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APR 29 2024

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION
This Section must be completed for all projects.

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Facility/Project Identification

Facility Name:	OSF Saint Elizabeth Medical Center – Discontinuation of Facility		
Street Address:	1100 E. Norris Drive		
City and Zip Code:	Ottawa, IL	61350	
County:	LaSalle	Health Service Area: 2	Health Planning Area: C-02

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

Exact Legal Name:	Ottawa Regional Hospital and Healthcare Center / dba OSF Saint Elizabeth Medical Center		
Street Address:	1100 E. Norris Drive		
City and Zip Code:	Ottawa, IL	61350	
Name of Registered Agent:	Danielle McNear		
Registered Agent Street Address:	124 S.W. Adams Street		
Registered Agent City and Zip Code:	Peoria	61602	
Name of Chief Executive Officer:	Dawn Trompeter		
CEO Street Address:	1100 E. Norris Drive		
CEO City and Zip Code:	Ottawa, IL	61350	
CEO Telephone Number:	815-431-5456		

Type of Ownership of Applicants

- | | |
|--|---|
| ☒ Non-profit Corporation | ☐ Partnership |
| ☐ For-profit Corporation | ☐ Governmental |
| ☐ Limited Liability Company | ☐ Sole Proprietorship ☐ Other |
- 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 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:	Dawn Trompeter		
Title:	President		
Company Name:	OSF Saint Elizabeth Medical Center		
Address:	1100 E. Norris Drive	Ottawa, IL	61350
Telephone Number:	815-431-5456		
E-mail Address:	Dawn.C.Trompeter@osfhealthcare.org		
Fax Number:	815-431-5500		

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

Name:	Ralph Weber		
Title:	CON Consultant		
Company Name:	Weber Alliance		
Address:	920 Hoffman Lane	Riverwoods, IL	60015
Telephone Number:	847-791-0830		
E-mail Address:	rmweber90@gmail.com		
Fax Number:	NA		

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

Name:	Mark Hohulin
Title:	Senior Vice President, Healthcare Analytics
Company Name:	OSF Healthcare System
Address:	124 S.W. Adams Street Peoria, IL 61602
Telephone Number:	309-308-9656
E-mail Address:	mark.e.hohulin@osfhealthcare.org
Fax Number:	309-308-0530

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

Name:	Michael Henderson
Title:	Senior Corporate Counsel
Company Name:	OSF Healthcare System
Address:	124 S.W. Adams Street Peoria, IL 61602
Telephone Number:	309-655-2402
E-mail Address:	michael.b.henderson@osfhealthcare.org
Fax Number:	309-308-5098

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

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Facility/Project Identification

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Street Address:	1100 E. Norris Drive		
City and Zip Code:	Ottawa, IL 61350		
County:	LaSalle	Health Service Area: 2	Health Planning Area: C-02

Applicant(s) [Provide for each applicant (refer to Part 1130 220)]

Exact Legal Name:	OSF Healthcare System
Street Address:	124 S.W. Adams Street
City and Zip Code:	Peoria, IL 61602
Name of Registered Agent:	Danielle McNear
Registered Agent Street Address:	124 S.W. Adams Street
Registered Agent City and Zip Code:	Peoria 61602
Name of Chief Executive Officer:	Robert C. Sehring
CEO Street Address:	124 S.W. Adams Street
CEO City and Zip Code:	Peoria, IL 61602
CEO Telephone Number:	309-655-2850

Type of Ownership of Applicants

☒ Non-profit Corporation	☐ Partnership
☐ For-profit Corporation	☐ Governmental
☐ Limited Liability Company	☐ Sole Proprietorship ☐ 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:	Dawn Trompeter
Title:	President
Company Name:	OSF Saint Elizabeth Medical Center
Address:	1100 E. Norris Drive Ottawa, IL 61350
Telephone Number:	815-431-5456
E-mail Address:	Dawn.C.Trompeter@osfhealthcare.org
Fax Number:	815-431-5500

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

Name:	Ralph Weber
Title:	CON Consultant
Company Name:	Weber Alliance
Address:	920 Hoffman Lane Riverwoods, IL 60015
Telephone Number:	847-791-0830
E-mail Address:	rmweber90@gmail.com
Fax Number:	NA

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

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Telephone Number:	309-655-2402
E-mail Address:	michael.b.henderson@osfhealthcare.org
Fax Number:	309-308-5098

Post Permit Contact

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

Name:	Dawn Trompeter
Title:	President
Company Name:	OSF Saint Elizabeth Medical Center
Address:	1100 E. Norris Drive Ottawa, IL 61350
Telephone Number:	815-431-5456
E-mail Address:	Dawn.C.Trompeter@osfhealthcare.org
Fax Number:	815-431-5500

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	OSF Healthcare System
Address of Site Owner:	124 S.W. Adams Street Peoria, IL 61602
Street Address or Legal Description of the Site:	1100 E. Norris Drive Ottawa, IL 61350
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.	

Operating Identity/Licensee

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

Exact Legal Name: Ottawa Regional Hospital and Healthcare Center / dba OSF Saint Elizabeth Medical Center	
Address: 1100 E. Norris Drive Ottawa, IL 61350	
☒ Non-profit Corporation ☐ For-profit Corporation ☐ Limited Liability Company	☐ Partnership ☐ Governmental ☐ Sole Proprietorship ☐ Other
- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. - 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. - 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.

Narrative Description

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

The project is the discontinuation of OSF Saint Elizabeth Medical Center ("SEMC-Ottawa"), 1100 E. Norris Drive, Ottawa. The facility has an authorized bed capacity of 99 beds, distributed in the following categories: 54 Medical/Surgical beds, 5 ICU beds, 14 Obstetrics beds and 26 Acute Mental Illness beds. The hospital also has a full range of clinical services, including the emergency department, surgery, diagnostic imaging, outpatient services, lab and pharmacy.

The hospital is being replaced with a smaller facility on property owned by OSF immediately south of the current hospital and across Route 6. The replacement project includes a 12-bed Medical/Surgical unit, and replaces the Acute Mental Illness service at its current authorized bed count of 26 beds. Other clinical services include an emergency department with 10 treatment rooms and 2 additional rooms for trauma, a surgery department with 2 ORs and one procedure room, diagnostic imaging, outpatient services, pharmacy, lab and supporting facility services.

This Certificate of Need permit application for discontinuation is one of three related projects, each of which has a separate permit application. Permit application #24-011 addresses the replacement of OSF SEMC-Ottawa with a new facility. A third permit application addresses the expansion of Medical/Surgical beds, ICU beds and the OB service being relocated from SEMC-Ottawa to the SEMC-Peru. OSF acquired the former St. Margaret's Health-Peru hospital in November, 2023, following its closure, and renamed it OSF Saint Elizabeth Medical Center-Peru. SEMC will operate as one licensed hospital at two sites – Ottawa and Peru. OSF requests that the Illinois Health Facilities and Services Review Board coordinates the reviews of these three projects at the same meeting later this year.

There is no capital cost associated with the discontinuation project.

The anticipated completion date for the project is March 31, 2029, following the opening of the replacement SEMC-Ottawa in late 2027, and the relocation of existing programs to the replacement hospital and to SEMC-Peru.

The project is considered Substantive because it is the discontinuation of an entire health care facility.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 (<http://www.hfsrb.illinois.gov>). **NOTE: A SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM has been added at the conclusion of this Application for Permit that must be completed to deem a project complete.**

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT**1. Project Classification**

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

Part 1110 Classification :

- ☒ Substantive
- ☐ Non-substantive

Project Costs and Sources of Funds

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

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)			
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs to Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS			
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS			

NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Related Project Costs

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

Land acquisition is related to project ☐ Yes ☒ No Purchase Price: \$ _____ Fair Market Value: \$ _____
The project involves the establishment of a new facility or a new category of service ☐ Yes ☒ No If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100. Estimated start-up costs and operating deficit cost is \$ _____.

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.
Indicate the stage of the project's architectural drawings: ☒ None or not applicable ☐ Preliminary ☐ Schematics ☐ Final Working
Anticipated project completion date (refer to Part 1130.140): <u>March 31, 2029</u>
Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140): Not applicable ☐ Purchase orders, leases or contracts pertaining to the project have been executed. ☐ Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies ☐ Financial Commitment will occur after permit issuance.
APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals [Section 1130.620(c)]

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 for permit being deemed incomplete.
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Cost Space Requirements

Provide in the following format, the **Departmental Gross Square Feet (DGSF)** or the **Building Gross Square Feet (BGSF)** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the departments or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

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

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

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

Facility Bed Capacity and Utilization

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

FACILITY NAME: OSF Saint Elizabeth Medical Center			CITY: Ottawa		
REPORTING PERIOD DATES: From: January 1, 2023 to: December 31, 2023					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	54	2,053	10,562	-54	0
Obstetrics	14	585	1,309	-14	0
Pediatrics					
Intensive Care	5	384	1,321	-5	0
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness	26	1,093	5,925	-26	0
Neonatal Intensive Care					
General Long-Term Care					
Specialized Long-Term Care					
Long Term Acute Care					
Other ((identify)					
TOTALS:	99	4,115	19,117	-99	0

NOTES:

The discontinuation of authorized beds at SEMC-Ottawa is part of a two-campus plan that includes establishment of a replacement smaller hospital in Ottawa (SEMC-Ottawa) and relocations of services and beds to SEMC-Peru. The two hospitals will be operated under one license. The replacement hospital is Project #24-011. Bed changes at SEMC-Peru are covered in a separate CON permit application.

CERTIFICATION

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

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

This Application is filed on the behalf of Ottawa Regional Hospital and Healthcare Center d/b/a OSF Saint Elizabeth Medical Center (Ottawa)* 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.

August J. Querciagrossa
SIGNATURE

August J. Querciagrossa
PRINTED NAME

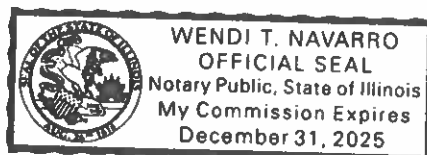
Chief Executive Officer, Western Region
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 14th day of April 2024

Wendi T. Navarro
Signature of Notary

Seal



Dawn Trompeter
SIGNATURE

Dawn Trompeter
PRINTED NAME

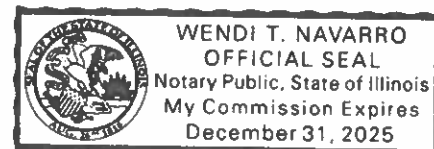
President
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 14th day of April 2024

Wendi T. Navarro
Signature of Notary

Seal



*Insert the EXACT legal name of the applicant

CERTIFICATION

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

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

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

SIGNATURE

Robert C. Sehring
PRINTED NAME

Chief Executive Officer
PRINTED TITLE

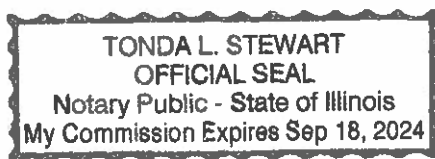
Notarization:

Subscribed and sworn to before me

this 23rd day of April 2024

Tonda L. Stewart
Signature of Notary

Seal



SIGNATURE

Michael A. Cruz, MD
PRINTED NAME

Chief Operating Officer
PRINTED TITLE

Notarization:

Subscribed and sworn to before me

this 18th day of April 2024

Tonda L. Stewart
Signature of Notary

Seal



*Insert the EXACT legal name of the applicant

SECTION II. DISCONTINUATION

This Section is applicable to the discontinuation of a health care facility or the discontinuation of more than one category of service in a 6-month period. If the project is solely for a discontinuation of a health care facility the **Background of the Applicant(s) and Purpose of Project MUST** be addressed. **A copy of the Notices listed in Item 7 below MUST be submitted with this Application for Discontinuation** <https://www.ilga.gov/legislation/ilcs/documents/002039600K8.7.htm>

Criterion 1110.290 – Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any that are to be discontinued.
2. Identify all the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued and the length of time the records will be maintained.
6. Provide copies of the notices that were provided to the local media that would routinely be notified about facility events.
7. **For applications involving the discontinuation of an entire facility, provide copies of the notices that were sent to the municipality in which the facility is located, the State Representative and State Senator of the district in which the health care facility is located, the Director of Public Health, and the Director of Healthcare and Family Services. These notices shall have been made at least 30 days prior to filing of the application.**
8. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 90 days following the date of discontinuation.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for the discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.290(b) for examples.

IMPACT ON ACCESS

1. Document whether the discontinuation of each service or of the entire facility will have an adverse effect upon access to care for residents of the facility's market area.
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within the **geographic service area**.

APPEND DOCUMENTATION AS ATTACHMENT 10, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION III. BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

1110.110(a) – Background of the Applicant

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. For the following questions, please provide information for each applicant, including corporate officers or directors, LLC members, partners, and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
 - a. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application.
 - b. A certified listing of each applicant, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted, or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. Unless expunged, provide details about the conviction, and submit any police or court records regarding any matters disclosed.
 - c. A certified and detailed listing of each applicant or person charged with fraudulent conduct or any act involving moral turpitude.
 - d. A certified listing of each applicant with one or more unsatisfied judgements against him or her.
 - e. A certified and detailed listing of each applicant who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency.
4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
5. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant can submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT 11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

Criterion 1110.110(b) & (d)**PURPOSE OF PROJECT**

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other relevant area, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.
4. Cite the sources of the documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

For projects involving modernization, describe the conditions being upgraded, if any. For facility projects, include statements of the age and condition of the project site, as well as regulatory citations, if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Staff Report.

APPEND DOCUMENTATION AS ATTACHMENT 12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

- 1) Identify **ALL** the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost.
- B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes.
- C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
- D) Provide the reasons why the chosen alternative was selected.

- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality, and financial benefits in both the short-term (within one to three years after project completion) and long-term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT 13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. SAFETY NET IMPACT STATEMENT

SAFETY NET IMPACT STATEMENT that describes all the following must be submitted for **ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE HEALTH CARE FACILITIES** [20 ILCS 3960/5.4]:

1. The project's material impact, if any, on essential safety net services in the community, *including the impact on racial and health care disparities in the community*, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in each community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 37.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)	Year	Year	Year
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Medicaid (revenue)	Year	Year	Year
Inpatient			

	Outpatient				
	Total				

APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. CHARITY CARE INFORMATION

Charity Care information **MUST** be furnished for **ALL** projects [1120.20(c)].

