving credit in an aggregate principal amount of up to \$50,000 each and one facility that provides for revolving credit in an aggregate principle amount of \$100,000. The interest rates applicable to loans under the credit agreements are based on LIBOR plus certain margins, as defined in the agreements. Additionally, the facilities carry a commitment fee, which is charged on the average daily undrawn portion of the facilities. Two of these credit facilities mature in 2021 and two mature in 2022. These agreements contain various financial covenants that mirror those in the System's master bond trust indenture.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

Aggregate annual maturities of long-term debt during the years ending December 31 are as follows:

	Accelerated maturities with letter of credit expirations	Scheduled maturities based on loan agreements
2021	\$ 151,244	151,244
2022	34,512	34,512
2023	238,338	134,568
2024	32,058	34,018
2025	97,880	34,950
Thereafter	706,043	870,783
	<u>\$ 1,260,075</u>	<u>1,260,075</u>

(7) Interest Rate Swaps

The System uses interest rate swap agreements as a risk management strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations.

The system has no swaps that are currently designated as hedging instruments, and all changes in fair values are recorded as a component of nonoperating gains (losses) in excess of revenue over expenses. Effective January 1, 2018, one swap that was previously designated as hedged was deemed to no longer be effective. As a result, the cumulative change in fair value of the hedge previously deemed effective of \$(15,036) is being amortized into income over the remaining life of the swap agreement. As of December 31, 2020 and 2019, \$(12,396) and \$(13,276), respectively, of net unrealized losses remains in net assets to be amortized, and \$880 was amortized into other loss in both 2020 and 2019.

In prior years, other swap agreements previously designated as hedges by the System were deemed to be ineffective. The ineffective portion of these changes in fair value, previously deemed effective, is being amortized into other income (loss) over the remaining life of the swap. As of December 31, 2020 and 2019, \$(150) and \$(211), respectively, of net unrealized losses remain in net assets to be amortized and \$61 was amortized into other loss in both 2020 and 2019.

In previous years, the System reduced the notional amount of certain swap agreements by \$58,395 by paying \$8,450 as of the date of the transactions to the counterparty. This fair value remains a component of unrestricted net assets and is being amortized into interest expense over the remaining life of the swap. As of December 31, 2020 and 2019, \$5,907 and \$6,326, respectively, remains in unrestricted net assets to be amortized and \$419 was amortized into interest expense in 2020 and 2019.

The System has provisions within certain interest rate swap agreements that require it to post collateral should the negative fair value of the agreements exceed certain thresholds that are dependent on the System's credit rating. During 2020, the System was required to post collateral under these agreements

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

and as of December 31, 2020, there was \$990 outstanding which is included in prepaid expense in the consolidated financial statements.

The respective fair values of interest rate swaps in an asset-and-liability position for the System were as follows as of December 31, 2020 and 2019:

Trade date	Maturity date	Notional amount	System pays	System receives	Fair value	
					2020	2019
2006	2030	60,000	100% of SIFMA	68.0% of 10Y LIBOR + 14.3 bps \$	2,825	1,440
2005	2035	93,450	3.5 %	62.4% of 3m LIBOR + 29 bps	(18,655)	(15,149)
2006	2037	122,950	3.8	61.9% of 1m LIBOR + 31 bps	(40,521)	(33,041)
2006	2023	27,700	3.5	61.9% of 1m LIBOR + 31 bps	(2,145)	(2,213)
2005	2035	46,725	3.3	62.4% of 1m LIBOR + 29 bps	(8,754)	(6,955)
2008	2026	12,325	3.5	63.0% of 1m LIBOR + 30 bps	(1,300)	(1,219)
2008	2024	6,200	3.5	63.0% of 1m LIBOR + 30 bps	(463)	(490)
2005	2032	21,350	3.5	67.0% of 1m LIBOR	(5,321)	(4,331)
					<u>\$ (74,334)</u>	<u>(61,958)</u>

The aggregate fair value of the unhedged swap agreements is recorded as long-term investments of \$2,825 and \$1,440 and long-term liabilities of \$(77,159) and \$(63,398) as of December 31, 2020 and 2019, respectively. The change in fair value of \$(12,376) and \$(12,594) is included as a component of other income (loss) for the years ended December 31, 2020 and 2019, respectively. The net of what the System pays and receives is settled monthly or quarterly on each swap agreement and is reported as other income (loss).

The table below presents certain information regarding the System's interest rate swap agreements:

	2020	2019
Other long-term investments:		
Fair value of interest rate swap agreement	\$ 2,825	1,440
Other long-term liabilities:		
Fair value of interest rate swap agreements	(77,159)	(63,398)
Net assets without donor restrictions:		
Change in unrestricted net assets amortizing into other, net	941	941
Operating expenses:		
Nonoperating other, net:		
Loss recognized in income from changes in fair value of interest rate swaps	(12,376)	(12,594)
Loss recognized in income from amortization of unrecognized losses in unrestricted net assets	(941)	(941)

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

(8) Liquidity

As part of the System's cash management policy, cash and investments feature a high degree of safety and liquidity to support general expenditures and debt service within one year in the normal course of operations.

The following table represents financial assets available for general expenditures within one year at December 31:

	<u>2020</u>	<u>2019</u>
Financial assets at December 31:		
Cash and cash equivalents	\$ 634,781	278,444
Short-term investments	173,825	25,926
Assets limited as to use – required for current liabilities	24,882	20,167
Patient accounts receivable, net	514,616	565,461
Assets limited as to use, noncurrent:		
Held by trustee under bond indenture agreements	388	485
Internally designated	1,426,880	1,334,246
Other long-term investments	1,593,860	1,102,503
Contribution receivable and other assets held in trust	118,623	114,617
Total financial assets	<u>4,487,855</u>	<u>3,441,849</u>
Less amounts not available to be used within one year:		
Funds held by trustee under bond indenture agreements	388	485
Assets internally designated for self-insured reserves	46,716	43,156
Assets internally designated for capital improvements	98,615	98,386
Other long-term investments	74,118	72,721
Assets attributable to noncontrolling interest	32,999	31,952
Beneficial interests in foundations	67,938	64,785
Charitable trusts	17,714	17,710
Perpetual trusts	26,020	24,076
Donor restricted assets	243,581	225,233
Financial assets not available to be used within one year	<u>608,089</u>	<u>578,504</u>
Financial assets available to meet general expenditures	<u>\$ 3,879,766</u>	<u>2,863,345</u>

The System has certain board-designated and donor-restricted assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the table above representing financial assets to meet general expenditures within one year. The System has other assets limited to use under bond indenture agreement, for self-insurance reserves, and for capital expenditures. These assets are limited to use, which are more fully described in

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

notes 5 and 12, and are not available for general expenditure within the next year. The assets internally designated for capital improvements could be made available, if necessary.

As part of the System's pooled cash management plan, cash in excess of daily requirements is invested in short-term investments and money market funds.

The System maintains a \$200,000 commercial paper program, as discussed in more detail in note 6. As of December 31, 2020 and 2019, \$200,000 and \$183,000 remained available on the System's commercial paper program, respectively.

The System maintains three separate revolving line of credit facilities that provide for revolving credit in aggregate principal amount of up to \$50,000 each and one credit facility that provides for revolving credit in aggregate principal amount of \$100,000, as discussed in more detail in note 6. As of December 31, 2020 and 2019, no amounts were drawn on these revolving line of credit facilities. As of December 31, 2020, the System was in compliance with bond covenants. Long-term debt is discussed in more detail in note 6.

(9) Retirement Benefit Plans

(a) Defined-Contribution Retirement Plans

The System has several defined-contribution benefit plans, which are available to substantially all employees meeting age and length of service requirements. Participating employers annually determine the amount, if any, of the System's contributions to the plans. Total benefit expenses under the defined-contribution plans were approximately \$80,077 and \$74,384 for 2020 and 2019, respectively. The System also has deferred compensation plans for certain employees. Total expenses under the deferred compensation plans were \$3,468 and \$2,625 for 2020 and 2019, respectively. In relation to the post retirement benefits, the System had liabilities of \$6,537 and \$6,727 included in accrued payroll and \$114,880 and \$125,304 in other long-term liabilities as of December 31, 2020 and 2019, respectively.

(b) Defined-Benefit Plans

Prior to 2001, substantially all employees of four of the System's subsidiaries were covered by noncontributory defined-benefit pension plans, all of which have subsequently been frozen to new participants or terminated. The System's funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as the System may determine to be appropriate from time to time.

The noncontributory defined-benefit plan for Methodist Health Services, Inc. (Methodist Peoria) has been frozen to new participants since 2007. As of December 31, 2012, Methodist Peoria froze its defined-benefit pension plan with regard to accrual of additional benefits by participants in the plan. The noncontributory defined-benefit pension plan for Proctor Health Care (Proctor Peoria) has been frozen with regard to the accrual of additional benefits and new participants since 2008. The unrecognized pension benefit costs in unrestricted net assets were eliminated prior to affiliation for both the Methodist Peoria and Proctor Peoria plans as part of the accounting for the affiliation with the System. Progressive Health Systems, Inc. (Pekin Peoria) has a defined-contribution plan that covers

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

nearly all hospital employees. The board of trustees determines the amount, if any, of contributions to the plan annually. In addition, Pekin Peoria has a noncontributory defined-benefit plan covering all employees who met eligibility requirements. This plan has been curtailed since 2008 and was replaced by the defined-contribution plan. Effective December 31, 2018, the defined-benefit plans for Methodist Peoria and Proctor Peoria were merged into the Pekin Peoria plan and are now referred to as the UnityPoint Health Central Illinois pension plan.

Upon the affiliation with Meriter Health Services, Inc. (Madison) during 2014, the System inherited their defined-benefit pension plan. Substantially all of the employees of Madison are eligible to participate in the plan. Benefits under this plan are based primarily on years of service and employees' compensation. As of December 31, 2014, Madison froze the plan for all nonunion and service union covered employees. As of December 31, 2015, Madison froze the plan for all nurses' union participants. Subsequent to these dates, no additional benefits are being accrued by the frozen participants in the plan.

The System expects to contribute \$21,307 to the plans in 2020. The System uses a December 31 measurement date for the plans.

The following tables set forth information about each defined benefit plan:

	December 31, 2020			
	Central Illinois	Madison	Cedar Rapids	Waterloo
Change in benefit obligation:				
Benefit obligation, beginning of year	\$ 311,199	243,139	138,175	15,005
Service cost	—	—	—	729
Interest cost	11,174	8,279	4,941	547
Actuarial loss	41,698	10,797	19,004	2,580
Benefits paid	(12,924)	(16,076)	(7,125)	(379)
Effect of plan restatement	(2,762)	—	—	—
Benefit obligation, end of year	<u>348,385</u>	<u>246,139</u>	<u>154,995</u>	<u>18,482</u>
Change in fair value of plan assets:				
Fair value of plan assets, beginning of year	230,470	222,802	143,066	13,489
Actual return on plan assets	28,829	42,404	15,309	2,041
Employer contributions	4,615	8,000	5,004	300
Benefits paid	(12,924)	(16,076)	(7,125)	(379)
Fair value of plan assets, end of year	<u>250,990</u>	<u>257,130</u>	<u>156,254</u>	<u>15,451</u>
Funded status, end of year	<u>(97,395)</u>	<u>10,991</u>	<u>1,259</u>	<u>(3,031)</u>
Accumulated benefit obligation	\$ <u>348,385</u>	<u>246,139</u>	<u>154,995</u>	<u>18,482</u>

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

	December 31, 2020			
	Central Illinois	Madison	Cedar Rapids	Waterloo
Assets and liabilities recognized in the consolidated balance sheets:				
Noncurrent liabilities	\$ (97,395)	10,991	1,259	(3,031)
	<u>\$ (97,395)</u>	<u>10,991</u>	<u>1,259</u>	<u>(3,031)</u>
Amounts recognized in unrestricted net assets but not yet recognized as components of net periodic benefit cost:				
Net loss	\$ 86,588	3,845	50,951	3,925
Net prior service credit	—	1,029	—	12
	<u>\$ 86,588</u>	<u>4,874</u>	<u>50,951</u>	<u>3,937</u>
Amounts expected to be recognized within one year:				
Net loss	\$ 1,918	—	5,744	242
Net prior service credit	—	190	—	9
	<u>\$ 1,918</u>	<u>190</u>	<u>5,744</u>	<u>251</u>
Other changes in plan assets recognized in changes in net assets:				
Net (gain) loss	\$ 28,216	(20,130)	13,753	1,642
Amortization of:				
Net loss	(1,009)	—	(3,880)	(100)
Prior service credit	—	(190)	—	(9)
Total recognized in changes in net assets	<u>\$ 27,207</u>	<u>(20,320)</u>	<u>9,873</u>	<u>1,533</u>

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

	<u>December 31, 2020</u>			
	<u>Central Illinois</u>	<u>Madison</u>	<u>Cedar Rapids</u>	<u>Waterloo</u>
Weighted average assumptions used to determine benefit obligations for the year ended December 31, 2020:				
Discount rate	2.60 %	2.52 %	2.53 %	2.72 %
Rate of compensation increase	N/A	N/A	N/A	N/A
Weighted average assumptions used to determine benefit costs for the year ended December 31, 2020:				
Discount rate	3.71 %	3.53 %	3.68 %	3.68 %
Expected return on plan assets	8.20 %	6.52 %	7.10 %	8.20 %
Rate of compensation increase	N/A	N/A	N/A	N/A
Components of net periodic benefit cost:				
Service cost	\$ —	—	—	729
Interest cost	11,174	8,279	4,941	547
Expected return on plan assets	(15,347)	(11,660)	(10,058)	(1,099)
Amortization of prior service credit	—	190	—	9
Amortization of net loss	1,009	—	3,880	100
Net periodic benefit cost (benefit)	<u>\$ (3,164)</u>	<u>(3,191)</u>	<u>(1,237)</u>	<u>286</u>

The service cost component of \$729 is presented with other employee compensation costs in employee benefits within operating income in the consolidated statement of operations and changes in net assets for the year ended December 31, 2020. All other components of net benefit cost, which total \$(8,035), are reported separately in nonoperating as other, net for the year ended December 31, 2020 in the accompanying consolidated financial statements.

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

	December 31, 2019				
	Methodist Peoria	Central Illinois	Madison	Cedar Rapids	Waterloo
Change in benefit obligation:					
Benefit obligation, beginning of year	\$ 1,053	322,461	223,858	124,619	12,829
Service cost	—	—	—	—	632
Interest cost	49	14,765	9,824	5,675	584
Actuarial (gain) loss	(17)	39,071	22,740	14,824	1,292
Benefits paid	—	(67,860)	(13,283)	(6,943)	(332)
Effect of settlement	(1,085)	—	—	—	—
Effect of plan restatement	—	2,762	—	—	—
Benefit obligation, end of year	—	311,199	243,139	138,175	15,005
Change in fair value of plan assets:					
Fair value of plan assets, beginning of year	—	242,813	192,607	123,393	11,270
Actual return on plan assets	—	44,138	35,478	21,612	2,251
Employer contributions	1,085	12,616	8,000	5,004	300
Benefits paid	—	(67,860)	(13,283)	(6,943)	(332)
Effect of settlement	(1,085)	—	—	—	—
Effect of plan restatement	—	(1,237)	—	—	—
Fair value of plan assets, end of year	—	230,470	222,802	143,066	13,489
Funded status, end of year	—	(80,729)	20,337	(4,891)	1,516
Accumulated benefit obligation	\$ —	311,199	243,139	138,175	15,005

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

	December 31, 2019				
	Methodist Peoria	Central Illinois	Madison	Cedar Rapids	Waterloo
Assets and liabilities recognized in the consolidated balance sheets:					
Noncurrent liabilities	—	(80,729)	(20,337)	4,891	(1,516)
	<u>—</u>	<u>(80,729)</u>	<u>(20,337)</u>	<u>4,891</u>	<u>(1,516)</u>
	<u>\$ —</u>	<u>\$ (80,729)</u>	<u>\$ (20,337)</u>	<u>\$ 4,891</u>	<u>\$ (1,516)</u>
Amounts recognized in unrestricted net assets but not yet recognized as components of net periodic benefit cost:					
Net loss	\$ —	59,381	23,975	41,078	2,387
Net prior service credit	—	—	1,219	—	17
	<u>—</u>	<u>59,381</u>	<u>25,194</u>	<u>41,078</u>	<u>2,404</u>
	<u>\$ —</u>	<u>\$ 59,381</u>	<u>\$ 25,194</u>	<u>\$ 41,078</u>	<u>\$ 2,404</u>
Amounts expected to be recognized within one year:					
Net loss	\$ —	1,010	(3,191)	3,880	100
Net prior service credit	—	—	—	—	9
	<u>—</u>	<u>1,010</u>	<u>(3,191)</u>	<u>3,880</u>	<u>109</u>
	<u>\$ —</u>	<u>\$ 1,010</u>	<u>\$ (3,191)</u>	<u>\$ 3,880</u>	<u>\$ 109</u>
Other changes in plan assets recognized in changes in net assets:					
Net (gain) loss	\$ —	14,861	(3,269)	1,893	(40)
Amount recognized due to curtailment	—	—	—	—	—
Amount recognized due to settlement	—	(10,022)	—	—	(194)
Amortization of:					
Net loss	—	(1,102)	(666)	(4,310)	(141)
Prior service credit	—	—	(190)	—	(12)
	<u>—</u>	<u>3,737</u>	<u>(4,125)</u>	<u>(2,417)</u>	<u>(387)</u>
	<u>\$ —</u>	<u>\$ 3,737</u>	<u>\$ (4,125)</u>	<u>\$ (2,417)</u>	<u>\$ (387)</u>
Total recognized in changes in net assets	<u>\$ —</u>	<u>\$ 3,737</u>	<u>\$ (4,125)</u>	<u>\$ (2,417)</u>	<u>\$ (387)</u>

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

	December 31, 2019				
	Methodist Peoria	Central Illinois	Madison	Cedar Rapids	Waterloo
Weighted average assumptions used to determine benefit obligations for the year ended December 31, 2019:					
Discount rate	4.67 %	3.71 %	3.53 %	3.68 %	3.68 %
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A
Weighted average assumptions used to determine benefit costs for the year ended December 31, 2019:					
Discount rate	N/A	4.70 %	4.55 %	4.69 %	4.62 %
Expected return on plan assets	N/A	8.20 %	6.52 %	7.10 %	8.20 %
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A
Components of net periodic benefit cost:					
Service cost	\$ —	—	—	—	632
Interest cost	—	14,764	9,823	5,674	583
Expected return on plan assets	—	(18,692)	(9,468)	(8,680)	(919)
Amortization of prior service credit	—	—	190	—	12
Amortization of net loss	—	1,102	666	4,310	141
Recognized net actuarial loss	—	—	—	—	—
Effect of settlement	—	—	—	—	—
Curtailment gain from freezing benefits	—	10,022	—	—	—
Net periodic benefit cost (benefit)	\$ —	7,196	1,211	1,304	449

The System has estimated the long-term rate of return on plan assets based primarily on historical returns on plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information.

Plan assets are held by bank-administered trust funds, which invest each plan's assets in accordance with the provisions of the plan agreements. The plan agreements permit investment in common stocks, corporate bonds and debentures, U.S. government securities, and other specified investments based on certain target allocation percentages.

Asset allocation is primarily based on a strategy to provide stable earnings while still permitting the plans to recognize potentially higher returns through investment in equity securities and limited exposure to alternative investments.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

Target asset allocation percentages for 2020 and 2019 were as follows:

	2020			
	Central Illinois	Madison	Cedar Rapids	Waterloo
Equity securities	56 %	45 %	22 %	38 %
Fixed income	29	40	78	48
Alternative investments	15	15	—	14

	2019				
	Methodist Peoria	Central Illinois	Madison	Cedar Rapids	Waterloo
Equity securities	100 %	56 %	45 %	22 %	38 %
Fixed income	—	29	40	78	48
Alternative investments	—	15	15	—	14

Plan assets are rebalanced quarterly. At December 31, 2020 and 2019, plan asset allocations are as follows:

	2020				2019			
	Central Illinois	Madison	Cedar Rapids	Waterloo	Central Illinois	Madison	Cedar Rapids	Waterloo
Cash equivalents	— %	2 %	— %	— %	— %	2 %	— %	— %
U.S. Treasury obligations	3	—	12	9	6	—	13	10
Equity securities:								
Domestic	—	8	—	—	—	8	—	—
Mutual funds:								
Domestic	33	—	8	27	32	—	8	27
International	24	—	14	13	22	—	13	12
Equity	—	21	—	—	—	21	—	—
Fixed income	25	8	66	40	21	10	66	38
Other	—	5	—	—	—	5	—	—
Alternative investments	5	17	—	5	5	16	—	6
Hedge funds	5	39	—	—	6	38	—	—
Fund of funds	5	—	—	6	8	—	—	7
	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

(c) Defined Benefit Plan Assets

The valuation methodologies and inputs used for pension plan assets measured at fair value on a recurring basis, as well as the general classification of pension plan assets pursuant to the valuation hierarchy, are described below. There have been no significant changes in the valuation techniques during the year ended December 31, 2020 or 2019.

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

Where quoted market prices are available in an active market, plan assets are classified within Level 1 of the valuation hierarchy. Level 1 plan assets include exchange traded equities and mutual funds as well as cash equivalents held in money market accounts. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified within Level 2 of the valuation hierarchy. Level 2 plan assets include U.S. Treasury obligations and corporate debt. In certain cases where Level 1 or Level 2 inputs are not available, plan assets are classified within Level 3 of the hierarchy. There are no Level 3 plan assets.

