

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 04/2021 Edition

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

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Sarah Bush Lincoln Fayette County Hospital – Change of Ownership		
Street Address: 650 West Taylor Street		
City and Zip Code: Vandalia 62471		
County: Fayette	Health Service Area: 5	Health Planning Area: F-02

Legislators

State Senator Name: Jason Plummer
State Representative Name: Blaine Wilhour

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

Exact Legal Name: Fayette County Hospital District
Street Address: 650 West Taylor Street
City and Zip Code: Vandalia 62471
Name of Registered Agent: Gregory D. Starnes
Registered Agent Street Address: 650 West Taylor Street
Registered Agent City and Zip Code: Vandalia 62471
Name of Chief Executive Officer: Gregory D. Starnes
CEO Street Address: 650 West Taylor Street
CEO City and Zip Code: Vandalia 62471
CEO Telephone Number: 618-283-5400

Type of Ownership of Applicants

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

☐ 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: Gregory D. Starnes
Title: CEO
Company Name: Sarah Bush Lincoln Fayette County Hospital
Address: 650 West Taylor Street, Vandalia, IL 62471
Telephone Number: 618-283-5400
E-mail Address: greg.starnes@sblfch.org
Fax Number: n/a

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CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 04/2021 Edition

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

Name: Kim Uphoff
Title: Vice President, Operations
Company Name: Sarah Bush Lincoln Health Center
Address: 1000 Health Center Drive, Mattoon IL 61938
Telephone Number: 217-258-2163
E-mail Address: kuphoff@sblhs.org
Fax Number: n/a

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Street Address: 650 West Taylor Street		
City and Zip Code: Vandalia 62471		
County: Fayette	Health Service Area: 5	Health Planning Area: F-02

Legislators

State Senator Name: Darren Bailey
State Representative Name: Chris Miller

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

Exact Legal Name: Sarah Bush Lincoln Health Center
Street Address: 1000 Health Center Drive
City and Zip Code: Mattoon 61938
Name of Registered Agent: Jerry Esker
Registered Agent Street Address: 1000 Health Center Drive
Registered Agent City and Zip Code: Mattoon 61938
Name of Chief Executive Officer: Jerry Esker
CEO Street Address: 1000 Health Center Drive
CEO City and Zip Code: Mattoon 61938
CEO Telephone Number: 217-258-2570

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	

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☐ 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.

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Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Kim Uphoff
Title: Vice President, Operations
Company Name: Sarah Bush Lincoln Health Center
Address: 1000 Health Center Drive, Mattoon IL 61938
Telephone Number: 217-258-2163
E-mail Address: kuphoff@sblhs.org
Fax Number: n/a

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

Name: Marsha Haldorsen
Title: Director, Planning and Business Development
Company Name: Sarah Bush Lincoln Health Center
Address: 1000 Health Center Drive, Mattoon IL 61938
Telephone Number: 217-258-4169
E-mail Address: mhaldorsen@sbllhs.org
Fax Number: n/a

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Legislators

State Senator Name: Darren Bailey
State Representative Name: Chris Miller

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

Exact Legal Name: Heartland Health System, Inc.
Street Address: 1000 Health Center Drive
City and Zip Code: Mattoon 61938
Name of Registered Agent: Jerry Esker
Registered Agent Street Address: 1000 Health Center Drive
Registered Agent City and Zip Code: Mattoon 61938
Name of Chief Executive Officer: Jerry Esker
CEO Street Address: 1000 Health Center Drive
CEO City and Zip Code: Mattoon 61938
CEO Telephone Number: 217-258-2570

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: Kim Uphoff
Title: Board Secretary
Company Name: Heartland Health System, Inc.
Address: 1000 Health Center Drive, Mattoon IL 61938
Telephone Number: 217-258-2163
E-mail Address: kuphoff@sblhs.org
Fax Number: n/a

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
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Additional Contact [Person who is also authorized to discuss the Application]

Name: Tina Stoval
Title: Board Chairperson
Company Name: Heartland Health System, Inc.
Address: 1000 Health Center Drive, Mattoon IL 61938
Telephone Number: 217-258-2163
E-mail Address: kuphoff@sblhs.org
Fax Number: n/a

Post Exemption Contact

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

Name: Gregory D. Starnes
Title: CEO
Company Name: Sarah Bush Lincoln Fayette County Hospital
Address: 650 West Taylor Street, Vandalia IL 62471
Telephone Number: 618-283-5400
E-mail Address: greg.starnes@sblfch.org
Fax Number: n/a