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

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

A table in the following format must be provided for all facilities as part of Attachment 39.

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

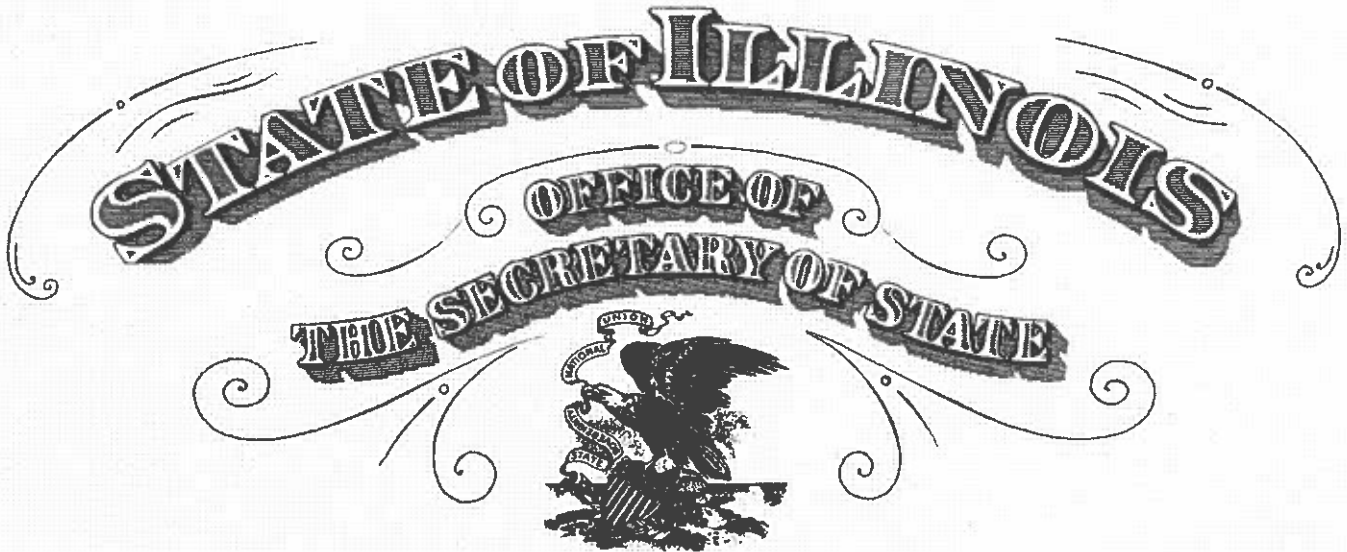
APPEND DOCUMENTATION AS **ATTACHMENT 39** IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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	21-22
2	Site Ownership	23
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	24
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	25
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File Number

4484-569-5



To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulis, 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

OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON DECEMBER 07, 1964, ADOPTED THE ASSUMED NAME OSF SAINT ELIZABETH MEDICAL CENTER ON JUNE 08, 2021, 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 8TH day of FEBRUARY A.D. 2024 .

File Number

0107-414-8



To all to whom these Presents Shall Come, Greeting:

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

OSF HEALTHCARE SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 02, 1880, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 5TH day of OCTOBER A.D. 2023 .

Authentication #: 2327802544 verifiable until 10/05/2024

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

Alexi Giannoulas

SECRETARY OF STATE



April 23, 2024

Ms. Debra Savage, Chairwoman
Illinois Health Facilities and Services Review Board
525 West Jefferson Street - 2nd Floor
Springfield, IL 62761

Re: Site Ownership - Discontinuation
OSF Saint Elizabeth Medical Center-Ottawa, Discontinuation

Dear Chair Savage:

I affirm that OSF Healthcare System is the owner of the property at 1100 E. Norris Drive. The property is the location of OSF Saint Elizabeth Medical Center-Ottawa.

If you have any questions about the ownership of the property, please contact Mark Hohulin, Senior Vice President, Healthcare Analytics, at 309-308-9656, or at mark.e.hohulin@osfhealthcare.org.

Sincerely,


Robert C. Sehring, Chief Executive Officer
OSF Healthcare System
124 S.W. Adams Street
Peoria, IL 61602

Notarization:

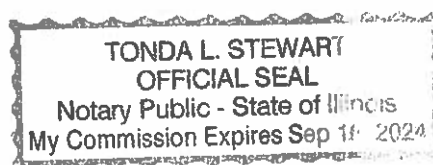
Subscribed and sworn to before me

this 23rd day of April 2024



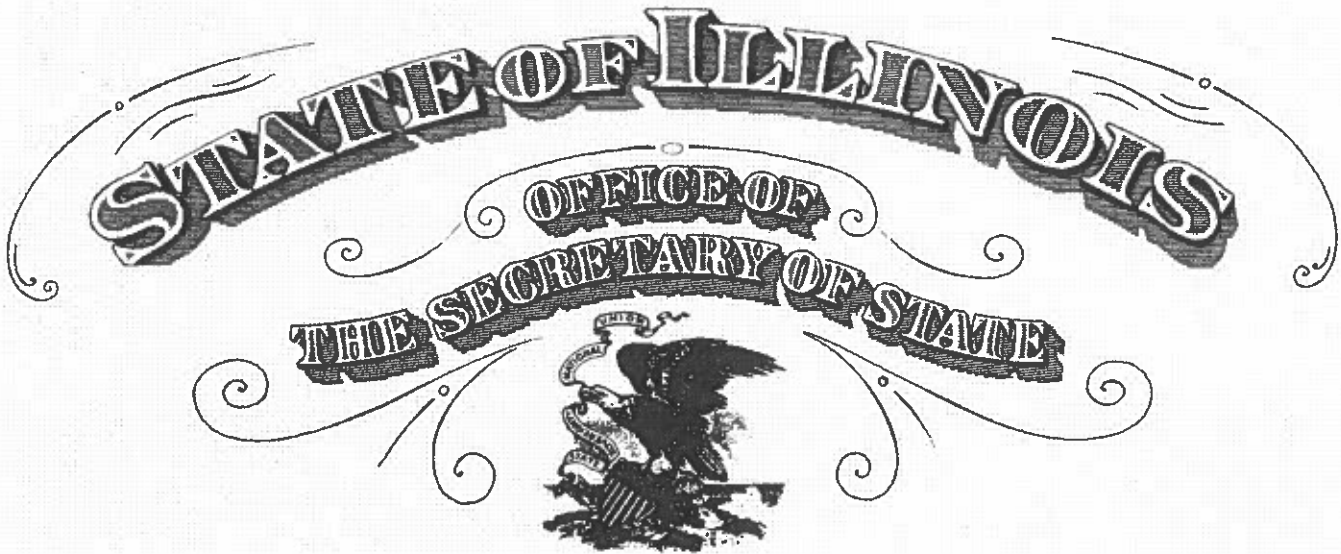
Signature of Notary

Seal



File Number

4484-569-5



To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulas, 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

OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON DECEMBER 07, 1964, ADOPTED THE ASSUMED NAME OSF SAINT ELIZABETH MEDICAL CENTER ON JUNE 08, 2021, 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 8TH day of FEBRUARY A.D. 2024 .



Authentication #: 2403902208 verifiable until 02/08/2025

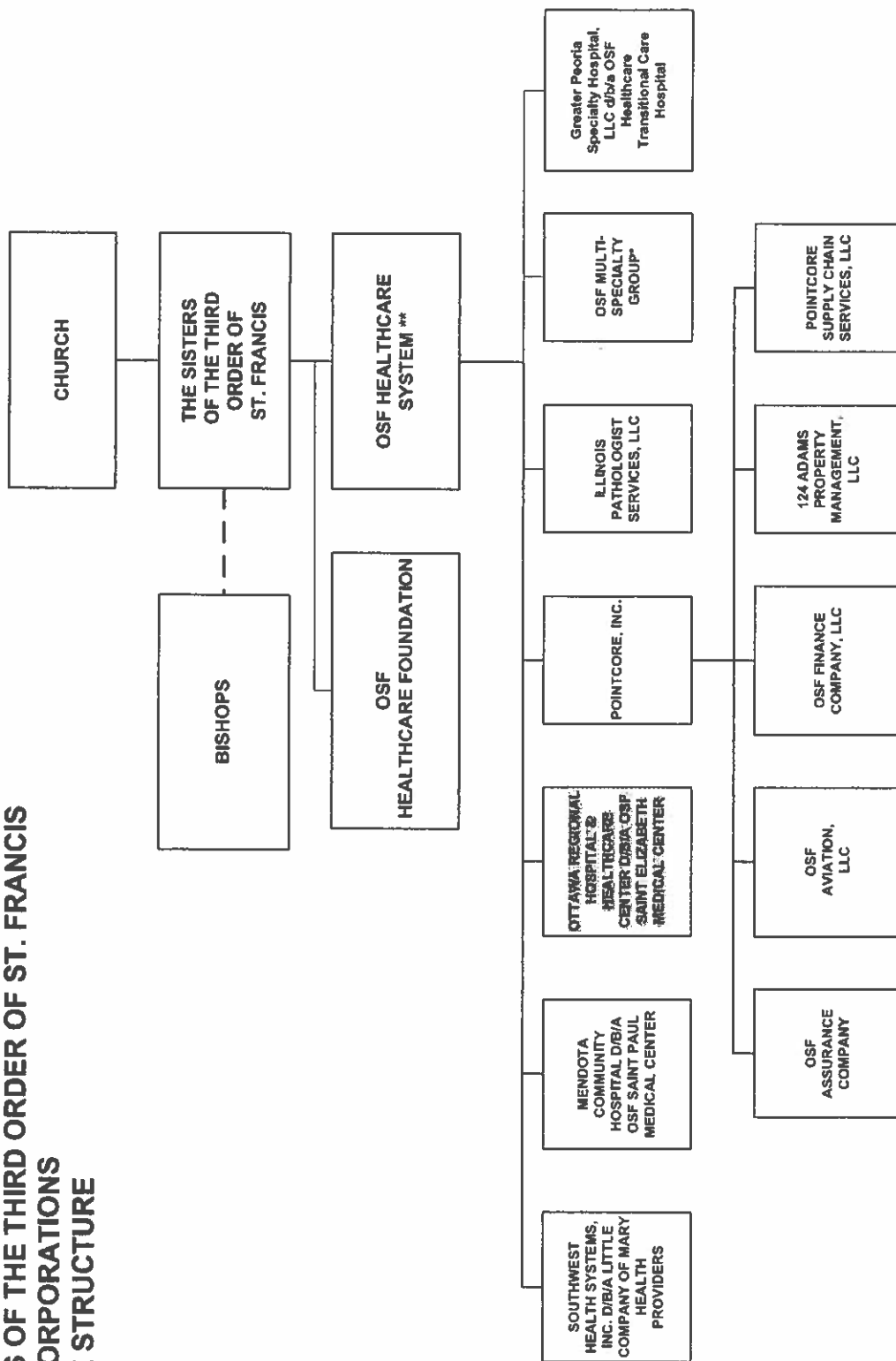
Authenticate at: <https://www.ilsos.gov>

Alexi Giannoulas

SECRETARY OF STATE

Attachment 3

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



** OSF Healthcare System

- OSF St. Francis Hospital – Escanaba, Michigan
- OSF Saint Anthony Medical Center – Rockford
- OSF Saint James-John W. Albrecht Medical Center – Pontiac
- OSF St. Joseph Medical Center – Bloomington
- OSF Heart of Mary Medical Center - Urbana
- OSF Sacred Heart Medical Center - Danville
- OSF Saint Francis Medical Center - Peoria
- OSF St. Mary Medical Center - Galesburg
- OSF Holy Family Medical Center - Monmouth
- OSF Saint Luke Medical Center – Kewanee
- OSF Saint Clare Medical Center - Princeton
- OSF Saint Anthony's Health Center – Alton
- OSF Little Company of Mary Medical Center – Evergreen Park
- OSF Home Care Services
- OSF OnCall - Peoria

*OSF Multi-Specialty Group
OSF Medical Group

Legend:
 _____ Direct Responsibility
 - - - - - Advisory

Flood Plain Requirements

There is no construction or modernization of the facility for this project. As a result, this section is not applicable.

Historic Resources Preservation Act Requirements

There is no construction or modernization of the facility for this project. As a result, this section is not applicable.

Project Costs and Sources of Funds

There is no construction or modernization of the facility for this project. There are no capital costs associated with the project. As a result, this section is not applicable.

Cost/Space Requirements

There is no construction or modernization of the facility for this project. There are no capital costs associated with the project. As a result, this section is not applicable.

SECTION II. DISCONTINUATION

GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any, that are to be discontinued.

OSF Saint Elizabeth Medical Center, 1100 E. Norris Drive, Ottawa, has 99 authorized beds that will be discontinued:

- 54 medical/surgical beds
- 5 ICU beds
- 14 Obstetrics beds
- 26 Acute Mental Illness beds

2. Identify all the other clinical services that will be discontinued.

OSF Saint Elizabeth Medical Center will discontinue the following clinical services:

- Surgical Department – ORs and procedure rooms
- Emergency Department
- Diagnostic Imaging
 - x-ray/fluoroscopy, mammography, ultrasound, CT, MRI and nuclear medicine
- Outpatient services
- Lab
- Pharmacy

3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.

The discontinuation will occur after clinical programs and services are re-established in the replacement OSF Saint Elizabeth Medical Center immediately south of the current hospital and across Route 6. The replacement hospital is scheduled to be completed in late 2027. Discontinuation of the entire facility (current SEMC-Ottawa) will occur between January 1, 2028 and March 31, 2029, pending the completion of all decommissioning activities.

4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.

Following discontinuation and decommissioning, the current hospital facility at 1100 E. Norris Drive will be demolished. Medical equipment will be evaluated as the time of the move approaches, to determine condition and future suitability. The MRI and CT scanner is expected to be moved to the new hospital along with some of the other equipment in good condition. Other equipment will either be traded in, sold, donated to Mission work, discarded, or used at other facilities if needed.

5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued and the length of time the records will be maintained.