The value of certain plan assets classified as alternative investments is determined using net asset value (or its equivalent) as a practical expedient.

The following table presents the fair value measurements of the System's pension plans' assets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2020 and 2019:

	Fair value	Fair value measurements using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
2020:				
Cash equivalents	\$ 4,897	4,897	—	—
U.S. Treasury obligations	27,883	—	27,883	—
Equity securities:				
Domestic	21,019	21,019	—	—
International	1,261	1,261	—	—
Mutual funds:				
Domestic	101,640	101,640	—	—
International	84,102	84,102	—	—
Equity	55,219	55,219	—	—
Fixed income	192,587	192,587	—	—
Other	12,053	12,053	—	—
Alternative funds*	56,907	—	—	—
Hedge funds*	109,114	—	—	—
Fund of funds*	12,720	—	—	—
Accrued income	423	—	—	—
	<u>\$ 679,825</u>	<u>472,778</u>	<u>27,883</u>	<u>—</u>

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

	Fair value	Fair value measurements using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
2019:				
Cash equivalents	\$ 4,575	4,575	—	—
U.S. Treasury obligations	33,906	—	33,906	—
Equity securities:				
Domestic	17,627	17,627	—	—
International	986	986	—	—
Mutual funds:				
Domestic	87,535	87,535	—	—
International	71,693	71,693	—	—
Equity	46,932	46,932	—	—
Fixed income	168,809	168,809	—	—
Other	11,117	11,117	—	—
Alternative funds*	49,322	—	—	—
Hedge funds*	97,916	—	—	—
Fund of funds*	18,992	—	—	—
Accrued income	417	—	—	—
	<u>\$ 609,827</u>	<u>409,274</u>	<u>33,906</u>	<u>—</u>

* Certain investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to amounts presented in the change in fair value of plan assets above.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of December 31, 2020:

2021	\$ 38,317
2022	40,159
2023	40,249
2024	40,721
2025	41,215
2026–2030	201,574

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

(10) Risk Management

The System's hospitals are primarily self-insured for professional and general liability for amounts of \$5,000 per claim and \$30,000 in the aggregate annually. Other entities of the System maintain their professional and general liability coverage primarily on a claims-made basis with no significant deductibles.

The System is primarily self-insured for workers' compensation and employee healthcare claims. Workers' compensation claims individually and in the aggregate that exceed certain amounts are covered by insurance.

Property insurance is maintained with at least 90% replacement value coverage and minimal deductibles. Network security and information privacy insurance as well as business interruption insurance coverage is also maintained by the System.

The System has accrued as other liabilities \$161,366 and \$132,976 for self-insured losses at December 31, 2020 and 2019, respectively. These liabilities are presented on a gross basis, and the expected offsetting insurance recoveries are reported as a receivable. The accrued liabilities are based on management's evaluation of the merits of various claims, historical experience, and consultation with external insurance consultants and actuaries, and these liabilities include estimates for incurred but not reported claims. There can be no assurance that the accrued liabilities will be sufficient for the ultimate amounts that will be paid for claims and settlements. Also, in the ordinary course of business, the System is involved in other litigation and claims, none of which management believes will ultimately result in losses that will adversely affect the System's consolidated net assets or results of operations to a material degree.

Cash and investments have been internally designated to be held for payments of claims, if any, which may result from the self-insured or uninsured portion of liability insurance and workers' compensation claims. At December 31, 2020 and 2019, cash and investments designated for this purpose amounted to \$46,716 and \$42,899, respectively.

(11) Lease Commitments

Certain equipment and property are being leased, with remaining terms ranging from less than one year to 30 years. Certain leases contain renewal options. The renewal options are included in the lease term only for those situations in which they are reasonably certain to be renewed. The components of lease expense for the years ended December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Lease cost:		
Finance lease cost:		
Amortization of right-to-use assets	\$ 470	463
Interest on lease liabilities	1,153	1,252

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

	<u>2020</u>	<u>2019</u>
Operating lease cost	\$ 43,069	43,435
Short-term lease cost	27,058	27,081
Sublease income	<u>(851)</u>	<u>(724)</u>
Total lease cost, net of income	<u>\$ 70,899</u>	<u>71,507</u>
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows related to operating leases	\$ 43,069	39,663
Operating cash outflows related to finance leases	855	5,079
Financing cash outflows related to finance leases	3,842	3,673
Right-of-use assets obtained in exchange for new operating lease liabilities	9,838	245,991
Weighted average remaining lease term – finance leases	4.3 years	5.1 years
Weighted average remaining lease term – operating leases	8.5 years	8.5 years
Weighted average discount rate – finance leases	2.9 %	2.1 %
Weighted average discount rate – operating leases	3.8 %	5.0 %

Aggregate annual maturities of lease obligations during the years ending December 31 are as follows:

	<u>Operating lease</u>	<u>Finance lease</u>
2021	\$ 40,068	4,505
2022	36,717	4,499
2023	32,318	3,427
2024	28,034	2,142
2025	23,484	1,521
Thereafter	<u>84,580</u>	<u>1,026</u>
Total	245,201	17,120
Less present value discount	<u>36,180</u>	<u>1,649</u>
Total lease liability	<u>\$ 209,021</u>	<u>15,471</u>

(12) Disclosures about Fair Value of Assets and Liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. An entity must maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in active markets that are not active, or other inputs, that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

(a) Financial Instruments Measured at Fair Value on a Recurring Basis

The valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy, are described below. There have been no significant changes in the valuation techniques during the years ended December 31, 2020 or 2019.

(b) Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include exchange traded equities and mutual funds, certificates of deposit and cash equivalents held in money market accounts. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified within Level 2 of the valuation hierarchy. Level 2 securities include U.S. Treasury obligations, U.S. government agency obligations, municipal bonds, collateralized mortgage and other collateralized asset obligations, corporate debt, and certain beneficial interest in perpetual trusts. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. Level 3 financial instruments include beneficial interest in perpetual trusts, which are discussed below. Inputs and valuation techniques used for these Level 3 interests are described below.

Fair value determinations for Level 3 measurements of securities are the responsibility of management. Management contracts with a pricing specialist to generate fair value estimates on a monthly or quarterly basis. Management challenges the reasonableness of the assumptions used and reviews the methodology to ensure the estimated fair value complies with accounting standards generally accepted in the United States.

(c) Interest Rate Swap Agreements

The fair value is estimated using forward-looking interest rate curves and discounted cash flows that are observable or can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

(d) Beneficial Interest in Perpetual Trusts

The fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Trusts that have a definite duration based on the terms of the trust document, and where the System has the ability to redeem the investment for the underlying assets at some future point, are classified within Level 2 of the valuation hierarchy due to the nature of the valuation inputs. For trusts that are perpetual in nature in which the underlying assets will never be available to the System, the interest is classified within Level 3 of the hierarchy.

(e) Fair Value Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2020 and 2019:

	2020			
	Fair value	Fair value measurements using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments:				
Cash equivalents	\$ 6,227	6,227	—	—
U.S. Treasury obligations	74,586	—	74,586	—
U.S. government agency obligations	57,651	—	57,651	—
Municipal bonds	23,061	—	23,061	—
Asset-backed securities:				
Other	43,887	—	43,887	—
Mortgage-backed securities:				
Government	6,158	—	6,158	—
Nongovernment	6,964	—	6,964	—
Certificates of deposit	1,050	1,050	—	—
Corporate bonds	387,600	—	387,600	—
Equity securities:				
Domestic	19,104	19,104	—	—
International	799	799	—	—

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

	2020			
	Fair value	Fair value measurements using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Mutual funds:				
Domestic	\$ 18,620	18,620	—	—
International	434,336	434,336	—	—
Emerging markets	10,786	10,786	—	—
Index	10,359	10,359	—	—
Equity	407,693	407,693	—	—
Fixed income	1,034,947	1,034,947	—	—
Other	6,108	6,108	—	—
Alternative investments*	180,439	—	—	—
Hedge funds*	215,577	—	—	—
Private equity funds*	115,576	—	—	—
Fund of funds*	137,233	—	—	—
Interest rate swap agreements	2,825	—	2,825	—
Other items at cost**	18,249	—	18,249	—
Total short-term investments, assets limited as to use and other long-term investments	\$ <u>3,219,835</u>	<u>1,950,029</u>	<u>620,981</u>	<u>—</u>
Beneficial interests in perpetual trusts included in contributions receivable	\$ 26,020	—	17,043	8,977
Beneficial interests in charitable trusts included in contributions receivable	17,714	—	17,714	—
Interest rate swap agreements included in other long-term liabilities	(77,159)	—	(77,159)	—

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

	2019			
	Fair value	Fair value measurements using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments:				
Cash equivalents	\$ 6,142	6,142	—	—
U.S. Treasury obligations	6,515	—	6,515	—
U.S. government agency obligations	1,428	—	1,428	—
Municipal bonds	1,051	—	1,051	—
Asset-backed securities:				
Other	11,207	—	11,207	—
Mortgage-backed securities:				
Government	4,145	—	4,145	—
Nongovernment	2,626	—	2,626	—
Corporate bonds	14,914	—	14,914	—
Equity securities:				
Domestic	17,353	17,353	—	—
International	858	858	—	—
Equity securities – PIF:				
Domestic	200	200	—	—
Mutual funds:				
Domestic	17,530	17,530	—	—
International	620,732	620,732	—	—
Emerging markets	645	645	—	—
Index	7,911	7,911	—	—
Equity	495,875	495,875	—	—
Fixed income	598,245	598,245	—	—
Other	57,502	57,502	—	—

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

	2019			
	Fair value	Fair value measurements using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Alternative investments*	\$ 177,137	—	—	—
Hedge funds*	189,632	—	—	—
Private equity funds*	99,164	—	—	—
Fund of funds*	134,159	—	—	—
Interest rate swap agreements	1,441	—	1,441	—
Other items at cost**	16,915	—	16,915	—
Total short-term investments, assets limited as to use and other long-term investments	<u>\$ 2,483,327</u>	<u>1,822,993</u>	<u>60,242</u>	<u>—</u>
Beneficial interests in perpetual trusts included in contributions receivable	\$ 24,076	—	16,718	7,358
Beneficial interests in charitable trusts included in contributions receivable	17,710	17,710	—	—
Interest rate swap agreements included in other long-term liabilities	(63,399)	—	(63,399)	—

* Certain investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheets.

** Other items at cost primarily includes insurance policies and accrued interest.

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

(f) Level 3 Reconciliation

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying consolidated balance sheets using significant unobservable (Level 3) inputs:

	Beneficial interest in perpetual trusts
	<u> </u>
Balance, December 31, 2018	\$ 7,154
Change in beneficial interest in perpetual trusts	<u>204</u>
Balance, December 31, 2019	7,358
Change in beneficial interest in perpetual trusts	<u>1,619</u>
Balance, December 31, 2020	\$ <u><u>8,977</u></u>

(g) Goodwill

Goodwill is evaluated for impairment when qualitative events indicate goodwill might be impaired. If the System performs an impairment test, any impairment loss is recognized as expense when it is determined that the carrying amount of the goodwill exceeds its implied fair value. The key inputs used to assess for potential impairment are a qualitative analysis of the applicable reporting unit and a quantitative discounted cash flow analysis.

(h) Unobservable (Level 3) Inputs

The following table presents quantitative information about unobservable inputs used in recurring and nonrecurring Level 3 fair value measurements:

		2020	
	<u>Fair value</u>	<u>Valuation technique</u>	<u>Adjustment to NAV</u>
Recurring:			
Beneficial interests in perpetual trusts	\$ 8,977	Present value of future distributions expected to be received over term of agreement	N/A
Nonrecurring:			
Goodwill	\$ 36,177	Discounted cash flows	N/A

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

	Fair value	2019	
		Valuation technique	Adjustment to NAV
Recurring:			
Beneficial interests in perpetual trusts	\$ 7,358	Present value of future distributions expected to be received over term of agreement	N/A
Nonrecurring:			
Goodwill	\$ 36,708	Discounted cash flows	N/A

(13) Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes or periods as of December 31:

	2020	2019
Purchase of equipment	\$ 24,159	25,517
Indigent care/operations	85,493	67,473
Health education	13,006	16,247
For use in future periods	32,996	34,356
Investments to be held in perpetuity	87,927	81,640
Total with donor restrictions	<u>\$ 243,581</u>	<u>225,233</u>

The portion of restricted net assets that have restrictions on the usage of income include restrictions for the support of operations, capital and equipment, education, patient assistance and research. Included in investments to be held in perpetuity is \$44,860 of donor endowed corpus, with the remainder of \$43,067 is primarily consisting of accumulated earnings on donor endowed corpus and perpetual trusts.

Net assets released from restrictions were \$20,015 and \$27,273 in 2020 and 2019 respectively. Net assets were released from restriction by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors including support of operations, capital and equipment, education, patient and employee assistance, and research.

(14) Related-Party Transactions

The System purchases a variety of services and products, including leases, from companies affiliated with members of the Boards of Directors of the System and/or its subsidiaries. Services and products purchased from these affiliated companies during 2020 and 2019 totaled \$56,401 and \$56,830, respectively. In addition, the System purchases services from several joint ventures and sells services and supplies to several joint ventures in which the System is also an investor.

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

The System has recorded contribution receivables for amounts held by nonconsolidated foundations on behalf of the System of \$67,938 and \$64,785 as of December 31, 2020 and 2019, respectively. Contributions received from nonconsolidated foundations and other related parties were \$1,537 and \$3,342 in 2020 and 2019, respectively.

(15) Commitments and Contingencies

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Government activity has increased with respect to investigations and allegations concerning possible violations of regulations by health care providers, which could result in the imposition of significant fines and penalties as well as significant repayments of previously billed and collected revenues for patient services. The System has a corporate compliance plan intended to meet federal guidelines. As a part of this plan, the System performs periodic internal reviews of its compliance with laws and regulations. As part of the System's compliance efforts, the System investigates and attempts to resolve and remedy all reported or suspected incidents of material noncompliance with applicable laws, regulations or policies on a timely basis. The System believes that these compliance programs and procedures lead to substantial compliance with current laws and regulations.

The System is in various stages of responding to inquiries and investigations by regulators. These various inquiries and investigations could result in fines and/or financial penalties, which could be material. At this time, the System is unable to estimate the possible liability, if any, that may be incurred as a result of these inquiries and investigations, but the System does not believe it would materially affect the financial position of the System.

Guarantees

The System has guaranteed \$33,477 and \$35,675, which is outstanding at December 31, 2020 and 2019, respectively, relating to long-term debt for the construction of a family practice residency program education facility, a managed facility's building project, and debt related to joint ventures. For 2020 and 2019, the System made no payments on these guarantees.

(16) Endowment

The System's endowment consists of individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by U.S. GAAP, net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

The System's governing body has interpreted the State of Iowa Prudent Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the System classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations and deductions to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the System in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the System considers several factors in making a determination to appropriate or accumulate donor-restricted endowment funds including, duration and preservation of the fund, purposes of the fund, general economic conditions, possible effect of inflation and deflation, expected total return from investment income and appreciation or depreciation of investments, other resources of the System, and investment policies of the System.

The composition of net assets by type of endowment fund at December 31, 2020 and 2019 was:

	<u>Without donor restriction</u>	<u>With donor restriction</u>	<u>Total</u>
December 31, 2020:			
Donor-restricted endowment funds	\$ —	65,370	65,370
Board-designated endowment funds	143,719	—	143,719
Total endowment funds	\$ <u>143,719</u>	<u>65,370</u>	<u>209,089</u>
December 31, 2019:			
Donor-restricted endowment funds	\$ —	57,098	57,098
Board-designated endowment funds	133,576	—	133,576
Total endowment funds	\$ <u>133,576</u>	<u>57,098</u>	<u>190,674</u>

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

Changes in endowment net assets for the years ended December 31, 2020 and 2019 were:

	<u>Without donor restriction</u>	<u>With donor restriction</u>	<u>Total</u>
Endowment net assets, December 31, 2018	\$ 117,255	50,058	167,313
Investment return:			
Investment income	12,283	1,152	13,435
Net appreciation	4,453	5,921	10,374
Total investment return	16,736	7,073	23,809
Contributions	—	1,779	1,779
Appropriation of endowment assets for expenditure	(415)	(1,812)	(2,227)
Endowment net assets, December 31, 2019	<u>133,576</u>	<u>57,098</u>	<u>190,674</u>
Investment return:			
Investment income	1,205	819	2,024
Net appreciation	11,968	5,485	17,453
Total investment return	13,173	6,304	19,477
Contributions	—	3,118	3,118
Appropriation of endowment assets for expenditure	(3,030)	(1,150)	(4,180)
Endowment net assets, December 31, 2020	<u>\$ 143,719</u>	<u>65,370</u>	<u>209,089</u>

As of December 31, 2020 and 2019, the corpus of the aforementioned donor-restricted endowment funds was \$44,860 and \$41,319, respectively. In addition, the net amount of earnings in excess of expenditures as of December 31, 2020 and 2019 was \$20,510 and \$15,779, respectively.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the System is required to retain as a fund of perpetual duration pursuant to donor stipulation or SPMIFA. In accordance with GAAP, deficiencies of this nature are reported in without donor restriction net assets and amount to \$0 and \$16 at December 31, 2020 and 2019, respectively.

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

The System has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the System must hold in perpetuity as well as those of board-designated funds. Under the System's policies, endowment assets are invested in a manner that is intended to produce results that exceed applicable benchmarks while assuming a prudent level of investment risk. The System expects its endowment funds to provide an average net rate of return of approximately 8% annually over time. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the System relies on a total return strategy in which investment returns are achieved through net investment income, including dividends, interest, and recognized appreciation, as well as unrealized capital appreciation. The System targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

In general, the System has a policy (the spending policy) of appropriating for expenditure each year 4–5% of its endowment fund's average fair value over the prior 12 quarters through the year-end preceding the year in which expenditure is planned. In establishing this policy, the System considered the long-term expected return on its endowment. A management fee of 1-1.5% is also typically charged to the endowment funds annually to cover administrative costs of managing the endowment and the fundraising operations. Accordingly, over the long term, the System expects the current spending policy to allow its endowment to grow at an average of 2-2.5% annually. This is consistent with the System's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

(17) Coronavirus 2019

On March 11, 2020, the World Health Organization designated Coronavirus 2019 (COVID-19) as a global pandemic. Patient activity and related revenues for most services were significantly impacted starting in mid-March as various policies were implemented by federal, state and local governments in response to the COVID-19 pandemic that caused many people to remain at home and forced the closure of or limitations on certain businesses, as well as suspended elective surgical procedures.

The System's pandemic response plan has multiple facets and continues to evolve as the pandemic unfolds. Precautionary steps to enhance operational and financial flexibility, and react to the risks the COVID-19 pandemic presents to the business, included the following:

- Implemented certain cost reduction initiatives.
- Reduced certain planned projects and capital expenditures.
- On May 13, 2020, the System issued \$319,635 of taxable bonds, Series 2020, which included refinancing the 2013A bonds and new money to finance general corporate purposes. During 2020, the System also entered into various liquidity vehicles, as outlined in note 6, in response to the pandemic.
- Assessed the various federal and state stimulus options available to the System, as noted below.

**IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

In March 2020, the Coronavirus Aid, Relief and Economic Security Act (CARES Act) was signed into law, providing temporary and limited relief to hospitals and healthcare providers during the COVID-19 outbreak. Appropriations were made for hospitals and healthcare providers to cover expenses and lost revenue associated with the treatment of COVID-19 patients, expanding the Medicare Advanced and Accelerated Payment Program, providing employee retention tax credits to employers affected by COVID-19, eliminating the 2% reduction in Medicare payments from sequestration for the remainder of 2020, creating an add-on payment for inpatient hospitals treating COVID-19 patients, and delaying a reduction in Medicaid funding for Medicare Disproportionate Share hospitals.

As of December 31, 2020, the System received \$85,002 in Provider Relief Fund General Distributions, \$103,302 in Provider Relief Fund Targeted Distributions, \$7,780 in State of Iowa and Wisconsin Hospital Funding, \$1,402 in State of Iowa Mental Health Funding, and \$44 in Higher Education Emergency Relief Funds under the CARES Act. These funds are not subject to repayment, provided the System is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for healthcare-related expenses or lost revenue attributable to COVID-19. Such payments are accounted for as government grants and are recognized on a systematic and rational basis as income once there is reasonable assurance that the applicable terms and conditions required to retain the funds will be met and the funds are received. Based on analysis of the compliance and reporting requirements of the CARES Act and the impact of the pandemic on operating results through the end of 2020, the System has recorded \$195,391 of these funds as other operating revenue in the consolidated statements of operations and changes in net assets.

In addition, the System received approximately \$372,099 of payments under the Medicare Advanced Payment Program (APP), which allows eligible health care facilities to request up to six months of advance Medicare payments for acute care hospitals or up to three months of advance Medicare payments for other health care providers. Repayment begins one year from the date the AAP was issued, with repayment planned to begin in April 2021. Once repayment begins, Medicare payments will be recouped at a rate of 25% for 11 months. After the 11-month period, Medicare payments will be recouped at a rate of 50% for six additional months. As of December 31, 2020, \$153,659 of APP payments received are included in other current liabilities and \$218,440 in other long-term liabilities in the consolidated balance sheets.

As of December 31, 2020, the System has also deferred employment tax deposits and payments of \$75,060, as allowed by the IRS as part of the CARES Act. The program allows the System to defer deposits of the employer's share of social security tax due and payments of the tax imposed on wages paid during the period from March 27, 2020 to December 31, 2020. As of December 31, 2020, the tax deposits and payments deferred of \$37,530 are included in accrued payroll and \$37,530 in other long-term liabilities in the consolidated balance sheets.

