



## STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 • FAX: (217) 785-4111

<b>DOCKET NO:</b> H-04	<b>BOARD MEETING:</b> July 19, 2022	<b>PROJECT NO:</b> 22-017	<b>PROJECT COST:</b>  Original: \$29,327,856
<b>FACILITY NAME:</b> Methodist Medical Center Young Minds Institute		<b>CITY:</b> West Peoria	
<b>TYPE OF PROJECT:</b> Substantive			<b>HSA: II</b>

**DESCRIPTION:** The Applicants [Methodist Medical Center of Illinois, Methodist Health Services Corporation, Iowa Health System d/b/a UnityPoint Health] propose the establishment of a 44-bed child/adolescent behavioral health hospital in West Peoria, Illinois. The cost of the project is \$29,327,856. The expected completion date is December 31, 2023.

The purpose of the Illinois Health Facilities Planning Act is to establish a procedure (1) which requires a person establishing, constructing or modifying a health care facility, as herein defined, to have the qualifications, background, character and financial resources to adequately provide a proper service for the community; (2) that promotes the orderly and economic development of health care facilities in the State of Illinois that avoids unnecessary duplication of such facilities; and (3) that promotes planning for and development of health care facilities needed for comprehensive health care especially in areas where the health planning process has identified unmet needs. Cost containment and support for safety net services must continue to be central tenets of the Certificate of Need process. (20 ILCS 3960/2)

The Certificate of Need process required under this Act is designed to restrain rising health care costs by preventing unnecessary construction or modification of health care facilities. The Board must assure that the establishment, construction, or modification of a health care facility or the acquisition of major medical equipment is consistent with the public interest and that the proposed project is consistent with the orderly and economic development or acquisition of those facilities and equipment and is in accord with the standards, criteria, or plans of need adopted and approved by the Board. Board decisions regarding the construction of health care facilities must consider capacity, quality, value, and equity.

## EXECUTIVE SUMMARY

### **PROJECT DESCRIPTION:**

- The Applicants [Methodist Medical Center of Illinois, Methodist Health Services Corporation, Iowa Health System d/b/a UnityPoint Health] propose the establishment of a 44-bed child and adolescent behavioral health hospital in West Peoria, Illinois. The cost of the project is \$29,327,856. The expected completion date is December 31, 2023.
- Additionally, the Applicants are proposing to discontinue 9 acute mental illness (AMI) beds on the campus of Methodist Medical Center of Illinois, which is two miles away. This discontinuation of beds will reduce the AMI bed complement at the Medical Center from 68 to 59 AMI beds.
- The proposed facility will contain 149,875 GSF of space (57,224 GSF reviewable, 92,651 GSF non-reviewable), and will continue being the only child and adolescent inpatient behavioral health facility in the planning area (HSA-02).
- State Board Rules do not distinguish between adult and child and adolescent psychiatric care. The Applicants have stated the proposed facility will be under the license of Methodist Medical Center of Illinois. However, for Certificate of Need purposes, the proposed facility is considered a separate stand-alone psychiatric hospital subject to all reporting requirements of the State Board as an individual separate facility.

### **PURPOSE OF THE PROJECT**

- *“The Applicants seek to expand and improve access to child and adolescent (C&A) behavioral health services in AMI planning area HSA-02 by establishing a 44-bed child & adolescent AMI inpatient unit at a state-of-the-art behavioral health campus located approximately 2 miles from Methodist Hospital’s main campus. In addition to child and adolescent AMI inpatient services, the campus would offer outpatient behavioral health services, providing patients with a full continuum of mental health and substance abuse care. The campus would also provide recreational and experimental spaces for family support groups, education seminars, and community services. The proposed project will enable Methodist Hospital to care for and treat child and adolescent patients struggling with behavioral and mental health needs more effectively. Through the proposed behavioral health campus, Methodist Hospital will be able to provide child and adolescent patients the full continuum of behavioral and mental health care-inpatient and outpatient- a localized in one facility. This continuum of care reflects the Methodist’s Hospital’s beliefs that behavioral and mental health care is most useful when the treatment is customized to the patient’s clinical and social needs.”*

### **PUBLIC COMMENT:**

- No public hearing was requested. Thirty letters of support and no letters of opposition have been received by the State Board.

