



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

DOCKET NO: C-05	BOARD MEETING: December 13, 2022	PROJECT NO: #E-067-22
APPLICANTS: Anna Hospital Corporation d/b/a Union County Hospital, Quorum Health Corporation, Quincy Health, LLC, Deaconess Illinois Union County Hospital, Inc., Deaconess Regional Healthcare Services Illinois, Inc. and Deaconess Health System, Inc.		
FACILITY: Union County Hospital – Anna, Illinois		
TYPE OF PROJECT: Exemption – Change of Ownership		

DESCRIPTION: The Applicants (Anna Hospital Corporation d/b/a Union County Hospital, Quorum Health Corporation, Quincy Health, LLC, Deaconess Illinois Union County Hospital, Inc., Deaconess Regional Healthcare Services Illinois, Inc. and Deaconess Health System, Inc.) propose the sale of Union County Hospital, a 25-bed for-profit hospital at 517 North Main Street, Anna, Illinois. The purchase price is \$10 million.

Information on this exemption application can be found at
<https://www2.illinois.gov/sites/hfsrb/Projects/Pages/E-067-22.aspx>

The State Board did receive support letters regarding this transaction. No opposition letters were received, and no public hearing was requested. All the information required by the State Board has been submitted.



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

STATE BOARD STAFF REPORT

Exemption #E-067-22

CHANGE OF OWNERSHIP

The Applicants (Anna Hospital Corporation d/b/a Union County Hospital, Quorum Health Corporation, Quincy Health, LLC, Deaconess Illinois Union County Hospital, Inc., Deaconess Regional Healthcare Services Illinois, Inc. and Deaconess Health System, Inc.) propose the sale of Union County Hospital, a 25-bed for-profit hospital at 517 North Main Street, Anna, Illinois. The purchase price is \$10 million.

APPLICANTS

Anna Hospital Corporation d/b/a Union County Hospital is an Illinois for profit corporation authorized to conduct business in the State of Illinois and is wholly owned by Quorum Health Corporation, which is a wholly owned subsidiary of Quincy Health, LLC. Quincy Health, LLC is a Delaware corporation that provides hospital and outpatient services in the United States. Deaconess Regional Healthcare Services Illinois, Inc. is a not-for-profit corporation authorized to conduct business in Illinois. Deaconess Illinois Union County Hospital, Inc is an Illinois not-for-profit corporation authorized to conduct business in Illinois.

Deaconess Health System, an Indiana not-for-profit corporation, is a multi-facility health system providing comprehensive health care services to southern Indiana, southeastern Illinois, and western Kentucky. Deaconess Health System, Inc. is the sole corporate member of Deaconess Regional Healthcare Services Illinois, Inc. According to the Applicants this relationship will change as Deaconess Health System, Inc will be removed as the sole corporate member and Deaconess Regional Healthcare Services Illinois, Inc. will be an independent entity. Deaconess Health System, Inc., will no longer be the sole corporate member of Deaconess Regional Healthcare Services Illinois, Inc. at the conclusion of this transaction. The corporate board of Deaconess Regional Healthcare Services Illinois, Inc., will consist of a minimum of seven members with only two members being appointed by Deaconess Health Systems, Inc., pursuant to an affiliation agreement between the two Deaconess entities which will be executed at the time of the proposed transaction. According to the Applicants this structure will better position Deaconess Illinois for favorable future financing and will address liability concerns related to Illinois operations.

TRANSACTION

This change of ownership transaction is considered a purchase resulting in a change in the licensee. The licensee will be Deaconess Illinois Union County Hospital, Inc. a not-for-profit corporation and the owner of the site will be Union County Hospital District. The purchase price of the 25-bed hospital is \$10 million. Union County Hospital is a critical access hospital and has been approved for the swing bed program.

Quorum Health Corporation proposes to transfer the operating assets of the Union County Hospital to Deaconess Illinois Union County Hospital, Inc., an Illinois not-for-profit corporation whose sole corporate member is Deaconess Regional Healthcare Services Illinois, Inc. The hospital's real estate assets are owned by the Union County Hospital District which leases those assets to Anna Hospital Corporation. Quorum will assign the real estate lease to Deaconess Regional Healthcare Services Illinois, Inc., which will sublease the real estate to Deaconess Illinois Union County Hospital, Inc.