Site Ownership after the Project is Complete

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Sarah Bush Lincoln Health Center
Address of Site Owner: 1000 Health Center Drive, Mattoon IL 61938
Street Address or Legal Description of the Site: Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Current Operating Identity/Licensee

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

Exact Legal Name: Heartland Health System, Inc.	
Address: 1000 Health Center Drive, Mattoon IL 61938	
<input checked="" type="checkbox"/> Non-profit Corporation <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Other	<input type="checkbox"/> Partnership <input type="checkbox"/> Governmental <input type="checkbox"/> Sole Proprietorship

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Operating Identity/Licensee after the Project is Complete

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

Exact Legal Name: Sarah Bush Lincoln Fayette County Hospital	
Address: 650 West Taylor Street, Vandalia IL 62471	
<input checked="" type="checkbox"/> Non-profit Corporation <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Other	<input type="checkbox"/> Partnership <input type="checkbox"/> Governmental <input type="checkbox"/> Sole Proprietorship
<ul style="list-style-type: none"> 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 ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Organizational Relationships

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

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

In the space below, provide a brief narrative description of the change of ownership. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site.

In June 2019, the Fayette County Hospital District and Heartland Health System, Inc., which is owned by Sarah Bush Lincoln Health Center, entered into a contractual relationship by which Heartland Health System, Inc. became the operator of the hospital and long term care unit owned by the Fayette County Hospital District.

The Boards of Directors for both the Fayette County Hospital District and Sarah Bush Lincoln Health Center agree that the Fayette County Hospital District will transfer ownership of the Fayette County Hospital to Sarah Bush Lincoln Health Center. This will be a transfer of assets, which will result in the application for a new hospital license number in accordance with section 250.120g of the Illinois Hospital Licensing Requirements.

After approval by the Illinois Health Facilities and Services Review Board and issuance of a new hospital license by the Illinois Department of Public Health, the Fayette County Hospital District will dissolve, and Sarah Bush Lincoln Health Center will both own and operate Fayette County Hospital.

In consideration of the transfer of ownership and assets, Sarah Bush Lincoln Health Center will commit \$15 million to a trust to be expended for investment in the Fayette County Hospital. The transfer of assets by the Fayette County Hospital District to Sarah Bush Lincoln Health Center will include the existing provider number from the Centers for Medicare and Medicaid. Fayette County Hospital will operate under Sarah Bush Lincoln Health Center's current tax ID number and thus will change from a governmental ownership to a non-profit corporation.

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Related Project Costs

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

Land acquisition is related to project	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Purchase Price: \$	_____	
Fair Market Value: \$	1,607,346	

Project Status and Completion Schedules

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

Sarah Bush Lincoln Fayette County Hospital does not have any outstanding permits for projects
issued by the State Board.

Anticipated exemption completion date (refer to Part 1130.570): _____

State Agency Submittals

Are the following submittals up to date as applicable:

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

Failure to be up to date with these requirements will result in the Application being deemed incomplete.

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CERTIFICATION

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

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

This Application is filed on the behalf of Fayette County Hospital District 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.

Nancy L Pryor
SIGNATURE

Nancy L. Pryor
PRINTED NAME

Chairman of FCHDB
PRINTED TITLE

[Signature]
SIGNATURE

Gregory D. Starnes
PRINTED NAME

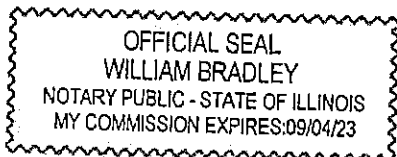
Chief Executive Officer
PRINTED TITLE

Notarization:

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

[Signature]
Signature of Notary

Seal

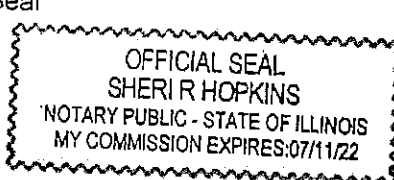


Notarization:

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

[Signature]
Signature of Notary

Seal



*Insert the EXACT legal name of the applicant

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
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- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Sarah Bush Lincoln Health Center in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application 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.

Tina Stovall
SIGNATURE

Tina Stovall
PRINTED NAME

Board Chair
PRINTED TITLE

Jerry Esker
SIGNATURE

JERRY ESKER
PRINTED NAME

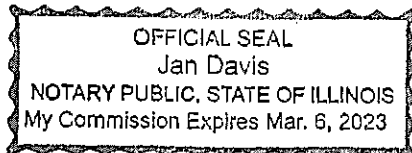
PRESIDENT & CEO
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 24 day of March 2022

Jan Davis
Signature of Notary

Seal

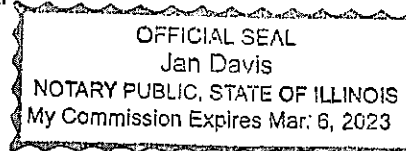


Notarization:

Subscribed and sworn to before me
this 24 day of March 2022

Jan Davis
Signature of Notary

Seal



*Insert the EXACT legal name of the applicant

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CERTIFICATION

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- 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 Heartland Health System, Inc. 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.