### **SUMMARY**

- There is a calculated excess of 6 AMI beds in the HSA-02 AMI Planning Area and four hospitals that provide inpatient AMI services in Health Planning Area 02.
- The Applicants have addressed a total 17 criteria and have not met the following:

State Board Standards Not Met	
Criteria	Reasons for Non-Compliance
Criterion 1110.210 (b) – Planning Area Need	The Applicant is requesting a 44-bed AMI hospital for children and adolescents. The State Board does not distinguish between children and adolescent and adult and geriatric population when determining the need or excess of AMI Beds in an AMI Planning Area (77 ILAC 1100.560). There is a calculated excess of 6 AMI Beds

<b>State Board Standards Not Met</b>	
<b>Criteria</b>	<b>Reasons for Non-Compliance</b>
	in the HSA II AMI Planning Area and with the proposed addition there will be a calculated excess of 41 AMI Beds in the HSA II AMI Planning Area.
Criterion 1110.210 (c) – Unnecessary Duplication of Service	There is currently two hospitals (Methodist Medical Center of Illinois and Proctor Hospital) providing AMI services in the 17-mile GSA. Both Hospitals are not at the target occupancy of 85% and neither hospital is staffing the total number of authorized AMI beds.
Criterion 1110.120(a) Size of Project	The Applicants have exceeded the State Standard for project size by 366.5 GSF per room, resulting in an overage of 16,126 GSF.



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**PROJECT #22-017**  
**The Methodist Medical Center Young Minds Institute**

APPLICATION/CHRONOLOGY/SUMMARY	
Applicants	Methodist Medical Center of Illinois, Methodist Health Services Corporation, Iowa Health System d/b/a UnityPoint Health
Facility Name	The Young Minds Institute
Location	2223 West Heading Avenue, West Peoria, Illinois
Permit Holder	Methodist Medical Center of Illinois
Operating Entity	Methodist Medical Center of Illinois
Owner of Site	Methodist Medical Center of Illinois
Total GSF	149,875 GSF (57,224 GSF reviewable, 92,651 non-reviewable)
Application Received	April 29, 2022
Application Deemed Substantially Complete	May 5, 2022
Review Period Ends	September 22, 2022
Financial Commitment Date	July 19, 2023
Project Completion Date	December 31, 2023
Review Period Extended by the State Board Staff?	No
Can the Applicants request a deferral?	Yes

**I. The Proposed Project**

The Applicants [Methodist Medical Center of Illinois, Methodist Health Services Corporation, Iowa Health System d/b/a UnityPoint Health] propose the establishment of a 44-bed child and adolescent behavioral health (AMI) hospital in West Peoria, Illinois. The cost of the project is \$29,327,856. The expected completion date is December 31, 2023.

**II. Summary of Findings**

- A. The State Board Staff finds the proposed project is **not** in conformance with the provisions of Part 1110.
- B. The State Board Staff finds the proposed project is in conformance with the provisions of Part 1120.

### III. General Information

The Applicants are Methodist Medical Center of Illinois, Methodist Health Services Corporation, and Iowa Health System d/b/a UnityPoint Health. Methodist Health Services Corporation is a not-for-profit health system and is a subsidiary of UnityPoint Health. Methodist Health Services Corporation owns the following health facilities:

- UnityPoint Health-Methodist, Peoria 329 beds
- UnityPoint Health-Proctor, Peoria 228 beds
- UnityPoint Health-Pekin, Pekin 95 beds
- Central Illinois Endoscopy Center, Peoria Limited-Specialty ASTC
- Renal Intervention Center, Morton Limited-Specialty ASTC

Iowa Health System is incorporated in Iowa and is registered as an Illinois general not-for-profit corporation in this State.

Methodist Medical Center of Illinois is located at 221 NE Glen Oak Avenue, Peoria (appx. 2 miles from the Applicant facility). Table One below outlines the CY2020 number of beds and their utilization at Methodist Medical Center of Illinois.