The Applicants attest that the compliant charity care policy will remain in effect for a two-year period following the transaction. The Applicants also state as the result of the transaction, the communities served are anticipated to have numerous benefits including, but not limited to, increased primary care and specialty physicians, significant increases in capital spending, the deployment of the EPIC medical record, a more generous charity care policy, improved quality, increase in local jobs, lower healthcare costs, increase in base pay for many of the current employees, improved spending on community benefits and health needs assessments, reduced outsourcing of services and enhanced public/private partnerships with local communities. The Applicants state that many currently outsourced services will be brought internal, increasing jobs, and reducing outsourced costs, thus benefitting the community, and reducing costs. Deaconess anticipates retaining existing quality programs that are in place currently and will ultimately conform those policies to the Deaconess overall quality programs, which will enhance quality over time. Initially and on a go-forward basis, Deaconess Regional Healthcare Services Illinois, Inc., as the sole corporate member, will appoint and remove the Board members for the applicant facility. Deaconess anticipates retaining existing scope of services that are in place currently and looks to begin increasing services and access in compliance with any required regulatory approvals following the transaction. There is no present intention to reduce the scope of services.

The table below provides a snapshot of the utilization of Union County Hospital over the past seven years.

Union County Hospital									
		2015	2016	2017	2018	2019	2020	2021	Ave
M/S	25	44.70%	37.10%	31.10%	28.80%	28.00%	23.40%	25.02%	31.16%
LTC	22	65.80%	77.80%	63.40%	68.10%	66.30%	62.00%	56.72%	65.73%
Inpatients		645	838	555	595	542	454	464	585
Outpatients		39,312	34,491	33,697	31,095	32,428	24,427	30,500	32,279
Total		39,957	35,329	34,252	31,690	32,970	24,881	30,964	32,863
Medicare		\$5,666,032	\$6,168,755	\$5,789,857	\$6,449,309	\$5,985,301	\$6,080,745	\$5,771,413	\$5,987,345
Medicaid		\$4,184,101	\$5,735,926	\$6,041,172	\$4,551,973	\$5,954,135	\$4,684,723	\$4,271,231	\$5,060,466
Other Public		\$4,119,201	\$1,413,796	\$2,396,121	\$2,270,568	\$1,788,873	\$967,906	\$1,905,151	\$2,123,088
Private Insurance		\$8,736,846	\$11,237,560	\$9,821,000	\$9,547,900	\$8,748,029	\$8,266,907	\$9,319,103	\$9,382,478
Private Pay		\$888,915	\$928,131	\$807,824	\$929,686	\$1,145,624	\$1,282,789	\$1,345,349	\$1,046,903
Charity Care		\$39,132	\$140,648	\$77,416	\$65,284	\$8,068	\$135,815	\$430,169	\$128,076
		\$23,595,095	\$25,484,168	\$24,855,974	\$23,749,436	\$23,621,962	\$21,283,070	\$22,612,247	\$23,600,279

CHANGE OF OWNERSHIP REQUIREMENTS

Heath Facilities Planning Act (20 ILCS 3960/6)

(b) *The State Board shall establish by regulation the procedures and requirements regarding issuance of exemptions. An exemption shall be approved when information required by the Board by rule is submitted. Projects eligible for an exemption, rather than a permit, include, but are not limited to, change of ownership of a health care facility and discontinuation of a category of service.*

1130.500 General Requirements for Exemptions

Only those projects specified in Section 1130.410 are eligible for exemption from permit requirements. Persons that have initiated or completed such projects without obtaining an exemption are in violation of the provisions of the Act and are subject to the penalties and sanctions of the Act and Section 1130.790.

- a) **Application for Exemption**
Any persons proposing a project for an exemption to permit requirements shall submit to HFSRB an application for exemption containing the information required by this Subpart, the application fee (if a fee is required), and receive approval from HFSRB.
- b) **General Information Requirements**
The application for exemption shall include the following information and any additional information specified in this Subpart:
 - 1) the name and address of the applicant or applicants (see Section 1130.220).
 - 2) the name and address of the health care facility.
 - 3) a description of the project, e.g., change of ownership, discontinuation, increase in dialysis stations.
 - 4) documentation from the Illinois Secretary of State that the applicant is registered to conduct business in Illinois and is in good standing or, if the applicant is not required to be registered to conduct business in Illinois, evidence of authorization to conduct business in other states.
 - 5) a description of the applicant's organization structure, including a listing of controlling or subsidiary persons.
 - 6) the estimated project cost, including the fair market value of any component and the sources and uses of funds.