The COVID-19 pandemic has affected commerce and financial markets globally. Although COVID-19 initially produced market conditions that adversely affected the fair value of the System's investments, the fair value substantially recovered by December 31, 2020. It is possible that COVID-19 will impact the fair value of the System's investments in the future.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UNITYPOINT HEALTH

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

The extent of the COVID-19 pandemic's adverse impact on operating results and financial condition of the System has been and will continue to be driven by many factors, most of which are beyond the System's control and ability to forecast. Such factors include, but are not limited to, the scope and duration of stay-at-home practices and business closures and restrictions, government-imposed or recommended suspensions of elective procedures, continued declines in patient volumes for an indeterminable length of time, increases in the number of uninsured and underinsured patients as a result of higher sustained rates of unemployment, incremental expenses required for supplies and personal protective equipment, changes in professional and general liability exposure, and volatility of global financial markets. Because of these and other uncertainties, the System cannot estimate the length or severity of the impact of the COVID-19 pandemic on the business and the results of operations.

(18) Subsequent Events

Subsequent events have been evaluated through April 14, 2021, which is the date the consolidated financial statements were issued.

On March 1, 2021, Keokuk Health Systems and Subsidiaries, Inc. (Keokuk) unaffiliated from the System. As a result, the assets, liabilities and net assets pertaining to Keokuk will be removed from the consolidated financial statements of the System going forward.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UnityPoint Health

Consolidating Balance Sheet Information
December 31, 2020

(In thousands)

	UPHDM	MHSC	TRHS	MHS	SILHC	AHS	SLHS	THS	TRJST	KEO	UPC	UPAH	UPH	Eliminations	Consolidated
Assets															
Current assets:															
Cash and cash equivalents	96,039	32,002	30,164	45,421	50,251	51,369	34,291	24,332	10,638	3,234	—	20,056	246,932	—	634,761
Accounts receivable	1,086	3,540	11,723	11,173	11,173	9,187	14,111	6,147	2,096	—	—	3,019	60,476	—	100,000
Assets limited as to use, noncurrent	6,594	—	6,182	3,188	3,188	3,981	2,018	9,929	3,188	—	—	—	—	—	24,882
Patient accounts receivable	119,187	69,837	55,780	44,337	54,889	43,854	24,834	14,408	17,144	1,299	37,878	31,168	1	—	514,616
Other receivables	18,781	12,098	14,720	14,770	4,720	2,933	1,109	2,242	1,130	—	4,495	285	135,726	—	202,377
Inventories	18,781	14,339	12,220	5,074	8,922	8,812	4,728	3,779	2,338	591	5,308	8,950	3,305	—	97,147
Prepaid expenses	3,131	3,856	2,637	4,042	2,414	1,112	311	36,927	526	35	2,484	311	36,927	—	58,501
Due from affiliates	38,734	55,887	22,600	47	26,620	16,039	3,427	5,063	3,423	250	63,167	2,709	177,832	(415,798)	—
Total current assets	312,980	193,559	141,944	125,414	161,732	142,827	79,110	57,718	37,897	5,409	113,342	68,994	681,201	(415,798)	1,706,129
Assets limited as to use, noncurrent:															
Held by trustee under bond indenture agreements	—	10,052	207,757	—	167,851	—	54,268	54,349	103,600	166	—	—	388	—	388
Internally designated for capital improvements	5,102	6,231	6,265	—	2,069	671	1,749	395	—	—	—	—	—	—	1,406,046
Insuranc reserve	—	—	—	—	—	—	—	—	—	—	—	—	—	—	21,654
Total assets limited as to use, noncurrent	812,105	16,283	214,122	189,940	189,940	671	56,017	54,744	103,600	166	—	—	388	—	1,427,288
Property, plant and equipment, net	336,968	331,034	198,984	282,759	185,152	196,063	73,131	64,955	80,296	3,319	41,856	5,869	84,233	—	1,844,659
Operating lease right of use assets	18,810	8,961	14,760	10,021	16,001	11,101	1,174	6,222	90,620	50,620	6,632	19,981	204,343	—	204,343
Other long-term investments	140,226	265,813	39,387	488,432	103,551	204,953	22,149	54,597	8,104	11,114	26,243	189,441	1,598,860	—	1,598,860
Investments in joint ventures and other investments	78,855	18,799	18,095	37,020	22,598	8,520	25,539	10,080	2,541	153	153	50,719	145,910	(132,916)	—
Contributions receivable and other assets held in trust	10,701	18,229	851	47,176	788	5,171	12,589	3,500	263	2	2,866	47	23,666	—	118,623
Other	638	16,156	37,449	81	788	1,154	516	239	2	20,863	47	—	701,753	(722,796)	83,685
Due from affiliates	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total assets	1,711,283	881,832	665,402	943,849	706,938	529,922	262,359	247,007	251,522	8,896	320,759	111,756	1,751,382	(1,271,450)	7,121,457
Liabilities and Net Assets															
Current liabilities:															
Current maturities of long-term debt	459	6,831	485	300	20	3,071	248	—	746	43	873	—	138,904	—	151,244
Current portion of operating lease liabilities	2,623	2,049	2,482	1,643	3,446	1,189	—	230	746	—	12,511	1,051	4,312	—	32,282
Accounts payable	32,944	25,804	20,873	30,242	15,666	13,675	10,237	4,315	3,530	4,668	8,549	7,565	55,799	—	233,481
Accrued payroll	31,903	16,012	14,873	23,040	18,237	11,984	6,889	6,268	5,643	796	27,924	6,719	136,428	—	306,736
Accrued interest	—	15	—	—	—	3	—	—	—	—	—	—	11,955	—	11,955
Medical claims payable	5,315	35,446	18,840	1,988	3,626	3,371	2,628	2,358	551	119	—	543	10,627	—	86,374
Due to affiliates	27,843	22,087	16,319	7,557	12,047	39,786	27,295	4,561	2,339	10,203	17,659	9,169	226,879	(423,834)	—
Other current liabilities	45,485	42,424	26,888	16,400	24,223	18,930	11,605	10,187	6,093	995	24,135	11,094	4,540	464	243,043
Total current liabilities	146,553	150,660	99,384	81,170	77,265	92,019	58,912	27,919	18,902	16,914	91,651	36,141	589,054	(423,370)	1,063,774
Long-term debt, net	1,773	1,704	2,359	57	436	780	37	—	—	57	5,222	—	1,122,363	—	1,134,788
Long-term operating lease liabilities	16,257	7,118	12,531	8,379	12,587	10,037	—	944	5,505	—	79,892	5,690	17,799	—	176,739
Other long-term liabilities	89,440	176,699	50,079	24,044	36,255	45,014	22,560	25,703	9,760	1,384	79,565	4,636	122,514	—	687,653
Due to affiliates	75,127	150,505	119,739	162,180	63,330	80,490	23,382	8,000	15,292	17,096	15,292	—	—	(715,147)	—
Total liabilities	329,150	486,686	284,892	275,830	189,873	228,340	104,891	62,566	49,459	35,451	256,330	46,467	1,851,730	(1,138,511)	3,062,954
Net Assets (Deficit)															
Without donor restrictions:															
Attributable to UnityPoint Health	1,320,292	339,826	339,530	660,643	464,828	278,120	146,058	174,447	189,448	(26,589)	64,285	62,121	(100,396)	(130,690)	3,781,923
Attributable to noncontrolling interest	—	—	28,333	—	(246)	987	3,945	—	—	—	—	—	—	—	32,969
Total without donor restrictions	1,320,292	339,826	367,863	660,643	464,582	279,087	150,003	174,447	189,448	(26,589)	64,285	62,121	(100,396)	(130,690)	3,814,922
With donor restrictions:															
Attributable to UnityPoint Health	61,841	55,320	12,847	7,376	51,754	22,895	7,465	9,994	12,615	34	144	3,168	48	(2,249)	242,852
Attributable to noncontrolling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	729
Total with donor restrictions	61,841	55,320	12,847	7,376	52,483	22,895	7,465	9,994	12,615	34	144	3,168	48	(2,249)	243,581
Total net assets (deficit)	1,382,133	395,146	380,710	668,019	517,065	301,982	157,468	184,441	202,063	(26,555)	64,429	65,289	(100,348)	(132,939)	4,056,503
Total liabilities and net assets	1,711,283	881,832	665,402	943,849	706,938	529,922	262,359	247,007	251,522	8,896	320,759	111,756	1,751,382	(1,271,450)	7,121,457

UPHDM – UnityPoint Health – Des Moines and Subsidiaries (Des Moines)
 MHSC – Methodist Health Services Corp. and Subsidiaries (Peoria)
 TRHS – Trinity Regional Health System and Subsidiaries (Rock Island)
 MHS – Meriter Health Services, Inc. and Subsidiaries (Madison)
 SILHC – St. Luke's Healthcare and Subsidiaries (Cedar Rapids)
 AHS – Allen Health Systems, Inc. and Subsidiaries (Waterloo)
 SLHS – St. Luke's Health System, Inc. (Sioux City)

THS – Trinity Health Systems, Inc. and Subsidiaries (Fort Dodge)
 TRJST – Finley Tri-States Health Group, Inc. and Subsidiaries (Dubuque)
 KEO – Keokuk Area Hospital, Inc. and Subsidiaries (Keokuk)
 UPC – UnityPoint Clinic
 UPH – UnityPoint at Home
 UPH Corp – UnityPoint Health and other Subsidiaries

See accompanying independent auditors' report.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
 d/b/a UnityPoint Health
 Consolidating Statement of Operations Information
 Year ended December 31, 2020
 (In thousands)

	UPHDM	MHSC	TRHS	MHS	SLHC	AHS	SLHS	THS	TRIST	KEO	UPC	UPAH	UPH Corp.	Eliminations	Consolidated
Operating revenues:															
Patient service revenue	\$ 1,049,320	565,216	532,109	452,739	474,006	388,459	201,614	149,180	108,591	10,422	398,187	212,384	1,444	(590,698)	3,952,983
Other operating revenue	167,245	109,973	66,805	41,516	80,996	56,691	45,431	33,051	12,269	2,572	105,454	5,688	448,470	(507,251)	667,620
Net assets released from restrictions used for operations	6,629	1,503	797	455	961	1,189	—	8	516	7	22	466	—	(487)	1,468
Total operating revenue	1,222,594	675,692	599,711	484,710	555,963	446,339	247,045	182,239	121,378	12,701	473,643	218,558	449,914	(1,088,436)	4,612,051
Operating expenses:															
Salaries and wages	383,667	204,308	184,005	182,406	184,720	130,211	76,379	51,978	45,473	7,095	128,398	80,953	152,121	(186,574)	1,645,140
Physician compensation and services	216,261	117,370	95,704	41,796	80,059	78,653	32,103	35,571	10,854	2,512	281,054	201	1,381	(281,482)	710,657
Employee benefits	91,488	49,803	45,044	55,139	47,549	32,776	18,653	12,770	10,752	1,573	33,889	19,466	38,862	(45,079)	412,685
Supplies	219,748	99,052	106,140	79,762	82,851	85,951	39,407	24,061	16,752	2,842	42,247	80,743	672	(123,377)	756,651
Other expenses	237,605	179,821	143,201	86,700	124,342	93,801	60,488	36,851	33,804	3,372	116,327	29,546	170,874	(565,619)	750,913
Depreciation and amortization	30,781	24,810	18,122	21,978	16,996	16,981	5,784	5,116	5,620	781	5,604	1,238	41,361	(6,604)	188,468
Interest	4,069	5,668	6,376	6,891	2,578	3,858	1,475	518	777	940	314	—	33,504	(33,272)	34,296
Provision for uncollectible accounts	7	65	331	—	125	1	42	(6)	(44)	(20)	7	—	(48)	—	460
Total operating expenses	1,183,626	681,037	598,923	474,672	539,620	440,032	234,331	166,859	123,888	18,895	607,840	212,147	438,727	(1,221,987)	4,498,670
Operating income (loss)	39,968	(5,405)	788	20,038	16,343	6,307	12,714	15,380	(2,510)	(6,194)	(134,197)	6,411	11,187	133,951	113,381
Nonoperating gains (losses):															
Investment income (expense)	66,222	16,576	17,309	36,679	18,324	11,672	4,819	6,390	9,609	8	1,218	933	(44)	(5)	188,710
Other, net	56	4,715	(9)	11,055	1,237	443	—	—	(1)	—	—	—	(24,544)	3	(7,045)
Total nonoperating gains (losses), net	65,278	21,291	17,300	47,734	19,561	12,115	4,819	6,390	9,608	8	1,218	933	(24,588)	(2)	181,665
Revenue over (under) expenses before gain (loss) on bond refinancing transactions	104,246	15,886	18,088	67,772	35,904	18,422	17,533	21,770	7,098	(6,186)	(132,979)	7,344	(13,401)	133,549	285,046
Loss on bond refinancing transactions	—	—	—	—	(19)	—	—	—	—	—	—	—	(16,652)	—	(16,671)
Excess (deficit) of revenues over expenses	104,246	15,886	18,088	67,772	35,885	18,422	17,533	21,770	7,098	(6,186)	(132,979)	7,344	(30,053)	133,549	278,375
Less: Net income (loss) attributable to noncontrolling interest	—	—	(223)	—	38	765	(3,200)	—	—	—	—	—	—	—	(2,620)
Excess (deficit) of revenues over expenses attributable to UnityPoint Health	\$ 104,246	\$ 15,886	\$ 17,865	\$ 67,772	\$ 35,823	\$ 19,187	\$ 14,333	\$ 21,770	\$ 7,098	\$ (6,186)	\$ (132,979)	\$ 7,344	\$ (30,053)	\$ 133,549	\$ 275,755

Definitions
 UPHDM – UnityPoint Health – Des Moines and Subsidiaries (Des Moines)
 MHSC – Methodist Health Services Corp. and Subsidiaries (Peoria)
 TRHS – Trinity Regional Health System and Subsidiaries (Rock Island)
 MHS – Meriter Health Services, Inc. and Subsidiaries (Madison)
 SLHC – St. Luke's Healthcare and Subsidiaries (Cedar Rapids)
 AHS – Allen Health Systems, Inc. and Subsidiaries (Waterloo)
 SLHS – St. Luke's Health System, Inc. (Sioux City)

See accompanying independent auditors' report.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
 a UnityPoint Health

UnityPoint Health – Des Moines and Subsidiaries (Des Moines)

Consolidating Balance Sheet Information

December 31, 2020

(In thousands)

	UPHDM	CHC	UPHF	CHHP	EB	GRMC	UPC	UPAH	Eliminations	Consolidated
Assets										
Current assets:										
Cash and cash equivalents	—	74,349	1,491	12	3,436	6,751	—	—	—	86,039
Short-term investments	—	20,916	148	—	—	922	—	—	—	21,986
Assets limited as to use – required for current liabilities	—	8,584	—	—	—	8,584	—	—	—	8,584
Patient accounts receivable	—	11,985	—	—	743	6,169	—	—	—	19,187
Other receivables	—	16,078	16	51	147	248	—	—	—	16,538
Inventories	—	17,376	42	—	—	1,363	—	—	—	18,781
Prepaid expenses	—	2,793	22	18	93	205	—	—	—	3,131
Due from affiliates	—	46,215	91	30,189	—	699	—	—	(38,470)	38,734
Total current assets	—	298,296	1,810	30,280	4,419	16,645	—	—	(38,470)	312,980
Assets limited as to use, noncurrent:										
Internally designated for capital improvements	—	690,427	116,038	—	538	—	—	—	—	807,003
Internally designated for insurance reserve	—	5,102	—	—	—	—	—	—	—	5,102
Total assets limited as to use, noncurrent	—	695,529	116,038	—	538	—	—	—	—	812,105
Property, plant and equipment, net	—	304,387	6	18,780	1,059	12,726	—	—	—	336,968
Operating lease right of use assets	—	14,317	62	4,317	105	9	—	—	—	18,810
Other long-term investments	—	62,587	69,685	—	—	8,044	—	—	—	140,226
Investments in joint ventures and other investments	—	56,371	10	—	—	—	30,397	35,897	(45,820)	78,855
Contributions receivable and other assets held in trust	—	—	10,180	—	26	495	—	—	—	10,701
Other	—	612	(1)	—	—	26	—	—	1	638
Due from affiliates	—	6,954	(1)	—	—	—	—	—	(6,954)	—
Total assets	—	1,441,073	197,690	53,377	6,147	37,945	30,397	35,897	(91,243)	1,711,283
Liabilities and Net Assets										
Current liabilities:										
Current maturities of long-term debt	—	320	—	—	—	139	—	—	—	459
Current portion of operating lease liabilities	—	2,429	37	65	85	7	—	—	—	2,623
Accounts payable	—	30,147	129	8	233	2,427	—	—	—	32,944
Accrued payroll	—	28,347	329	14	758	1,455	—	—	—	31,903
Accrued interest	—	1	—	—	—	—	—	—	—	1
Estimated settlements due to third-party payers	—	5,347	—	—	—	(32)	—	—	—	5,315
Due to affiliates	—	55,077	2,316	181	—	8,739	—	—	(38,470)	27,843
Other current liabilities	—	42,124	88	772	453	2,028	—	—	—	45,465
Total current liabilities	—	164,792	2,899	1,040	1,529	14,763	—	—	(38,470)	146,553
Long-term debt, net	—	1,413	—	—	—	360	—	—	—	1,773
Long-term operating lease liabilities	—	11,957	26	4,252	—	2	—	—	—	16,237
Other long-term liabilities	—	84,396	470	—	20	4,574	—	—	—	89,460
Due to affiliates	—	75,128	3,186	1,127	—	2,540	—	—	(6,954)	75,127
Total liabilities	—	337,686	6,581	6,419	1,549	22,339	—	—	(45,424)	329,150
Net Assets (Deficit)										
Total without donor restrictions	—	1,057,169	136,120	46,958	4,598	10,174	30,271	35,002	—	1,320,292
Total with donor restrictions	—	46,216	54,969	—	—	5,432	126	895	(45,819)	61,841
Total net assets (deficit)	—	1,103,387	191,109	46,958	4,598	15,606	30,397	35,897	(45,819)	1,382,133
Total liabilities and net assets	—	1,441,073	197,690	53,377	6,147	37,945	30,397	35,897	(91,243)	1,711,283
Definitions										
UPHDM – UnityPoint Health – Des Moines										
CHC – Central Iowa Hospital Corporation										
UPHF – UnityPoint Health Foundation										
CHHP – Central Iowa Health Properties Corporation										
EB – Everyell Ball Mental Health Services										
GRMC – Grinnell Regional Medical Center										
UPC – UnityPoint Clinic, UPHDM portion										
UPAH – UnityPoint at Home, UPHDM portion										

See accompanying independent auditors' report.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UnityPoint Health

UnityPoint Health – Des Moines and Subsidiaries (Des Moines)
Consolidating Statement of Operations Information
Year ended December 31, 2020
(In thousands)

	UPHDM	CIHC	UPHF	CIHP	EB	GRMC	UPC	UPAH	Eliminations	Consolidated
Operating revenues:										
Patient service revenue	\$ —	759,548	—	—	13,282	46,744	151,215	78,531	—	1,049,320
Other operating revenue	—	134,500	763	5,061	2,594	2,798	29,747	2,459	(10,677)	167,245
Net assets released from restrictions used for operations	—	5,238	410	—	—	170	1	210	—	6,029
Total operating revenue	—	899,286	1,173	5,061	15,876	49,712	180,963	81,200	(10,677)	1,222,594
Operating expenses:										
Salaries and wages	—	290,726	2,049	81	8,865	17,584	38,268	26,094	—	383,667
Physician compensation and services	—	103,389	—	—	156	7,918	109,732	70	(5,004)	216,261
Employee benefits	—	66,769	397	23	2,213	5,341	10,609	6,153	(17)	91,488
Supplies	—	160,532	340	5	214	10,034	20,039	28,585	(1)	219,748
Other expenses	—	157,621	1,020	1,999	2,510	10,694	52,405	16,916	(5,560)	237,605
Depreciation and amortization	—	24,967	1	591	261	1,713	2,739	509	—	30,781
Interest	—	3,748	—	—	7	123	286	—	(95)	4,069
Provision for uncollectible accounts	—	1	—	—	—	6	—	—	—	7
Total operating expenses	—	807,753	3,807	2,699	14,226	53,413	234,078	78,327	(10,677)	1,183,626
Operating income (loss)	—	91,533	(2,634)	2,362	1,650	(3,701)	(53,115)	2,873	—	38,968
Nonoperating gains (losses):										
Investment income	—	51,686	13,460	—	39	37	—	—	—	65,222
Other, net	—	—	(10)	—	—	66	—	—	—	56
Total nonoperating gains, net	—	51,686	13,450	—	39	103	—	—	—	65,278
Excess (deficit) of revenues over expenses attributable to UnityPoint Health	\$ —	143,219	10,816	2,362	1,689	(3,598)	(53,115)	2,873	—	104,246

Definitions

- UPHDM – UnityPoint Health – Des Moines
- CIHC – Central Iowa Hospital Corporation
- UPHF – UnityPoint Health Foundation
- CIHP – Central Iowa Health Properties Corporation
- EB – Eyerly Ball Mental Health Services
- GRMC – Grinnell Regional Medical Center
- UPC – UnityPoint Clinic, UPHDM portion
- UPAH – UnityPoint at Home, UPHDM portion

See accompanying independent auditors' report.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
a subsidiary of UnityPoint Health
 Methodist Health Services Corporation and Subsidiaries (Phonics)
 Consolidating Statement of Operations Information
 Year ended December 31, 2020
 (in thousands)