OSF has an integrated electronic medical records system (EPIC) for all locations and services. All medical records and patient records are stored and maintained within the electronic medical records system located in Peoria, IL. EPIC has replaced printed paper records. Electronic access to medical records will continue, uninterrupted by the hospital replacement project. The current practice of maintaining medical records for ten years will be continued.

6. Provide copies of the notices that were provided to the local media that would routinely be notified about facility events.

Attachment 10A shows the notification that was sent to The Ottawa Times, for publication in the local paper on April 22, 23 and 24.

7. For applications involving the discontinuation of an entire facility, provide copies of the notices that were sent to the municipality in which the facility is located, the State Representative and State Senator of the district in which the health care facility is located, the Director of Public Health, and the Director of Healthcare and Family Services. These notices shall have been made at least 30 days prior to the filing of this application.

Attachment 10B provides copies of notices sent to:

- Robert Hasty, Mayor of Ottawa
- Ken Koloski, Mayor of Peru
- Chris Pozzi, Public Health Administrator, LaSalle County Health Department
- LaSalle County Human Health Department
- The Honorable J.B. Pritzker, Governor, State of Illinois
- Sameer Vohra, MD, Director, JD, MA, Illinois Department of Public Health
- Elizabeth M. Whitehorn, Director of Healthcare and Family Services
- Lance Yednock, Representative, State of Illinois
- Sue Rezin, Senator, State of Illinois
- Dick Durbin, US Senator, State of Illinois
- Tammy Duckworth, US Senator, State of Illinois
- Lauren Underwood, US Representative, State of Illinois

8. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g.: annual questionnaires, capital expenditures, surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 90 days following the date of discontinuation.

Attachment 10C is the statement by Dawn Trompeter, President of OSF Saint Elizabeth Medical Center, committing to submit all required information and data following discontinuation.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for the discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.290(b) for examples.

Ottawa Regional Hospital and Healthcare Center / dba OSF Saint Elizabeth Medical Center (SEMC-Ottawa) was constructed in 1972 and has numerous structural and infrastructure issues. In recent years, maintaining the facility, making necessary repairs and upgrades, and addressing code issues has been expensive, exceeding annual facilities budgets. Many non-essential but prudent maintenance projects have been deferred.

Due to the deteriorating physical condition of SEMC-Ottawa, OSF retained the FOS division of CannonDesign in 2021 to do a comprehensive assessment of the main hospital building and provide an estimate of the cost to bring the building to current facility and operational standards. The study concluded that it would cost \$110 million to address only the critical upgrades and imminent needs. The cost to address all other issues is an additional \$125 million. The following examples of critical upgrades and high priority conditions are drawn from the analysis.

The most significant architectural issues relate to the poor condition of exterior walls of the hospital bed tower. Structural elements along with windows do not appear insulated and lack water-resistant barriers, resulting in frequent build-up of ice along the bottoms of windows. Exterior windows have deteriorated glazing seals and thermal insulation seals breaks, allowing for infiltration. The cost of repairing or replacing exterior walls to bring them up to industry standards is estimated at \$35 - \$50 million. The hospital roof needs to be replaced. Patching and repairing coping and flashing is an annual expense. The cost of a new roof is estimated at \$2.6 million. Many of the exterior metal doors and door frames are corroded. The pneumatic tube system is not operational and needs to be replaced.

Plumbing upgrades are needed. It is difficult to get hot and cold water in several parts of the patient tower. The copper domestic water piping throughout the building is pitted. Replacement is estimated at \$2 million. The sanitary drainage system clogs frequently; the system needs to be replaced with cast iron hub and spigot drains, at an estimated cost of \$744,000.

Mechanical systems need to be addressed. One of three chillers is non-functioning and cannot be relied upon as a back-up for the chilled water system. The other two chillers are old and need to be replaced within five years. The cost to replace the three is \$1.5 million. Two steam-fired boilers are beyond their life expectancy; the cost of retrofitting or replacing is a minimum of \$2 million. To reduce frost build-up on windows, radiant panels should be installed at a cost of approximately \$680,000.

Two of the building's eleven air handling units are having operational issues. Exhaust fans and ductwork on the 4th floor roof are beyond life expectancy. The air handling unit serving the kitchen needs to be replaced. These projects total \$2.3 million. In addition, replacing the HVAC instrumentation and controls is estimated at \$615,000.

Addressing deficiencies in the electrical systems will cost about \$5 million. Projects include replacing two aging generators and all feeder wiring and equipment to meet modern standards and requirements. Panelboards, switchboards, transformers and wiring need to be replaced, as well as general-purpose receptacles and branch circuit wiring. Interior lighting fixtures and switches need to be replaced or upgraded. Motor control centers and associated wiring are due to be replaced.

The costs associated with improving safety and security total about \$1.3 million and include fire protection projects, replacing the fire alarm system and other improvements.

The communications system (data and voice cabling) needs upgrading at an estimated cost of \$347,000.

Structural steel columns and outermost steel reinforcements in the parking garage are heavily corroded, due to an undetermined source of water infiltration. The retaining wall beneath the physical therapy wing needs repair. Exterior stairway railings and posts are deteriorated with rusting and corrosion. In addition, areas on the hospital site need to be regraded.

Addressing all of these findings is a significant capital expenditure. Yet even if all investments are completed, the facility would still have major deficits. Clinical adjacencies are not ideal and prevent efficient operations. Examples of adjacency issues are:

- The surgical department is in the back of the building, on the 1st floor (above the ground floor) with no easy in and out for outpatients.
- GI is not adjacent to or on the same floor as the surgery department.
- Outpatient services for lab, diagnostic imaging, infusion services, stress tests and other outpatient services are on the ground floor. Respiratory care is on the second floor. Patients registering on the first floor have to walk significant distances to these lower ground floor or second floor areas. The distance is especially problematic for older patients and patients with walking disabilities.
- ICU is the only inpatient unit on the 1st floor, isolated from the rest of inpatient services.
- Behavioral health is located in separate areas, resulting in staffing inefficiencies.

Like most hospitals built in the 70s, OSF Saint Elizabeth Medical Center has an abundance of double occupancy rooms and a limited number of private rooms. Only 16 of the 54 authorized medical/surgical beds are in single rooms. 34 beds are in double occupancy rooms; 4 beds are in a quad. For Acute Mental Illness, only 4 of the 26 beds are in single bed rooms. This condition has resulted in turning away hundreds of patients per year who were not able to be admitted because of gender or other compatibility issues which prevail when private rooms are not available.

The lack of private rooms has restricted the ability to accommodate requests for referrals, in many cases due to patient gender and other compatibility factors. Lack of bed availability has been the case especially with inpatient AMI. Patient expectations and efficient operations require private rooms.

Modernizing the current hospital building is not cost-effective and is not conducive to the current models of health care delivery. Apart from the significant capital cost, modernizing would not resolve room sizes that do not meet current standards, and the location of several supporting services are not adjacent to the programs they are intended to support. The renovations and upgrade projects would require 10 years to complete, meaning that there would be extended and continuous disruption to hospital operations.

IMPACT ON ACCESS

1. Document whether the discontinuation of each service or of the entire facility will have an adverse impact upon access to care for residents of the facility's market area.

The planned discontinuation of OSF Saint Elizabeth Medical Center-Ottawa has to be framed in the context of two related projects: The replacement of SEMC-Ottawa in Ottawa with a new and smaller facility, and the relocation of services and patient volumes to SEMC-Peru.

In 2023, St. Margaret's Health closed two hospitals in Planning Area C-02. St. Margaret's Health-Peru and St. Margaret's Health-Spring Valley had a total of 93 acute care beds, 49 in Peru and 44 in Spring Valley. These 93 beds were 39% of the total 242 authorized beds in Planning Area C-02. C-02 is made up of LaSalle County, Bureau County and Putnam County, and the Osceola and Elmira townships of Stark County. The area has a population of 146,020.

Of these 93 beds, 66 were medical/surgical beds, 10 were ICU, and 17 were OB. According to the State's *Inventory of Health Care Facilities and Services and Need Determinations* in October, 2021 (the last *Inventory* prior to the closures), there were excesses of 43 medical/surgical beds, 8 ICU beds and 10 OB beds, indicative of sufficient capacity in the region. The closures would have resulted in deficits in State Planning Area C-02 of 23 medical/surgical beds, 2 ICU beds and 7 OB beds (using data from the HFSRB *Inventory of Health Facilities and Services and Need Determinations*, October, 2021).

However, OSF's acquisition of St. Margaret's Health-Peru in 2023 (Change of Ownership Certificate of Exemption #E-026-23) keeps the authorized beds at that facility in the State inventory. The project at Peru increases the 38-bed medical/surgical unit in Peru to 45 beds, while reducing med/surg beds from 54 authorized beds to 12 at SEMC-Ottawa. The 54 medical/surgical beds in Ottawa averaged 42.7% and 44.2% occupancy in 2021 and 2022, respectively, indicating significant unused capacity. Monitoring of daily and hourly patient census at OSF Saint Elizabeth Medical Center-Ottawa, OSF Saint Paul Medical Center in Mendota and OSF Saint Clare Medical Center in Princeton documented increases in utilization related to the dispersion of patients from the two closed St. Margaret's Health Hospitals.

The plan also sustains ICU, obstetrics, and acute mental illness services in the area. St. Margaret's Health had a total of 10 ICU beds at the two hospitals. The new 8 bed ICU unit at SEMC-Peru, coupled with the 7 ICU beds in Mendota and Princeton, result in 15 ICU beds in C-02, comparable to the State's calculated need for 14 ICU beds. (*Inventory of Health Care Facilities and Services and Need Determinations*, December 18, 2023). St. Margaret's Health had a total of 17 OB beds at the two hospitals. The discontinuation of OB beds in SEMC-Ottawa and re-opening of 11 OB beds at SEMC-Peru compares to the calculated need for 13 OB beds in C-02. Tracking of hourly OB census by day in 2023, following the closure of St Margaret's in June, determined that 11 OB beds is sufficient to meet the obstetrics needs in the area.

The plan replaces the existing 26 bed AMI unit at SEMC-Ottawa with the same sized AMI service. The new unit will have all private rooms, compared to 4 private rooms in the current 26 bed AMI unit. The private rooms will enable SEMC-Ottawa to accommodate increased admissions, including the referral of approximately 400 patients annually who were referred but not able to be admitted in recent years due to bed capacity. In part, these requested referrals could not be admitted due to gender and other compatibility issues encountered due to double bed rooms.

Both SEMC-Ottawa and SEMC-Peru will provide other clinical services, including inpatient and outpatient surgery, emergency care, a full range of diagnostic imaging, outpatient services, lab and pharmacy at both hospitals.

OSF's purchase of St. Margaret's Health-Peru in 2023 enables the planning and delivery of health care services in a broader regional context. It was determined that OSF Saint Elizabeth Medical Center would operate at two sites - Ottawa and Peru - under one hospital license. This dual-campus arrangement enables clinical programs to be replaced at SEMC-Ottawa in a new facility, smaller and less expensive than originally contemplated, with some of the Ottawa services transferring to Peru.

Finally, the ability to take advantage of a regional health care delivery system, centered on Ottawa and Peru as the hub in a hub and spoke model, will provide appropriate access to area residents and stabilize the availability of health care services following the closure of the two St. Margaret's Health hospitals. Specialized services not available in Ottawa and Peru can be accessed by referrals to other hospitals in the OSF network, such as OSF Saint Francis Medical Center in Peoria, OSF St. Joseph Medical Center in Bloomington and OSF Saint Anthony Medical Center in Rockford.

2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within the geographic service area.

Letters were sent to OSF Saint Paul Medical Center in Mendota and OSF Saint Elizabeth Medical Center in Peru, which are both located within a 21-mile radius of Ottawa, (the geographic service area). A letter was also sent to OSF Saint Clare Medical Center in Princeton, due to its location near Peru (22 miles) and impact of the closures of the St. Margaret's Health hospitals in Peru and nearby Spring Valley. The letters are included in this section, Attachment 10D.

Certificate of the Publisher

Ottawa / Streater Times

Description: DEMOLITION NOTICE
2158508
10200-86100-706900

OSF SAINT ELIZABETH
ATTN: BRAD CHAMBERLAIN - FINAN
1100 E. NORRIS DR.
OTTAWA IL 61350

Shaw Media certifies that it is the publisher of the Ottawa / Streater Times. The Ottawa / Streater Times is a secular newspaper, has been continuously published weekly for more than fifty (50) weeks prior to the first publication of the attached notice, is published in the City of Ottawa, County of LaSalle, State of Illinois, is of general circulation throughout that county and surrounding area, and is a newspaper as defined by 715 ILCS 5/5.

A notice, a true copy of which is attached, was published 3 time(s) in the Ottawa / Streater Times, namely one time per week for three successive week(s). Publication of the notice was made in the newspaper, dated and published on
04/22/2024 04/23/2024 04/24/2024

This notice was also placed on a statewide public notice website as required by 5 ILCS 5/2.1.

In witness, Shaw Media has signed this certificate by Jeanette Smith, its General Manager, at Ottawa, Illinois, on
24th day of April, A.D. 2024

Shaw Media By:

Jeanette Smith, General Manager

Account Number 10083852

Amount \$306.42

PUBLIC NOTICE

OSF Saint Elizabeth Medical Center in Ottawa, Illinois intends to discontinue/demolish the facility located at 1100 E. Norris Drive, Ottawa, IL 61350 after the replacement hospital approval to do so is issued by the Illinois Health Facilities and Services Review Board (IHFSRB) and replacement hospital is complete at the new location immediately south of the current hospital campus and across Route 6. OSF Saint Elizabeth intends to file the required Certificate of Need application to the IHFSRB in the near future and a copy of it can be found, after the application is deemed complete, on the IHFSRB website at <https://www2.illinois.gov/sites/hfsrb/Projects/Pages/CompApps.aspx>.

For further information, please contact Dawn Trompeter at 815-431-5701 at Saint Elizabeth Medical Center-Ottawa.