- 7) the anticipated project completion date.
- 8) verification that the applicant has fulfilled all compliance requirements with all existing permits that have been approved by HFSRB; and
- 9) the application-processing fee.

HFSRB NOTE: If a person or project cannot meet the requirements of exemption, then an application for permit may be filed.

(Source: Amended at 40 Ill. Reg. 14647, effective October 14, 2016)

77 ILAC 1130.520 – Change of Ownership

The application for exemption is subject to approval under Section 1130.560 and shall include the information required by Section 1130.500 and the following information:

- 1) *Key terms of the transaction*, including the:
 - A) *names of the parties.*
 - 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;
 - C) *structure of the transaction.*
 - D) *name of the person who will be the licensed or certified entity after the transaction.*
 - 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.
 - F) *fair market value of assets to be transferred; and*
 - G) *the purchase price or other forms of consideration to be provided for those assets.* [20 ILCS 3960/8.5(a)]

HFSRB NOTE: If the transaction is not completed according to the key terms submitted in the exemption application, a new application is required.

- 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.
 - 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.
 - 4) a statement as to the anticipated benefits of the proposed changes in ownership to the community.
 - 5) the anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership.
 - 6) a description of the facility's quality improvement program mechanism that will be utilized to assure quality control.
 - 7) a description of the selection process that the acquiring entity will use to select the facility's governing body.
 - 8) a statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility; and
 - 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.
- c) **Application for Exemption Among Related Persons**
When a change of ownership is among related persons, and there are no other changes being proposed at the health care facility that would otherwise require a permit or exemption under the Act, the applicant shall submit an application consisting of a standard notice in a form set forth by the Board briefly explaining the reasons for the proposed change of ownership. [20 ILCS 3960/8.5(a)]
- d) **Opportunity for Public Hearing**
Upon a finding by HFSRB staff that an application for a change of ownership is complete, the State Board staff shall publish a legal notice on one day in a newspaper of general circulation in the area or community to be affected and afford

the public an opportunity to request a hearing. If the application is for a facility located in a Metropolitan Statistical Area, an additional legal notice shall be published in a newspaper of limited circulation, if one exists, in the area in which the facility is located. If the newspaper of limited circulation is published daily, the additional legal notice shall be published on one day. The applicant shall pay the cost incurred by the Board in publishing the change of ownership notice in the newspaper as required under this subsection. The legal notice shall also be posted on Health Facilities and Services Review Board web site and sent to the State Representative and State Senator of the district in which the health care facility is located. [20 ILCS 3960/8.5(a)] This legal notice shall provide the following:

- 1) Name of applicants and addresses.
 - 2) Name of facility and address.
 - 3) Description of the proposed project and estimated total cost.
 - 4) Notice of request for public hearing.
 - 5) Notice of tentative HFSRB meeting and location; and
 - 6) Notice of tentative release of the State Board Staff Report and the time to comment on the State Board Staff Report. See HFSRB website (www.hfsrb.illinois.gov).
- e) Completion of Projects with Outstanding Permits
- 1) A permit or exemption cannot be transferred.
 - 2) *In connection with a change of ownership, the State Board may approve the transfer of an existing permit without regard to whether the permit to be transferred has yet been obligated, except for permits establishing a new facility or a new category of service. (See 20 ILCS 3960/6(b).)*
 - 3) If the requirements of this subsection (e) are not met, any outstanding permit will be considered a transfer of the permit and results in the permit being null and void.

(Source: Amended at 40 Ill. Reg. 14647, effective October 14, 2016)

20 ILCS 3960/8.5

An application for a change of ownership need not contain signed transaction documents so long as it includes the following **key terms** of the transaction: Names and background of the parties; structure of the transaction; the person who will be the licensed or certified entity after the transaction; the ownership or membership interests in such licensed or certified entity both prior to and after the transaction; fair market value of assets to be transferred; and the purchase price or other form of consideration to be provided for those assets. The issuance of the certificate of exemption shall be contingent upon the applicant submitting a statement to the Board within 90 days after the closing date of the transaction, or such longer period as provided by the Board, certifying that the change of ownership has been completed in accordance with the key terms contained in the application. If such key terms of the transaction change, a new application shall be required.