	MHSC	MMCI	MS	MMCF	PHC	PH	Balcrest	HuK	PHS	HP	PPHS	PMH	PPH	PCL	UP	HSC	TMHC	PW	UPE	UPC	UPAH	Eliminations	Consolidated																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Operating revenues:																								Patient service revenue	\$ 405	347,888	12,741	70	—	109,147	107	835	2,477	—	—	46,687	2,191	—	—	6,419	2,108	—	—	38,452	9,255	—	565,216	Other operating revenue	3,480	76,687	—	402	—	8,015	86	154	658	—	—	1,757	95	1,834	—	8,671	1,830	113	—	11,317	147	(19,053)	188,873	Net assets released from restrictions used for operations	—	538	—	—	—	407	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—	1,533	Total operating revenue	3,885	425,174	12,741	472	—	117,569	193	989	3,135	—	—	48,445	2,286	1,834	—	15,090	3,938	113	—	49,769	9,402	(19,053)	675,632	Operating expenses:																								Salaries and wages	1,037	130,415	—	365	—	28,741	75	571	446	—	—	15,218	382	—	—	9,254	2,063	20	—	14,755	956	—	204,308	Physician compensation and services	375	78,418	—	66	—	2,078	23	148	3,980	—	—	1,987	3,612	—	—	1,095	280	—	—	27,473	282	—	117,870	Medical supplies	37	54,767	50	1	—	24,808	112	24	48	—	—	8,882	54	—	—	1,728	35	—	—	4,271	7,020	(1)	99,862	Supplies	1,199	105,644	7,877	640	—	43,438	111	204	152	20	—	18,017	160	164	—	3,029	591	61	—	16,715	1,026	(18,687)	179,821	Other expenses	227	13,373	3,107	—	—	3,898	10	75	14	—	—	2,951	91	530	—	298	100	59	—	375	32	—	24,810	Depreciation and amortization	43	4,032	—	—	—	59	—	—	—	—	—	629	—	—	—	—	38	—	—	—	—	—	5,668	Provision for uncollectible accounts	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	85	Total operating expenses	3,121	417,849	11,084	1,072	—	110,885	331	1,022	4,739	20	—	45,545	4,420	1,285	—	15,453	3,513	143	—	67,421	9,286	(19,053)	681,997	Operating income (loss)	774	7,225	1,707	(600)	—	6,684	(138)	(33)	(1,604)	(20)	—	(101)	(2,134)	249	—	(363)	425	(30)	—	(17,652)	106	—	(5,405)	Nonoperating gains (losses), net	61	14,435	—	1,551	—	43	1	115	(4)	—	—	44	(1)	—	—	323	8	—	—	—	—	—	16,576	Investment income (expense)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	Other, net	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	Total nonoperating gains (losses), net	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	Excess (deficit) of revenues over expenses attributable to UnityPoint Health	835	26,475	1,707	951	—	6,727	(137)	82	(1,608)	(20)	—	(57)	(2,135)	249	—	(40)	433	(30)	—	(17,652)	106	—	15,886
Patient service revenue	\$ 405	347,888	12,741	70	—	109,147	107	835	2,477	—	—	46,687	2,191	—	—	6,419	2,108	—	—	38,452	9,255	—	565,216																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Other operating revenue	3,480	76,687	—	402	—	8,015	86	154	658	—	—	1,757	95	1,834	—	8,671	1,830	113	—	11,317	147	(19,053)	188,873																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Net assets released from restrictions used for operations	—	538	—	—	—	407	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—	1,533																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Total operating revenue	3,885	425,174	12,741	472	—	117,569	193	989	3,135	—	—	48,445	2,286	1,834	—	15,090	3,938	113	—	49,769	9,402	(19,053)	675,632																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Operating expenses:																								Salaries and wages	1,037	130,415	—	365	—	28,741	75	571	446	—	—	15,218	382	—	—	9,254	2,063	20	—	14,755	956	—	204,308	Physician compensation and services	375	78,418	—	66	—	2,078	23	148	3,980	—	—	1,987	3,612	—	—	1,095	280	—	—	27,473	282	—	117,870	Medical supplies	37	54,767	50	1	—	24,808	112	24	48	—	—	8,882	54	—	—	1,728	35	—	—	4,271	7,020	(1)	99,862	Supplies	1,199	105,644	7,877	640	—	43,438	111	204	152	20	—	18,017	160	164	—	3,029	591	61	—	16,715	1,026	(18,687)	179,821	Other expenses	227	13,373	3,107	—	—	3,898	10	75	14	—	—	2,951	91	530	—	298	100	59	—	375	32	—	24,810	Depreciation and amortization	43	4,032	—	—	—	59	—	—	—	—	—	629	—	—	—	—	38	—	—	—	—	—	5,668	Provision for uncollectible accounts	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	85	Total operating expenses	3,121	417,849	11,084	1,072	—	110,885	331	1,022	4,739	20	—	45,545	4,420	1,285	—	15,453	3,513	143	—	67,421	9,286	(19,053)	681,997	Operating income (loss)	774	7,225	1,707	(600)	—	6,684	(138)	(33)	(1,604)	(20)	—	(101)	(2,134)	249	—	(363)	425	(30)	—	(17,652)	106	—	(5,405)	Nonoperating gains (losses), net	61	14,435	—	1,551	—	43	1	115	(4)	—	—	44	(1)	—	—	323	8	—	—	—	—	—	16,576	Investment income (expense)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	Other, net	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	Total nonoperating gains (losses), net	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	Excess (deficit) of revenues over expenses attributable to UnityPoint Health	835	26,475	1,707	951	—	6,727	(137)	82	(1,608)	(20)	—	(57)	(2,135)	249	—	(40)	433	(30)	—	(17,652)	106	—	15,886																																																																																																																								
Salaries and wages	1,037	130,415	—	365	—	28,741	75	571	446	—	—	15,218	382	—	—	9,254	2,063	20	—	14,755	956	—	204,308																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Physician compensation and services	375	78,418	—	66	—	2,078	23	148	3,980	—	—	1,987	3,612	—	—	1,095	280	—	—	27,473	282	—	117,870																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Medical supplies	37	54,767	50	1	—	24,808	112	24	48	—	—	8,882	54	—	—	1,728	35	—	—	4,271	7,020	(1)	99,862																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Supplies	1,199	105,644	7,877	640	—	43,438	111	204	152	20	—	18,017	160	164	—	3,029	591	61	—	16,715	1,026	(18,687)	179,821																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Other expenses	227	13,373	3,107	—	—	3,898	10	75	14	—	—	2,951	91	530	—	298	100	59	—	375	32	—	24,810																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Depreciation and amortization	43	4,032	—	—	—	59	—	—	—	—	—	629	—	—	—	—	38	—	—	—	—	—	5,668																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Provision for uncollectible accounts	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	85																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Total operating expenses	3,121	417,849	11,084	1,072	—	110,885	331	1,022	4,739	20	—	45,545	4,420	1,285	—	15,453	3,513	143	—	67,421	9,286	(19,053)	681,997																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Operating income (loss)	774	7,225	1,707	(600)	—	6,684	(138)	(33)	(1,604)	(20)	—	(101)	(2,134)	249	—	(363)	425	(30)	—	(17,652)	106	—	(5,405)																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Nonoperating gains (losses), net	61	14,435	—	1,551	—	43	1	115	(4)	—	—	44	(1)	—	—	323	8	—	—	—	—	—	16,576																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Investment income (expense)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Other, net	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Total nonoperating gains (losses), net	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Excess (deficit) of revenues over expenses attributable to UnityPoint Health	835	26,475	1,707	951	—	6,727	(137)	82	(1,608)	(20)	—	(57)	(2,135)	249	—	(40)	433	(30)	—	(17,652)	106	—	15,886																																																																																																																																																																																																																																																																																																																																																																																																																																																																								

See accompanying independent auditors' report.

Definitions
 MHSC – Methodist Health Services Corporation
 MMCI – Methodist Medical Center of Illinois
 MS – Methodist Services, Inc.
 MMCF – Methodist Medical Center Foundation
 PHC – Proctor Health Care, Inc.
 PH – Proctor Hospital
 Balcrest – Balcrest Services, Ltd.
 HuK – Hull Center for Healthy Living
 PHS – Parkland Health Services
 HP – HealthPlus, Inc.
 PPHS – Progressive Health Systems

IOWA HEALTH SYSTEM AND SUBSIDIARIES
 dbia UnityPoint Health

Trinity Regional Health System and Subsidiaries (Rock Island)

Consolidating Balance Sheet Information

December 31, 2020

(In thousands)

	TRHS	TMC	THF	THE	TM	UPC	UPAH	Eliminations	Consolidated
Assets									
Current assets:									
Cash and cash equivalents	—	22,238	749	46	7,161	—	—	—	30,194
Short-term investments	—	5,446	176	9	1,960	—	—	—	7,011
Assets limited as to use – required for current liabilities	—	6,182	—	—	8,333	—	—	—	6,182
Patient accounts receivable	—	47,747	—	—	3,716	—	—	—	55,190
Other receivables	9	3,716	—	627	350	—	—	—	4,720
Prepaid expenses	20	2,100	—	182	924	—	—	—	17,230
Due from affiliates	4,126	22,643	77	2	1,820	—	—	(6,068)	22,630
Total current assets	4,155	121,328	1,004	746	20,779	—	—	(6,068)	141,944
Assets limited as to use, noncurrent:									
Internally designated for capital improvements	26,827	169,609	—	—	11,231	—	—	—	207,757
Internally designated for insurance reserve	—	6,266	—	—	—	—	—	—	6,266
Total assets limited as to use, noncurrent	26,827	176,064	—	—	11,231	—	—	—	214,122
Property, plant and equipment, net	—	174,809	—	81	24,104	—	—	—	199,594
Operating lease right of use assets	151	14,809	—	—	—	—	—	—	14,760
Intangible assets	—	19,892	11,387	24	7,934	—	—	—	39,187
Investments in joint ventures and other investments	1,432	17,335	—	—	—	9,881	2,182	(12,735)	18,095
Contributions receivable and other assets held in trust	(1)	37,437	850	—	1	—	—	—	851
Other	—	10,484	—	—	13	—	—	(10,484)	37,449
Due from affiliates	—	—	—	—	—	—	—	—	—
Total assets	32,564	571,909	13,241	851	64,062	9,881	2,182	(29,287)	665,402
Liabilities and Net Assets									
Current liabilities:									
Current maturities of long-term debt	—	330	—	—	165	—	—	—	485
Current portion of operating lease liabilities	70	2,412	—	—	—	—	—	—	2,482
Accounts payable	409	18,504	4	101	1,469	—	—	—	20,487
Accrued payroll	4,982	8,567	21	47	1,266	—	—	—	14,873
Estimated settlements due to third-party payers	—	18,275	—	—	565	—	—	—	18,840
Due to affiliates	634	18,492	189	227	2,845	—	—	(6,068)	16,319
Other current liabilities	1,297	22,808	10	(5)	2,378	—	—	—	26,468
Total current liabilities	7,392	89,388	224	370	8,678	—	—	(6,068)	99,984
Long-term debt, net	—	94	—	—	2,265	—	—	—	2,359
Long-term operating lease liabilities	81	12,450	—	—	—	—	—	—	12,531
Other long-term liabilities	1,452	44,643	42	3	3,939	—	—	—	50,079
Due to affiliates	—	111,599	—	—	18,624	—	—	(10,484)	119,739
Total liabilities	8,925	258,174	266	373	33,506	—	—	(16,552)	284,692
Net Assets (Deficit)									
Without donor restrictions:									
Attributable to UnityPoint Health	23,639	273,843	1,430	478	29,615	9,881	2,136	(1,492)	339,530
Attributable to noncontrolling interest	—	26,333	—	—	—	—	—	—	26,333
Total without donor restrictions	23,639	302,176	1,430	478	29,615	9,881	2,136	(1,492)	367,963
With donor restrictions	—	11,558	11,545	—	941	—	46	(11,243)	12,847
Attributable to UnityPoint Health	—	—	—	—	—	—	—	—	—
Attributable to noncontrolling interest	—	11,558	11,545	—	941	—	46	(11,243)	12,847
Total with donor restrictions	—	11,558	11,545	—	941	—	46	(11,243)	12,847
Total net assets (deficit)	23,639	313,734	12,975	478	30,556	9,881	2,182	(12,735)	380,710
Total liabilities and net assets	32,564	571,909	13,241	851	64,062	9,881	2,182	(29,287)	665,402
Definitions									
TRHS – Trinity Regional Health System									
TMC – Trinity Medical Center									
THF – Trinity Health Foundation									
THE – Trinity Health Enterprises, Inc.									

TM – Trinity Muscatine
 UPC – UnityPoint Clinic, TRHS portion
 UPAH – UnityPoint at Home, TRHS portion

See accompanying independent auditors' report.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UnityPoint Health

Trinity Regional Health System and Subsidiaries (Rock Island)
Consolidating Statement of Operations Information
Year ended December 31, 2020
(In thousands)

	TRHS	TMC	THF	THE	TM	UPC	UPAH	Eliminations	Consolidated
Operating revenues:									
Net patient service revenue	—	392,006	—	—	47,280	55,425	37,398	—	532,109
Other operating revenue	(69)	47,367	13	2,330	8,779	13,730	403	(5,748)	66,805
Net assets released from restrictions used for operations	69	559	119	—	41	8	1	—	797
Total operating revenue	—	439,932	132	2,330	56,100	69,163	37,802	(5,748)	599,711
Operating expenses:									
Salaries and wages	20,060	119,075	526	444	14,789	15,460	13,651	—	184,005
Physician compensation and services	13	34,900	—	—	11,490	50,200	16	(915)	95,704
Employee benefits	4,338	28,655	114	92	4,253	4,545	3,288	(241)	45,044
Supplies	170	79,094	2	1,974	5,278	6,073	13,556	(7)	106,140
Other expenses	(24,581)	127,393	284	175	13,286	23,058	8,143	(4,557)	143,201
Depreciation and amortization	—	15,478	—	7	1,684	829	124	—	18,122
Interest	—	5,711	—	—	665	28	—	(28)	6,376
Provision for uncollectible accounts	—	331	—	—	—	—	—	—	331
Total operating expenses	—	410,637	926	2,692	51,445	100,193	38,778	(5,748)	598,923
Operating income (loss)	—	29,295	(794)	(362)	4,655	(31,030)	(976)	—	788
Nonoperating gains (losses):									
Investment income	2,038	13,730	400	1	1,140	—	—	—	17,309
Other, net	—	(9)	—	—	—	—	—	—	(9)
Total nonoperating gains, net	2,038	13,721	400	1	1,140	—	—	—	17,300
Excess (deficit) of revenues over expenses	2,038	43,016	(394)	(361)	5,795	(31,030)	(976)	—	18,088
Less: Net loss attributable to noncontrolling interest	—	(223)	—	—	—	—	—	—	(223)
Excess (deficit) of revenues over expenses attributable to UnityPoint Health	\$ 2,038	42,793	(394)	(361)	5,795	(31,030)	(976)	—	17,865

Definitions

TRHS – Trinity Regional Health System
TMC – Trinity Medical Center
THF – Trinity Health Foundation
THE – Trinity Health Enterprises, Inc.
TM – Trinity Muscatine
UPC – UnityPoint Clinic, TRHS portion
UPAH – UnityPoint at Home, TRHS portion

See accompanying independent auditors' report.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UnityPoint Health

Meriter Health System, Inc. and Subsidiaries (Madison)
Consolidating Balance Sheet Information

December 31, 2020
(In thousands)

	MHS	MH	MF	MMS	UPAH	Eliminations	Consolidated
Assets							
Current assets:							
Cash and cash equivalents	741	43,108	769	803	—	—	45,421
Short-term investments	—	11,723	—	—	—	—	11,723
Patient accounts receivable	—	43,771	—	566	—	—	44,337
Other receivables	—	12,014	427	2,052	—	—	14,493
Inventories	277	5,074	—	—	—	—	5,351
Prepaid expenses	—	3,751	—	291	—	—	4,042
Due from affiliates	(478)	261,929	524	11,593	—	(273,521)	47
Total current assets	540	381,370	1,720	15,305	—	(273,521)	125,414
Property, plant and equipment, net	—	282,052	—	1,217	—	(510)	282,759
Operating lease right of use assets	—	10,021	—	—	—	—	10,021
Other long-term investments	6,372	450,936	24,719	6,455	—	—	488,482
Investments in joint ventures and other investments	5,095	47,559	—	4,266	—	(19,900)	37,020
Contributions receivable and other assets held in trust	—	—	72	—	—	—	72
Other	—	3	—	78	—	—	81
Total assets	12,007	1,171,941	26,511	27,321	—	(293,931)	943,849

Liabilities and Net Assets

Current liabilities:							
Current maturities of long-term debt	—	300	—	—	—	—	300
Current portion of operating lease liabilities	—	1,643	—	—	—	—	1,643
Accounts payable	330	27,849	917	1,182	—	(36)	30,242
Accrued payroll	631	20,698	110	1,601	—	—	23,040
Estimated settlements due to third-party payers	—	1,988	—	—	—	—	1,988
Due to affiliates	(425)	270,597	521	10,385	—	(273,521)	7,557
Other current liabilities	—	16,255	—	138	—	7	16,400
Total current liabilities	536	339,330	1,548	13,306	—	(273,550)	81,170
Long-term debt, net	—	57	—	—	—	—	57
Long-term operating lease liabilities	—	8,379	—	—	—	—	8,379
Other long-term liabilities	1,299	20,366	(32)	2,411	—	—	24,044
Due to affiliates	—	162,180	—	—	—	—	162,180
Total liabilities	1,835	530,312	1,516	15,717	—	(273,550)	275,830
Net Assets (Deficit)							
Total without donor restrictions	10,172	636,371	13,664	11,604	—	(11,168)	660,643
Total with donor restrictions	—	5,258	11,331	—	—	(9,213)	7,376
Total net assets (deficit)	10,172	641,629	24,995	11,604	—	(20,381)	668,019
Total liabilities and net assets	12,007	1,171,941	26,511	27,321	—	(293,931)	943,849

Definitions

MHS – Meriter Health Services, Inc.
MH – Meriter Hospital, Inc.
MF – Meriter Foundation, Inc.

See accompanying independent auditors' report.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UnityPoint Health

Meriter Health System, Inc. and Subsidiaries (Madison)

Consolidating Statement of Operations Information

Year ended December 31, 2020

(In thousands)

	MHS	MH	MF	MMS	UPAH	Eliminations	Consolidated
Operating revenues:							
Patient service revenue	\$ —	443,493	—	18,283	3,884	(12,921)	452,739
Other operating revenue	3,772	44,135	1,574	9,469	63	(17,497)	41,516
Net assets released from restrictions used for operations	—	259	196	—	—	—	455
Total operating revenue	3,772	487,887	1,770	27,752	3,947	(30,418)	494,710
Operating expenses:							
Salaries and wages	2,388	167,396	610	10,528	1,484	—	182,406
Physician compensation and services	—	41,796	—	—	—	—	41,796
Employee benefits	707	50,581	130	3,147	574	—	55,139
Supplies	1	73,303	13	5,212	1,233	—	79,762
Other expenses	729	103,878	1,159	10,035	2,243	(31,344)	86,700
Depreciation and amortization	—	21,633	—	316	29	—	21,978
Interest	—	6,891	—	—	—	—	6,891
Total operating expenses	3,825	465,478	1,912	29,238	5,563	(31,344)	474,672
Operating income (loss)	(53)	22,409	(142)	(1,486)	(1,616)	926	20,038
Nonoperating gains (losses):							
Investment income	346	34,345	1,652	336	—	—	36,679
Other, net	53	10,589	7	406	—	—	11,055
Total nonoperating gains, net	399	44,934	1,659	742	—	—	47,734
Excess (deficit) of revenues over expenses attributable to UnityPoint Health	\$ 346	67,343	1,517	(744)	(1,616)	926	67,772

Definitions

- MHS – Meriter Health Services, Inc.
- MH – Meriter Hospital, Inc.
- MF – Meriter Foundation, Inc.
- MMS – Meriter Management Services
- UPAH – UnityPoint at Home, MHS portion

See accompanying independent auditors' report.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UnityPoint Health

St. Luke's Healthcare and Subsidiaries (Cedar Rapids)
Consolidating Balance Sheet Information

December 31, 2020
(In thousands)