(Published in The Times
Apr. 22, 23, 24, 2024) 2158508

March 6, 2024

The Honorable Robert Hasty
Mayor of Ottawa, Illinois
301 West Madison Street
Ottawa, IL 61350

Dear Mayor Hasty:

Consistent with the requirements of Certificate of Need regulation 110.290, notice is hereby given of the planned discontinuation of OSF Saint Elizabeth Medical Center, 1100 East Norris Drive, Ottawa. The 1972 hospital building has significant facility and infrastructure deficiencies; costs of continuing to maintain the aging facility are not feasible.

OSF will construct a new replacement hospital on adjacent property it owns across from State Route 6. The new OSF Saint Elizabeth Medical Center - Ottawa will be designed with the patient at the center of the care model. OSF Saint Elizabeth-Ottawa will have a 26-bed inpatient behavioral health unit, 12 medical/surgical beds, and a state-of-the-art surgery suite, emergency services, diagnostic imaging, and robust outpatient care services. Primary and specialty care clinics, including cardiovascular care, general surgery and OB/GYN, will continue to provide services in Ottawa.

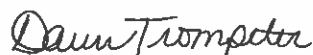
Some clinical services will be relocated to the former St. Margaret Health Hospital in Peru, 17 miles to the west. OSF HealthCare acquired the Peru hospital in November 2023. OSF Saint Elizabeth Medical Center - Peru, due to its central location, will serve as the hub hospital within the I-80 corridor and support a full range of inpatient and outpatient services. This includes 45 medical/surgical beds, 8 ICU rooms, 11 obstetric rooms to support the regional birthing center, surgery and procedure rooms, emergency services, diagnostic imaging, and robust outpatient care services. The two hospitals in Ottawa and Peru will operate as one licensed facility at two sites.

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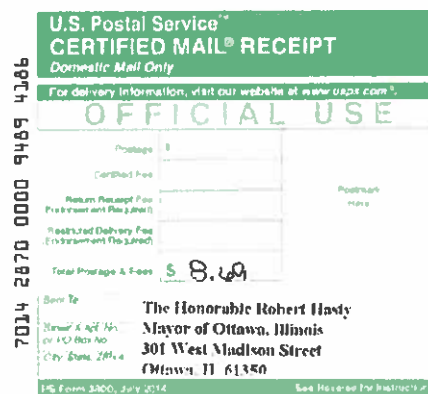
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Sincerely,



Ms. Dawn Trompeter
President OSF Saint Elizabeth Medical Centers Peru & Ottawa
1100 E Norris Dr, Ottawa, IL 61350
Dawn.C.Trompeter@osfhealthcare.org



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Total Postage & Fees: \$8.00

Sender To: The Honorable Robert Hasty
Mayor of Ottawa, Illinois
301 West Madison Street
Ottawa, IL 61350

Sender's Zip: 61350
Sender's Apt. No. or PO Box No.:
City, State, ZIP+4:

PS Form 3800, July 2014 See Reverse for Instructions



August Querciagrossa
CEO Western Region, OSF HealthCare
124 SW Adams St., Peoria, IL 61602
August.J.Querciagrossa@osfhealthcare.org



March 6, 2024

The Honorable Ken Kolowski
Mayor of Peru, Illinois
1901 – 4th Street
Peru, IL 61354

Dear Mayor Kolowski:

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 1. Address Addressee to: The Honorable Ken Kolowski Mayor of Peru, Illinois 1901 – 4th Street Peru, IL 61354 2. Article Number (Transfer from service label) 9590 8403 0633 6183 8980 47 3. Service Type ☐ Add'l Signature ☐ Add'l Signature Restricted Delivery ☐ Certified Mail ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Insured Mail ☐ Insured Mail Restricted Delivery (over \$500)	A. Signature X <i>Mary L. Turner</i> Agent B. Return to (Printed Name) Mary L. Turner C. Date of Delivery 15 FEB 2024 D. Is delivery address different from item 1? Yes ☐ No ☒ E. YES, write delivery address below PO BOX 299 PERU, IL 61354 F. Signature <i>Mary L. Turner</i> G. Date of Delivery 15 FEB 2024

Consistent with the requirements of Certificate of Need regulation 110.290, notice is hereby given of the planned discontinuation of OSF Saint Elizabeth Medical Center, 1100 East Norris Drive, Ottawa. The 1972 hospital building has significant facility and infrastructure deficiencies; costs of continuing to maintain the aging facility are not feasible.

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August Querciagrossa

August Querciagrossa
CEO Western Region, OSF HealthCare
124 SW Adams St., Peoria, IL 61602
August.J.Querciagrossa@osfhealthcare.org



March 6, 2024

Chris Pozzi, Public Health Administrator
LaSalle County Health Department
717 E. Etna Road
Ottawa, IL 61350

Dear Mr. Pozzi:

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
■ Complete Items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mail piece, or on the front if space permits.		A. Signature ☒ Agent ☐ Addressee B. Received by (Printed Name) ☐ Date of Delivery C. Is delivery at this address different from item 1? ☐ Yes ☒ No	
1. Article Addressed to Chris Pozzi, Public Health Administrator LaSalle County Health Department 717 E. Etna Road Ottawa, IL 61350		3. Service Type ☐ Actual Signature ☐ Registered Mail® ☐ Adult Signature Restricted Delivery ☐ Registered Mail Restricted Delivery ☐ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Insured Mail ☐ Insured Mail Restricted Delivery (over \$500)	
2. Article Number (Transfer from service label) 014 2870 0000 9489 4519		4. Return to Sender ☐ Return to Addressee ☐ Return to Office ☐ Return to Post Office ☐ Return to Post Office (over \$500)	

PS Form 3811, April 2015 PSN 7530-02-000 8303 Domestic Return Receipt

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August Querciagrossa

August Querciagrossa
CEO Western Region, OSF HealthCare
124 SW Adams St., Peoria, IL 61602
August.J.Querciagrossa@osfhealthcare.org



March 6, 2024

LaSalle County Human Health Department
1550 – 1st Avenue
Ottawa, IL 61350

To Whom It May Concern:

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
- Complete items 1, 2, and 3. - Print your name and address on the reverse so that we can return the card to you. - Attach this card to the back of the medicine or on the front if space permits.		A. Signature ☒ <i>[Signature]</i> ☐ Age 1 B. Received by (Printed Name) <i>TPHS</i> ☐ Addressee C. Date of Delivery <i>3/8/24</i> D. Is delivery address different from item 1? ☐ Yes ☒ No If YES, enter delivery address below	
LaSalle County Human Health Dept. 1550 – 1st Avenue Ottawa, IL 61350 9590 9403 0633 5163 8980 23		1. Service Type ☐ Inpatient ☐ Outpatient 2. Adult Signature ☐ Adult Signature Required ☐ Registered Mail Restricted Delivery 3. Adult Signature ☐ Adult Signature Required ☐ Registered Mail Restricted Delivery 4. Signature Confirmation ☒ Signature Confirmation 5. Signature Confirmation ☐ Signature Confirmation 6. Signature Confirmation ☐ Signature Confirmation 7. Signature Confirmation ☐ Signature Confirmation 8. Signature Confirmation ☐ Signature Confirmation 9. Signature Confirmation ☐ Signature Confirmation 10. Signature Confirmation ☐ Signature Confirmation 11. Signature Confirmation ☐ Signature Confirmation 12. Signature Confirmation ☐ Signature Confirmation 13. Signature Confirmation ☐ Signature Confirmation 14. Signature Confirmation ☐ Signature Confirmation 15. Signature Confirmation ☐ Signature Confirmation 16. Signature Confirmation ☐ Signature Confirmation 17. Signature Confirmation ☐ Signature Confirmation 18. Signature Confirmation ☐ Signature Confirmation 19. Signature Confirmation ☐ Signature Confirmation 20. Signature Confirmation ☐ Signature Confirmation	

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August Querciagrossa

August Querciagrossa
CEO Western Region, OSF HealthCare
124 SW Adams St., Peoria, IL 61602
August.J.Querciagrossa@osfhealthcare.org



March 6, 2024

The Honorable J.B. Pritzker
Governor, State of Illinois
401 E. Spring Street
Springfield, IL 62704

Dear Governor Pritzker:

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
- Complete items 1, 2, and 3. - Print your name and address on the reverse so that we can return the card to you. - Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature ☒ Agent ☐ Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? ☐ Yes ☒ No (If YES, enter delivery address below) 3. Please Check ☐ Yes ☒ No ☐ Adult Signature ☐ Registered Mail™ ☐ Adult Signature Restricted Delivery ☐ Registered Mail Restricted Delivery ☐ Certified Mail ☐ Registered Mail Restricted Delivery ☐ Certified Mail Restricted Delivery ☐ Registered Mail Restricted Delivery ☐ Collect on Delivery ☐ Registered Mail Restricted Delivery ☐ Collect on Delivery Restricted Delivery ☐ Registered Mail Restricted Delivery ☐ Insured Mail ☐ Registered Mail Restricted Delivery ☐ Insured Mail Restricted Delivery ☐ Registered Mail Restricted Delivery	

Article A (Mailed)

The Honorable J.B. Pritzker
Governor, State of Illinois
401 E. Spring Street
Springfield, IL 62704

9590 9403 0833 5183 8980 85

7614 2870 0100 9454 4262

PS Form 3811, Apr 2015 PSN 7529-02-000 9052

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1100 E Norris Dr, Ottawa, IL 61350
Dawn.C.Trompeter@osfhealthcare.org

August Querciagrossa

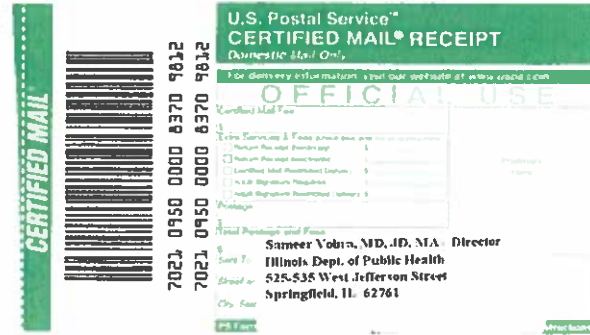
August Querciagrossa
CEO Western Region, OSF HealthCare
124 SW Adams St., Peoria, IL 61602
August.J.Querciagrossa@osfhealthcare.org



April 18, 2024

Sameer Vohra, MD, JD, MA
Director, Illinois Department of Public Health
525-535 West Jefferson Street
Springfield, IL 62761

Dear Dr. Vohra:



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August Querciagrossa
CEO Western Region, OSF HealthCare
124 SW Adams St., Peoria, IL 61602
August.J.Querciagrossa@osfhealthcare.org



April 18, 2024

Elizabeth M. Whitehorn, Director
Illinois Department of Healthcare & Family Services
201 South Grand Avenue East
Springfield, IL 62763

Dear Ms. Whitehorn:

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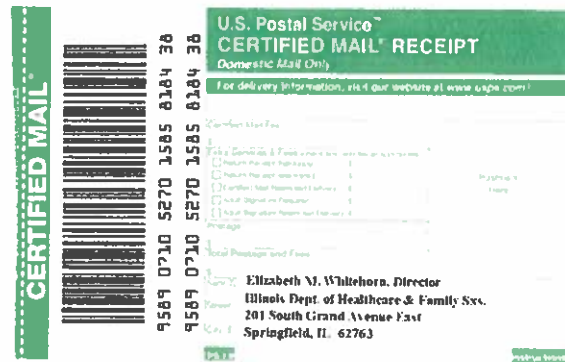
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March 6, 2024

The Honorable Lance Yednock
Representative, State of Illinois
628 Columbus Street, Suite 408
Ottawa, IL 61350

Dear Representative Yednock:

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: The Honorable Lance Yednock Representative, State of Illinois 628 Columbus Street, Suite 408 Ottawa, IL 61350 2. Article Number (Transfer from previous mailpiece if used) 9590 9403 0633 5183 8980 54 3. Article Number (Transfer from previous mailpiece if used) 9590 9403 0633 5183 8980 54		A. Signature X <i>Michael W. Wiers</i> ☐ Agent ☐ Addressee B. Received by (Printed Name) <i>Michael W. Wiers</i> ☐ Date of Delivery C. Is delivery address different from item 1? ☐ Yes ☐ No If YES, enter delivery address below 3. Service Type ☐ Priority Mail Express® ☐ Registered Mail® ☐ Registered Mail Restricted Delivery ☐ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Insured Mail ☐ Insured Mail Restricted Delivery ☐ Signature Confirmation® ☐ Signature Confirmation Restricted Delivery PS Form 3811, April 2015 PSN 7530-012-0043-9033 Domestic Return (Net-9-01)	

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August Querciagrossa

August Querciagrossa
CEO Western Region, OSF HealthCare
124 SW Adams St., Peoria, IL 61602
August.J.Querciagrossa@osfhealthcare.org



#24-013

The Honorable Sue Rezin
Senator, State of Illinois
350 – 5th Street, Suite 264
Peru, IL 61354

Dear Senator Rezin:

[illegible]

Sincerely,

Damm Trompeter

Ms. Dawn Trompeter
President OSF Saint Elizabeth Medical Centers Peru & Ottawa
1100 E Norris Dr, Ottawa, IL 61350
Dawn.C.Trompeter@osfhealthcare.org

August Purcia-gross

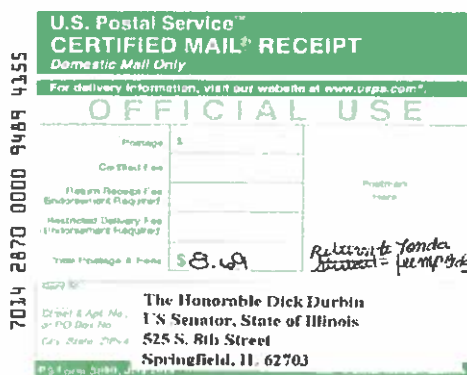
August Querciagrossa
CEO Western Region, OSF HealthCare
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August.J.Querciagrossa@osfhealthcare.org



March 6, 2024

The Honorable Dick Durbin
US Senator, State of Illinois
525 S. 8th Street
Springfield, IL 62703

Dear Senator Durbin:



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Sincerely,

Dawn Trompeter

Ms. Dawn Trompeter
President OSF Saint Elizabeth Medical Centers Peru & Ottawa
1100 E Norris Dr, Ottawa, IL 61350
Dawn.C.Trompeter@osfhealthcare.org