TABLE ONE						
Methodist Medical Center of Illinois						
	Beds	Admit	Days	ALOS	ADC	% Occ
Medical Surgical	168	6,343	35,625	6.5	112.5	78.6%
Pediatrics	6	89	219	5.8	1.4	23.4%
Intensive Care	26	1,982	7,739	4.0	21.7	54.3%
Obstetrics	22	1,900	4,109	2.2	11.5	52.3%
Acute Mental Illness	68	2,756	15,788	5.8	43.3	65%
Rehabilitation	39	307	4,398	14.3	12	75.1%
Totals	329	13,377	67,878			
Cy 2020 Hospital Profile						

### IV. Health Service Area

The proposed 44-bed AMI hospital will be in the HSA-II Health Service Area which is the Illinois counties of Bureau, Fulton, Henderson, Knox, LaSalle, Marshall, McDonough, Peoria, Putnam, Stark, Tazewell, Warren, and Woodford. The primary service area for this hospital is within a 17-mile radius consisting of 31 zip codes located in the following Illinois counties: Fulton, Peoria, Tazewell, and Woodford. There are approximately 308,231 residents within this service area, and three AMI Hospitals. A fourth hospital, Galesburg Cottage Hospital has recently discontinued services, resulting in the elimination of 16 AMI beds, and reducing the AMI bed excess to 6 beds.

### V. Project Details

The Applicants have purchased the former County-Owned Long Term Care Facility, Heddington Oaks, a 214-bed skilled nursing facility that was approved for discontinuation

on May 3, 2022, by the Board Chairwoman, via Application #21-035. The last Heddington Oaks resident was discharged in August 2020, and Peoria County voters approved the County's bid to sell the facility in November 2020.

The Applicants propose to establish a 44-bed child and adolescent AMI facility at this location which is approximately 2 miles away from the Methodist Medical Center main campus. Upon project approval, Methodist Medical center will relinquish 9 existing adult AMI beds from its main campus to address the current overage in the planning area. The proposed behavioral health facility will provide inpatient behavioral health services including recreational and experimental (art therapy, music therapy, and a sensory room), as well as community spaces for family support groups, education seminars, and community services.

## **VII. Project Costs and Source of Funds**

The Applicants are funding this project with a combination of cash in the amount of \$15,327,856, gifts/bequests totaling \$12,000,000, and grants totaling \$2,000,000. Estimated start-up costs and operating deficit cost is \$511,560.

<b>TABLE TWO</b>				
<b>Project Costs and Sources of Funds</b>				
Use of Funds	Reviewable	Non-Reviewable	Total	% of Total
Preplanning	\$114,000	\$186,000	\$300,000	1%
Site Survey/Soil Investigation/Site Preparation	\$45,600	\$74,400	\$120,000	.4%
Off Site Work	\$19,000	\$31,000	\$50,000	.2%
Modernization Contracts	\$5,179,136	\$8,450,169	\$13,629,305	46.6%
Contingencies	\$456,000	\$744,000	\$1,200,000	4%
Architectural/Engineering Fees	\$390,849	\$637,702	\$1,028,551	3.6%
Consulting and Other Fees	\$380,000	\$620,000	\$1,000,000	3.4%
Movable or Other Equipment (not in construction contracts)	\$760,000	\$1,240,000	\$2,000,000	6.8%
Acquisition of Building and Other Property	\$3,800,000	\$6,200,000	\$10,000,000	34%
Total Uses of Funds	\$11,144,585	\$18,183,271	\$29,327,856	100.00%
Source of Funds				
Cash and Securities	\$5,824,585	\$9,503,271	\$15,327,856	52.2%
Gifts and Bequests	\$4,560,000	\$7,440,000	\$12,000,000	41%
Grants	\$760,000	\$1,240,000	\$2,000,000	6.8%
Total Source of Funds	\$11,144,585	\$18,183,2871	\$29,327,856	100.00%

## **VIII. Background of the Applicant, Purpose of the Project, Safety Net Impact Statement, Alternatives to the Proposed Project**

### **A) Criterion 1110.110 (a) – Background of the Applicant**

The Applicants have attested that there has been no adverse action<sup>1</sup> taken against any of the facilities owned or operated by the Applicant and has authorized the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health to have access to any documents necessary to verify information submitted in connection to the Applicants' certificate of need. Certificate of Good Standing have been provided for the Applicants and the Applicants are in compliance with the reporting requirements of the State Board.