	SLMH	CARE	JRMC	ABBE	UPC	UPAH	Eliminations	Consolidated
Assets								
Current assets:								
Cash and cash equivalents	27,001	5,489	11,407	6,354	—	—	—	50,251
Short-term investments	7,627	—	1,369	121	—	—	—	9,117
Assets limited as to use — required for current liabilities	3,188	—	—	—	—	—	—	3,188
Patient accounts receivable	45,735	1,189	4,305	3,660	—	—	—	54,889
Other receivables	5,652	—	479	—	—	—	—	6,331
Inventories	8,436	—	486	—	—	—	—	8,922
Prepaid expenses	2,128	30	51	205	—	—	—	2,414
Due from affiliates	34,456	4,255	1,358	12	—	—	(13,461)	26,620
Total current assets	134,423	10,963	19,455	10,352	—	—	(13,461)	161,732
Assets limited as to use, noncurrent:								
Internally designated for capital improvements	167,851	—	—	—	—	—	—	167,851
Internally designated for insurance reserve	2,098	—	—	—	—	—	—	2,098
Total assets limited as to use, noncurrent	169,949	—	—	—	—	—	—	169,949
Property, plant and equipment, net	145,549	14,502	18,860	6,241	—	—	—	185,152
Operating lease right of use assets	15,344	—	329	328	—	—	—	16,001
Other long-term investments	72,600	—	18,360	12,591	—	—	—	103,551
Investments in joint ventures and other investments	13,947	—	—	—	13,003	3,134	(7,486)	22,598
Contributions receivable and other assets held in trust	44,771	—	1,728	677	—	—	—	47,176
Other	692	1	(3)	97	1	—	(781)	788
Due from affiliates	781	—	—	—	—	—	—	—
Total assets	598,047	25,466	58,729	30,286	13,004	3,134	(21,728)	708,938
Liabilities and Net Assets								
Current liabilities:								
Current maturities of long-term debt	—	—	—	20	—	—	—	20
Current portion of operating lease liabilities	3,025	—	171	250	—	—	—	3,446
Accounts payable	12,908	317	1,408	1,033	—	—	—	15,666
Accrued payroll	14,544	326	1,644	1,723	—	—	—	18,237
Estimated settlements due to third-party payers	2,438	—	1,021	167	—	—	—	3,626
Due to affiliates	22,445	—	2,550	300	—	—	(13,248)	12,047
Other current liabilities	20,401	—	2,458	1,576	—	1	(213)	24,223
Total current liabilities	75,761	643	9,252	5,069	—	1	(13,461)	77,265
Long-term debt, net	1	—	—	435	—	—	—	436
Long-term operating lease liabilities	12,350	—	159	78	—	—	—	12,587
Other long-term liabilities	33,717	—	2,419	119	—	—	—	36,255
Due to affiliates	64,111	—	—	—	—	—	(781)	63,330
Total liabilities	185,940	643	11,830	5,701	—	1	(14,242)	189,873
Net Assets (Deficit)								
Without donor restrictions:								
Attributable to UnityPoint Health	363,361	24,823	45,176	24,244	12,979	1,731	(7,486)	464,828
Attributable to noncontrolling interest	(246)	—	—	—	—	—	—	(246)
Total without donor restrictions	363,115	24,823	45,176	24,244	12,979	1,731	(7,486)	464,582
With donor restrictions:								
Attributable to UnityPoint Health	48,263	—	1,723	341	25	1,402	—	51,754
Attributable to noncontrolling interest	729	—	—	—	—	—	—	729
Total with donor restrictions	48,992	—	1,723	341	25	1,402	—	52,483
Total net assets (deficit)	412,107	24,823	46,899	24,585	13,004	3,133	(7,486)	517,065
Total liabilities and net assets	598,047	25,466	58,729	30,286	13,004	3,134	(21,728)	708,938
Definitions								
SLMH — St. Luke's Methodist Hospital								
CARE — STL Care Company								
JRMC — Jones Regional Medical Center								
ABBE — Abbe, Inc.								
UPC — UnityPoint Clinic, SLHC portion								
UPAH — UnityPoint at Home, SLHC portion								

See accompanying independent auditors' report.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UnityPoint Health

St. Luke's Healthcare and Subsidiaries (Cedar Rapids)
Consolidating Statement of Operations Information
Year ended December 31, 2020
(In thousands)

	SLMH	CARE	JRMC	ABBE	UPC	UPAH	Eliminations	Consolidated
Operating revenues:								
Patient service revenue	\$ 331,957	10,092	35,470	24,188	50,797	21,502	—	474,006
Other operating revenue	60,219	1,547	9,196	7,372	15,985	343	(13,666)	80,996
Net assets released from restrictions used for operations	735	—	43	—	6	177	—	961
Total operating revenue	392,911	11,639	44,709	31,560	66,788	22,022	(13,666)	555,963
Operating expenses:								
Salaries and wages	130,207	5,235	12,376	16,747	14,649	5,681	(175)	184,720
Physician compensation and services	32,253	—	8,694	—	40,152	63	(1,103)	80,059
Employee benefits	31,751	885	3,537	5,974	4,043	1,359	—	47,549
Supplies	62,011	1,032	4,883	837	5,548	8,540	—	82,851
Other expenses	94,787	3,018	9,118	6,047	18,428	5,318	(12,374)	124,342
Depreciation and amortization	13,762	641	1,233	686	574	100	—	16,996
Interest	2,972	—	—	20	—	—	(14)	2,978
Provision for uncollectible accounts	18	—	—	107	—	—	—	125
Total operating expenses	367,761	10,811	39,841	30,418	83,394	21,061	(13,666)	539,620
Operating income (loss)	25,150	828	4,868	1,142	(16,606)	961	—	16,343
Nonoperating gains:								
Investment income	16,082	5	1,139	1,098	—	—	—	18,324
Other, net	1,237	—	—	—	—	—	—	1,237
Total nonoperating gains, net	17,319	5	1,139	1,098	—	—	—	19,561
Revenue over (under) expenses before gain (loss) on bond refinancing transactions	42,469	833	6,007	2,240	(16,606)	961	—	35,904
Loss on bond refinancing transactions	—	—	(19)	—	—	—	—	(19)
Excess (deficit) of revenues over expenses	42,469	833	5,988	2,240	(16,606)	961	—	35,885
Less: Net income attributable to noncontrolling interest	38	—	—	—	—	—	—	38
Excess (deficit) of revenues over expenses attributable to UnityPoint Health	\$ 42,507	833	5,988	2,240	(16,606)	961	—	35,923

Definitions

SLMH – St. Luke's Methodist Hospital
CARE – STL Care Company
JRMC – Jones Regional Medical Center
ABBE – Abbe, Inc.
UPC – UnityPoint Clinic, SLHC portion
UPAH – UnityPoint at Home, SLHC portion

See accompanying independent auditors' report.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
dba UnityPoint Health
 Allen Health Systems, Inc. and Subsidiaries (Waterloo)
 Consolidating Balance Sheet Information

December 31, 2020
 (In thousands)

	AHS	AMH	MFAH	AC	Marshalltown	BHGMHC	UMPA	UFC	UPAH	Eliminations	Consolidated
Assets											
Current assets:											
Cash and cash equivalents	—	48,707	2,017	523	(303)	455	—	—	—	—	51,399
Short-term investments	—	13,964	407	—	—	126	—	—	—	—	14,497
Assets limited as to use – required for current liabilities	—	3,981	—	—	—	—	—	—	—	—	3,981
Patient accounts receivable	—	34,213	—	—	8,432	282	927	—	—	—	43,854
Other receivables	—	2,555	—	(130)	257	188	63	—	—	—	2,933
Inventories	—	7,190	—	—	1,622	—	—	—	—	—	8,812
Prepaid expenses	—	855	—	77	138	12	30	—	—	—	1,112
Due from affiliates	8,000	7,542	25	5	347	386	7	—	—	(273)	16,039
Total current assets	8,000	119,007	2,449	475	10,493	1,449	1,027	—	—	(273)	142,627
Assets limited as to use, noncurrent:											
Internally designated for insurance reserve	—	(97)	—	—	—	—	—	—	—	—	(97)
Total assets limited as to use, noncurrent	—	(97)	—	—	—	—	—	—	—	—	(97)
Property, plant and equipment, net	—	117,860	—	—	35,882	2,135	4,987	—	—	(4,181)	156,093
Operating lease right of use assets	—	10,382	—	—	682	27	—	—	—	—	11,101
Other long-term investments	—	188,331	15,436	—	1,186	—	—	—	—	—	204,953
Investments in joint ventures and other investments	39,571	8,895	618	14,716	1,378	—	—	(813)	7,727	(63,172)	8,920
Contributions receivable and other assets held in trust	—	—	4,249	—	922	—	—	—	—	—	5,171
Other	—	304	—	704	149	(2)	—	—	—	(1)	1,154
Total assets	47,571	444,082	22,752	15,895	49,526	4,795	6,014	(813)	7,727	(67,627)	529,922
Liabilities and Net Assets											
Current liabilities:											
Current maturities of long-term debt	—	—	—	—	357	314	2,400	—	—	—	3,071
Current portion of operating lease liabilities	—	1,007	—	—	155	27	—	—	—	—	1,189
Accounts payable	—	9,538	7	50	3,061	44	975	—	—	—	13,675
Accrued payroll	—	9,052	61	416	2,008	319	138	—	—	—	11,994
Accrued interest	—	—	—	—	3	—	—	—	—	—	3
Estimated settlements due to third-party payers	—	2,312	—	—	1,059	—	—	—	—	—	3,371
Due to affiliates	1,089	29,157	15	305	9,053	440	—	—	—	(273)	39,786
Other current liabilities	—	15,274	5	75	3,575	—	1	—	—	—	18,630
Total current liabilities	1,089	66,340	88	846	19,271	1,144	3,514	—	—	(273)	92,019
Long-term debt, net	—	—	—	—	780	—	—	—	—	—	780
Long-term operating lease liabilities	—	9,386	—	—	641	—	—	—	—	—	10,037
Other long-term liabilities	—	37,536	18	730	6,240	490	—	—	—	—	45,014
Due to affiliates	28,698	51,792	—	—	—	—	—	—	—	—	80,490
Total liabilities	29,787	165,064	106	1,576	26,932	1,634	3,514	—	—	(273)	228,340
Net Assets (Deficit)											
Without donor restrictions:											
Attributable to UnityPoint Health	17,784	272,896	1,796	(358)	21,672	2,872	1,703	(813)	7,510	(46,942)	278,120
Attributable to noncontrolling interest	—	—	—	—	—	—	797	—	—	170	967
Total without donor restrictions	17,784	272,896	1,796	(358)	21,672	2,872	2,500	(813)	7,510	(46,772)	279,087
With donor restrictions	—	—	—	—	—	—	—	—	—	—	—
Attributable to UnityPoint Health	—	6,122	20,850	14,677	922	289	—	—	217	(20,582)	22,495
Attributable to noncontrolling interest	—	—	—	—	—	—	—	—	—	—	—
Total with donor restrictions	—	6,122	20,850	14,677	922	289	—	—	217	(20,582)	22,495
Total net assets (deficit)	17,784	279,018	22,646	14,319	22,594	3,161	2,500	(813)	7,727	(67,354)	301,582
Total liabilities and net assets	47,571	444,082	22,752	15,895	49,526	4,795	6,014	(813)	7,727	(67,627)	529,922

BHGMHC – Black Hawk-Gundy Mental Health Center
 UMPA – United Medical Park ASC
 UFC – UnityPoint Clinic, AHS portion
 UPAH – UnityPoint at Home, AHS portion

Definitions
 AHS – Allen Health System
 AMH – Allen Memorial Hospital Corporation
 MFAH – Memorial Foundation of Allen Hospital
 AC – Allen College
 Marshalltown – Marshalltown Hospital

See accompanying independent auditors' report.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UnityPoint Health

Allen Health Systems, Inc. and Subsidiaries (Waterloo)

Consolidating Statement of Operations Information

Year ended December 31, 2020

(In thousands)

	AHS	AMH	MFAH	AC	Marshalltown	BHGMHC	UMPA	UPC	UPAH	Eliminations	Consolidated
Operating revenues:											
Net patient service revenue	—	246,751	—	—	56,707	4,560	1,116	51,953	27,769	(397)	388,459
Other operating revenue	1,089	29,813	—	12,560	10,484	1,219	796	10,973	750	(10,993)	56,691
Net assets released from restrictions used for operations	—	395	(41)	591	18	184	—	6	36	—	1,189
Total operating revenue	1,089	276,959	(41)	13,151	67,209	5,963	1,912	62,932	28,555	(11,390)	446,339
Operating expenses:											
Salaries and wages	—	78,646	483	6,829	19,554	2,470	990	13,381	7,858	—	130,211
Physician compensation and services	—	24,776	—	40	12,385	1,994	—	38,404	29	(975)	76,653
Employee benefits	—	19,403	101	1,551	5,320	714	78	3,789	1,827	(7)	32,776
Supplies	—	63,270	2	89	6,608	33	1,194	4,658	10,103	(6)	85,951
Other expenses	—	60,040	165	2,961	12,533	440	1,574	19,264	5,937	(9,313)	93,601
Depreciation and amortization	—	12,135	—	—	3,860	62	509	747	108	(440)	16,981
Interest	1,089	2,717	—	—	1,109	15	17	—	—	(1,089)	3,858
Provision for uncollectible accounts	—	(2)	—	3	—	—	—	—	—	—	1
Total operating expenses	1,089	260,985	751	11,473	61,369	5,728	4,362	80,243	25,862	(11,830)	440,032
Operating income (loss)	—	15,974	(792)	1,678	5,840	235	(2,450)	(17,311)	2,693	440	6,307
Nonoperating gains (losses):											
Investment income	—	11,387	239	—	—	46	—	—	—	—	11,672
Other, net	—	446	(3)	—	—	—	—	—	—	—	443
Total nonoperating gains, net	—	11,833	236	—	—	46	—	—	—	—	12,115
Less: Net income (loss) attributable to noncontrolling interest	—	27,807	(556)	1,678	5,840	281	(2,450)	(17,311)	2,693	440	18,422
Excess (deficit) of revenues over expenses attributable to UnityPoint Health	—	—	—	—	—	—	835	—	—	(170)	765
	\$	—	27,807	(556)	1,678	281	(1,515)	(17,311)	2,693	270	19,187

Definitions

- AHS – Allen Health System
- AMH – Allen Memorial Hospital Corporation
- MFAH – Memorial Foundation of Allen Hospital
- AC – Allen College
- Marshalltown – Marshalltown Hospital
- BHGMHC – Black Hawk-Grundy Mental Health Center
- UMPA – United Medical Park ASC
- UPC – UnityPoint Clinic, AHS portion
- UPAH – UnityPoint at Home, AHS portion

See accompanying independent auditors' report.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UnityPoint Health

St. Luke's Health System, Inc. (Sioux City)
Consolidating Balance Sheet Information

December 31, 2020
(In thousands)

	SLHS	SLRMC	SLHR	PACE	UPC	UPAH	Eliminations	Consolidated
Assets								
Current assets:								
Cash and cash equivalents	1,228	28,057	1,224	3,772	—	—	—	34,281
Short-term investments	340	6,668	224	713	—	—	—	7,945
Assets limited as to use – required for current liabilities	—	2,018	—	—	—	—	—	2,018
Patient accounts receivable	—	24,187	336	336	—	—	(25)	24,834
Other receivables	6	1,028	—	75	—	—	—	1,109
Inventories	—	4,714	14	—	—	—	—	4,728
Prepaid expenses	—	701	—	67	—	—	—	768
Due from affiliates	3,987	55,150	56	9	—	—	(55,775)	3,427
Total current assets	5,561	122,523	1,854	4,972	—	—	(55,800)	79,110
Assets limited as to use, noncurrent:								
Internally designated for capital improvements	—	54,268	—	—	—	—	—	54,268
Internally designated for insurance reserve	—	1,749	—	—	—	—	—	1,749
Total assets limited as to use, noncurrent	—	56,017	—	—	—	—	—	56,017
Property, plant and equipment, net	7,804	61,053	1,011	3,263	—	—	—	73,131
Other long-term investments	877	18,856	577	1,839	—	—	—	22,149
Investments in joint ventures and other investments	12,662	181	—	—	596	12,100	—	25,539
Contributions receivable and other assets held in trust	—	5,897	—	—	—	—	—	5,897
Other	1	516	—	(1)	—	—	—	516
Total assets	26,905	265,043	3,442	10,073	596	12,100	(55,800)	262,359
	\$							
Liabilities and Net Assets								
Current liabilities:								
Current maturities of long-term debt	—	248	—	—	—	—	—	248
Accounts payable	36	7,524	40	2,662	—	—	(25)	10,237
Accrued payroll	—	6,471	194	234	—	—	—	6,899
Estimated settlements due to third-party payers	—	2,245	—	383	—	—	—	2,628
Due to affiliates	1,192	28,746	52,104	1,028	—	—	(55,775)	27,295
Other current liabilities	392	11,066	147	—	—	—	—	11,605
Total current liabilities	1,620	56,300	52,485	4,307	—	—	(55,800)	58,912
Long-term debt, net	—	—	—	—	—	—	—	37
Other long-term liabilities	4,500	22,395	165	—	—	—	—	22,960
Due to affiliates	—	18,882	—	—	—	—	—	23,382
Total liabilities	6,120	97,614	52,650	4,307	—	—	(55,800)	104,891
	\$							
Net Assets (Deficit)								
Without donor restrictions:								
Attributable to UnityPoint Health	19,867	156,937	(49,208)	5,766	596	12,100	—	146,058
Attributable to noncontrolling interest	—	3,945	—	—	—	—	—	3,945
Total without donor restrictions	19,867	160,882	(49,208)	5,766	596	12,100	—	150,003
With donor restrictions	918	6,547	—	—	—	—	—	7,465
Attributable to UnityPoint Health	—	—	—	—	—	—	—	—
Attributable to noncontrolling interest	918	6,547	—	—	—	—	—	7,465
Total with donor restrictions	918	6,547	—	—	—	—	—	7,465
Total net assets (deficit)	20,785	167,429	(49,208)	5,766	596	12,100	—	157,468
Total liabilities and net assets	\$ 26,905	\$ 265,043	\$ 3,442	\$ 10,073	\$ 596	\$ 12,100	\$ (55,800)	\$ 262,359

PACE – Squibland PACE
UPC – UnityPoint Clinic, SLHS portion
UPAH – UnityPoint at Home, SLHS portion

Definitions

SLHS – St. Luke's Health System
SLRMC – St. Luke's Regional Medical Center
SLHR – St. Luke's Health Resources

See accompanying independent auditors' report.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UnityPoint Health

St. Luke's Health System, Inc. (Sioux City)
Consolidating Statement of Operations Information
Year ended December 31, 2020
(In thousands)

	SLHS	SLRMC	SLHR	PACE	UPC	UPAH	Eliminations	Consolidated
Operating revenues:								
Patient service revenue	—	171,982	2,886	—	13,589	13,157	—	201,614
Other operating revenue	3,952	20,120	767	20,914	2,016	61	(2,399)	45,431
Total operating revenue	3,952	192,102	3,653	20,914	15,605	13,218	(2,399)	247,045
Operating expenses:								
Salaries and wages	—	65,581	1,382	3,528	2,888	3,000	—	76,379
Physician compensation and services	—	20,796	1,618	753	9,738	—	(802)	32,103
Employee benefits	—	15,760	344	954	820	775	—	18,653
Supplies	—	32,241	182	213	1,241	5,533	(3)	39,407
Other expenses	991	39,857	423	14,245	3,864	2,702	(1,594)	60,488
Depreciation and amortization	346	5,000	37	201	118	82	—	5,784
Interest	255	1,220	—	—	—	—	—	1,475
Provision for uncollectible accounts	—	42	—	—	—	—	—	42
Total operating expenses	1,592	180,497	3,986	19,894	18,669	12,092	(2,399)	234,331
Operating income (loss)	2,360	11,605	(333)	1,020	(3,064)	1,126	—	12,714
Nonoperating gains:								
Investment income	6	4,804	5	4	—	—	—	4,819
Total nonoperating gains, net	6	4,804	5	4	—	—	—	4,819
Excess (deficit) of revenues over expenses	2,366	16,409	(328)	1,024	(3,064)	1,126	—	17,533
Less: Net income (loss) attributable to noncontrolling interest	—	(3,200)	—	—	—	—	—	(3,200)
Excess (deficit) of revenues over expenses attributable to UnityPoint Health	\$ 2,366	\$ 13,209	\$ (328)	\$ 1,024	\$ (3,064)	\$ 1,126	\$ —	\$ 14,333

Definitions

- SLHS – St. Luke's Health System
- SLRMC – St. Luke's Regional Medical Center
- SLHR – St. Luke's Health Resources
- PACE – Souixland PACE
- UPC – UnityPoint Clinic, SLHS portion
- UPAH – UnityPoint at Home, SLHS portion

See accompanying independent auditors' report.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
 db/a UnityPoint Health

Trinity Health Systems, Inc. and Subsidiaries (Fort Dodge)
 Consolidating Balance Sheet Information

December 31, 2020
 (In thousands)

	THS	TRMC	THF	TPG	BMHC	UPC	UPAH	Eliminations	Consolidated
Assets									
Current assets:									
Cash and cash equivalents	782	20,845	338	89	2,278	—	—	—	24,332
Short-term investments	502	5,617	40	—	558	—	—	—	6,717
Assets limited as to use – required for current liabilities	—	929	—	—	—	—	—	—	929
Patient accounts receivable	—	13,829	—	—	579	—	—	—	14,408
Other receivables	132	1,661	—	—	449	—	—	—	2,242
Inventories	—	3,779	—	—	—	—	—	—	3,779
Prepaid expenses	5	239	—	—	4	—	—	—	248
Due from affiliates	—	13,731	3	420	323	—	—	(9,414)	5,063
Total current assets	1,421	60,630	381	509	4,191	—	—	(9,414)	57,718
Assets limited as to use, noncurrent:									
Internally designated for capital improvements	—	54,349	—	—	—	—	—	—	54,349
Internally designated for insurance reserve	—	395	—	—	—	—	—	—	395
Total assets limited as to use, noncurrent	—	54,744	—	—	—	—	—	—	54,744
Property, plant and equipment, net	36	64,523	—	—	396	—	—	—	64,955
Operating lease right of use assets	—	1,166	—	—	8	—	—	—	1,174
Other long-term investments	856	14,880	23,147	14,274	1,440	—	—	—	54,597
Investments in joint ventures and other investments	30,731	26,074	—	—	20	4,482	5,592	(56,819)	10,080
Contributions receivable and other assets held in trust	—	—	3,500	—	—	—	—	—	3,500
Other	—	117	(1)	—	123	—	—	—	239
Total assets	33,044	222,134	27,027	14,783	6,178	4,482	5,592	(66,233)	247,007