August Querciagrossa

August Querciagrossa
CEO Western Region, OSF HealthCare
124 SW Adams St., Peoria, IL 61602
August.J.Querciagrossa@osfhealthcare.org



#24-013

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
1. Complete items 1, 2, and 3. 2. Print your name and address on the reverse so that we can return the card to you. 3. Attach this card to the back of the mail piece, or on the front if space permits.		A. Signature  X ☒ Agent ☐ Addressee B. Received by (Printed Name)  C. ☐ Yes ☒ No D. Is delivery address different from item 1? ☐ Yes ☒ No If YES, enter delivery address below:	
1. Article Addressed to: The Honorable Tammy Duckworth U.S. Senator, State of Illinois 8 South Old State Capital Plaza Springfield, IL 62701		3. Service Type ☐ Adult Signature ☐ Adult Signature Restricted Delivery ☐ Certified Mail ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Insured Mail Restricted Delivery ☐ Priority Mail Express ☐ Registered Mail ☐ Registered Mail Restricted Delivery ☐ Return Receipt for Merchandise ☐ Signature Guarantee ☐ Signature Restricted Delivery	
2. Article Number (Transfer from service label) 7014 2870 0000 9457 4548		4. Barcode  9590 6403 0633 6183 8980 61	

Attachment 10B



March 6, 2024

The Honorable Lauren Underwood
US Representative, State of Illinois
116 N. Chicago Street, Suite 201
Joliet, IL 30432

Dear Representative Underwood:

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailing, or on the front if space permits. 1. Article Addressed to: The Honorable Lauren Underwood US Representative, State of Illinois 116 N. Chicago Street, Suite 201 Joliet, IL 30432 2. Article Number (Transfer from service label) 9590 9403 0633 5183 8981 08 PS Form 3811, April 2016 PSN 7550-02-000-9353		A. Signature B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? If YES, enter delivery address below E. Service Type ☐ Airtel Signature ☐ Air Mail Signature Restricted Delivery ☒ Certified Mail ☐ Certified Mail Restricted Delivery ☐ Collection Delivery ☐ Collection Delivery Restricted Delivery ☐ Insured Mail ☐ Insured Mail Restricted Delivery (over \$500) ☐ Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☒ Return Receipt for Merchandise ☐ Signature Confirmation™ ☐ Signature Confirmation Restricted Delivery	

Consistent with the requirements of Certificate of Need regulation 110.290, notice is hereby given of the planned discontinuation of OSF Saint Elizabeth Medical Center, 1100 East Norris Drive, Ottawa. The 1972 hospital building has significant facility and infrastructure deficiencies; costs of continuing to maintain the aging facility are not feasible.

OSF will construct a new replacement hospital on adjacent property it owns across from State Route 6. The new OSF Saint Elizabeth Medical Center - Ottawa will be designed with the patient at the center of the care model. OSF Saint Elizabeth-Ottawa will have a 26-bed inpatient behavioral health unit, 12 medical/surgical beds, and a state-of-the-art surgery suite, emergency services, diagnostic imaging, and robust outpatient care services. Primary and specialty care clinics, including cardiovascular care, general surgery and OB/GYN, will continue to provide services in Ottawa.

Some clinical services will be relocated to the former St. Margaret Health Hospital in Peru, 17 miles to the west. OSF HealthCare acquired the Peru hospital in November 2023. OSF Saint Elizabeth Medical Center - Peru, due to its central location, will serve as the hub hospital within the I-80 corridor and support a full range of inpatient and outpatient services. This includes 45 medical/surgical beds, 8 ICU rooms, 11 obstetric rooms to support the regional birthing center, surgery and procedure rooms, emergency services, diagnostic imaging, and robust outpatient care services. The two hospitals in Ottawa and Peru will operate as one licensed facility at two sites.

The coordination of services at the two OSF Saint Elizabeth Medical Center sites, coupled with the services at OSF Saint Clare Medical Center in Princeton, OSF Saint Paul Medical Center in Mendota and OSF Center for Health in Streator, is a regional solution to the needs for coordinated health care services in the I-80 corridor.

Our plans are to open the new OSF Saint Elizabeth Medical Center - Ottawa in late 2027. Following the opening, the current OSF Saint Elizabeth Medical Center hospital will be decommissioned and demolished. Other outpatient and supporting services on the current OSF Saint Elizabeth Medical Center-Ottawa campus will be continued. The plan is subject to review by the Illinois Health Facilities and Services Review Board this summer.

If you have questions about the planned changes, please reach out to us.

Sincerely,

Dawn Trompeter

Ms. Dawn Trompeter
President OSF Saint Elizabeth Medical Centers Peru & Ottawa
1100 E Norris Dr, Ottawa, IL 61350
Dawn.C.Trompeter@osfhealthcare.org

August Querciagrossa

August Querciagrossa
CEO Western Region, OSF HealthCare
124 SW Adams St., Peoria, IL 61602
August.J.Querciagrossa@osfhealthcare.org



April 17, 2024

Mr. John Kniery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street - 2nd Floor
Springfield, IL 62761

Re: Commitment to submit all required information and data following discontinuation
OSF Saint Elizabeth Medical Center - Ottawa

Dear Mr. Kniery:

As required by regulations related to the discontinuation of an entire facility, I certify that all questionnaires and data required by HFSRB or IDPH will be provided through the date of discontinuation, and that the required information will be submitted no later than 90 days following the date of discontinuation. Required information includes, but is not limited to, annual questionnaires, capital expenditures, and surveys.

If you have any questions, please contact me at 815-431-5701 or Mark Hohulin at 309-308-9656.

Sincerely,

Dawn Trompeter, President
OSF Saint Elizabeth Medical Center – Ottawa
1100 E. Norris Drive
Ottawa, IL 61350

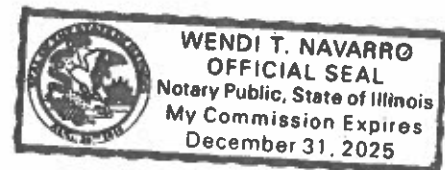
Notarization:

Subscribed and sworn to before me

this 17th day of April 2024

Signature of Notary

Seal





OSF HEALTHCARE

April 15, 2024

Ms. Jackie Kernan, President
OSF Saint Clare Medical Center
530 Park Avenue East
Princeton, IL 61356

Re: Request for Impact of Discontinuation
OSF Saint Elizabeth Medical Center – Ottawa

Dear Ms. Kernan:

As you are aware, OSF Healthcare System will be filing a Certificate of Need permit application for the discontinuation of OSF Saint Elizabeth Medical Center in Ottawa ("SEMC-Ottawa"). The permit application is one of three related permit applications that include the replacement of SEMC-Ottawa and the expansion of Saint Elizabeth Medical Center-Peru ("SEMC-Peru").

To understand the discontinuation, it is important to know the context of the two other projects. The new SEMC-Ottawa will be located across Route 6 immediately south of the current hospital. The new hospital will have a 12-bed medical/surgical unit and maintain the Acute Mental Illness service at 26 beds. Emergency care, surgery, diagnostic imaging and other supporting clinical services will continue at the replacement SEMC-Ottawa. Following the opening of the new hospital in late 2027, the current SEMC-Ottawa will be discontinued and decommissioned.

The ICU and Obstetrics services at SEMC-Ottawa will be relocated to SEMC-Peru. The ICU at SEMC-Peru will be expanded from 4 to 8 beds. Obstetrics will remain at the current 11 beds at SEMC-Peru. SEMC-Peru will be the hub of ICU and OB services in the I-80 corridor area. The medical/surgical capacity at Peru will increase from 38 to 45 beds.

If you feel there will be an impact on OSF Saint Clare Medical Center with this discontinuation, please respond accordingly. If you have any questions, please contact me at 309-308-9656.

Sincerely,

Mark Hohulin

Mark E. Hohulin, Senior Vice President – Healthcare Analytics
OSF Healthcare System
124 S.W. Adams Street
Peoria, IL 61602

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: Ms. Jackie Kernan, President OSF Saint Clare Medical Center 530 Park Avenue East Princeton, IL 61356		A. Signature <i>*Mary Lippert</i> ☐ Agent ☐ Addressee B. Received by <i>Princeton Name</i> C. Date of Delivery D. Is delivery address different from item 1? ☐ Yes ☐ No (If YES, enter delivery address below:)	
2. Article Number (Transfer from service label) 9590 8402 7535 2088 0825 39 3. Article Number (Transfer from service label) 9589 0710 5270 1585 8183 91		3. Service Type ☐ Adult Signature ☐ Registered Mail® ☐ Adult Signature Restricted Delivery ☐ Registered Mail Restricted Delivery ☐ Certified Mail® ☐ Signature Confirmation™ ☐ Collect on Delivery ☐ Signature Confirmation Restricted Delivery ☐ Collect on Delivery Post: Used Delivery ☐ Signature Confirmation Restricted Delivery ☐ Mail ☐ Not Restricted Delivery (C)	
PS Form 3811, July 2020 PSN 7530-02-000-9033		Domestic Return Receipt	



OSF HEALTHCARE

April 15, 2024

Ms. Dawn Trompeter, President
OSF Saint Elizabeth Medical Center - Peru
925 West Street
Peru, IL 61354

Re: Request for Impact of Discontinuation
OSF Saint Elizabeth Medical Center – Ottawa

Dear Ms. Trompeter:

As you are aware, OSF Healthcare System will be filing a Certificate of Need permit application for the discontinuation of OSF Saint Elizabeth Medical Center in Ottawa ("SEMC-Ottawa"). The permit application is one of three related permit applications that include the replacement of SEMC-Ottawa and the expansion of Saint Elizabeth Medical Center-Peru ("SEMC-Peru").

To understand the discontinuation, it is important to know the context of the two other projects. The new SEMC-Ottawa will be located across Route 6 immediately south of the current hospital. The new hospital will have a 12-bed medical/surgical unit and maintain the Acute Mental Illness service at 26 beds. Emergency care, surgery, diagnostic imaging and other supporting clinical services will continue at the replacement SEMC-Ottawa. Following the opening of the new hospital in late 2027, the current SEMC-Ottawa will be discontinued and decommissioned.

The ICU and Obstetrics services at SEMC-Ottawa will be relocated to SEMC-Peru. The ICU at SEMC-Peru will be expanded from 4 to 8 beds. Obstetrics will remain at the current 11 beds at SEMC-Peru. SEMC-Peru will be the hub of ICU and OB services in the I-80 corridor area. The medical/surgical capacity at Peru will increase from 38 to 45 beds.

If you feel there will be an impact on OSF Saint Elizabeth Medical Center-Peru with this discontinuation, please respond accordingly. If you have any questions, please contact me at 309-308-9656.

Sincerely,

Mark E. Hohulin, Senior Vice President – Healthcare Analytics
OSF Healthcare System
124 S.W. Adams Street
Peoria, IL 61602

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
- Complete items 1, 2, and 3. - Print your name and address on the reverse so that we can return the card to you. - Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature X <i>Wanda Naras</i> ☐ Agent ☐ Addressee B. Received by (Printed Name) Wanda Naras C. Date of Delivery 4/16/2024 D. Is delivery address different from item 1? ☐ Yes ☒ No If YES, enter delivery address below:	
1. Article Addressed to: Ms. Dawn Trompeter, President OSF Saint Elizabeth Medical Center-Peru 925 West Street Peru, IL 61354		3. Service Type ☐ Adult Signature ☐ Adult Signature Restricted Delivery ☒ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Mail Restricted Delivery 4. Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☐ Signature Confirmation™ ☐ Restricted Delivery	
2. Article Number (Transfer from service label) 9590 9402 7535 2098 0825 15 9589 0710 5270 1585 8184 21		PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt	



OSF HEALTHCARE

April 15, 2024

Ms. Dawn Trompeter, President
OSF Saint Paul Medical Center
1401 E. 12th Street
Mendota, IL 61342

Re: Request for Impact of Discontinuation
OSF Saint Elizabeth Medical Center – Ottawa

Dear Ms. Trompeter:

As you are aware, OSF Healthcare System will be filing a Certificate of Need permit application for the discontinuation of OSF Saint Elizabeth Medical Center in Ottawa ("SEMC-Ottawa"). The permit application is one of three related permit applications that include the replacement of SEMC-Ottawa and the expansion of Saint Elizabeth Medical Center-Peru ("SEMC-Peru").

To understand the discontinuation, it is important to know the context of the two other projects. The new SEMC-Ottawa will be located across Route 6 immediately south of the current hospital. The new hospital will have a 12-bed medical/surgical unit and maintain the Acute Mental Illness service at 26 beds. Emergency care, surgery, diagnostic imaging and other supporting clinical services will continue at the replacement SEMC-Ottawa. Following the opening of the new hospital in late 2027, the current SEMC-Ottawa will be discontinued and decommissioned.

The ICU and Obstetrics services at SEMC-Ottawa will be relocated to SEMC-Peru. The ICU at SEMC-Peru will be expanded from 4 to 8 beds. Obstetrics will remain at the current 11 beds at SEMC-Peru. SEMC-Peru will be the hub of ICU and OB services in the I-80 corridor area. The medical/surgical capacity at Peru will increase from 38 to 45 beds.

If you feel there will be an impact on OSF Saint Paul Medical Center with this discontinuation, please respond accordingly. If you have any questions, please contact me at 309-308-9656.

Sincerely,

Mark E. Hohulin, Senior Vice President – Healthcare Analytics
OSF Healthcare System
124 S.W. Adams Street
Peoria, IL 61602

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: Ms. Dawn Trompeter, President OSF Saint Paul Medical Center 1401 E. 12th Street Mendota, IL 61342		A. Signature X <i>Wendi Naranjo</i> ☒ Agent ☐ Addressee B. Received by (Printed Name) <i>Wendi Naranjo</i> C. Date of Delivery <i>4/16/2024</i> D. Is delivery address different from item 1? ☐ Yes ☒ No If YES, enter delivery address below:	
2. Article Number (Transfer from service label) 9590 9402 7535 2098 0825 22 3. Article Number (Transfer from service label) 9589 0710 5270 1585 8184 07		3. Service Type ☐ Adult Signature ☐ Adult Signature Restricted Delivery ☒ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Insured Mail ☐ Insured Mail Restricted Delivery ☐ Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☒ Signature Confirmation™ ☐ Signature Confirmation Restricted Delivery	

PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

Background of the Applicant

This attachment includes the following:

IDPH License, OSF Saint Elizabeth Medical Center
Joint Commission Accreditation

OSF Healthcare System list of facilities in Illinois and license information

Letter of certification that there have been no adverse actions against OSF Healthcare System or any facility owned or operated by OSF; authorization of access to information.