Kim Uphoff
SIGNATURE

Kim Uphoff
PRINTED NAME

Board Secretary
PRINTED TITLE

Tina Stovall
SIGNATURE

Tina Stovall
PRINTED NAME

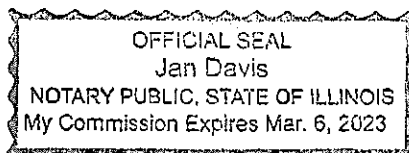
Board Chair
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 27th day of March 2022

Jan Davis
Signature of Notary

Seal

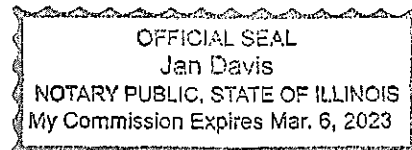


Notarization:

Subscribed and sworn to before me
this 27th day of March 2022

Jan Davis
Signature of Notary

Seal



*Insert the EXACT legal name of the applicant

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SECTION II. BACKGROUND.

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application. Please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.
5. If, during a given calendar year, an applicant submits more than one Application, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

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

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
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SECTION III. CHANGE OF OWNERSHIP (CHOW)

Transaction Type. Check the Following that Applies to the Transaction:

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

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

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

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

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APPLICABLE REVIEW CRITERIA	CHOW
1130.520(b)(4) - A statement as to the anticipated benefits of the proposed changes in ownership to the community	X
1130.520(b)(5) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership;	X
1130.520(b)(6) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;	X
1130.520(b)(7) - A description of the selection process that the acquiring entity will use to select the facility's governing body;	X
1130.520(b)(9)- A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.	X
APPEND DOCUMENTATION AS ATTACHMENT 6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

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SECTION IV.CHARITY CARE INFORMATION

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three audited fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

"Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer (20 ILCS 3960/3). Charity Care must be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 7.

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

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

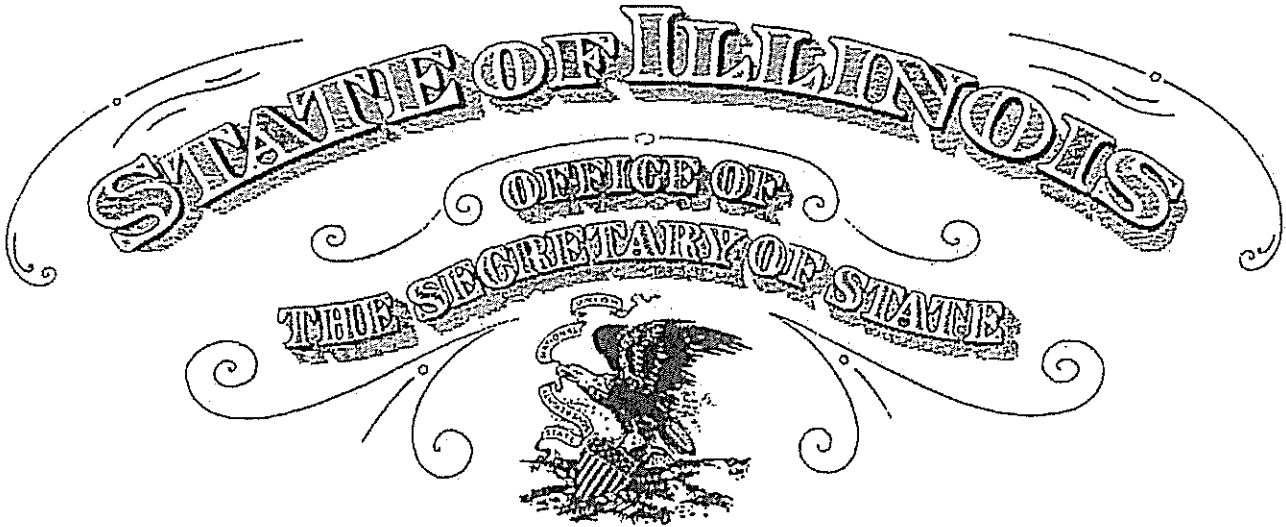
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After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

INDEX OF ATTACHMENTS			
ATTACHMENT NO.		PAGES	
1	Applicant Identification including Certificate of Good Standing	19-20	
2	Site Ownership	21	
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	22-23	
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	24	
5	Background of the Applicant	25-31	
6	Change of Ownership	32-34	
7	Charity Care Information	35	

File Number

7205-154-8



To all to whom these Presents Shall Come, Greeting:

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

HEARTLAND HEALTH SYSTEM, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JULY 01, 2019, 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.