### **B) Criterion 1110.110 (b) – Purpose of the Project**

According to the Applicants *"The proposed project will enable Methodist Hospital to more effectively care for and treat child and adolescent patients struggling with behavioral and mental health needs. Through the proposed behavioral health campus, Methodist Hospital will be able to provide child and adolescent patients the full continuum of behavioral and mental health care- inpatient and outpatient- a localized in one facility. This continuum of care reflects the Methodist's Hospital's beliefs that behavioral and mental health care is most useful when the treatment is customized to the patient's clinical and social needs."*

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<sup>1</sup> "Adverse Action" means a disciplinary action taken by IDPH, CMMS, or any other State or federal agency against a person or entity that owns or operates or owns and operates a licensed or Medicare or Medicaid certified healthcare facility in the State of Illinois. These actions include, but are not limited to, all Type "A" and Type "AA" violations. As defined in Section 1-129 of the Nursing Home Care Act [210 ILCS 45], "Type 'A' violation" means a violation of the Nursing Home Care Act or of the rules promulgated thereunder which creates a condition or occurrence relating to the operation and maintenance of a facility presenting a substantial probability that risk of death or serious mental or physical harm to a resident will result therefrom or has resulted in actual physical or mental harm to a resident. As defined in Section 1-128.5 of the Nursing Home Care Act, a "Type AA violation" means a violation of the Act or of the rules promulgated thereunder which creates a condition or occurrence relating to the operation and maintenance of a facility that proximately caused a resident's death. [210 ILCS 45/1-129]

### **C) Criterion 1110.110 (c) – Safety Net Impact**

This project is classified as substantive and a safety net impact statement has been provided at the conclusion of this report.

### **D) Criterion 1110.110 (d) – Alternatives to the Propose Project**

#### **1. Maintain Status Quo**

The Applicants currently operate a 23-bed child and adolescent AMI unit on the 8<sup>th</sup> floor of the Methodist Hospital, in a unit that was initially built in 1917, and renovated in 1988. While the conditions of this unit are acceptable by State standards, the space requires more substantive renovation. In addition, the Applicants report having to turn away more than 2,600 child/adolescent AMI patients, due to lack of beds, available space, and limited treatment resources. While this number steadily increases, the patient overflow continues to be sent to child/adolescent facilities 75 miles (Springfield) and 90 miles (Quad Cities) away, presenting unanticipated challenges for families served by the program. These challenges, as well as others, compelled the Applicants to reject this alternative, and research more substantive solutions to an ever-worsening problem with this level of care. There are no capital costs for this alternative.

#### **2. Expand Main Campus, Add AMI Floor**

According to the Applicants, options were explored for renovating and expanding the main campus but lack the necessary space to facilitate an expansion offering space like that in the chosen option. In addition to special restrictions, the Applicants realized an estimated project cost that would surpass those of the option chosen, resulting in the Applicants rejection of this alternative.

#### **3. Establish a Separate Licensed Behavioral Health Facility on Vacant Property**

The Applicants explored the option of establishing a separately licensed freestanding child/adolescent AMI facility on property adjacent or separated from the main campus of the hospital. This option was rejected due to the duplication in services and staffing that would result. The Applicants also noted that the development of an AMI hospital from the ground up would result in costs more than those identified with the chosen option and rejected this alternative.

#### **4. Joint Venture with Other Providers**

While this option was not pursued, the Applicants note having entered joint initiatives to improve access to and delivery of AMI services to children and adolescent patients. The collaborative efforts included 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. It is the intent of the Applicants to continue to work collaboratively with these providers, with the benefit of doing so in a newly renovated building with enough space to accommodate the large population of children/adolescents in need.



## IX. Size of the Project, Projected Utilization

### A) Criterion 1110.120 (a) – Size of the Project

The Applicants are proposing 57,224 GSF of reviewable space for this hospital. The State Board has standards for AMI hospital beds identical to the size standards for adult AMI beds. The Applicants are proposing to identify 33 (30,576 GSF) beds for adolescent services, and the remaining 11 (10,192 GSF) beds for child psychiatric service. The remaining space will be used for reviewable programmatic purposes (See Table Three). While the spatial considerations are more than the State Board standard, the Applicants provided this response as it relates to the size of the rooms for both child and adolescent AMI beds.