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 5/14/2024
Lic Number 0005520
Date Printed 4/5/2023

Ottawa Regional Hospital & Healthcare
dba OSF Saint Elizabeth Medical Cent
1100 E Norris Drive
Ottawa, IL 61350

FEE RECEIPT NO.



ILLINOIS DEPARTMENT OF
PUBLIC HEALTH

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.

Sameer Vohra, MD, JD, MA
Director

Issued under the authority of
the Illinois Department of
Public Health

EXPIRATION DATE	CATEGORY	LIC. NUMBER
5/14/2024	General Hospital	0005520

Effective: 05/15/2023

Ottawa Regional Hospital & Healthcare Center
dba OSF Saint Elizabeth Medical Center
1100 E Norris Drive
Ottawa, IL 61350

The face of this license has a colored background. • Printed by Authority of the State of Illinois • P.O. 44422001- 10M 3/22

← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

ILLINOIS DEPARTMENT OF PUBLIC HEALTH

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.

Sameer Vohra, MD, JD, MA
Director

Issued under the authority of
the Illinois Department of
Public Health

EXPIRATION DATE	CATEGORY	IC NUMBER
5/14/2025	General Hospital	0005520
Effective: 05/15/2024		

Ottawa Regional Hospital & Healthcare Center
dba OSF Saint Elizabeth Medical Center
1100 E Norris Drive
925 West St, Peru
Ottawa, IL 61350

The face of this license has a colored background. • Printed by Authority of the State of Illinois • P.O. 4422001 10M 3722

Exp. Date 5/14/2025

Lic Number 0005520

Date Printed 3/1/2024

Ottawa Regional Hospital & Healthcare
dba OSF Saint Elizabeth Medical Cent
1100 E Norris Drive
925 West St, Peru
Ottawa, IL 61350

FEE RECEIPT NO.

Ottawa Regional Hospital and Healthcare Center

Ottawa, IL

has been Accredited by

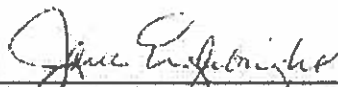


The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the
Hospital Accreditation Program

June 3, 2023

Accreditation is customarily valid for up to 36 months.


Jane Englebright, PhD, RN, CENP, FAAN
Chair, Board of Commissioners

ID #7402
Print/Reprint Date: 08/25/2023


Jonathan B. Pettin, MD, PhD, MSHA, MACP, FACMI
President and Chief Executive Officer

The Joint Commission is an independent, not-for-profit national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.



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

1000 W. Harlem Avenue

Monmouth, Illinois 61462

License #: 0005439, Expiration 4/11/25

Joint Commission: Critical Access Hospital-no Joint Commission Certificate

OSF HealthCare Saint Francis Medical Center

530 NE Glen Oak Avenue

Peoria, Illinois 61637

License #: 0002394, Expiration 12/31/24

Joint Commission: 4/22/23, 36 months

OSF HealthCare Saint Anthony's Health Center

One Saint Anthony's Way

Alton, Illinois 62002-0340

License #: 0005942, Expiration 10/31/24

Joint Commission: 11/2/23, 36 months

OSF HealthCare Saint James-John W. Albrecht Medical Center

2500 W. Reynolds Street

Pontiac, Illinois 61764

License #: 0005264, Expiration 3/2/25

Joint Commission: 4/8/23, 36 months

OSF HealthCare St. Joseph Medical Center

2200 E. Washington Street

Bloomington, Illinois 61701

License #: 0002535, Expiration 12/31/24

Joint Commission: 3/25/23, 36 months

OSF HealthCare Saint Anthony Medical Center

5666 E. State Street

Rockford, Illinois 61108-2472

License #: 0002253, Expiration 12/31/24

Joint Commission: 3/11/23, 36 months

OSF HealthCare Saint Luke Medical Center

1051 West South Street

Kewanee, Illinois 61443

License #: 0005926, Expiration 3/31/25

Joint Commission: Critical Access Hospital-no Joint Commission Certificate

OSF HealthCare Saint Elizabeth Medical Center – Ottawa and Peru

1100 E. Norris Drive

925 West Street

Ottawa, Illinois 61354

License #: 0005520, Expiration 5/14/25

Joint Commission: 6/3/23, 36 months-Ottawa (Peru campus will be surveyed once they are open)

OSF Saint Elizabeth Medical Center Freestanding Emergency Center

111 Spring Street

Streator, Illinois 61364

License #: 22006, Expiration 8/8/24

Joint Commission: 6/3/23, 36 months (included with Saint Elizabeth Medical Center)

OSF Healthcare System List of Facilities in Illinois - continued**OSF HealthCare St. Mary Medical Center**

3333 N. Seminary Street
 Galesburg, Illinois 61401
 License #: 0002675, Expiration 12/31/24
 Joint Commission: 2/24/23, 36 months

OSF HealthCare Saint Paul Medical Center

1401 E. 12th Street
 Mendota, Illinois 61342
 License #: 0005819, Expiration 12/6/24
 Joint Commission: Critical Access Hospital-no Joint Commission Certificate

OSF Healthcare Sacred Heart Medical Center

812 N. Logan Avenue
 Danville, Illinois 61832
 License #: 0006072, Expiration 2/1/25
 Joint Commission: 5/26/23, 36 months

OSF HealthCare Heart of Mary Medical Center

1400 W. Park Street
 Urbana, Illinois 61801
 License #: 0006080, Expiration 2/1/25
 Joint Commission: 10/6/23, 36 months

OSF Little Company of Mary Medical Center

2800 W. 95th Street
 Evergreen Park, Illinois 60805
 License #: 0006163, Expiration 1/31/25
 Joint Commission: 5/6/22, 36 months

OSF Saint Clare Medical Center

530 Park Avenue East
 Princeton, Illinois 61356
 License #: 006254, Expiration 6/30/24
 Joint Commission: Critical Access Hospital-no Joint Commission Certificate

OSF Transitional Care Hospital

500 W. Romeo B. Garrett Avenue
 Peoria, Illinois 61605
 License #: 0006262, Expiration 9/30/24
 Joint Commission: 5/6/22, 36 months



April 23, 2024

Ms. Debra Savage, Chairwoman
Illinois Health Facilities and Services Review Board
525 West Jefferson Street - 2nd Floor
Springfield, IL 62761

Re: No Adverse Actions / Authorized Access to Information
OSF Saint Elizabeth Medical Center – Ottawa, Discontinuation

Dear Chairwoman Savage:

I hereby certify that no adverse action has been taken against OSF Healthcare System ("OSF") or any facility owned or operated by OSF, directly or indirectly, within three years prior to the filing of this application. For the purpose of this letter, the term "adverse action" has the meaning given to it in the Illinois Administrative Code, Title 77, Section 1130.

I hereby authorize the Health Facilities and Services Review Board ("Board") and the Illinois Department of Public Health ("IDPH") to access any documentation they find necessary to verify any documentation or information submitted, including but not limited to official records of IDPH or other State agencies and the records of nationally recognized accreditation organizations. I further authorize the Board and IDPH to obtain any additional documentation or information that the Board or IDPH deems necessary to process the application.

If you have any questions, please contact Mark Hohulin, Senior Vice President, Healthcare Analytics, at 309-308-9656 or at mark.e.hohulin@osfhealthcare.org.

Sincerely,


Robert C. Sehring, Chief Executive Officer
OSF Healthcare System
124 S.W. Adams Street
Peoria, IL 61602

Notarization:

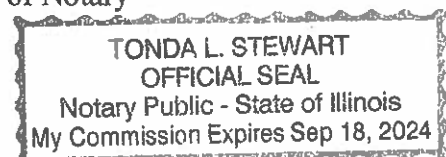
Subscribed and sworn to before me

this 23rd day of April 2024



Signature of Notary

Seal



PURPOSE OF THE PROJECT

1. Document that the project will provide health care services that improve the health care or well-being of the market population to be served.

The project proposes to discontinue the aging OSF Saint Elizabeth Medical Center-Ottawa (SEMC-Ottawa).

The decision to discontinue the facility is part of a multi-facility plan that OSF has developed to maintain access to health care in the I-80 corridor area. The broader plan includes replacement of SEMC-Ottawa with a new and smaller facility across State Route 6 from the current location. CON permit application #24-011 for establishment of the replacement SEMC-Ottawa hospital was submitted last month and is now in the review process. A separate permit application addresses the relocation of some of the services now in place at SEMC-Ottawa to OSF Saint Elizabeth Medical Center-Peru (SEMC-Peru). Upon completion and opening of the new SEMC-Ottawa hospital, the current SEMC-Ottawa hospital building will be decommissioned and demolished.

The project accomplishes three purposes. Most of the following statements are adapted or repeated from the permit application for the replacement hospital, CON Application #24-011.

1) Addressing facility deficiencies at SEMC-Ottawa. The replacement SEMC-Ottawa hospital addresses major facility deficiencies in the current hospital building. The current hospital requires over \$110 million in critical upgrades to address imminent building and infrastructure needs, and more than an additional \$125 million to make the building efficient and meet current operational requirements. The cost of constructing the new SEMC-Ottawa facility and demolishing the old SEMC-Ottawa is about \$138 million. Modernizing the current hospital building is not cost-effective and is not conducive to the current models of health care delivery.

Like most hospitals built in the 70s, OSF Saint Elizabeth Medical Center has an abundance of double occupancy rooms and a limited number of private rooms. This is especially the case for the medical/surgical service, where only 16 of the 54 authorized beds are in single rooms. For AMI, only 4 of the 26 beds are in single bed rooms. This condition has resulted in turning away hundreds of patients per year who were not able to be admitted because of gender or other compatibility issues which prevail when private rooms are not available.

2) Maintaining access in the region. The replacement SEMC-Ottawa hospital, along with the relocation of its intensive care and obstetrics services to the related SEMC-Peru hospital, restores some of the facilities and service deficits that resulted from the closures of SMH system's St. Margaret's Health-Peru and St. Margaret's Health-Spring Valley in 2023. The two closed hospitals had a total of 93 acute care beds, 49 in Peru and 44 in Spring Valley. These 93 beds were 39% of the total 242 authorized beds in Planning Area C-02. Of these 93 beds, 66 were medical/surgical beds.

OSF acquired St. Margaret's Health-Peru in 2023, keeping the 38 authorized medical/surgical beds at that facility in the State inventory. The OSF-coordinated bed plan at SEMC-Ottawa and SEMC-Peru includes a total 57 medical/surgical beds, 12 of which will be located at SEMC-Ottawa. The plan at Peru is to increase medical/surgical beds there from the previous 38 to a total of 45. OSF tracking of hourly census by day during 2023 demonstrates that 57 medical/surgical beds, coupled with services at OSF Saint Paul Medical Center in Mendota and OSF Saint Clare Medical Center in Princeton, will meet the needs of the 146,020 residents of the I-80 corridor and of Planning Area C-02.

The plan also sustains ICU, obstetrics, and acute mental illness in the area. ICU and Obstetrics services will be discontinued at Ottawa and located centrally in the region at SEMC-Peru. The plan for services at Ottawa maintains the current 26 AMI bed count at Ottawa.

3) Sustaining rural health care. The challenges of rural health care are well known. Their small scale limits the ability to develop specialized programs, in part due to the difficulty of attracting and retaining clinical specialists. Financially, their relatively low patient volume makes it difficult to cover the cost of care. Most rural hospitals operate at a loss. The project proposes to operate OSF SEMC at its two locations as a hub of services in the three counties, with spokes at outlying hospitals. SEMC-Peru will be the hub for ICU and obstetrics relocated from Ottawa, with significant expansion of medical/surgical services there. SEMC-Ottawa will be the hub for acute mental illness inpatient care, as well as a downsized but appropriately scaled medical/surgical service. The spokes relating to SEMC will be OSF Saint Clare Medical Center in Princeton, OSF Saint Paul Medical Center in Mendota, and OSF Center for Health in Streator (outpatient; no inpatient beds at Streator). The map on the next page shows the locations of hospitals in Ottawa, Peru, Mendota and Princeton, as well as the outpatient OSF Center for Health in Streator.

By addressing these three issues, the project to replace the current SEMC with a new facility in Ottawa and operate SEMC-Peru as one licensed facility at two locations will improve the sustainability and access to needed inpatient services in the I-80 corridor area, thereby improving health care and the well-being of the area population.

2. Define the planning area or market area, or other relevant area, per the applicant's definition.

OSF has selected State hospital planning area C-02 as the planning area for the project. C-02 is comprised of LaSalle County (containing Ottawa and Peru), Bureau County, Putnam County, and the townships of Osceola and Elmira in Stark County.

As shown in the patient origin table on the page following the map of the I-80 corridor, the case volumes are a composite of inpatients and observation cases at OSF Saint Elizabeth Medical Center in 2023, and at St. Margaret's Health hospital in Peru in 2022, the last year of reported COMPdata information. The assumption is made that the distribution of patients served at SEMC-Peru in the future will mirror the patient origin distribution at St. Margaret's Health-Peru before it closed.