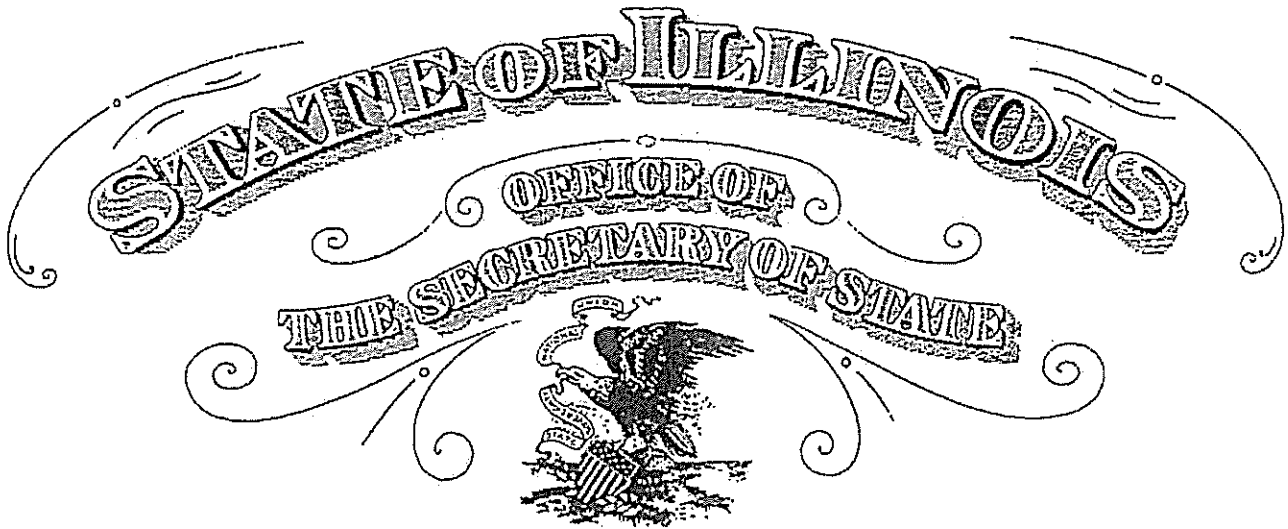
In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 21ST day of FEBRUARY A.D. 2022 .

Jesse White

SECRETARY OF STATE

File Number

4966-526-1



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

SARAH BUSH LINCOLN HEALTH CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MAY 18, 1970, 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.



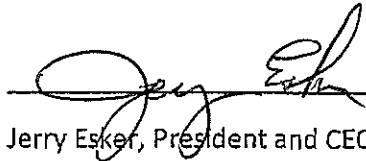
In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 21ST day of FEBRUARY A.D. 2022 .

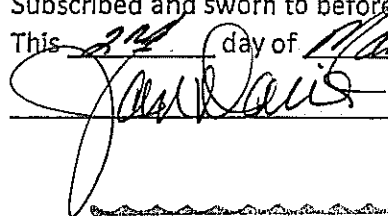
Jesse White

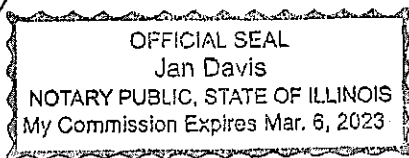
SECRETARY OF STATE

Proof of Ownership

Sarah Bush Lincoln Health Center does hereby attest that Sarah Bush Lincoln Health Center will own the Fayette County Hospital located at 650 West Taylor Street in Vandalia, Illinois after the change of ownership transaction.