Where a change of ownership is among related persons, and there are no other changes being proposed at the health care facility that would otherwise require a permit or exemption under this Act, the applicant shall submit an application consisting of a standard notice in a form set forth by the Board briefly explaining the reasons for the proposed change of ownership. Once such an application is submitted to the Board and reviewed by the Board staff, the Board Chair shall act on an application for an exemption for a change of ownership among related persons within 45 days after the application has been deemed complete, provided the application meets the applicable standards under this Section. If the Board Chair has a conflict of interest or for other good cause, the Chair may request review by the Board. Notwithstanding any other provision of this Act, for purposes of this Section, a change of ownership among related persons means a transaction where the parties to the transaction are under common control or ownership before and after the transaction is completed.

Deaconess Illinois/DHS and Quorum Health Corporation Transaction

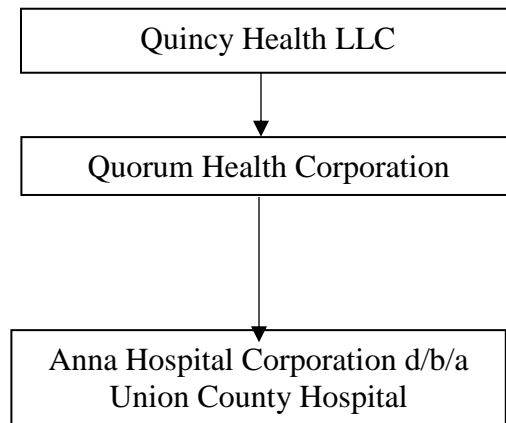
Allocation of Assets and Purchase Price

	Real Estate	Operating Assets	Total
Heartland	\$53,860,203 (DHS)	\$54,139,797 (Deaconess Illinois)	\$108,000,000
Crossroads	\$14,054,324 (DHS)	\$1,945,676 (Deaconess Illinois)	\$16,000,000
Anna	\$10 million (Deaconess Illinois – Purchase Price not divided)		\$10,000,000
Red Bud	\$12 million (Deaconess Illinois – Purchase Price not divided)		\$12,000,000
Total Expended			\$146,000,000

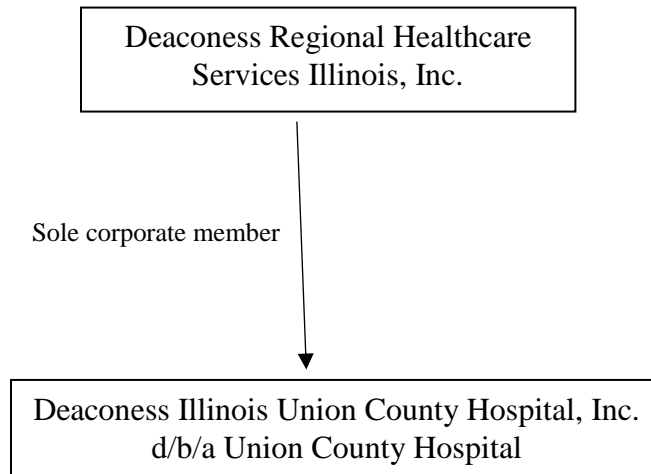
Purchase Price allocable to Deaconess Illinois is \$78,085,473