Liabilities and Net Assets

Current liabilities:									
Current portion of operating lease liabilities	—	222	—	—	8	—	—	—	230
Accounts payable	—	4,167	—	5	143	—	—	—	4,315
Accrued payroll	685	5,221	30	—	332	—	—	—	6,268
Estimated settlements due to third-party payers	—	2,311	—	—	47	—	—	—	2,358
Due to affiliates	2,300	4,166	82	6,874	553	—	—	(9,414)	4,561
Other current liabilities	—	10,185	—	2	1	—	(1)	—	10,187
Total current liabilities	2,985	26,272	112	6,881	1,084	—	(1)	(9,414)	27,919
Long-term operating lease liabilities	—	944	—	—	—	—	—	—	944
Other long-term liabilities	298	11,079	—	14,292	34	—	—	—	25,703
Due to affiliates	—	8,000	—	—	—	—	—	—	8,000
Total liabilities	3,283	46,295	112	21,173	1,118	—	(1)	(9,414)	62,566
Net Assets (Deficit)									
Total without donor restrictions	29,761	167,218	19,390	(6,390)	5,040	4,482	4,985	(50,039)	174,447
With donor restrictions:									
Total with donor restrictions	—	8,621	7,525	—	20	—	608	(6,780)	9,994
Total net assets (deficit)	29,761	175,839	26,915	(6,390)	5,060	4,482	5,593	(56,819)	184,441
Total liabilities and net assets	33,044	222,134	27,027	14,783	6,178	4,482	5,592	(66,233)	247,007

Definitions

THS – Trinity Health Systems
 TRMC – Trinity Regional Medical Center
 THF – Trinity Health Foundation
 TPG – Trmark Physicians Group

BMHC – Berryhill Mental Health Clinic
 UPC – UnityPoint Clinic, THS portion
 UPAH – UnityPoint at Home, THS portion

See accompanying independent auditors' report.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
dl/b/a UnityPoint Health

Trinity Health Systems, Inc. and Subsidiaries (Fort Dodge)
 Consolidating Statement of Operations Information
 Year ended December 31, 2020
 (In thousands)

	THS	TRMC	THF	TPG	BMHC	UPC	UPAH	Eliminations	Consolidated
Operating revenues:									
Patient service revenue	\$ —	119,213	—	105	4,071	6,718	19,073	—	149,180
Other operating revenue	2,223	26,024	210	29	2,360	4,059	197	(2,051)	33,051
Net assets released from restrictions used for operations	—	96	(133)	—	2	1	42	—	8
Total operating revenue	2,223	145,333	77	134	6,433	10,778	19,312	(2,051)	182,239
Operating expenses:									
Salaries and wages	2,882	39,460	220	—	1,845	1,738	5,833	—	51,978
Physician compensation and services	—	28,457	—	—	2,428	4,833	24	(171)	35,571
Employee benefits	495	9,727	55	—	528	470	1,495	—	12,770
Supplies	—	17,823	1	—	36	460	5,762	(21)	24,061
Other expenses	(2)	29,134	162	36	379	3,987	5,014	(1,859)	36,851
Depreciation and amortization	11	4,796	—	—	73	92	144	—	5,116
Interest	—	518	—	—	—	—	—	—	518
Provision for uncollectible accounts	—	(6)	—	—	—	—	—	—	(6)
Total operating expenses	3,386	129,909	438	36	5,289	11,580	18,272	(2,051)	166,859
Operating income (loss)	(1,163)	15,424	(361)	98	1,144	(802)	1,040	—	15,380
Nonoperating gains (losses):									
Investment income (expense)	(1)	4,255	2,127	—	9	—	—	—	6,390
Total nonoperating gains (losses), net	(1)	4,255	2,127	—	9	—	—	—	6,390
Excess (deficit) of revenues over expenses attributable to UnityPoint Health	\$ (1,164)	19,679	1,766	98	1,153	(802)	1,040	—	21,770

Definitions

- THS – Trinity Health Systems
- TRMC – Trinity Regional Medical Center
- THF – Trinity Health Foundation
- TPG – Trimark Physicians Group
- BMHC – Berryhill Mental Health Clinic
- UPC – UnityPoint Clinic, THS portion
- UPAH – UnityPoint at Home, THS portion

See accompanying independent auditors' report.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
dba UnityPoint Health

Finley Tri-States Health Group, Inc. and Subsidiaries (Dubuque)
 Consolidating Balance Sheet Information

December 31, 2020
 (In thousands)

Assets	TRI-ST	Finley	VNA	UPAH	Eliminations	Consolidated
Current assets:						
Cash and cash equivalents	—	10,188	450	—	—	10,638
Short-term investments	—	2,698	—	—	—	2,698
Patient accounts receivable	—	17,117	27	—	—	17,144
Other receivables	—	796	334	—	—	1,130
Inventories	—	2,338	—	—	—	2,338
Prepaid expenses	—	521	5	—	—	526
Due from affiliates	—	3,815	171	—	(563)	3,423
Total current assets	—	37,473	987	—	(563)	37,897
Assets limited as to use, noncurrent:						
Internally designated for capital improvements	—	103,600	—	—	—	103,600
Total assets limited as to use, noncurrent	—	103,600	—	—	—	103,600
Property, plant and equipment, net	—	79,976	320	—	—	80,296
Operating lease right of use assets	—	5,639	583	—	—	6,222
Other long-term investments	—	8,104	—	—	—	8,104
Investments in joint ventures and other investments	14	2,481	—	46	—	2,541
Contributions receivable and other assets held in trust	—	10,432	2,167	—	—	12,599
Other	—	264	(1)	—	—	263
Total assets	14	247,969	4,056	46	(563)	251,522
Liabilities and Net Assets						
Current liabilities:						
Current portion of operating lease liabilities	—	714	32	—	—	746
Accounts payable	—	3,524	6	—	—	3,530
Accrued payroll	—	5,417	226	—	—	5,643
Estimated settlements due to third-party payers	—	521	30	—	—	551
Due to affiliates	—	2,256	646	—	(563)	2,339
Other current liabilities	—	6,081	12	—	—	6,093
Total current liabilities	—	18,513	952	—	(563)	18,902
Long-term operating lease liabilities	—	4,955	550	—	—	5,505
Other long-term liabilities	—	9,760	—	—	—	9,760
Due to affiliates	—	15,292	—	—	—	15,292
Total liabilities	—	48,520	1,502	—	(563)	49,459
Net Assets (Deficit)						
Without donor restrictions:						
Total without donor restrictions	14	189,012	376	46	—	189,448
Total with donor restrictions	—	10,437	2,178	—	—	12,615
Total net assets (deficit)	14	199,449	2,554	46	—	202,063
Total liabilities and net assets	14	247,969	4,056	46	(563)	251,522

VNA – Visiting Nurse Association
 UPAH – UnityPoint at Home, TRI-ST portion

TRI-ST – Finley Tri-States Health Group, Inc.
 Finley – The Finley Hospital

See accompanying independent auditors' report.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UnityPoint Health

Finley Tri-States Health Group, Inc. and Subsidiaries (Dubuque)

Consolidating Statement of Operations Information

Year ended December 31, 2020

(In thousands)

	TRI-ST	Finley	VNA	UPAH	Eliminations	Consolidated
Operating revenues:						
Patient service revenue	\$ —	108,158	52	381	—	108,591
Other operating revenue	—	9,451	2,818	—	—	12,269
Net assets released from restrictions used for operations	—	293	225	—	—	518
Total operating revenue	—	117,902	3,095	381	—	121,378
Operating expenses:						
Salaries and wages	—	43,375	2,074	24	—	45,473
Physician compensation and services	—	10,854	—	—	—	10,854
Employee benefits	—	10,187	559	6	—	10,752
Supplies	—	16,436	56	260	—	16,752
Other expenses	—	33,382	360	62	—	33,804
Depreciation and amortization	—	5,496	23	1	—	5,520
Interest	—	777	—	—	—	777
Provision for uncollectible accounts	—	(44)	—	—	—	(44)
Total operating expenses	—	120,463	3,072	353	—	123,888
Operating income (loss)	—	(2,561)	23	28	—	(2,510)
Nonoperating gains (losses):						
Investment income	—	9,609	—	—	—	9,609
Other, net	—	(1)	—	—	—	(1)
Total nonoperating gains, net	—	9,608	—	—	—	9,608
Excess of revenues over expenses attributable to UnityPoint Health	\$ —	7,047	23	28	—	7,098

Definitions

TRI-ST – Finley Tri-States Health Group, Inc.
 Finley – The Finley Hospital
 VNA – Visiting Nurse Association
 UPAH – UnityPoint at Home, TRI-ST portion

See accompanying independent auditors' report.

Schedule 11

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UnityPoint Health

Keokuk Area Hospital, Inc. and Subsidiaries (Keokuk)

Consolidating Balance Sheet Information

December 31, 2020

(In Thousands)

Assets	KAH	TSMG	KAME	KAHF	Eliminations	Consolidated
Current assets:						
Cash and cash equivalents	2,419	432	234	149	—	3,234
Patient accounts receivable	1,143	—	156	—	—	1,299
Inventories	494	—	97	—	—	591
Prepaid expenses	31	—	4	—	—	35
Due from affiliates	4,529	—	131	—	(4,410)	250
Total current assets	8,616	432	622	149	(4,410)	5,409
Assets Limited As to Use, Noncurrent:						
Internally designated for capital improvements	166	—	—	—	—	166
Total assets limited as to use, noncurrent	166	—	—	—	—	166
Property, plant and equipment, net	2,241	392	686	—	—	3,319
Other	2	—	—	—	—	2
Total assets	11,025	824	1,308	149	(4,410)	8,896
Liabilities and Net Assets						
Current liabilities:						
Current maturities of long-term debt	43	—	—	—	—	43
Accounts payable	4,638	—	30	—	—	4,668
Accrued payroll	780	—	16	—	—	796
Estimated settlements due to third-party payers	119	—	—	—	—	119
Due to affiliates	10,294	3,837	572	—	(4,410)	10,293
Other current liabilities	879	—	116	—	—	995
Total current liabilities	16,753	3,837	734	—	(4,410)	16,914
Long-term debt, net	57	—	—	—	—	57
Other long-term liabilities	1,384	—	—	—	—	1,384
Due to affiliates	17,096	—	—	—	—	17,096
Total liabilities	35,290	3,837	734	—	(4,410)	35,451
Net Assets (Deficit)						
Without donor restrictions:						
Total without donor restrictions	(24,278)	(3,013)	574	128	—	(26,589)
Total with donor restrictions	13	—	—	21	—	34
Total net assets (deficit)	(24,265)	(3,013)	574	149	—	(26,555)
Total liabilities and net assets	11,025	824	1,308	149	(4,410)	8,896
Definitions						
KAH – Keokuk Area Hospital						
TSMG – Tri-State Medical Group, Inc.						
KAME – Keokuk Area Medical Equipment and Supply Inc.						
KAHF – Keokuk Area Hospital Foundation						

accompanying independent auditors' report.

Schedule 11

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UnityPoint Health

Keokuk Area Hospital, Inc. and Subsidiaries (Keokuk)

Consolidating Statement of Operations Information

Year ended December 31, 2020

(In Thousands)

	KAH	TSMG	KAME	KAHF	Eliminations	Consolidated
Operating revenues:						
Patient service revenue	\$ 9,392	1	1,029	—	—	10,422
Other operating revenue	1,979	112	176	5	—	2,272
Net assets released from restrictions used for operations	7	—	—	—	—	7
Total operating revenue	11,378	113	1,205	5	—	12,701
Operating expenses:						
Salaries and wages	6,870	—	225	—	—	7,095
Physician compensation and services	2,512	—	—	—	—	2,512
Employee benefits	1,493	—	80	—	—	1,573
Supplies	2,212	—	430	—	—	2,642
Other expenses	3,134	1	237	—	—	3,372
Depreciation and amortization	687	23	71	—	—	781
Interest	938	—	2	—	—	940
Provision for uncollectible accounts	—	—	(20)	—	—	(20)
Total operating expenses	17,846	24	1,025	—	—	18,895
Operating income (loss)	(6,468)	89	180	5	—	(6,194)
Nonoperating gains:						
Investment income	8	—	—	—	—	8
Total nonoperating gains, net	8	—	—	—	—	8
Excess (deficit) of revenues over expenses attributable to UnityPoint Health	(6,460)	89	180	5	—	(6,186)

Definitions

KAH – Keokuk Area Hospital
TSMG – Tri-State Medical Group, Inc.
KAME – Keokuk Area Medical Equipment and Supply Inc.
KAHF – Keokuk Area Hospital Foundation

See accompanying independent auditors' report.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UnityPoint Health

Affiliated Colleges

Consolidating Balance Sheet Information

December 31, 2020

(in thousands)

Assets	MC	TCN	AC	SLC	Consolidated
Current assets:					
Cash and cash equivalents	\$ 2,501	3,809	523	339	7,172
Short-term investments	—	856	—	—	856
Student loan and other receivables	769	(4)	(130)	97	732
Inventories	62	—	—	—	62
Prepaid expenses	7	—	77	38	122
Due from affiliates	—	54	5	—	59
Total current assets	3,339	4,715	475	474	9,003
Property, plant and equipment, net	1,072	91	—	416	1,579
Other long-term investments	8,303	2,210	—	—	10,513
Interest in net assets of foundation	5,004	4,289	14,716	2,366	26,375
Other	—	—	704	512	1,216
Due from affiliates	—	—	—	—	—
Total assets	\$ 17,718	11,305	15,895	3,768	48,686
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	\$ 19	74	50	5	148
Accrued payroll	116	27	416	44	603
Due to affiliates	—	121	305	—	426
Other current liabilities	—	608	75	38	721
Total current liabilities	135	830	846	87	1,898
Other long-term liabilities	—	—	730	10	740
Total liabilities	135	830	1,576	97	2,638
Net Assets (Deficit)					
Total without donor restrictions	12,581	6,157	(358)	105	18,485
Total with donor restrictions	5,002	4,318	14,677	3,566	27,563
Total net assets (deficit)	17,583	10,475	14,319	3,671	46,048
Total liabilities and net assets	\$ 17,718	11,305	15,895	3,768	48,686
Definitions					
MC – Methodist College (Peoria)					
TCN – Trinity College of Nursing & Health Sciences (Quad Cities)					
AC – Allen College (Waterloo)					
SLC – St. Luke's College (Sioux City)					

Note 1: Fixed assets utilized by AC belong to their parent hospital corporation, Allen Memorial Hospital Corporation (AMH), and thus are not reflected in the balance sheet of the College. AC receives the benefit of using certain space within AMH's facilities, but donated revenue and donated expense is not reflected within the income statement of AC.

Note 2: Certain assets and liabilities, such as accrued liabilities, are also not shown separately on the AC balance sheet, but rather included in AMH.

See accompanying independent auditors' report.

IOWA HEALTH SYSTEM AND SUBSIDIARIES
d/b/a UnityPoint Health

Affiliated Colleges

Consolidating Statement of Operations Information

Year ended December 31, 2020

(In thousands)

	MC	TCN	AC	SLC	Consolidated
Operating revenue:					
Tuition and student revenue	\$ 12,707	4,629	12,104	3,131	32,571
Governmental pass-thru	—	—	—	—	—
Grant revenue	1,031	—	365	12	1,408
Other revenue	52	123	91	196	462
Net assets released from restrictions used for operations	5	174	591	—	770
Total operating revenue	13,795	4,926	13,151	3,339	35,211
Operating expenses:					
Salaries and wages	6,699	1,877	6,829	2,446	17,851
Physician compensation and services	—	—	40	—	40
Employee benefits	1,586	405	1,551	614	4,156
Supplies	126	64	89	136	415
Other expenses	4,201	1,043	2,961	1,171	9,376
Depreciation and amortization	281	20	—	29	330
Provision for uncollectible accounts	60	9	3	42	114
Total operating expenses	12,953	3,418	11,473	4,438	32,282
Operating income (loss)	842	1,508	1,678	(1,099)	2,929
Nonoperating gains:					
Investment income	—	15	—	—	15
Total nonoperating gains, net	—	15	—	—	15
Excess (deficit) of revenues over expenses attributable to UnityPoint Health	\$ 842	1,523	1,678	(1,099)	2,944

Definitions

- MC – Methodist College (Peoria)
- TCN – Trinity College of Nursing & Health Sciences (Quad Cities)
- AC – Allen College (Waterloo)
- SLC – St. Luke's College (Sioux City)

See accompanying independent auditors' report.

ATTACHMENT 35 –
FINANCIAL VIABILITY

Audited consolidated financial statements of Iowa Health System and subsidiaries d/b/a UnityPoint Health (“UnityPoint Health”), along with documentation of UnityPoint Health’s AA-bond rating from Fitch Ratings, are included in Attachment 34.

ATTACHMENT 35

ATTACHMENT 37 – ECONOMIC FEASIBILITY**A. Reasonableness of Financing Arrangements**

See attached letter attesting that the total estimated project costs and related costs will be funded in total with cash and equivalents. See also audited consolidated financial statements of Iowa Health System and subsidiaries d/b/a UnityPoint Health (“UnityPoint Health”), along with documentation of UnityPoint Health’s AA- bond rating from Fitch Ratings, in Attachment 34.

B. Conditions of Debt Financing

Not applicable.

C. Reasonableness of Project and Related Costs

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)	
REVIEWABLE									
Adolescent Unit AMI		\$194.75			30,576	7%		\$5,954,789	\$5,954,789
Child Unit AMI		\$194.75			10,192	7%		\$1,984,930	\$1,984,930
Therapies		\$194.75			7,782	7%		\$1,515,573	\$1,515,573
Consultation		\$194.75			5,844	7%		\$1,138,141	\$1,138,141
Intake		\$194.75			2,830	7%		\$551,153	\$551,153
Total Clinical		\$194.75			57,224	7%		\$11,144,585	\$11,144,585
NON-REVIEWABLE									
Administration		\$196.26			5,234	7%		\$1,027,201	\$1,027,201
Community Space		\$196.26			2,671			\$524,199	\$524,199
Public		\$196.26			1,895	7%		\$371,904	\$371,904
Administrative Tenant Space – B Wing		\$196.26			38,820	7%		\$7,618,640	\$7,618,640
Basement		\$196.26			13,054	7%		\$2,561,920	\$2,561,920
Family Visiting		\$196.26			125	7%		\$24,532	\$24,532
Staff Lounges		\$196.26			2,177	7%		\$427,248	\$427,248
Food Service, Environmental, etc.		\$196.26			5,284	7%		\$1,037,014	\$1,037,014

Area D-Second Floor		\$196.26			14,689	7%		\$2,882,797	\$2,882,797
Vertical Circulation		\$196.26			8,702	7%		\$1,707,816	\$1,707,816
TOTAL NON-CLINICAL		\$196.26			92,651	7%		\$18,183,271	\$18,183,271
TOTALS		\$195.68			149,875	10,491.25		\$29,327,856	\$29,327,856

* Include the percentage (%) of space for circulation

Note: Costs of the non-inpatient components of the building/project are included in the project cost.

D. Projected Operating Costs¹

Factor	Year 2
Salaries and Benefits	\$8,418,567
Supplies	\$87,281
Other Operating Costs	\$1,459,076
Total Operating Costs	\$9,964,924
Patient Days	13,823
Operating Costs per Patient Day	\$721

E. Total Effect of Project on Capital Costs²

Factor	Year 2
Depreciation	\$717,057
Capital Costs	\$717,057
Patient Days	13,823
Capital Costs per Patient Day	\$52

¹ Applicable to proposed 44-bed child and adolescent AMI campus.

² Applicable to proposed 44-bed child and adolescent AMI campus.



UnityPoint Health

UnityPoint Health® – Central Illinois

Administration

221 N.E. Glen Oak Ave.

Peoria, IL 61636

April 20, 2022

Debra Savage, Chair
Illinois Health Facilities and Services Review Board (“HFSRB”)
525 W. Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Savage:

On behalf of Methodist Health Services Corporation, I hereby attest that the total estimated project costs and related costs will be funded in total with cash and equivalents, including, without limitation, investment securities, unrestricted funds, received pledge receipts, and grants.

If you have any questions, please contact me.

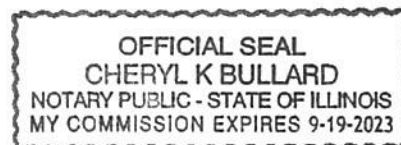
Sincerely,

Keith Knepp, M.D.
President & CEO
Methodist Health Services Corporation

Subscribed and sworn to before me

This 20 day of April, 2022

Cheryl K Bullard
Notary Public



ATTACHMENT 38 – SAFETY NET IMPACT STATEMENT

The applicants seek to increase access to inpatient behavioral health, mental health, and substance use treatment for children and adolescents in the Tri-County Area, as well as outpatient and community-based services. Services are not being eliminated to meet these needs. The proposed project will enhance services already provided in the area by the applicants, predominantly at Methodist Hospital, and is not expected to have an adverse impact on community safety net services or the ability of other healthcare providers to deliver those services.

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.

Methodist Hospital is a current provider of essential safety net services in the community and provides a wide array of mental and behavioral health services. Notably, it is the *only* provider of child and adolescent AMI services in AMI Planning Area HSA 2.