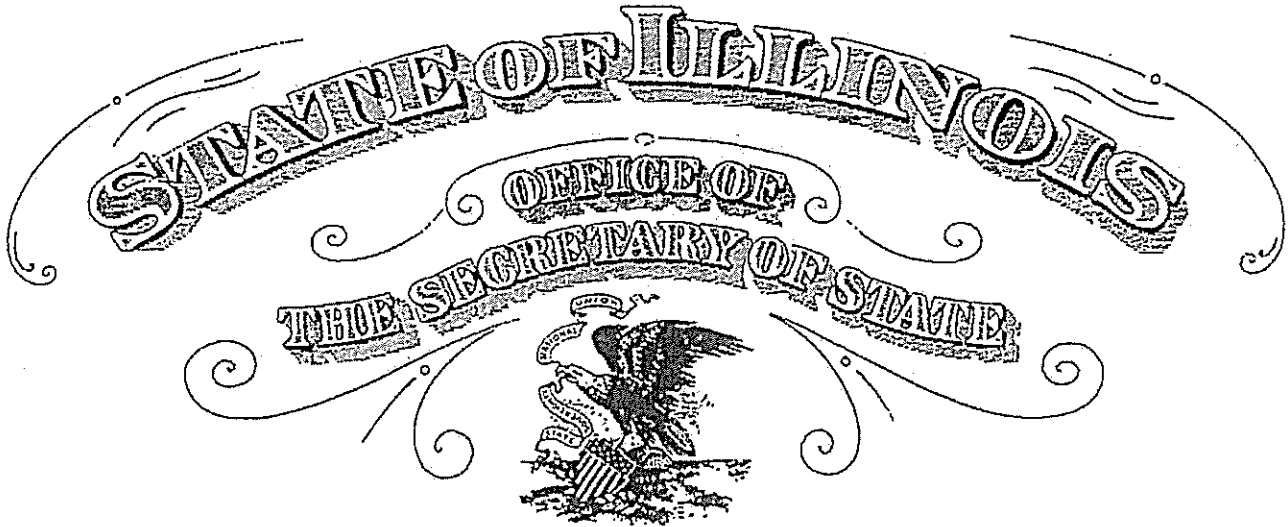

Jerry Esker, President and CEO

Subscribed and sworn to before me
This 2nd day of March, 2022




File Number

7205-154-8



To all to whom these Presents Shall Come, Greeting:

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

HEARTLAND HEALTH SYSTEM, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JULY 01, 2019, 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.



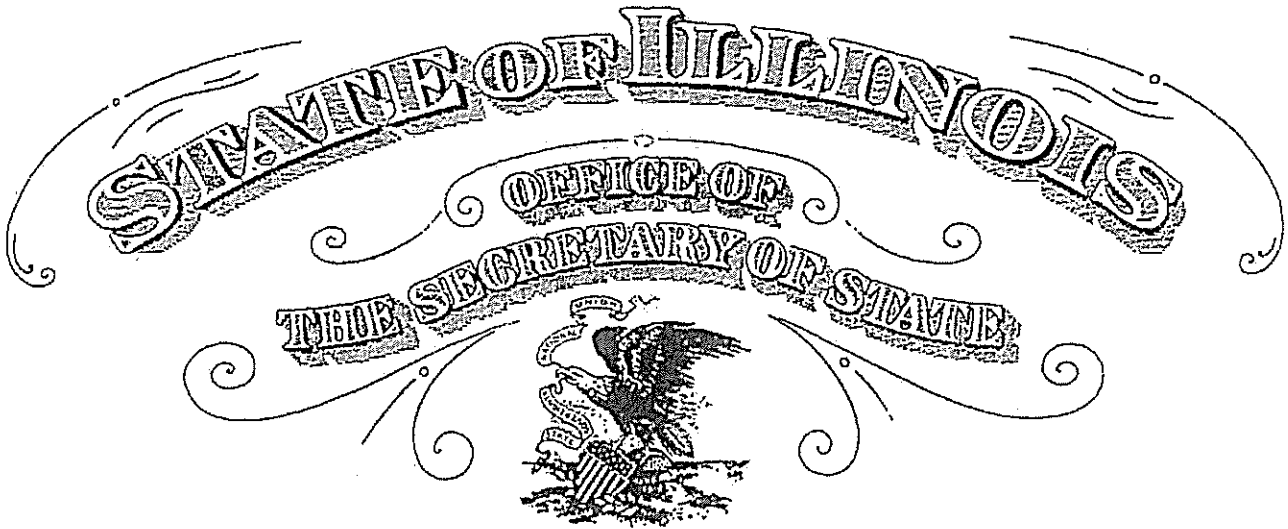
*In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 21ST
day of FEBRUARY A.D. 2022 .*

Jesse White

SECRETARY OF STATE

File Number

4966-526-1



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

SARAH BUSH LINCOLN HEALTH CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MAY 18, 1970, 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.