Purchase Price allocable to Deaconess Health System is \$67,914,527

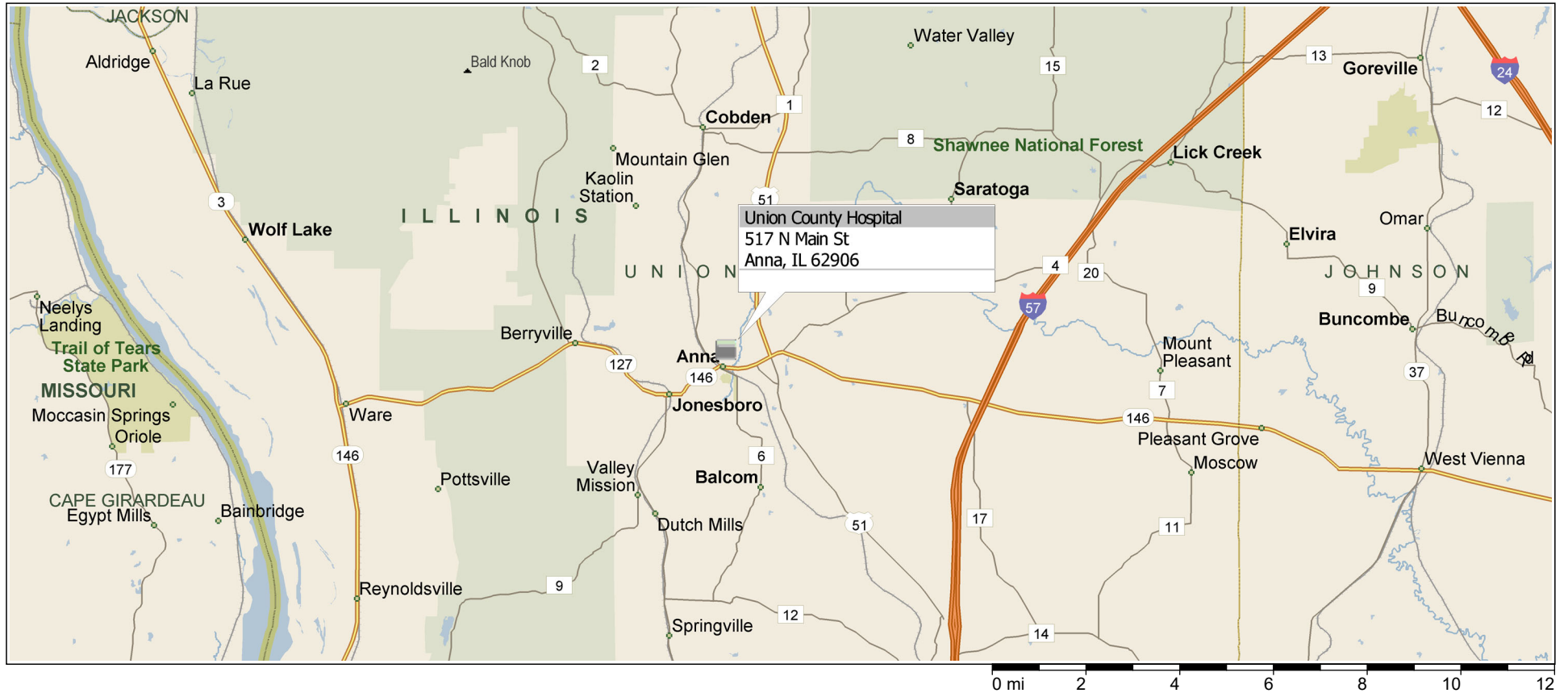
Pre-Transaction Organizational Chart



Post-Transaction Organizational Chart



E-067-22 Union County Hospital Anna



Chairs of Local Boards of Trustees

*In Support of Change of Ownership of
Four Southern Illinois Hospitals*

#E-067-22

Tony Wielt

Chair, Local Board of
Trustees
Crossroads Community
Hospital

Glenn Clarida

Chair, Local Board of
Trustees
Heartland Community Medical
Center

Stuart Langrehr

Chair, Local Board of
Trustees
Red Bud Regional Hospital

Charlotte Clover

Chair, Local Board of
Trustees
Union County Hospital

October 5, 2020

Via Hand Delivery

Ms. Debra Savage, Chairwoman
c/o John P. Kniery, Administrator
Illinois Health Facilities & Services Review Board
525 W. Jefferson St., Second Floor
Springfield, IL 62761

Re: Requested Approval of Change of Ownership Applications related to
Crossroads Community Hospital, Heartland Regional Medical Center,
Red Bud Regional Hospital, and Union County Hospital

Dear Chairwoman Savage:

As chairs of the local boards of trustees of each of the hospitals referenced above, and as engaged members of our respective Southern Illinois communities, we wish to share our enthusiastic support for these four change-of-ownership applications. From our up-close vantage points, we believe these changes of ownership will be very positive for our communities and the involved patients.

The co-applicants – non-profits Deaconess Health System (“Deaconess”) and Deaconess Regional Healthcare Services Illinois, Inc., (Deaconess Illinois) – have a well-deserved reputation for:

- being committed to rural health care and investment in each local facility;
- providing high-quality and relatively low-cost health care services; and
- being good places to work.