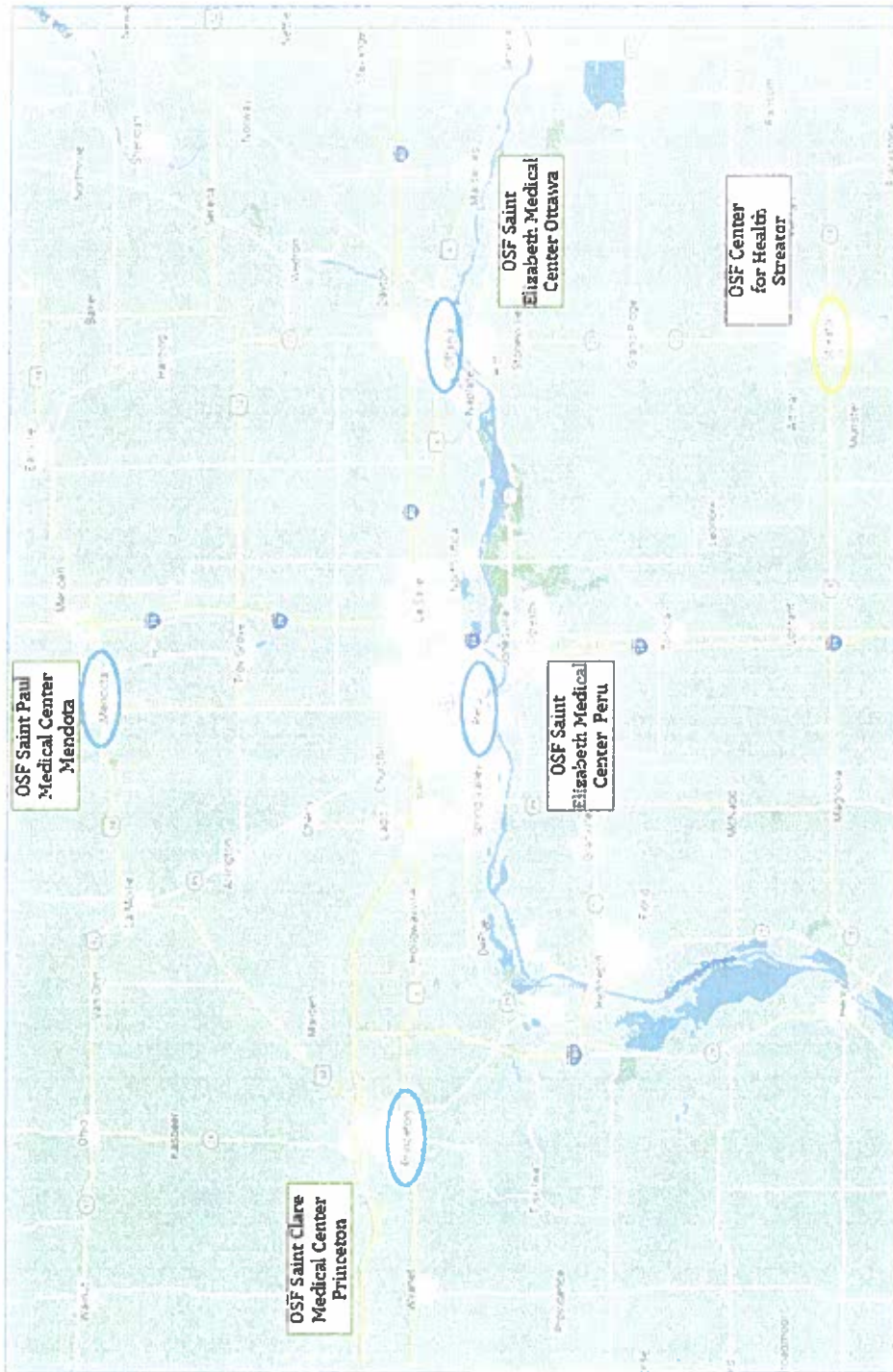
Because SEMC will operate as one licensed hospital at two locations, Peru and Ottawa, the planning area is a consolidation of the patient origin data of the hospitals in Ottawa and Peru. Collectively, the two hospitals had 7,821 inpatients and observation cases. 89.7% (rounded to 90%) of patients served at these two hospitals reside in the planning area, C-02.

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

The introduction of this Purpose section outlined how the proposed project will improve health care delivery in the I-80 corridor by addressing the following problems:

- Structural and infrastructure deficiencies at the current SEMC-Ottawa hospital, to be resolved by replacing the current facility;
- Threatened access to needed services in the region, following the closure last year of 93 beds at St Margaret's Health hospitals in Peru and Spring Valley, 39% of hospital capacity in C-02;
- Problems generally faced by rural areas in maintaining access to quality health care services.

OSF HEALTHCARE: I-80 SERVICE AREA



Mileage:

- Princeton to Ottawa: 37.8 miles/38 mins
- Princeton to Peru: 22.1 miles/26 mins
- Ottawa to Peru: 17.1 miles/25 mins
- Streator to Peru: 28.5 miles/32 mins
- Mendota to Peru: 20.3 miles/24 mins

All routes were calculated from each OSF Hospital from Google Maps

SAINT ELIZABETH MEDICAL CENTER & SMH-PERU COMBINED
 Table - Zip Codes of Patient Residence (Year: 2023)
 Saint Elizabeth Medical Center - Ottawa (All)
 Source: OSF Internal Utilization (OSF Enterprise Explorer)

Patient County	Patient Zip Code	Patient City	CY 2023 Inpatient & Observation Cases	CY 2022 Inpatient & Observation Cases	Percent of total	Cumulative percent
			SEMC - Ottawa	Peru		
LA SALLE, IL	61350	OTTAWA	1,703	41	1,744	22.3%
	61364	STREATOR	1,198	34	1,232	15.8%
	61354	PERU	360	394	754	9.6%
	61301	LA SALLE	428	301	729	9.3%
	61341	MARSEILLES	416	7	423	5.4%
	61348	OGLESBY	170	141	311	4.0%
	61342	MENDOTA	176	95	271	3.5%
	61373	UTICA	74	42	116	1.5%
	61370	TONICA	63	49	112	1.4%
	60518	EARLVILLE	66	10	76	1.0%
	61360	SENECA	56	1	57	0.7%
	61325	GRAND RIDGE	52	-	52	0.7%
	61334	LOSTANT	21	21	42	0.5%
	60551	SHERIDAN	33	3	36	0.5%
	60549	SERENA	22	-	22	0.3%
	60531	LELAND	16	-	16	0.2%
	60470	RANSOM	13	2	15	0.2%
	61316	CEDAR POINT	10	3	13	0.2%
	61332	LEONORE	9	2	11	0.1%
	61372	TROY GROVE	6	4	10	0.1%
	61358	RUTLAND	3	-	3	0.0%
	60557	WEDRON	3	-	3	0.0%
	61321	DANA	2	-	2	0.0%
	61371	TRIUMPH	1	-	1	0.0%
LA SALLE, IL Total			4,901	1,150	6,051	
BUREAU, IL	61362	SPRING VALLEY	141	80	221	2.8%
	61356	PRINCETON	113	94	207	2.6%
	61322	DEPUE	48	27	75	1.0%
	61329	LADD	39	20	59	0.8%
	61330	LA MOILLE	21	15	36	0.5%
	61379	WYANET	14	16	30	0.4%
	61368	TISKILWA	16	8	24	0.3%
	61312	ARLINGTON	8	13	21	0.3%
	61320	DALZELL	8	11	19	0.2%
	61317	CHERRY	8	9	17	0.2%
	61361	SHEFFIELD	2	14	16	0.2%
	61359	SEATONVILLE	5	4	9	0.1%
	61376	WALNUT	7	-	7	0.1%
	61337	MALDEN	4	3	7	0.1%
	61315	BUREAU	3	4	7	0.1%
	61314	BUDA	3	4	7	0.1%
	61349	OHIO	2	3	5	0.1%
	61338	MANLIUS	3	-	3	0.0%
	61345	NEPONSET	1	2	3	0.0%
	61374	VAN ORIN	1	-	1	0.0%
BUREAU, IL Total			447	327	774	
PUTNAM, IL	61326	GRANVILLE	37	30	67	0.9%
	61327	HENNEPIN	28	17	45	0.6%
	61335	MC NABB	12	9	21	0.3%
	61340	MARK	7	9	16	0.2%
	61560	PUTNAM	8	5	13	0.2%
	61336	MAGNOLIA	8	5	13	0.2%
	61363	STANDARD	6	4	10	0.1%
PUTNAM, IL Total			106	79	185	
STARK, IL	61421	BRADFORD	2	-	2	0.0%
	61483	TOULON	2	-	2	0.0%
	61449	LA FAYETTE	2	-	2	0.0%
STARK, IL Total			6	-	6	
Total, Planning Area C-02			5,460	1,556	7,016	89.7%
Outside Planning Area C-02			716	89	805	10.3%
Total Patients			6,176	1,645	7,821	

A. The structural and infrastructure deficiencies at the current OSF Saint Elizabeth Medical Center-Ottawa are significant.

As general background, the five-story hospital was opened in 1972. A building addition and multiple renovations were completed over the subsequent decades. The facility currently has about 197,400 sq ft of occupied space. OSF acquired the hospital in 2012. The hospital is showing its age, recognizing that hospitals are active 24 hours every day of the year, and in part as the result of inconsistent and deferred maintenance over the decades. Upgrades and replacement of facility components are needed in almost all areas: structural, architectural, mechanical, electrical, plumbing, security and safety, and communications systems.

OSF retained the FOS division of CannonDesign in 2021 to do a comprehensive assessment of the main hospital building and provide an estimate of the cost to bring the building to current facility and operational standards. The study concluded that it would cost \$110 million to address only the critical upgrades and imminent needs. The cost to address all other issues is an additional \$125 million. The following examples of critical upgrades and high priority conditions are drawn from the analysis.

The most significant architectural issues relate to the poor condition of exterior walls of the hospital bed tower. Structural elements along with windows do not appear insulated and lack water-resistant barriers, resulting in frequent build-up of ice along the bottoms of windows. Exterior windows have deteriorated glazing seals and thermal insulation seals breaks, allowing for infiltration. The cost of repairing or replacing exterior walls to bring them up to industry standards is estimated at \$35 - \$50 million. The hospital roof needs to be replaced. Patching and repairing coping and flashing is an annual expense. The cost of a new roof is estimated at \$2.6 million. Many of the exterior metal doors and door frames are corroded. The pneumatic tube system is not operational and needs to be replaced.

Plumbing upgrades are needed. It is difficult to get hot and cold water in several parts of the patient tower. The copper domestic water piping throughout the building is pitted. Replacement is estimated at \$2 million. The sanitary drainage system clogs frequently; the system needs to be replaced with cast iron hub and spigot drains, at an estimated cost of \$744,000.

Mechanical systems need to be addressed. One of three chillers is non-functioning and cannot be relied upon as a back-up for the chilled water system. The other two chillers are old and need to be replaced within five years. The cost to replace the three is \$1.5 million. Two steam-fired boilers are beyond their life expectancy; the cost of retrofitting or replacing is a minimum of \$2 million. To reduce frost build-up on windows, radiant panels should be installed at a cost of approximately \$680,000.

Two of the building's eleven air handling units are having operational issues. Exhaust fans and ductwork on the 4th floor roof are beyond life expectancy. The air handling unit serving the kitchen needs to be replaced. These projects total \$2.3 million. In addition, replacing the HVAC instrumentation and controls is estimated at \$615,000.

Addressing deficiencies in the electrical systems will cost about \$5 million. Projects include replacing two aging generators and all feeder wiring and equipment to meet modern standards and requirements. Panelboards, switchboards, transformers and wiring need to be replaced, as well as general-purpose receptacles and branch circuit wiring. Interior lighting fixtures and switches need to be replaced or upgraded. Motor control centers and associated wiring are due to be replaced.

The costs associated with improving safety and security total about \$1.3 million and include fire protection projects, replacing the fire alarm system and other improvements.

The communications system (data and voice cabling) needs upgrading at an estimated cost of \$347,000.

Structural steel columns and outermost steel reinforcements in the parking garage are heavily corroded, due to an undetermined source of water infiltration. The retaining wall beneath the physical therapy wing needs repair. Exterior stairway railings and posts are deteriorated with rusting and corrosion. In addition, areas on the hospital site need to be regraded.

Addressing all of these findings is a significant capital expenditure. Yet even if all investments are completed, the facility would still have major deficits. Clinical adjacencies are not ideal and prevent efficient operations. Examples of adjacency issues are:

- The surgical department is in the back of the building, on the 1st floor (above the ground floor) with no easy in and out for outpatients.
- GI is not adjacent to or on the same floor as the surgery department.
- Outpatient services for lab, diagnostic imaging, infusion services, stress tests and other outpatient services are on the ground floor. Respiratory care is on the second floor. Patients registering on the first floor have to walk significant distances to these lower ground floor or second floor areas. The distance is especially problematic for older patients and patients with walking disabilities.
- ICU is the only inpatient unit on the 1st floor, isolated from the rest of inpatient services.
- Behavioral health is located in separate areas, resulting in staffing inefficiencies.

Inpatient room sizes are not consistent with current standards. The majority of rooms are double occupancy, which do not meet patient expectations and requirements for efficient operations.

Specifically:

Medical/surgical:

16 beds in single rooms
 34 beds in double occupancy rooms
4 beds in a quad
 54 beds total

Acute Mental Illness

4 beds in single rooms
22 beds in double occupancy rooms
 26 beds

The lack of private rooms has restricted the ability to accommodate requests for referrals, in many cases due to patient gender and other compatibility factors. Lack of bed availability has been the case especially with inpatient AMI. The limitations are summarized in the following statements:

- In 2019-2020
 1,501 behavioral health patients presented in emergency departments at hospitals in the I-80 corridor; 261 were admitted for inpatient care. The majority of the rest were placed in medical/surgical or ICU units, or referred out of the area for care.
- In 2020-2021
 1,463 behavioral health patients presented in EDs in the I-80 corridor;
 322 patients that were internally requested referrals within SEMC or external requests

- were declined due to no capacity or bed availability
- In 2021-2022
 - 799 requested referrals were declined due to lack of beds.
- In 2022-2023
 - 1,440 behavioral health patients presented in EDs in the I-80 region;
 - 425 adult patients were declined due to no beds.

AMI bed availability has also been limited due to occasional maintenance projects, staffing, and the protocol of accommodating Covid patients in med/surg or ICU beds.

B. Closures of St. Margaret's Health-Peru and St. Margaret's Health-Spring Valley resulted in bed deficits in the area.

The two closed hospitals had a total of 93 acute care beds, 49 in Peru and 44 in Spring Valley. These 93 beds were 39% of the total 242 authorized beds in Planning Area C-02.