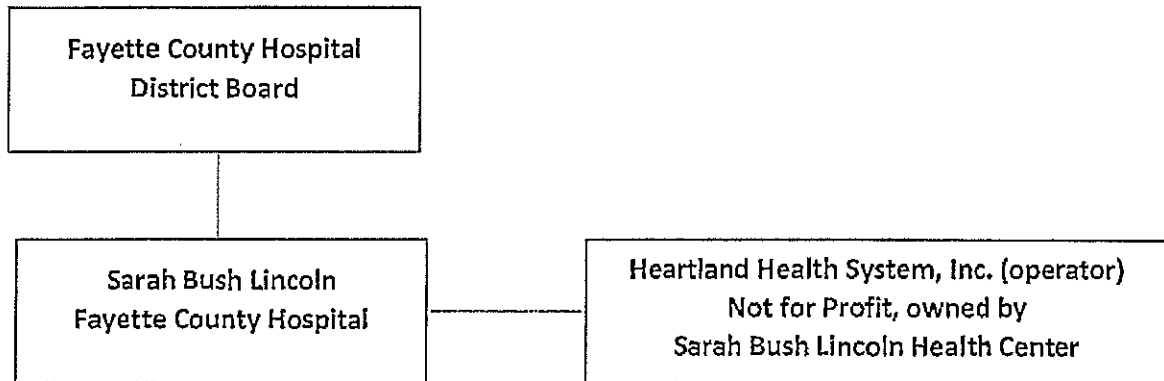


In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 21ST day of FEBRUARY A.D. 2022 .

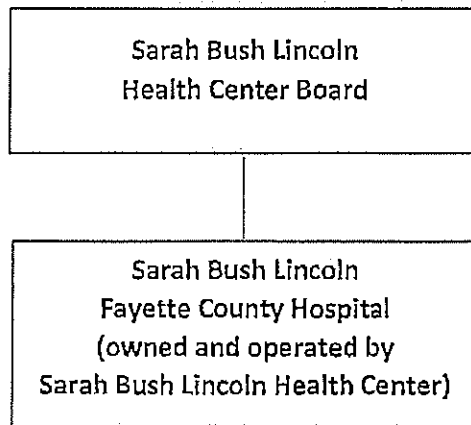
Jesse White

SECRETARY OF STATE

**Sarah Bush Lincoln Fayette County Hospital
Organizational Chart – Pre-Change of Ownership**



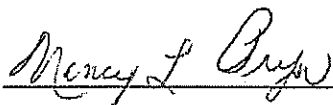
Organizational Chart – Post-Change of Ownership



SECTION II. BACKGROUND

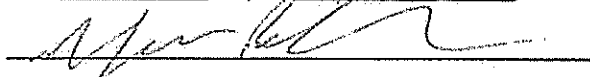
Background of Applicant

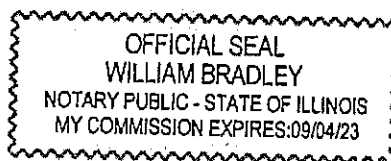
1. Fayette County Hospital District owns:
Fayette County Hospital
650 West Taylor Street
Vandalia, IL 62471
IDPH license #0000695 (attached)
Expiration: 12/31/2022
As a critical access hospital, Fayette County Hospital does not have a Joint Commission certificate.
2. There are no additional health care facilities currently owned and/or operated by Fayette County Hospital District's corporate officers or directors, LLC members, partners or owners.
3. Fayette County Hospital District does hereby attest that no adverse action, as defined in the rules of the Illinois Health Facilities and Services Review Board, has been taken against it in the three (3) years preceding this application.
4. Fayette County Hospital District authorizes the HFSRB and IDPH to access information necessary to verify information submitted in this application.




Nancy L. Pryor, Board Chairperson

Subscribed and sworn to before me
This 28th day of February, 2022





 Illinois Department of PUBLIC HEALTH		HF 123838
LICENSE PERIOD CERTIFICATION REGISTRATION		
<small>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.</small>		
Ngozi O. Ezike, M.D. Director		<small>Issued under the authority of the Illinois Department of Public Health</small>
<small>EXPIRATION DATE</small> 12/31/2022	<small>ALTERNATE</small>	<small>IS NUMBER</small> 0000695
Critical Access Hospital		
Effective: 01/01/2022		
Fayette County Hospital 650 W Taylor St Vandalia, IL 62471		
<small>Printed on Recycled Paper. For more information, contact the State of Illinois • P.O. Box 485 • Springfield, IL 62702</small>		