We understand that Deaconess Illinois will operate Heartland Regional Medical Center, and that separate wholly owned subsidiaries of Deaconess Illinois will operate the other three hospitals.

We are all personally familiar with Deaconess Midtown Hospital in Evansville, Indiana, which has long provided exceptional care to Southern Illinois residents requiring Trauma II or specialized health care services. We are also personally


aware of the excellent job that Deaconess Regional Healthcare Services Illinois, Inc. ("Deaconess Illinois") has done in managing and operating Lawrence County Memorial Hospital in Lawrenceville, Illinois, and Ferrell Hospital in Eldorado, Illinois.

Under the new ownership, our four hospitals will be in good hands. We are pleased to share that the new owners:


- will operate pursuant to a local, Illinois-based governing structure;
- intend to expand services and make new investments in all four facilities; and
- plan to retain substantially all existing staff while providing equal or better compensation and benefits.

Please approve these change of ownership applications.


Very truly yours,



Tony Wielt
Chair, Local Board of Trustees
Crossroads Community Hospital



Glenn Clarida
Chair, Local Board of Trustees
Heartland Community Medical Center



Stuart Langrehr
Chair, Local Board of Trustees
Red Bud Regional Hospital



Charlotte Clover
Chair, Local Board of Trustees
Union County Hospital

**Local Government Leaders
Supporting Change of
Ownership Four Illinois
Hospitals**

★★★★★

Hon. John Lewis, Mayor
Mt. Vernon, Illinois
*Home of
Crossroads Community Hospital*

★★★

Hon. Mike Absher, Mayor
Marion, Illinois
*Home of
Heartland Community Medical Center*

★★★

Hon. Susan Harbaugh, Mayor
Red Bud, Illinois
*Home of
Red Bud Regional Hospital*

★★★

Hon. Steve Hartline, Mayor
Anna, Illinois
*Home of
Union County Hospital*

★★★★★

#E-067-22

October 5, 2022

Ms. Debra Savage, Chairwoman
IL Health Facilities & Services Review Board
525 W. Jefferson St., Second Floor
Springfield, IL 62761

Re: Support by Local Officials for Change of Ownership of Crossroads Community Hospital, Heartland Regional Medical Center, Red Bud Regional Hospital, and Union Community Hospital

Dear Chairwoman Savage:

As local elected mayors of the involved communities, we write in support of these change of ownership applications.

The proposed co-applicants are non-profits Deaconess Health System ("Deaconess"), which owns and operates 12 hospitals and also serves patients in a 26-county region in Indiana, Illinois and Kentucky, and Deaconess Regional Healthcare Services Illinois, Inc. ("Deaconess Illinois"), which is affiliated with two critical access hospitals in Southern Illinois. They share a mission to promote and support local healthcare in the rural markets they serve, investing in these local communities and facilities rather than making them mere referral sources for a centralized, big-city hospital. That is good for both rural health care and our local communities.

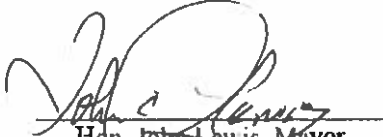
Deaconess has earned recognition as a high-quality, low-cost provider, and as a good employer. Among its recent designations are: (i) Healthgrades "Top 250 Hospitals" – top 5% of over 4,500 hospitals surveyed; (ii) 16th among healthcare organizations in the Forbes 2022 "Best Large Employers" list; (iii) Forbes 2022 "Best Diversity Employer" award; and (iv) Healthcare Information and Management Systems Society recognition for use of electronic medical record technology to support optimized patient care and secure data – fewer than 7% of hospitals have earned this recognition.

Deaconess also was a regional leader in regional pandemic response efforts. They did so while also providing \$95.6 million in community benefits during 2021 and maintaining their commitment to reducing healthcare costs.


We have been briefed on this proposed change of ownership and assured that the Deaconess entities are fully committed to the continued viability of these four hospitals. We are pleased that a local, Illinois-based governing structure will be put in place. We are also happy that expanded services and new investments at all four facilities are planned. And we are especially glad that all or substantially all of the existing staff at these four hospitals will be retained while being providing with equal or better compensation and benefits. This is all good news for our local communities.

We urge your approval of these change of ownership applications.