*“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 Board standard, the discrepancy is justified as the project involves the conversion of existing space in a former long term care facility\*, which results in excessive square footage. Rather than perform a complete demolition and remodel of the interior spaces to meet the Board’s standard, which would increase costs by 40%, the Applicants have chosen a more cost-effective approach of renovating the applicable existing space.”*

While the option to conserve financial resources are commendable, a negative finding results for this criterion

TABLE THREE					
Size of the Proposed Project					
		Proposed GSF		State Standard	
Category of Service	Beds	Proposed GSF	GSF per Bed	GSF Per Bed	Overage per Bed
Adolescent AMI	33	30,576	926.5	560	366.5
Child AMI	11	10,192	926.5	560	366.5
Therapies		7,782	No Standards		
Consultation		5,844			
Intake		2,830			
Total	44	57,224			
*State Size Standard for LTC Rooms: 435-713bgsf/per bed					

**B) Criterion 1110.120 (b) - Projected Utilization**

The Applicants believe by the second year of operation after project completion they will have a patient volume of 1,455 child/adolescent AMI inpatients, which exceeds the State standard of 85%. Included are utilization projections for all AMI services on the Methodist Hospital campuses, See Table Five

<b>TABLE FOUR Projected Utilization</b>			
Year	Projected Utilization	State Standard	Met Standard
Year 1/FY 2024	65.95%	85%	No
Year 2/FY 2025	86.07%	85%	Yes

<b>TABLE FIVE Projected Utilization for all Methodist AMI Beds</b>						
<b>Year 2/2025</b>	<b>Beds</b>	<b>Admits</b>	<b>Days</b>	<b>ALOS</b>	<b>ADC</b>	<b>Occupancy</b>
Young Minds Inst.	44	1,455	13,823	9.5	38	86.07%
Adult AMI Main Campus	59	2,575	19,313	7.5	53	89.68%
Combined Total	103	4,030	33,136	8.22	91	88.14%

**X. Acute Mental Illness (AMI)****A) Criterion 1110.210 (b) (1) - Planning Area Need**

The applicant shall document that the number of beds to be established or added is necessary to serve the planning area's population.

The Applicants are proposing to establish a 44-bed child/adolescent AMI unit in a freestanding AMI facility located approximately 2 miles from the main campus of Methodist Medical Center, Peoria. Although there are two separate facilities, the beds will be under a single license. The Applicants intend to discontinue 9 adult inpatient AMI beds on its main campus to accommodate the introduction of additional beds to a service area (HSA-02), that has a current overage of 6 AMI beds. Board Staff notes that the recent discontinuation of Galesburg Cottage Hospital, Galesburg has resulted in the discontinuation of 16 AMI beds in the planning area, which is reduces the overage in the planning area to 6 AMI beds. Table Six lists the hospitals in the service area that provide AMI services. Should the State Board approve this project there will a calculated excess of 41 AMI Beds in the HSA II AMI Planning Area.

**2) Criterion 1110.210 (b) (2) - Service to Planning Area Residents**

The 17-mile GSA includes a population of approximately 308,231 million residents. The Applicants have stated that approximately 80% of the child and adolescent patients for the proposed 44-bed facility unit will be coming from this 17-mile GSA. (Page 86 of the Application for Permit). The Applicants have successfully addressed this criterion.

**3) Criterion 1110.210 (b) (3) Service Demand – Establishment of AMI/CMI Service**

The Applicants propose to establish a 44-bed AMI facility designed to meet the programmatic needs of child and adolescent AMI patients. Currently, there are no AMI facilities/hospitals in HSA-02/HPA-2 that treat this specific population. The Applicants provided historical utilization data for its adult and adolescent services, both combined and individually (application, p. 91), that shows insufficient operational capacities, but provide projected utilization data for the same services, that exceed the State standard (85%). In addition, the Applicants supplied a list of physicians with their historical and projected referrals to the service after project completion (See Table Five). The Applicants have successfully addressed this criterion.

<b>TABLE FIVE</b>				
<b>Historical and Projected Physician Referrals</b>				
<b>Physician</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Proposed Referrals</b>
Dr Kapril Aedma	97	175	195	195
Dr Keila Sierra-Cintron	201	148	162	162
Dr Leah Perez	262	176	207	207
Dr. Shobha Nookala	215	173	194	194
Recaptured Deflections/Transfers				697
<b>TOTAL</b>				<b>1,455</b>

**4) Criterion 1110. 210(b) (5) - Service Accessibility**

The applicant shall document that at **least one of the following factors** exists in the planning area:

- i) The absence of the proposed service within the planning area.
- ii) Access limitations due to payor status of patients, including, but not limited to, individuals with health care coverage through Medicare, Medicaid, managed care, or charity care.
- iii) Restrictive admission policies of existing providers.
- iv) The area population and existing care system exhibit indicators of medical care problems, such as an average family income level below the State average poverty level, high infant mortality, or designation by the Secretary of Health and Human Services as a Health Professional Shortage Area, a Medically Underserved Area, or a Medically Underserved Population.
- v) For purposes of this subsection (b)(5) only, all services within the established radii outlined in 77 Ill. Adm. Code 1100.510(d) meet or exceed the utilization standard specified in 77 Ill. Adm. Code 1100.