Background of Applicant

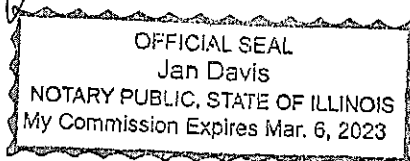
1. Heartland Health System, Inc. operates:
Fayette County Hospital
650 West Taylor Street
Vandalia, IL 62471
IDPH license #0000695 (attached)
Expiration: 12/31/2022
As a critical access hospital, Fayette County Hospital does not have a Joint Commission certificate.
2. There are no additional health care facilities currently owned and/or operated by Heartland Health System Inc.'s corporate officers or directors, LLC members, partners or owners.
3. Heartland Health System, Inc. does hereby attest that no adverse action, as defined in the rules of the Illinois Health Facilities and Services Review Board, has been taken against it in the three (3) years preceding this application.
4. Heartland Health System, Inc. authorizes the HFSRB and IDPH to access information necessary to verify information submitted in this application.

Tina Stovall

Tina Stovall, Board Chairperson

Subscribed and sworn to before me
This 2nd day of March, 2022

Jan Davis

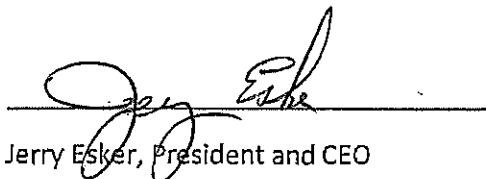


Background of Applicant

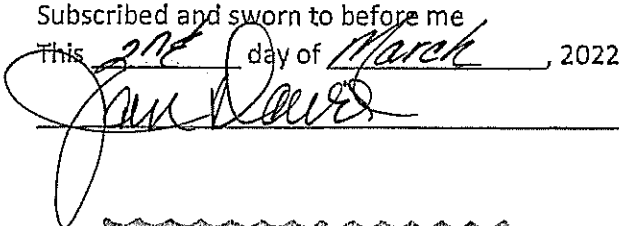
1. Sarah Bush Lincoln Health Center owns and operates:
Sarah Bush Lincoln Health Center
1000 Health Center Drive
Mattoon, IL 61938
IDPH license #0003392 (attached)
Expiration: 12/31/2022
The Joint Commission ID# 7257 (attached)

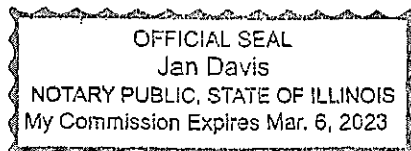
In addition, Sarah Bush Lincoln currently owns and operates Heartland Health System, Inc. which operates Fayette County Hospital. Sarah Bush Lincoln Health Center also has 20% interest in Effingham Surgical Partners.

2. There are no additional health care facilities currently owned and/or operated by Sarah Bush Lincoln Health Center's corporate officers or directors, LLC members, partners or owners.
3. Sarah Bush Lincoln Health Center does hereby attest that no adverse action, as defined in the rules of the Illinois Health Facilities and Services Review Board, has been taken against it in the three (3) years preceding this application.
4. Sarah Bush Lincoln Health Center authorizes the HFSRB and IDPH to access information necessary to verify information submitted in this application.


Jerry Esker, President and CEO

Subscribed and sworn to before me
This 2nd day of March, 2022


Jan Davis



#E-023-22

← DISPLAY THIS PART IN A
CONSPICUOUS PLACE



**Illinois Department of
PUBLIC HEALTH**

HF 124339

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 12/31/2022	CATEGORY	LICENSEE 0003392
General Hospital		
Effective: 01/01/2022		

Sarah Bush Lincoln Health Center
1000 Health Ctr Dr, PO Box 372
Mattoon, IL 61938

Exp. Date 12/31/2022

Lic Number 0003392

Date Printed 12/2/2021

Sarah Bush Lincoln Health Center
1000 Health Ctr Dr, PO Box 372
Mattoon, IL 61938

The face of this license has a colored background. Printed by Authority of the State of Illinois • PO 710-903-0011 10/19/18

FEE RECEIPT NO.



November 27, 2019

Jerry Esker
President and CEO
Sarah Bush Lincoln Health Center
1000 Health Center Drive
Mattoon, IL 61938

Joint Commission ID #: 7257
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of Standards
Compliance
Accreditation Activity Completed : 11/27/2019

Dear Mr. Esker:

The Joint Commission is pleased to grant your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

■ Comprehensive Accreditation Manual for Hospital

This accreditation cycle is effective beginning August 17, 2019 and is customarily valid for up to 36 months. Please note, The Joint Commission reserves the right to shorten or lengthen the duration of the cycle.

Should you wish to promote your accreditation decision, please view the information listed under the 'Publicity Kit' link located on your secure extranet site, The Joint Commission Connect.