The goal of the proposed project is to expand access to child and adolescent mental health care services in all its iterations in the Tri-County Area, establishing a behavioral health hub that provides coordinated care and support for the Tri-County Area youth, regardless of race, income, or ethnicity. In addition to inpatient services, this hub will provide social services, outpatient therapy, group counseling sessions, areas for telehealth appointments, and spaces for support and community groups. The material impact of this project is a net positive, as the Tri-County Area will benefit from the addition of child and adolescent AMI services, local therapists, counselors, and youth-focused mental health providers. As such, the project will enhance the provision of safety net services in the community.

While there are many healthcare needs in the Tri-County Area, mental health care is one of great concern. The two leading causes of death for persons age 15-24 in Peoria County are homicide (52.9%) and suicide (11.8%).¹ An underlying mental illness often plays a role in these causes of death. Certain children and adolescents in Peoria County have been exposed to high rates of violence, and the repeated trauma of their experiences can create mental health issues that need to be addressed to improve their well-being. Peoria County also struggles with poor school performance (demonstrated by low graduation rates) and chronic truancy.

Despite recognizing the importance of mental health, residents in the Tri-County Area are not seeking treatment. The 2019 Community Health Needs Survey² revealed that Peoria County residents frequently choose not to seek medical care because of co-pay obligations, long wait times, lack of insurance, and lack of transportation. These resource-based barriers that prevent or limit access to critical healthcare services increase the risk of poor health outcomes and exacerbate health disparities.

¹ *Peoria County Mortality Report 2019*, PEORIA CITY/COUNTY HEALTH DEPT., at 10, <https://www.pcchd.org/ArchiveCenter/ViewFile/Item/660>.

² Partnership for a Health Community, *Community Health Needs Assessment 2019*, at 22, <https://www.pcchd.org/DocumentCenter/View/705/2019-Tri-County-Community-Health-Needs-Assessment-PDF>.

Utilization of available healthcare services is what drives positive health outcomes. The Institute of Medicine's Committee on Understanding and Eliminating Racial and Ethnic Disparities in Healthcare found that barriers limiting or preventing access to needed healthcare services may increase the risk of poor health outcomes and health disparities.³ The current limitations and barriers to access place marginalized and disadvantaged communities, like Peoria County, as well as other parts of the Tri-County Area, at a higher risk for developing health issues. It is unfortunate, but not unsurprising, to note that Peoria County ranks "Much Worse than Average" for overall adolescent health compared to the rest of the state.⁴

Peoria County has some of the most distressed zip codes in the nation (including zip codes 61603, 61604, and 61605).⁵ In fact, the CDC Social Vulnerability Index measures Peoria County at 0.6131, indicating a moderate to high level of vulnerability.⁶ Residents in these distressed zip codes face realities of dealing with the impact of poverty and healthcare disparities. Although behavioral health, mental health, and substance use disorders do not favor or discriminate against particular races, minorities will experience greater obstacles and barriers to treatment because of various factors, including environmental factors, access to behavioral health and mental health services, cultural stigma, and systemic racism. In Peoria, unemployment, poverty, a small provider pool, and an even smaller provider pool that accepts Medicaid coverage only contributes to the underlying disparities that disadvantage persons of color. Methodist Hospital has encountered families and children in crisis who have expressed being overwhelmed by the system, and who struggle to find the time, resources, and strength to pursue all the services and resources needed to help their child heal, flourish, and succeed.

To efficaciously treat and recover from these illnesses and address the inequities, it is imperative that providers of behavioral health, mental health, and substance abuse treatment develop a coordinated system that allows all families, regardless of income or race, to pursue coordinated and quality services when necessary. The proposed behavioral health campus will provide this coordinated system to the community and will accept all patients, regardless of their ability to pay.

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.

The proposed project will not adversely impact the ability of other providers or health care systems to cross-subsidize safety net services. The need the proposed project will address – namely, expanding access to and capacity for children and adolescent inpatient behavioral health, mental health, or substance use treatment – is a specialized branch of mental healthcare that is currently not being provided by any other providers in the planning area. The project is limited in

³ Institute of Medicine (U.S.), Committee on Understanding and Eliminating Racial and Ethnic Disparities in Health Care; (2003).

⁴ *Illinois Adolescent Health County Rankings*, Illinois Dept of Public Health Office of Women's Health and Family Services, (Oct. 2020), <https://dph.illinois.gov/content/dam/soi/en/web/idph/files/publications/adolescent-health-county-ranking-short-summary-v2.pdf>

⁵ Agency for Toxic Substances and Disease Registry, *Social Vulnerability Index*, CTRS. FOR DISEASE CTRL., (Oct. 9, 2018), available at: <https://svi.cdc.gov/map.htm>.

⁶ Agency for Toxic Substances and Disease Registry, *Social Vulnerability Index*, CTRS. FOR DISEASE CTRL., (Oct. 9, 2018), <https://svi.cdc.gov/map.html>

size to 44 AMI beds (in actuality, due to the 9 AMI bed discontinuation, only 35 AMI will be added to the planning area), and the applicants do not anticipate drawing patients from existing area providers. Rather, new patients will primarily be those who would otherwise be forced to travel extended distances to other facilities outside the planning area due to lack of available beds or other capacity/acuity issues at Methodist Hospital.

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.

The proposed project does not seek to discontinue any services or facilities in the community.

Methodist Health Services Corporation is the owner of three hospitals in Illinois – Methodist Hospital, Proctor Community Hospital, and Pekin Memorial Hospital. Charity care and Medicaid information for all three are provided below.

METHODIST HOSPITAL

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	2019	2020	2021
Inpatient	813	838	567
Outpatient	6,424	5,235	4,701
Total	7,237	6,073	5,268
Charity (cost in dollars)			
Inpatient	971,375	840,182	590,939
Outpatient	1,480,567	1,222,951	1,074,971
Total	2,451,942	2,063,133	1,665,910
MEDICAID			
Medicaid (# of patients)	2019	2020	2021
Inpatient	4,586	5,093	5,235
Outpatient	47,734	59,332	71,940
Total	52,320	64,425	77,175
Medicaid (revenue)			
Inpatient	24,970,255	29,671,526	31,871,736
Outpatient	26,585,290	29,919,836	35,959,959
Total	51,555,544	59,591,362	67,831,695

PROCTOR HOSPITAL

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	2019	2020	2021
Inpatient	220	191	214
Outpatient	1,830	1,939	2,296
Total	2,050	2,130	2,510
Charity (cost in dollars)			
Inpatient	150,940	227,151	141,901
Outpatient	470,687	564,509	646,180
Total	621,627	791,660	788,081
MEDICAID			
Medicaid (# of patients)	2019	2020	2021
Inpatient	196	198	105
Outpatient	8,887	8,115	9,462
Total	9,083	8,115	9,567
Medicaid (revenue)			
Inpatient	945,377	737,269	1,313,954
Outpatient	2,194,730	2,945,099	4,094,454
Total	3,140,107	3,682,368	5,408,408

PEKIN HOSPITAL

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	2019	2020	2021
Inpatient	78	108	107
Outpatient	1,208	2,132	2,166
Total	1,286	2,240	2,273
Charity (cost in dollars)			
Inpatient	87,352	68,636	46,256
Outpatient	153,374	254,331	277,135
Total	240,726	322,967	323,391
MEDICAID			
Medicaid (# of patients)	2019	2020	2021
Inpatient	428	193	246
Outpatient	20,028	17,083	18,242
Total	20,456	17,276	18,488
Medicaid (revenue)			
Inpatient	1,812,333	1,744,217	2,080,423
Outpatient	3,205,317	4,460,793	5,618,245
Total	5,017,650	6,205,009	7,698,669

ATTACHMENT 39 – CHARITY CARE

Methodist Health Services Corporation is the owner of three hospitals in Illinois – Methodist Hospital, Proctor Community Hospital, and Pekin Memorial Hospital. Charity care information for all three is provided below.

METHODIST HOSPITAL

CHARITY CARE			
	2019	2020	2021
Net Patient Revenue	362,950,357	347,969,258	390,234,161
Amount of Charity Care (charges)	12,278,449	11,807,058	9,533,798
Cost of Charity Care	2,451,942	2,063,133	1,665,910

PROCTOR HOSPITAL

CHARITY CARE			
	2019	2020	2021
Net Patient Revenue	106,405,304	109,146,705	138,632,693
Amount of Charity Care (charges)	3,881,302	4,933,246	4,910,948
Cost of Charity Care	621,6217	791,660	788,081

PEKIN HOSPITAL

CHARITY CARE			
	2019	2020	2021
Net Patient Revenue	53,207,269	46,687,279	59,669,167
Amount of Charity Care (charges)	1,649,359	2,782,520	2,786,171
Cost of Charity Care	240,726	322,967	323,391

UnityPoint Health
Methodist

221 Northeast Glen Oak Avenue
Peoria, Illinois 61636-0002
(309) 672-5522
www.unitypoint.org/peoria

April 26, 2022

Debra Savage, Chair
Illinois Health Facilities and
Services Review Board
525 W. Jefferson St.
Springfield, IL 62761

Dear Chair Savage,

I am providing this letter to assist the Illinois Health Facilities and Services Review Board in its evaluation of a Certificate of Need application for the proposed Child & Adolescent facility with Methodist Medical Center of Illinois. This referral letter is provided pursuant to 77 Ill. Admin. Code Section 1110.210(b) in support of the proposed Child & Adolescent Unit in Peoria, Illinois.

During 2019, 2020, and 2021, I admitted approximately the following number of patients for psychiatric services to the Methodist Hospital inpatient Child & Adolescent unit listed below. I estimate that I will admit 195 patients to the proposed new unit during its second year of operation.

Admitting Physician	Provider Specialty Name				Projected
		2019	2020	2021	
AEDMA, KAPIL K	Psychiatry	97	175	195	195

Attached is a patient origin analysis by zip code of my 2021 patients.

The information contained in this letter is true and correct, to the best of my information and belief, and has not been used in the support of another project.

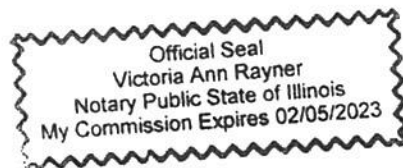
Very truly yours,

Signature/Printed Name

KAPIL AEDMA

Subscribed and sworn to before me
this 28th day of April, 2022

My commission expires: 2/15/2023

Notary Public

Zip Code Table Dr. Kapil Adema

AEDMA, KAPIL K

ZIP Code	City	2021 Patients	% of Total	ZIP Code	City	2021 Patients	% of Total			
61604	Peoria	22	11.3%	61761	Normal	2	1.0%	HSA	156	80.0%
61554	Pekin	16	8.2%	61704	Bloomington	2	1.0%	Other	39	20.0%
61571	Washington	13	6.7%	61455	Macomb	2	1.0%			
61614	Peoria	11	5.6%	61422	Bushnell	2	1.0%			
61603	Peoria	11	5.6%	61264	Milan	2	1.0%			
61605	Peoria	7	3.6%	62905	Alto Pass	1	0.5%			
61611	East Peoria	6	3.1%	62704	Springfield	1	0.5%			
61607	Peoria	6	3.1%	62703	Springfield	1	0.5%			
61550	Morton	6	3.1%	62668	Murrayville	1	0.5%			
61523	Chillicothe	6	3.1%	62650	Jacksonville	1	0.5%			
61615	Peoria	4	2.1%	62629	Chatham	1	0.5%			
61530	Eureka	4	2.1%	62563	Rochester	1	0.5%			
61610	Creve Coeur	3	1.5%	62428	Greenup	1	0.5%			
61548	Metamora	3	1.5%	62401	Effingham	1	0.5%			
61520	Canton	3	1.5%	62092	White Hall	1	0.5%			
61616	Peoria Heights	2	1.0%	62025	Edwardsville	1	0.5%			
61565	Sparland	2	1.0%	61938	Mattoon	1	0.5%			
61546	Manito	2	1.0%	61856	Monticello	1	0.5%			
61535	Groveland	2	1.0%	61822	Champaign	1	0.5%			
61531	Farmington	2	1.0%	61821	Champaign	1	0.5%			
61525	Dunlap	2	1.0%	61745	Heyworth	1	0.5%			
61443	Kewanee	2	1.0%	61740	Flanagan	1	0.5%			
61342	Mendota	2	1.0%	61732	Danvers	1	0.5%			
61738	El Paso	1	0.5%	61723	Atlanta	1	0.5%			
61734	Delavan	1	0.5%	61705	Bloomington	1	0.5%			
61606	Peoria	1	0.5%	61564	South Pekin	1	0.5%			
61572	Yates City	1	0.5%	61275	Port Byron	1	0.5%			
61570	Washburn	1	0.5%	61265	Moline	1	0.5%			
61562	Rome	1	0.5%	61201	Rock Island	1	0.5%			
61547	Mapleton	1	0.5%	61068	Rochelle	1	0.5%			
61540	Lacon	1	0.5%	60922	Chebanse	1	0.5%			
61529	Elmwood	1	0.5%	60491	Homer Glen	1	0.5%			
61528	Edwards	1	0.5%	53214	Milwaukee	1	0.5%			
61517	Brimfield	1	0.5%	52625	Donnellson	1	0.5%			
61491	Wyoming	1	0.5%							
61462	Monmouth	1	0.5%							
61449	La Fayette	1	0.5%							
61376	Walnut	1	0.5%							
61362	Spring Valley	1	0.5%							
61330	La Moille	1	0.5%							
61301	La Salle	1	0.5%							
61234	Annawan	1	0.5%							



221 Northeast Glen Oak Avenue
Peoria, Illinois 61636-0002
(309) 672-5522
www.unitypoint.org/peoria

April 26, 2022

Debra Savage, Chair
Illinois Health Facilities and
Services Review Board
525 W. Jefferson St.
Springfield, IL 62761

Dear Chair Savage,

I am providing this letter to assist the Illinois Health Facilities and Services Review Board in its evaluation of a Certificate of Need application for the proposed Child & Adolescent facility with Methodist Medical Center of Illinois. This referral letter is provided pursuant to 77 Ill. Admin. Code Section 1110.210(b) in support of the proposed Child & Adolescent Unit in Peoria, Illinois.

During 2019, 2020, and 2021, I admitted approximately the following number of patients for psychiatric services to the Methodist Hospital inpatient Child & Adolescent unit listed below. I estimate that I will admit 162 patients to the proposed new unit during its second year of operation.

Admitting Physician	Provider Specialty Name				
		2019	2020	2021	Projected
SIERRA-CINTRON, KEILA M	Child and Adolescent Psychiatry	201	148	162	162

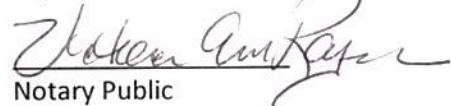
Attached is a patient origin analysis by zip code of my 2021 patients.

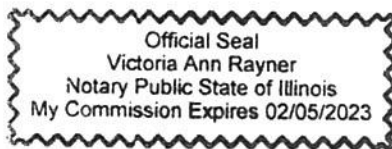
The information contained in this letter is true and correct, to the best of my information and belief, and has not been used in the support of another project.

Very truly yours,


Signature/Printed Name

Subscribed and sworn to before me
this 28 day of April, 2022
2/5/2023
My commission expires:


Notary Public



Zip Code Table Dr. Sierra-Cintron, Keila

ZIP Code	City	2021 Patients	% of Total	ZIP Code	City	2021 Patients	% of Total
61554	Pekin	12	7.4%	62704	Springfield	2	1.2%
61615	Peoria	11	6.8%	61761	Normal	2	1.2%
61611	East Peoria	10	6.2%	61282	Silvis	2	1.2%
61550	Morton	9	5.6%	53214	Milwaukee	2	1.2%
61603	Peoria	8	4.9%	62901	Carbondale	1	0.6%
61614	Peoria	7	4.3%	62690	Virden	1	0.6%
61571	Washington	7	4.3%	62664	Mason City	1	0.6%
61604	Peoria	6	3.7%	62656	Lincoln	1	0.6%
61616	Peoria Heights	4	2.5%	62650	Jacksonville	1	0.6%
61605	Peoria	3	1.9%	62346	La Prairie	1	0.6%
61548	Metamora	3	1.9%	62301	Quincy	1	0.6%
61528	Edwards	3	1.9%	62294	Troy	1	0.6%
61523	Chillicothe	3	1.9%	62225	Scott Air Force Base	1	0.6%
61517	Brimfield	3	1.9%	61880	Tolono	1	0.6%
61610	Creve Coeur	2	1.2%	61866	Rantoul	1	0.6%
61607	Peoria	2	1.2%	61754	Mc Lean	1	0.6%
61562	Rome	2	1.2%	61752	Le Roy	1	0.6%
61561	Roanoke	2	1.2%	61564	South Pekin	1	0.6%
61540	Lacon	2	1.2%	61310	Amboy	1	0.6%
61535	Groveland	2	1.2%	61265	Moline	1	0.6%
61520	Canton	2	1.2%	60959	Piper City	1	0.6%
61401	Galesburg	2	1.2%	60505	Aurora	1	0.6%
61760	Minonk	1	0.6%	60450	Morris	1	0.6%
61755	Mackinaw	1	0.6%	52722	Bettendorf	1	0.6%
61606	Peoria	1	0.6%	32043	Green Cove Springs	1	0.6%
61569	Trivoli	1	0.6%	Null	Null	2	1.2%
61565	Sparland	1	0.6%				
61547	Mapleton	1	0.6%				
61546	Manito	1	0.6%				
61533	Glasford	1	0.6%				
61531	Farmington	1	0.6%				
61530	Eureka	1	0.6%				
61526	Edelstein	1	0.6%				
61525	Dunlap	1	0.6%				
61480	Stronghurst	1	0.6%				
61469	Oquawka	1	0.6%				
61462	Monmouth	1	0.6%				
61448	Knoxville	1	0.6%				
61428	Dahinda	1	0.6%				
61421	Bradford	1	0.6%				
61364	Streator	1	0.6%				
61362	Spring Valley	1	0.6%				
61356	Princeton	1	0.6%				
61342	Mendota	1	0.6%				
61338	Manlius	1	0.6%				
61335	Mc Nabb	1	0.6%				
61301	La Salle	1	0.6%				
61244	East Moline	1	0.6%				

HSA	131	80.9%
Other	31	19.1%



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April 26, 2022

Debra Savage, Chair
Illinois Health Facilities and
Services Review Board
525 W. Jefferson St.
Springfield, IL 62761

Dear Chair Savage,

I am providing this letter to assist the Illinois Health Facilities and Services Review Board in its evaluation of a Certificate of Need application for the proposed Child & Adolescent facility with Methodist Medical Center of Illinois. This referral letter is provided pursuant to 77 Ill. Admin. Code Section 1110.210(b) in support of the proposed Child & Adolescent Unit in Peoria, Illinois.

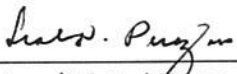
During 2019, 2020, and 2021, I admitted approximately the following number of patients for psychiatric services to the Methodist Hospital inpatient Child & Adolescent unit listed below. I estimate that I will admit 207 patients to the proposed new unit during its second year of operation.

Admitting Physician	Provider Specialty Name				
		2019	2020	2021	Projected
PEREZ, LEAH P	Child and Adolescent Psychiatry	262	176	207	207

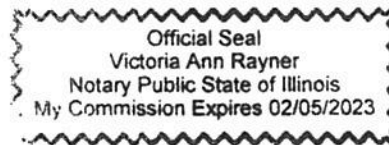
Attached is a patient origin analysis by zip code of my 2021 patients.

The information contained in this letter is true and correct, to the best of my information and belief, and has not been used in the support of another project.