The Applicants note that Methodist Hospital is the only hospital in the AMI Planning area that provides adolescent and child AMI services and note that the proposed AMI facility is being established in a designated Health Professional Shortage Area (HPSA), for both Mental Health and Primary Care. The Applicants note that on average, over the last 3 years, having to find placement for 60% of its child and adolescent AMI patient admissions in facilities located throughout the State, with the majority of these admissions being placed in the Chicago market.

Table Six lists 19 acute care hospitals in the State that provide mental health services. The table also shows the Health Service Area in which the facility is located, whether it offers child and adolescent AMI services, and its distance from Methodist Hospital, Peoria.

<p style="text-align: center;"><b>TABLE SIX</b>  <b>AMI Hospitals Closest to Methodist Medical Center</b></p>							
Hospitals	City	HSA	Adult AMI Beds	Child/Adolescent AMI Beds	AMI Occupancy	Distance (miles)	Within Service Area?
Methodist Hospital	Peoria	2	24	23	63.7%	0	Yes
OSF St. Elizabeth Hospital	Ottawa	2	26	0	54.7%	81	No
Proctor Community Hospital#	Peoria	2	18	0	53.6%	4	Yes
CGH Medical Center	Sterling	1	10	0	0.0%	80	No
Katherine Shaw Bethea Hospital	Dixon	1	14	0	52.2%	91	No
Swedish American Hospital	Rockford	1	20	12	46.7%	133	No
Blessing Hospital 11 <sup>th</sup> Street	Quincy	3	26	15	76.4%	127	No
Illini Community Hospital	Pittsfield	3	10	0	44.5%	118	No
Lincoln Prairie Behavioral Hospital	Springfield	3	0	97	70.6%	79	No
Springfield Memorial Hospital	Springfield	3	44	0	54.1%	71	No
AMITA Health St Mary's Hospital	Kankakee	9	25	0	45.1%	109	No
Decatur Memorial Hospital	Decatur	4	20	0	33.3%	81	No
OSF Heart of Mary Hospital	Urbana	4	30	0	36.6%	90	No
Sarah Bush Lincoln Health Center	Mattoon	4	18	0	65.6%	134	No
St Mary's Hospital	Centralia	5	24	0	58.9%	174	No
The Pavilion	Champaign	4	42	30	80.3%	89	No
Adventist Bolingbrook Hospital	Bolingbrook	9	24	0	54.9%	133	No
AMITA St Joseph Hospital	Joliet	9	31	0	52.1%	121	No
Silver Oaks Behavioral Hospital	New Lenox	9	56	24	65.3%	131	No
TOTAL			462	201	53.8% avg.		
<p>1. Service Area Defined as a 17-Mile Radius surrounding Applicant facility  2. State Standard for AMI Occupancy: 85%  3. #Located in the 17-mile service area</p>							

### C) Criterion 1110.210 (c) (1) (2) (3) - Unnecessary Duplication/Maldistribution

#### 1. Unnecessary Duplication of Service

As seen in Table Six, there are two hospitals providing acute mental illness care in the 17-mile GSA, and neither of the hospitals are at the target occupancy of 85%. Of the hospitals identified in Table Six, Methodist Medical Center of Illinois (68 AMI Beds) and Proctor Hospital (18 AMI Beds) are located within the 17-mile service area. The Applicants supplied a list of the 31 zip codes in the service area, and the corresponding populations in these zip codes. (Application, p. 101-102). The Table below outlines the 5year average daily census of the two hospitals in the 17-mile service area.