Sincerely,


Hon. John Lewis, Mayor
Mt. Vernon, Illinois


Hon. Mike Absher, Mayor
Marion, Illinois


Hon. Susan Harbaugh, Mayor
Red Bud, Illinois


Hon. Steve Hartline, Mayor
Anna, Illinois

Cc: John P. Kniery, HFSRB Administrator



#E-067-22

Illinois General Assembly

October 5, 2022

Via Personal Delivery

Ms. Debra Savage, Chairwoman
IL Health Facilities & Services Review Board
525 W. Jefferson St., Second Floor
Springfield, IL 62761

Re: Support for Change of Ownership of Four Rural Illinois Hospitals in Our Legislative Districts – Crossroads Community Hospital, Heartland Regional Medical Center, Red Bud Regional Hospital, and Union County Hospital

Dear Chairwoman Savage:

We respectfully write in support of the change of ownership applications referenced above. The four involved hospitals are vitally important to their respective communities, which include constituents of ours. We are all of the Illinois state legislators who respectively represent the indicated hospitals:

Hospital	IL Senator	IL Representative
Crossroads Community Hospital Mt. Vernon, IL	Terri Bryant (58 th Dist.)	Paul Jacobs (115 th Dist.)
Heartland Regional Medical Center Marion, IL	Dale Fowler (59 th Dist.)	Dave Severin (117 th Dist.)
Red Bud Regional Hospital Red Bud, IL	Terri Bryant (58 th Dist.)	David Friess (116 th Dist.)
Union County Hospital Anna, IL	Dale Fowler (59 th Dist.)	Patrick Windhorst (118 th Dist.)

Except for Union County Hospital, whose real property will remain with the local hospital district, the hospitals' real estate and buildings will be acquired by the non-profit Deaconess Health System ("Deaconess"), which owns and operates 12 hospitals and serves patients in 26 counties in Indiana, Illinois, and Kentucky – all within 100 miles of the Deaconess headquarters in Evansville, Indiana. The hospitals' operational assets (equipment, contracts, etc.) will be held by Deaconess Regional Healthcare Services Illinois, Inc. ("Deaconess Illinois") with respect to Heartland Regional Medical Center and by separate,

direct subsidiaries of Deaconess Illinois with respect to the other three hospitals – and the Union County lease will likewise be assigned to the associated subsidiary.

Deaconess Illinois already has a positive affiliation with two Illinois hospitals: Lawrence County Memorial Hospital in Lawrenceville and Ferrell Hospital in Eldorado. Since their affiliation with Deaconess Illinois, these two critical access hospitals in Southern Illinois have added and expanded services, recruited new physicians, and improved access to care. The Deaconess entities share a mission to promote and support local healthcare in the rural markets they serve, investing in these local communities and facilities rather than relegating them to “satellite status” for a centralized, big-city hospital.

In its 130-year history, Deaconess has earned recognition as a high-quality, low-cost provider, and as a good employer, including these recent recognitions:

- ☒ Healthgrades’ “Top 250 Hospitals” nationwide – top 5% of more than 4,500 hospitals surveyed;
- ☒ ranked the #2 hospital in Indiana by the US News & World Report;
- ☒ 16th among healthcare organizations (and 67th overall) in the Forbes 2022 “Best Large Employers” list;
- ☒ Forbes’ 2022 “Best Diversity Employer” award; and
- ☒ Healthcare Information and Management Systems Society recognition for use of electronic medical record technology to support optimized patient care and secure data – fewer than 7% of hospitals have achieved this recognition.

It is noteworthy that Deaconess was a leader in regional pandemic response efforts while simultaneously providing \$95.6 million in community benefits in FY21 and maintaining its commitment to reducing healthcare costs.

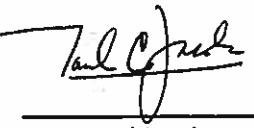
We have been advised that the Deaconess entities are fully committed to the continued viability of the four hospitals for which this change of ownership is sought, with both a local Illinois-based governing structure and an intention to expand services and make new investments in all four facilities. We have also been advised that substantially all existing staff will be retained and provided equal or better compensation and benefits.

Thank you for affording us this opportunity to share favorable comments on these proposed changes of ownership.

Respectfully submitted,


Sen. Terri Bryant


Sen. Dale Fowler


Rep. Paul Jacobs


Rep. David Friess


Rep. Dave Severin


Rep. Patrick Windhorst

Cc: John P. Kniery, HFSRB Administrator