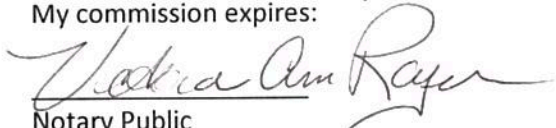
Very truly yours,



Signature/Printed Name



Subscribed and sworn to before me
this 28th day of April, 2022

My commission expires: 2/5/2023


Notary Public

Zip Code Table Dr. Leah Perez

PEREZ, LEAH P

ZIP Code	City	2021 Patients	% of Total	ZIP Code	City	2021 Patients	% of Total			
61554	Pekin	25	12.1%	61201	Rock Island	3	1.4%	HSA	166	80.2%
61604	Peoria	17	8.2%	61704	Bloomington	2	1.0%	Other	41	19.8%
61603	Peoria	15	7.2%	62966	Murphysboro	1	0.5%			
61611	East Peoria	13	6.3%	62901	Carbondale	1	0.5%			
61615	Peoria	7	3.4%	62822	Christopher	1	0.5%			
61550	Morton	7	3.4%	62711	Springfield	1	0.5%			
61530	Eureka	7	3.4%	62702	Springfield	1	0.5%			
61571	Washington	6	2.9%	62675	Petersburg	1	0.5%			
61401	Galesburg	6	2.9%	62656	Lincoln	1	0.5%			
61755	Mackinaw	4	1.9%	62650	Jacksonville	1	0.5%			
61614	Peoria	4	1.9%	62644	Havana	1	0.5%			
61605	Peoria	4	1.9%	62618	Beardstown	1	0.5%			
61616	Peoria Heights	3	1.4%	62512	Beason	1	0.5%			
61610	Creve Coeur	3	1.4%	62379	Warsaw	1	0.5%			
61607	Peoria	3	1.4%	62353	Mount Sterling	1	0.5%			
61548	Metamora	3	1.4%	62340	Griggsville	1	0.5%			
61523	Chillicothe	3	1.4%	62305	Quincy	1	0.5%			
61244	East Moline	3	1.4%	62002	Alton	1	0.5%			
61606	Peoria	2	1.0%	61938	Mattoon	1	0.5%			
61570	Washburn	2	1.0%	61925	Dalton City	1	0.5%			
61559	Princeville	2	1.0%	61866	Rantoul	1	0.5%			
61547	Mapleton	2	1.0%	61761	Normal	1	0.5%			
61443	Kewanee	2	1.0%	61723	Atlanta	1	0.5%			
61240	Coal Valley	2	1.0%	61705	Bloomington	1	0.5%			
61742	Goodfield	1	0.5%	61564	South Pekin	1	0.5%			
61734	Delavan	1	0.5%	61532	Forest City	1	0.5%			
61602	Peoria	1	0.5%	61264	Milan	1	0.5%			
61569	Trivoli	1	0.5%	61243	Deer Grove	1	0.5%			
61542	Lewistown	1	0.5%	61081	Sterling	1	0.5%			
61540	Lacon	1	0.5%	61071	Rock Falls	1	0.5%			
61536	Hanna City	1	0.5%	60922	Chebanse	1	0.5%			
61535	Groveland	1	0.5%	60487	Tinley Park	1	0.5%			
61534	Green Valley	1	0.5%	60481	Wilmington	1	0.5%			
61531	Farmington	1	0.5%	60442	Manhattan	1	0.5%			
61528	Edwards	1	0.5%	60046	Lake Villa	1	0.5%			
61520	Canton	1	0.5%	52722	Bettendorf	1	0.5%			
61462	Monmouth	1	0.5%	52402	Cedar Rapids	1	0.5%			
61447	Kirkwood	1	0.5%	Null	Null	1	0.5%			
61428	Dahinda	1	0.5%							
61427	Cuba	1	0.5%							
61362	Spring Valley	1	0.5%							
61356	Princeton	1	0.5%							
61323	Dover	1	0.5%							
61262	Lynn Center	1	0.5%							
61254	Geneseo	1	0.5%							



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April 26, 2022

Debra Savage, Chair
Illinois Health Facilities and
Services Review Board
525 W. Jefferson St.
Springfield, IL 62761

Dear Chair Savage,

I am providing this letter to assist the Illinois Health Facilities and Services Review Board in its evaluation of a Certificate of Need application for the proposed Child & Adolescent facility with Methodist Medical Center of Illinois. This referral letter is provided pursuant to 77 Ill. Admin. Code Section 1110.210(b) in support of the proposed Child & Adolescent Unit in Peoria, Illinois.

During 2019, 2020, and 2021, I admitted approximately the following number of patients for psychiatric services to the Methodist Hospital inpatient Child & Adolescent unit listed below. I estimate that I will admit 194 patients to the proposed new unit during its second year of operation.

Admitting Physician	Provider Specialty Name				
		2019	2020	2021	Projected
NOOKALA, SHOBHA R	Child and Adolescent Psychiatry	215	173	194	194

Attached is a patient origin analysis by zip code of my 2021 patients.

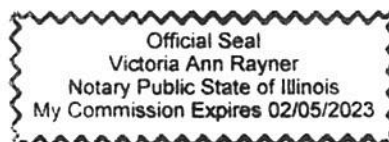
The information contained in this letter is true and correct, to the best of my information and belief, and has not been used in the support of another project.

Very truly yours,

Signature/Printed Name

Subscribed and sworn to before me
this 28 day of April, 2022

My commission expires: 2/15/2023

Notary Public

Zip Code Table Dr. Shobha Nookala

ZIP Code	City	2021 Patients	% of Total	ZIP Code	City	2021 Patients	% of Total
61554	Pekin	23	11.9%	61701	Bloomington	4	2.1%
61604	Peoria	11	5.7%	61761	Normal	3	1.5%
61611	East Peoria	9	4.6%	61081	Sterling	3	1.5%
61603	Peoria	8	4.1%	61014	Chadwick	2	1.0%
61605	Peoria	7	3.6%	62677	Pleasant Plains	1	0.5%
61550	Morton	7	3.6%	62664	Mason City	1	0.5%
61616	Peoria Heights	6	3.1%	62650	Jacksonville	1	0.5%
61571	Washington	6	3.1%	62629	Chatham	1	0.5%
61548	Metamora	6	3.1%	62557	Pana	1	0.5%
61523	Chillicothe	6	3.1%	62526	Decatur	1	0.5%
61401	Galesburg	6	3.1%	62501	Argenta	1	0.5%
61615	Peoria	5	2.6%	62301	Quincy	1	0.5%
61607	Peoria	5	2.6%	62294	Troy	1	0.5%
61427	Cuba	5	2.6%	62243	Freeburg	1	0.5%
61559	Princeville	4	2.1%	61910	Arcola	1	0.5%
61530	Eureka	4	2.1%	61853	Mahomet	1	0.5%
61738	El Paso	3	1.5%	61732	Danvers	1	0.5%
61614	Peoria	3	1.5%	61704	Bloomington	1	0.5%
61610	Creve Coeur	3	1.5%	61270	Morrison	1	0.5%
61540	Lacon	3	1.5%	60952	Melvin	1	0.5%
61520	Canton	3	1.5%	60152	Marengo	1	0.5%
61606	Peoria	2	1.0%	53214	Milwaukee	1	0.5%
61570	Washburn	2	1.0%	52806	Davenport	1	0.5%
61537	Henry	2	1.0%	52761	Muscatine	1	0.5%
61529	Elmwood	2	1.0%	52632	Keokuk	1	0.5%
61525	Dunlap	2	1.0%	52601	Burlington	1	0.5%
61755	Mackinaw	1	0.5%				17.5%
61742	Goodfield	1	0.5%				
61734	Delavan	1	0.5%				
61568	Tremont	1	0.5%				
61546	Manito	1	0.5%				
61536	Hanna City	1	0.5%				
61535	Groveland	1	0.5%				
61534	Green Valley	1	0.5%				
61531	Farmington	1	0.5%				
61528	Edwards	1	0.5%				
61517	Brimfield	1	0.5%				
61516	Benson	1	0.5%				
61443	Kewanee	1	0.5%				
61414	Altona	1	0.5%				
61348	Oglesby	1	0.5%				
61342	Mendota	1	0.5%				
61326	Granville	1	0.5%				

HSA	160	82.5%
Other	34	17.5%



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April 26, 2022

Debra Savage, Chair
Illinois Health Facilities and
Services Review Board
525 W. Jefferson St.
Springfield, IL 62761

Dear Chair Savage,

I am writing on behalf of UnityPoint Health-Methodist ("Methodist") in support of establishing a child and adolescent ("C&A") behavioral health facility in HSA 2 to meet the ongoing needs of the community.

In 2019, Methodist received approximately 1203 calls from facilities and providers throughout Illinois seeking placement of C&A patients who required crisis interventions for a mental illness diagnosis. In 2021, that number grew to 1308. Attachment 1 documents the calls placed to Methodist's C&A AMI inpatient unit in 2019 – 2021 from various facilities and providers seeking a C&A inpatient AMI bed at Methodist. Due to a variety of constraints, Methodist could only accommodate or admit a fraction of the patients seeking inpatient care. In 2021, of the 1308 calls placed, Methodist could only accommodate or admit 611 of those patients into its C&A unit. As a result, 697 patients were unable to be admitted to Methodist in 2021 and were forced to seek care outside the planning area. As reflected in Attachment 1, the number of calls seeking inpatient admission at Methodist has significantly increased over the past few years – from 1203 in 2019 to 1308 in 2021.

Over the last three years, there has been a steady increase in demand, resulting in increased boarding, wait times, and transfers of C&A patients. The total number of C&A patients presenting to Methodist's emergency department ("ED") who required a behavioral health crisis evaluation has risen 32% since 2019 and external referrals are up 9.4%.

According to COMPdata, Peoria County ranks 2nd behind Cook County in C&A residents with a behavioral health admission. Patients with C&A behavioral health needs come from all over Illinois to receive treatment at Methodist. There are times when, due to a lack of available beds, C&A patients who reside in HSA 2 and require admission for mental illness are transferred out of the area. As reflected in the table below, in 2021, there were 685 patients with a home address in HSA 2 who had to receive care out of the area in facilities as far away as the University of Iowa. Transfers to facilities so distant from patient families are suboptimal for patient care. Removing patients from the community in which they live disrupts families and threatens the continuity of care while increasing costs to both the patient and the community. Methodist is the only facility providing inpatient C&A behavioral healthcare services in both the 4-county primary service area and the 14-county secondary service area. It is imperative for our hospital and our community to expand C&A services to help address this crisis.

Illinois HSA-2 Child & Adolescents (Age 17 and Under Treated as Inpatients for Acute Mental Illness)

Year	Received care In/Out Home Mkt	Treated in what Service Area	Discharges	Days	% Of Days
2021	Out-of-Mkt	HSA-1	1	20	0.16%
2021	Out-of-Mkt	HSA-10	15	95	0.75%
2021	In-Mkt	HSA-2	619	4,770	37.66%
2021	Out-of-Mkt	HSA-3	171	1,875	14.80%
2021	Out-of-Mkt	HSA-4	43	516	4.07%
2021	Out-of-Mkt	HSA-A	455	5,389	42.55%
	TOTAL HSA-2 C&A Residents		1,304	12,665	100.00%
	Total Served In Mkt		619	4,770	37.66%
	Had to find beds Out of Mkt		685	7,895	62.34%

*HSA-A represents the HFSRB AMI planning areas A - 01 through A - 14 making up the Chicago Area market

On any given day, Methodist averages 4-6 calls requesting beds in our C&A unit. Of those calls, only 46% of patients will be admitted. Whether the patient can be admitted depends on whether we can safely place the patient within the unit. In 2021, 35% of calls requesting C&A beds could not be accommodated due to safety and acuity reasons. The current configuration of Methodist's C&A unit does not easily allow for the separation of children by age and presenting condition. When this occurs, we cannot safely provide a bed. In addition, in 2021, we had to turn away approximately 46% of patients requiring inpatient care due to a general lack of beds. The new, proposed facility will address these problems.

The ED is often the entry point for patients seeking care for a behavioral health crisis. In the last 12 months alone, over 4,400 patients entered the Methodist ED in crisis, and of those, 1,185 were children or adolescents. Given the lack of available beds, these patients are often transferred out of the community.

Of our 68 AMI beds, 23 are set up and staffed as C&A beds. Once our 23 C&A beds are occupied, and for those patients requiring an inpatient admission who are already in our facility (e.g., in the ED), we reach out to as many as 31 different hospitals, some as far away as Indiana and Missouri, looking for placement. If we are fortunate enough to secure placement, we arrange transportation to the receiving facility, which can take anywhere from several hours to several days. Due the lack of available inpatient beds, C&A patients often remain in the ED while waiting to be transferred. While they are seen daily by psychiatrists while in the ED waiting to be transferred, providing care in an ED is certainly not ideal for a child or adolescent with behavioral health needs. In the most extreme case, over 36 patients had to be boarded in our ED behavioral health intake area for more than 24 hours - with the longest boarded for 58 hours - before placement could be made. Our ED is not equipped or designed to provide the specialized care available in the therapeutic milieu of an inpatient behavioral health unit.

While these patients receive psychiatric services to initiate medication management to treat the acute behavioral health concern while in the emergency department, the benefit of receiving care in an inpatient unit is delayed. If Methodist had an expanded C&A behavioral health facility, the full continuum of behavioral health services offered by a comprehensive program would be immediately available.



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There is a significant need for enhanced C&A AMI inpatient services in our community. This type of care is best provided in a facility located within a reasonable distance to home so families can more readily participate in care and ensure a smooth transition back to their families and communities upon discharge. Methodist has a commitment and proven track record in treating this population and, with the proper resources, can continue to serve the residents of both this community and nearby regions in Illinois.

Based on our historical data and referrals, if the proposed facility is approved, we expect that about 697 C&A patients per year who otherwise could not be admitted and were forced to receive care outside our planning area would be admitted to the new inpatient C&A unit.

To the best of my knowledge, these projected patient referrals or admissions have not been used to support another pending or approved certificate of need application. The information in this letter is true and correct to the best of my knowledge.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith Knepp".

Keith Knepp, M.D.
President & CEO

ATTACHMENT 1 – CALLS TO METHODIST HOSPITAL'S C&A UNIT SEEKING PLACEMENT	2019 Totals	2020 Totals	2021 Totals	MILEAGE
	1203	1251	1308	
ADVOCATE SHERMAN HOSPITAL ELGIN	4	2	9	166
ADVOCATE GOOD SAMARITAN	0	1	5	154
ALTON MEMORIAL HOSPITAL	0	0	3	156
AMITA HEALTH ADVENTIST MEDICAL CTR GLENOAKS	0	0	2	151
AMITA HEALTH ADVENTIST MEDICAL CTR LAGRANGE	0	3	0	145
ANDERSON HOSPITAL MARYVILLE	0	2	8	151
ANN & ROBERT H. CHILDREN'S HOSPITAL OF CHICAGO	3	3	1	162
BLESSING HOSPITAL - QUINCY	42	30	35	127
BRIDGEWAY MENTAL HEALTH SERVICES	28	9	8	50
CARLE BROMENN MEDICAL CENTER	45	42	25	41
CARLE FOUNDATION HOSPITAL	9	17	28	94
CENTERSTONE - ALTON	9	14	24	157
CGH MEDICAL CENTER STERLING	0	0	1	80
CHESTNUT FAMILY HEALTH CENTER BLOOMINGTON	2	3	7	38
CHILDREN'S HOME	10	7	13	1.6
COMMUNITY HOSPITAL OF STAUNTON	0	0	1	130
CROSS POINT HUMAN SERVICES	1	0	0	122
DCFS	3	2	2	NA
DELNOR COMMUNITY HOSPITAL -ST. CHARLES	0	2	7	139
EDWARD ELMHURST HEALTH CENTER BOLINGBROOK	0	0	2	139
EDWARD ELMHURST HOSPITAL - ELMHURST	0	0	1	158
EDWARD HOSPITAL NAPERVILLE	0	4	4	143
FORT DODGE HOSPITAL	1	0	0	330
FRANCISCAN HEALTH - OLYMPIA FIELDS	0	1	0	152
FREEMPORT MEMORIAL HOSPITAL	1	1	0	117
GALESBURG COTTAGE	6	0	0	48
GATEWAY REGIONAL MEDICAL CTR - GRANITE CITY	0	7	3	1
GENESIS MEDICAL CENTER SILVIS	3	1	4	156
GRAHAM HOSPITAL	8	13	7	31
GREAT RIVER HEALTH - FORT MADISON IA	7	2	0	122
GREAT RIVER MEDICAL CENTER	1	0	0	100
GROUP HOME	0	2	0	NA
HAMMOND HENRY HOSPITAL	7	9	1	90
HARTGROVE HOSPITAL	0	0	1	159
HEART OF MARY	0	7	4	91
HEARTLAND HEALTH CENTER	0	1	8	2
HEARTLAND REGIONAL - MARION	1	0	0	243
HERITAGE BEHAVIORAL HEALTH	1	1	2	64
HILLSBOROUGH AREA HOSPITAL	1	0	0	121

ATTACHMENT 1 - CALLS TO METHODIST HOSPITAL'S C&A UNIT SEEKING PLACEMENT	2019 Totals	2020 Totals	2021 Totals	MILEAGE
HOLY CROSS HOSPITAL	1	0	0	157
HOME	0	1	3	NA
HOPEDALE HOSPITAL	0	1	0	24
HSHS GOOD SHEPHERD	2	1	1	121
HSHS HOLY FAMILY HOSPITAL	0	3	1	142
HSHS ST. JOHN - SPRINGFIELD	16	18	22	72
HUMAN SERVICE CENTER	0	1	0	1
HUMBOLDT HEALTHPARK	0	0	1	164
ILLINI COMMUNITY HOSPITAL QUINCY	2	4	3	127
ILLINOIS VALLEY COMMUNITY HOSPITAL	6	4	0	61
JACKSONVILLE MEMORIAL HOSPITAL	2	0	0	86
JAVON BEA HOSPITAL	1	0	0	142
JDC	5	6	4	37
KENNETH YOUTH CENTER	2	1	4	165
KEOKUK AREA HOSPITAL	0	0	1	113
KINDRED HOSPITAL	0	0	1	1
LAWRENCEVILLE COUNTY MEMORIAL HOSPITAL	0	0	1	212
LIFE LINKS	1	5	5	129
LINCOLN MEMORIAL	8	0	0	79
LINCOLN PRAIRIE	1	0	0	76
LOCUST STREET RESOURCE	0	1	1	121
LORETTA HOSPITAL	0	1	0	159
LOYOLA GOTTLIEB - FRANKLIN PARK	0	0	1	165
LOYOLA MEDICINE	1	4	6	170
LUTHERAN GENERAL	2	2	2	161
MARSHALL BROWNING HOSPITAL	0	0	1	213
MASON DISTRICT HOSPITAL	2	0	0	45
MC LEAN COUNTY CENTER FOR HUMAN SERVICES	3	0	9	38
MC DONOUGH DISTRICT HOSPITAL	7	12	6	73
MC NEAL HOSPITAL - BERWYN	1	2	2	158
MEMORIAL - SPRINGFIELD	30	68	71	102
MEMORIAL HOSPITAL BELLEVILLE	0	0	2	170
MEMORIAL HOSPITAL CARTHAGE	1	1	1	99
MEMORIAL HOSPITAL OF CARBONDALE	0	2	0	242
MENDED HEARTS	1	0	0	15
MERCY HOSPITAL	4	8	12	166
MIDWESTERN REGION MEDICAL CENTER	0	1	1	212
MOBILE CRISIS RESPONSE / SASS	206	234	189	3
MORRISON COMMUNITY HOSPITAL	3	2	3	92
MT SINAI ED	1	0	0	153

ATTACHMENT 1 - CALLS TO METHODIST HOSPITAL'S C&A UNIT SEEKING PLACEMENT	2019 Totals	2020 Totals	2021 Totals	MILEAGE
NEW HOPE RECOVERY CENTER	1	0	0	171
NORTH CENTRAL BEHAVIORAL HEALTH	4	10	13	64
NORTH SHORE HIGHLAND PARK	0	1	0	177
NORTHWESTERN MEMORIAL HOSPITAL - CHICAGO	2	0	1	170
NORTHSHORE EVANSTON HOSPITAL	0	0	2	181
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL WINFIELD	2	2	16	160
ONARGA CLINIC	0	2	0	99
ONE HOPE UNITED	1	2	4	169
OSF SACRED HEART	0	4	0	123
OSF St ELIZABETH - OTTAWA	12	4	9	80
OSF ST. FRANCIS	0	0	112	1
OSF ST. JAMES PONTIAC	6	2	13	56
OSF ST. LUKE - KEWANEE	3	8	8	48
OSF ST. PAUL'S MEDICAL CENTER - MENDOTA	0	1	1	81
PARENT	0	1	0	
PARIS COMMUNITY HOSPITAL	3	0	0	154
PASSAVANT AREA HOSPITAL	3	5	13	111
PERRY MEMORIAL/OSF ST. CLARE	136	122	5	54
PHYSICIAN REFERRAL	26	18	18	
PILLAR COMMUNITY HEALTH	2	7	4	150
PRESENCE HEALTH ELGIN	1	4	3	166
RIVERSIDE COMMUNITY HOSPITAL	9	2	0	158
ROCHELLE COMMUNITY HOSPITAL	0	1	1	110
ROSECRANCE TREATMENT CENTER MORELAND	1	8	18	168
RUSH HOSPITAL CHICAGO	4	4	6	168
SARAH BUSH LINCOLN HEALTH CENTER	9	15	33	137
SARAH D. CULBERTSON MEMORIAL HOSPITAL	0	0	1	74
SCHOOL	4	3	3	
SIH HERRIN HOSPITAL	0	1	2	254
SILVER CROSS HOSPITAL	0	0	4	128
SINNISSIPPI CENTER	0	6	7	87
SPRINGFIELD MEMORIAL	6	0	1	72
ST ALEXIUS MEDICAL CENTER	1	1	7	168
ST ANTHONY'S MEMORIAL HOSPITAL EFFINGHAM	0	2	2	163
ST BERNARD'S HOSPITAL - CHICAGO	1	2	1	166
ST. JOSEPH'S HOSPITAL - BLOOMINGTON	10	22	14	43
ST. LOUIS CHILDREN'S HOSPITAL	0	0	7	169
ST. MARGARET'S HEALTH - SPRING VALLEY	5	4	11	58
ST. MARY'S - DECATUR	8	15	5	82
STREAMWOOD HOSPITAL	0	1	0	172

ATTACHMENT 1 - CALLS TO METHODIST HOSPITAL'S C&A UNIT SEEKING PLACEMENT	2019 Totals	2020 Totals	2021 Totals	MILEAGE
SULLIVAN COUNTY HOSPITAL - INDIANA	1	0	0	203
SWEDISH HOSPITAL - CHICAGO	0	1	1	176
TAYLORVILLE MEMORIAL HOSPITAL	1	0	0	95
THE PAVILLION	0	5	0	90
TRANSITIONS MENTAL HEALTH SERVICES	0	0	16	9
TRINITY HOSPITAL/ ROBERT YOUNG CENTER	13	39	26	97
UNION COUNTY HOSPITAL	0	3	0	260
UNIVERSITY OF CHICAGO	1	0	2	166
UPH PEORIA ED	406	337	380	0
UPH PEORIA INPATIENT	17	14	6	0
VALLEY WEST HOSPITAL	1	0	0	106
VISTA MEDICAL CENTER EAST	1	0	0	198
WARNER HOSPITAL & HEALTH SERVICES	0	0	2	63
WASHINGTON COUNTY HOSPITAL	0	1	0	154
WILL COUNTY COMMUNITY HOSPITAL - JOLIET	0	2	3	130