<b>TABLE SEVEN</b>					
<b>5-Year Utilization</b>					
<b>Proctor and Methodist Medical Center of Illinois</b>					
Facility	Beds	Beds	5-Year Ave	Authorized	Staff
	Authorized	Staff	Daily Census	Occ.	Occ
Proctor Adult	18	14	10.38	57.67%	74.14%
Methodist	68			76.03%	
Adolescent		23	16.56		72.00%
Adult		44	35.14		79.86%

#### 2. Maldistribution

The Applicants supplied a comprehensive listing of Hospitals both in and outside of the 17-mile service area/Health Service Area that provide inpatient AMI services. Of these 19 facilities, 6 (32%), provide child/adolescent AMI services.

There are 4,152 Acute Mental Illness (AMI) beds in the State of Illinois, and the population in the State of Illinois is approximately 13,129,233. The number of AMI beds per thousand population is 0.316 per thousand in the State of Illinois or 1 bed per 3,160 residents.

To have a surplus of comprehensive physical rehabilitation beds in the 17-mile GSA the ratio of beds to population must be more than one and one-half times the State average. Based upon that ratio there is a surplus of AMI beds in the 17-mile GSA.

#### 3. Impact on other Hospitals

Based upon the information reviewed it appears that the proposed project will not lower the utilization of other area hospitals providing AMI services in the 17-mile GSA. The Application file contains over 30 letters of support for the project. Letters from local politicians, social service agencies, and other hospitals within the service area lend to the findings that the proposed project will not have a negative impact on community resources and/or providers.

### D) Criterion 1110.210 (e) - Staffing

The Applicants stated the proposed facility will maintain the necessary clinical and professional staff to meet applicable State of Illinois regulations and certification criteria required by IDPH and The Joint Commission. Methodist Medical Center currently operates its existing AMI unit in a manner compliant with the prescribed staffing standards, and has existing resources to increase professional staffing, if necessary. [Application for Permit page 105]. The Applicant has successfully addressed this criterion.

**E) Criterion 1110.210 (f) - Performance Requirements**

- 1) *The minimum freestanding facility size for acute mental illness is a minimum facility capacity of 20 beds.*

The Applicants are proposing to establish a 44-bed child/adolescent AMI unit as part of an existing 329-bed hospital. The Applicants have met the requirements of this criterion.

**F) Criterion 1110.210 (g) -Assurances**

*The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in 77 Ill. Adm. Code 1100 for each category of service involved in the proposal.*

The Applicants provided the required assurance at page 129 of the application. The Applicants have met the requirements of this criterion.

**XII. Financial Viability Economic Feasibility**

**A) Criterion 1120.120 – Availability of Funds**

**B) Criterion 1120.130 – Financial Viability**

**C) Criterion 1120.140 (a) – Reasonableness of Financing Arrangements**

**D) Criterion 1120.140 (b) – Terms of Debt Financing**

The Applicants are funding this project with cash/securities in the amount of \$15,327,856, Gifts and Bequests from individuals, corporations, and foundations totaling \$12,000,000, and Federal Grants amounting to \$2,000,000. The Applicants supplied Audited Financial Statements for Years 2020 and 2021 for Iowa Health System d/b/a UnityPoint Health. The results are shown in Table Seven. The Applicants (UnityPoint Health) supplied a copy of an AA- Bond Rating from FitchRatings Service, dated July 2021 (application, p. 131).

<b>TABLE EIGHT</b> Audited Financial Statements Iowa Health System d/b/a UnityPoint Health December 2020 and 2021 (in thousands)		
Selected Financial Data [Audited]	2020	2019
Cash and Cash Equivalents	\$634,781	\$278,444
Current Assets	\$1,706,129	\$1,161,185
Current Liabilities	\$1,063,774	\$762,888
LTD	\$1,134,788	\$895,871
Total Liabilities	\$3,062,954	\$2,243,540
Net Patient Revenue	\$3,932,963	\$4,184,332
Total revenues	\$4,612,051	\$4,588,466

<b>TABLE EIGHT</b> Audited Financial Statements Iowa Health System d/b/a UnityPoint Health December 2020 and 2021 (in thousands)		
Selected Financial Data [Audited]	2020	2019
Income from Operations	\$113,391	\$100,540
Net Income	\$278,375	\$385,972

Based upon the information provided, the Applicants have sufficient resources to fund this project and have qualified for the financial waiver. There is no debt being used to fund this project; therefore criteria 1120.140 (a) and 1120.140 (b) are not applicable to this project.