The Joint Commission will update your accreditation decision on Quality Check®.

Congratulations on your achievement.

Sincerely,

Mark G. Pelletier, RN, MS
Chief Operating Officer and Chief Nurse Executive
Division of Accreditation and Certification Operations



November 27, 2019

Jerry Esker
President and CEO
Sarah Bush Lincoln Health Center
1000 Health Center Drive
Mattoon, IL 61938

Joint Commission ID #: 7257
Program: Home Care Accreditation
Accreditation Activity: 60-day Evidence of Standards
Compliance
Accreditation Activity Completed : 11/27/2019

Dear Mr. Esker:

The Joint Commission is pleased to grant your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

• Comprehensive Accreditation Manual for Home Care

This accreditation cycle is effective beginning August 17, 2019 and is customarily valid for up to 36 months. Please note, The Joint Commission reserves the right to shorten or lengthen the duration of the cycle.

Should you wish to promote your accreditation decision, please view the information listed under the 'Publicity Kit' link located on your secure extranet site, The Joint Commission Connect.

The Joint Commission will update your accreditation decision on Quality Check®.

Congratulations on your achievement.

Sincerely,

Mark G. Pelletier, RN, MS
Chief Operating Officer and Chief Nurse Executive
Division of Accreditation and Certification Operations

Applicable Review Criteria

1130.520(b)(1)(A) - Names of the parties

Fayette County Hospital District is the current owner of the Fayette County Hospital. Heartland Health System, Inc. is the current operator of the Fayette County Hospital. Sarah Bush Lincoln Health Center is the current owner of Heartland Health System, Inc. and will own and operate the Fayette County Hospital after the transaction.

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

See the attached certifications for:

- (1) Fayette County Hospital District, the entity that currently owns the Fayette County Hospital
- (2) Heartland Health System, Inc., the entity that currently operates the Fayette County Hospital
- (3) Sarah Bush Lincoln Health Center, the entity that owns Heartland Health System, Inc.

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

Fayette County Hospital District currently owns the Fayette County Hospital. Heartland Health System, Inc. currently operates the Fayette County Hospital. Sarah Bush Lincoln Health Center owns Heartland Health System, Inc. After the transaction, Sarah Bush Lincoln Health Center will own and operate the Fayette County Hospital, and the Fayette County Hospital District will dissolve.

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

Not applicable per the application.

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

Fayette County Hospital is a governmental hospital currently owned by the Fayette County Hospital District. After the transaction, Fayette County Hospital will be owned by Sarah Bush Lincoln Health Center, a non-profit corporation. See pre and post change of ownership organizational charts on Attachment 4.

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

Fayette County Hospital's value, per its January 31, 2022 balance sheet, is \$12,662,692.

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

In consideration of the transfer of ownership and assets, Sarah Bush Lincoln Health Center will commit \$15 million to a trust to be expended for investment in the Fayette County Hospital.

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

Fayette County Hospital affirms that any projects for which permits have been issued have been completed.

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

Sarah Bush Lincoln Health Center affirms that the charity care policy at Fayette County Hospital will not be more restrictive than its current form and that its current charity care policy will remain in place and/or be less restrictive for a minimum of two years.

1130.520(b)(4) - A statement as to the anticipated benefits of the proposed changes in ownership to the community

The community will benefit from the change in ownership because its new owner has a shared mission for providing excellent medical care and charity care.

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

Anticipated cost savings are unknown but likely, given that there could be efficiencies realized between Sarah Bush Lincoln Health Center and Fayette County Hospital.

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

Fayette County Hospital will continue with its extensive quality improvement program and affirms it will assure quality control measures are in place and followed.

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

Fayette County Hospital will be governed by the existing Sarah Bush Lincoln Health Center Board of Directors. Two members of the Sarah Bush Lincoln Health Center Board will represent the Fayette County region.

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

None.

SECTION IV. CHARITY CARE INFORMATION

CHARITY CARE - Sarah Bush Lincoln Health Center			
	<u>2019</u>	<u>2020</u>	<u>2021</u>
Net Patient Revenue	326,437,525	343,267,630	432,373,332
Amount of Charity Care Charges	13,212,330	12,547,579	12,091,605
Cost of Charity Care	3,156,426	3,085,450	2,813,716

CHARITY CARE - Sarah Bush Lincoln Fayette County Hospital			
	<u>2019</u>	<u>2020</u>	<u>2021</u>
Net Patient Revenue	28,443,396	27,674,308	34,412,139
Amount of Charity Care Charges	686,654	1,693,577	734,664
Cost of Charity Care	258,457	711,810	291,515