#### **E) Criterion 1120.140 (c) – Reasonableness of Project Costs**

Preplanning Costs total \$114,000 and are 1.7% of modernization, contingencies, and movable equipment costs of \$6,395,136. This appears reasonable when compared to the State Board Standard of 1.8% or \$746,383.

Site Survey/Site Preparation Costs total \$45,600 and are .79% of modernization and contingencies cost of \$5,635,136. This appears reasonable when compared to the State Board Standard of 5%.

Modernization and Contingency costs total \$5,635,136 or \$93.76 per GSF. This appears reasonable when compared to the State Board Standard of \$321.66 per GSF. This standard reflects a project mi-point 2022.

Contingency Costs total \$456,000 and are 8.8% of modernization costs. This appears reasonable when compared to the State Board Standard of 10-15%%.

Architectural and Engineering Fees total \$390,849 and are 6.9% of modernization and contingency costs. This appears reasonable when compared to the State Board Standard of 6.22% - 9.34%.

The State Board does not have a standard for these costs.

Consulting and Other Fees	\$380,000
Movable or Other Equipment	\$760,000
Acquisition of Building/Other Property	\$3,800,000

#### **F) Criterion 1120.140 (e) - Projected Operating Cost**

The Applicants are estimating projected operating costs of \$721 per day. The State Board does not have a standard for this criterion.

#### **G) Criterion 1120.140 (f) – Total Effect of the Project on Capital Costs**

The Applicants are estimating the capital costs per patient day of \$52. The State Board does not have a standard for this criterion.





## SAFETY NET IMPACT STATEMENT

[See pages 228-232 of the Application for Permit]

**a. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.**

The Applicants note that Methodist Hospital is a provider of essential Safety Net services, providing a wide array of mental health services, and is the only facility in eth planning area that provides child and adolescent AMI services

**b. 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.**

There is no basis to believe this should impact the ability of other area providers to cross-subsidize safety net services, as Methodist Health System is the only provider of child and adolescent psychiatric services in the service area.

**c. How the discontinuation of a facility or service might impact the remaining safety net providers in each community, if reasonably known by the applicant.**

The proposed project does not seek to discontinue any services in the planning area. Although the Applicants plan to accommodate the additional AMI beds through the discontinuation of 9 adult AMI beds on their main campus, this will not affect the ability to provide AMI services to its adult patient population.

<b>TABLE NINE</b> <b>METHODIST MEDICAL CENTER OF ILLINOIS</b> Charity Care and Medicaid Information			
Net Patient Revenue	\$362,950,357	\$347,969,258	\$390,234,161
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
% of Charity Care to Net Revenue	.67%	.59%	.43%
MEDICAID	2019	2020	2021
Medicaid (# of patients)			
Inpatient	4,586	5,093	5,235
Outpatient	47,734	59,332	71,940
Total	52,320	64,425	77,175

<b>TABLE NINE</b> <b>METHODIST MEDICAL CENTER OF ILLINOIS</b> Charity Care and Medicaid Information			
Net Patient Revenue	\$362,950,357	\$347,969,258	\$390,234,161
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
% of Medicaid to Net Revenue	14.2%	17.1%	17.4%

<b>TABLE NINE</b> <b>PROCTOR HOSPITAL</b> Charity Care and Medicaid Information			
Net Patient Revenue	\$106,405,304	\$109,146,705	\$138,632,693
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
% Of Charity Care to Net Revenue	.58%	.39%	.57%
MEDICAID	2019	2020	2021
Medicaid (# of patients)			
Inpatient	196	198	105
Outpatient	8,887	8,115	9,462
Total	9,083	8,313	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
% Of Medicaid to Net Revenue	2.9%	3.4%	3.9%

<b>TABLE NINE</b> <b>PEKIN HOSPITAL</b> Charity Care and Medicaid Information			
Net Patient Revenue	\$53,207,269	\$46,687,279	\$59,669,167
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

<b>TABLE NINE</b> <b>PEKIN HOSPITAL</b> Charity Care and Medicaid Information			
Net Patient Revenue	\$53,207,269	\$46,687,279	\$59,669,167
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
% Of Charity Care to Net Revenue	.45%	.69%	.43%
MEDICAID	2019	2020	2021
Medicaid (# of patients)			
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	\$4,460,793	\$5,618,245
% Of Medicaid to Net Revenue	9.4%	9.5%	9.4%

## 22-017 Methodist Medical Center Young Minds Institute - West Peoria