Of these 93 beds, 66 were medical/surgical beds, 10 were ICU, and 17 were OB. According to the State's *Inventory of Health Care Facilities and Services and Need Determinations* in October, 2021 (the last *Inventory* prior to the closures), there were excesses of 43 medical/surgical beds, 8 ICU beds and 10 OB beds, indicative of sufficient capacity in the region. The closures would have resulted in deficits in State Planning Area C-02 of 23 medical/surgical beds, 2 ICU beds and 7 OB beds (using data from the HFSRB *Inventory of Health Facilities and Services and Need Determinations*, October, 2021).

However, OSF's acquisition of St. Margaret's Health-Peru in 2023 (Change of Ownership Certificate of Exemption #E-026-23) keeps the authorized beds at that facility in the State inventory. The project at Peru increases the 38-bed medical/surgical unit in Peru to 45 beds, while reducing med/surg beds from 54 authorized beds to 12 at SEMC-Ottawa.

The plan also sustains ICU, obstetrics, and acute mental illness services in the area. St. Margaret's Health had a total of 10 ICU beds at the two hospitals. The new 8 bed ICU unit at SEMC-Peru, coupled with the 7 ICU beds in Mendota and Princeton, result in 15 ICU beds in C-02, comparable to the State's calculated need for 14 ICU beds. (*Inventory of Health Care Facilities and Services and Need Determinations*, December 18, 2023). St. Margaret's Health had a total of 17 OB beds at the two hospitals. The discontinuation of OB beds in SEMC-Ottawa and re-opening of 11 OB beds at SEMC-Peru compares to the calculated need for 13 OB beds in C-02. Tracking of hourly OB census by day in 2023, following the closure of St Margaret's in June, determined that 11 OB beds is sufficient to meet the obstetrics needs in the area. The plan replaces the existing 26 bed AMI unit at SEMC-Ottawa with the same sized AMI service.

C. Rural health care is threatened throughout the United States and in Illinois.

Rural health care is in stress throughout the United States. Since 2005, 195 rural hospitals have closed. (Cecil G. Sheps Center for Health Services Research, University of North Carolina.) 646 rural hospitals (30% of the total) are at risk of closure (Center for Healthcare Quality & Payment Reform). According to a May 17, 2023 statement by the American Hospital Association, over half of rural hospitals ended 2022

with a loss, over 65% of primary care Health Professional Shortage Areas are rural or partially rural, and only 10% of physicians in the US practice in rural communities.

Ottawa, Bureau and Putnam are rural counties and experience these conditions, as evidenced by the recent closures of the two Saint Margaret's Health hospitals. OSF's plan for the replacement of SEMC-Ottawa, the operation of SEMC-Ottawa and SEMC-Peru under one license, and the relocation of ICU and OB from Ottawa to Peru are intended to address the needs for health care in the I-80 corridor in a regional delivery system that is sustainable.

4. Cite the sources of information.

- HFSRB Hospital Profiles
- HFSRB *Inventory of Health Care Facilities and Services and Need Determinations*, December, 2023
- HFSRB *Inventory of Health Care Facilities and Services and Need Determinations*, October, 2021
- COMPdata, Illinois Hospital Association
- OSF Enterprise Explorer
- Facility Condition Assessment, OSF Saint Elizabeth Medical Center, by FOS Cannon Design, final report 8/11/2021
- Internal Planning Documents, OSF Healthcare System
- OSF daily hourly logs of inpatient room utilization, OSF Saint Elizabeth Medical Center-Ottawa, OSF Saint Paul Medical Center-Mendota, and OSF Saint Clare Medical Center-Princeton
- 2022 Community Health Needs Assessment, LaSalle County
- Community Benefit Report, OSF Healthcare System, Fiscal Year 2022
- Center for Healthcare Quality & Payment Reform, Becker's Hospital CFO Report, May 22, 2023
- Cecil G. Sheps Center for Health Services Research, University of North Carolina, as reported in U.S. News and World Report, June 22, 2023
- Becker's Hospital Review, August 17, 2023

5. Detail how the project will address the previously referenced issues, as well as the population status and well-being.

The project addresses the significant structural and infrastructure deficits of the aging hospital building through a replacement project. The capital cost of building a new smaller-scaled hospital in Ottawa across the street from the current OSF Saint Elizabeth Medical Center is \$138 million. This amount is comparable to the cost of renovating the current building to address the critically important issues, and significantly less than it would cost to bring the facility up to current standards, address adjacencies and operational challenges that are based on facility condition and space layouts.

As a result, this permit application addresses the discontinuation of the current OSF Saint Elizabeth Medical Center-Ottawa following the opening of the new SEMC-Ottawa and relocation of some of the clinical services from Ottawa to SEMC-Peru.

A key part of the facilities' solution is to convert the former St. Margaret's Health hospital acquired by OSF in 2023 to OSF Saint-Elizabeth Medical Center-Peru. OSF Saint Elizabeth Medical Center will operate on two hospital sites – Ottawa and Peru – under one hospital license. This arrangement facilitates the relocation of ICU and OB services, and a portion of the medical/surgical services, from the current Ottawa hospital to Peru. As a result, the new SEMC-Ottawa can operate efficiently in a new facility, saving some capital cost by using SEMC-Peru and not replacing the entire 1972 hospital.

The planned OSF Saint Elizabeth Medical Center on two campuses will replace and continue services that were closed last year due to the termination of St. Margaret's Health's two hospitals in Peru and Spring Valley. The two closed hospitals had a total of 93 acute care beds, 49 in Peru and 44 in Spring Valley. These 93 beds were 39% of the total 242 authorized beds in Planning Area C-02. The project at Peru increases the 38-bed medical/surgical unit in Peru to 45 beds, while reducing med/surg beds from 54 authorized beds to 12 at SEMC-Ottawa. OSF tracking of hourly census by day during 2023 demonstrates that 54 medical/surgical beds in Ottawa and Peru, coupled with services at OSF Saint Paul Medical Center in Mendota and OSF Saint Clare Medical Center in Princeton, will meet the inpatient needs of the 146,020 residents of Planning Area C-02.

The plan also sustains ICU, obstetrics, and acute mental illness services in the area. St. Margaret's Health had a total of 10 ICU beds at the two hospitals. The new 8 bed ICU unit at SEMC-Peru, coupled with the 7 ICU beds in Mendota and Princeton, result in 15 ICU beds in C-02, comparable to the State's calculated need for 14 ICU beds. (*Inventory of Health Care Facilities and Services and Need Determinations, December 18, 2023*). St. Margaret's Health had a total of 17 OB beds at the two hospitals. The discontinuation of OB beds in SEMC-Ottawa and re-opening of 11 OB beds at SEMC-Peru compares to the calculated need for 13 OB beds. Tracking of hourly OB census by day in 2023, following the closure of St. Margaret's in June, determined that 11 OB beds is sufficient to meet the obstetrics needs in the area.

The new facility in Ottawa will enable the 26 bed AMI service to operate with 26 private rooms. As stated above, the current 26 bed AMI service at the SEMC-Ottawa hospital has only 4 private room beds. This restrictive condition has prevented the ability of the service to accept requested referrals for inpatient admissions when patients cannot be accommodated in beds available but in double occupancy rooms, due to gender and other compatibility issues. In 2023, 425 requests for admission to the AMI unit at SEMC-Ottawa were refused due to lack of bed availability. There were 799 referral requests in 2022 that were not accepted. The proposed project maintains the capacity of AMI at 26 beds. Having all 26 beds in private rooms in the future increases the ability to accommodate requests for transfers.

Finally, the ability to take advantage of a regional health care delivery system, centered in Ottawa and Peru as the hub in a hub and spoke model, will provide appropriate access to area residents and stabilize the availability of health care services following the closure of the two St. Margaret's Health hospitals. Specialized services not available in Ottawa and Peru can be accessed by referrals to other hospitals in the OSF network, such as OSF Saint Francis Medical Center in Peoria, OSF St. Joseph Medical Center in Bloomington and OSF Saint Anthony Medical Center in Rockford.

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

- Discontinue the current SEMC-Ottawa facility, following the opening of the new SEMC-Ottawa hospital.

ALTERNATIVES

Due to the deteriorating physical condition of OSF Saint Elizabeth Hospital in Ottawa (SEMC-Ottawa), OSF commissioned a Facility Condition Assessment in 2021. The comprehensive facility analysis concluded that the cost of addressing facility deficiencies was over \$200 million and not sustainable. Further planning resulted in the development of several options for the delivery of inpatient and outpatient clinical services and associated facility implications. At about the time this planning was concluding, St Margaret's Health closed two nearby hospitals in State Planning Area C-02, St Margaret's Health-Peru and St. Margaret's Health-Spring Valley. These closures led to a re-evaluation of OSF Saint Elizabeth Medical Center's clinical and facility plans. The additional planning included options not just for SEMC-Ottawa, but also for the former St. Margaret's Health-Peru, which OSF purchased in November, 2023. St Margaret's Health-Peru is located 17 miles west of Ottawa.

The purchase of St. Margaret's Health-Peru called for planning in a broader regional context. It was determined that OSF Saint Elizabeth Medical Center would operate at two sites - Ottawa and Peru - under one hospital license. This dual-campus arrangement enables clinical programs to be replaced at SEMC-Ottawa in a new facility, smaller and less expensive than originally contemplated, with some of the Ottawa services transferring to Peru. The following options (alternatives) describe the progression of the planning undertaken. For consistency with Permit Application 24-011 (the replacement of SEMC Ottawa), these alternatives are adapted/repeated from that permit application. The planning concluded that discontinuation and replacement of the current SEMC-Ottawa hospital is less expensive and more prudent than renovation of the existing hospital facility.

Alternative 1: Renovate the existing SEMC-Ottawa facility to address all critical facility upgrades and other facility deficiencies.

Alternative 2: Replace SEMC-Ottawa with a smaller 46-bed facility within the I-80 service area.

Alternative 3: Replace SEMC-Ottawa with a 75-bed facility within the I-80 service area.

Alternative 4: Replace SEMC-Ottawa with an outpatient facility in Ottawa.

Following the closure of the two St. Margaret Health's hospitals:

Alternative 5: (Proposed Project) Discontinue SEMC-Ottawa; replace SEMC-Ottawa in Ottawa with a 12-bed med/surg unit and 26 AMI beds. Relocate ICU and OB from SEMC-Ottawa to SEMC-Peru.

Alternative 1: Renovate the existing SEMC-Ottawa facility to address all critical facility upgrades and other facility deficiencies.

OSF Saint Elizabeth Medical Center was constructed in 1972, with a building addition and multiple renovations since then. The 194,000 sq ft hospital has a licensed bed capacity of 99 beds: 54 medical/surgical beds, 5 ICU, 14 OB and 26 AMI. (The 99 bed capacity is adjusted from 97 beds previously reported in #24-011, due to the increase of OB beds from 12 to 14 last year.) Based on the 2021 Facility Condition Assessment conducted by the FOS division of CannonDesign, the current hospital requires over \$110 million in critical upgrades to address imminent building and infrastructure needs, and more than an additional \$125 million to make the building efficient and meet current operational requirements. These conditions are summarized in the Purpose of the Project section of this permit application.

Like most hospitals built in the 70s, OSF Saint Elizabeth Medical Center has an abundance of double occupancy rooms and a limited number of private rooms. This is especially the case for the medical/surgical service, where only 16 of the 54 authorized beds are in single rooms. For AMI, only 4 of the 26 beds are in single bed rooms. This condition has resulted in turning away hundreds of patients per year who were not able to be admitted because of gender or other compatibility issues which prevail when private rooms are not available.

In recent years, maintaining the facility, making necessary repairs and upgrades, and addressing code issues has been expensive, exceeding annual facilities budgets. Many non-essential but prudent maintenance projects have been deferred. Modernizing the current hospital building is not cost-effective. The hospital facility would still have room sizes that do not meet current standards, and the location of several supporting services are not adjacent to the programs they are intended to support. The renovations and upgrade projects would require 10 years to complete, meaning that there would be extended and continuous disruption to hospital operations.

This alternative was rejected because modernization of the current facility is not cost effective.

Alternative 2: Replace SEMC-Ottawa with a smaller 46-bed facility within the I-80 service area.

The planning process considered a 220,000 sq ft replacement hospital with 30 medical/surgical beds, 6 ICU beds and an obstetric service with 6 LDRPs, 2 postpartum beds and 2 antepartum beds. The 26-bed acute mental illness service would be discontinued. Other clinical services include: a 14-station emergency department, surgery (4 ORs, 1 procedure room), endoscopy, diagnostic imaging, cardiac/pulmonary rehab, lab and outpatient services. Support services include: pharmacy, lab, dietary, materials management, biomed, EVS and central energy plant.

The total cost of the replacement hospital with these programs is \$181 million.

The alternative was rejected. The cost is significantly more than the preferred option that replaces SEMC-Ottawa with a smaller building and shifts some of the clinical programs to SEMC-Peru, centralizing those services within the service area.

Alternative 3: Replace SEMC-Ottawa with a 75-bed facility within the I-80 service area.

This alternative is a variation of Alternative 2. The concept was developed as a regional replacement hospital, possibly in partnership with St. Margaret's Health. The financial challenges faced by the two St. Margaret's hospitals at the time did not allow this concept to move forward. The total capital cost of constructing and equipping the 75-bed hospital was estimated at \$252 million.

This concept was rejected because the scale and cost of the project was beyond what OSF would consider without a local partnership.

Alternative 4: Replace SEMC-Ottawa with an outpatient facility in Ottawa.

This alternative would have eliminated behavioral health inpatient services and moved all other inpatient services to SEMC-Peru. Outpatient services, diagnostic imaging, lab and other outpatient services with and without a freestanding emergency center were considered. The cost of this alternative was estimated at \$58 million. After review of the entire State Planning Area C-02 including service needs

and inpatient bed capacity, it was determined that behavioral health and some inpatient medical/surgical beds as well as an emergency department were recommended.

Alternative 5: (Proposed Project Alternative) Discontinue SEMC-Ottawa; replace SEMC-Ottawa in Ottawa with a 12-bed med/surg unit and 26 AMI beds. Relocate ICU and OB from SEMC-Ottawa to SEMC-Peru.

This alternative addresses the significant facility deficits at OSF Saint Elizabeth Medical Center with a smaller replacement hospital with 12 medical/surgical beds and maintains the AMI service at 26 beds. All rooms will be private rooms, enabling OSF Saint Elizabeth Medical Center-Ottawa to accommodate requests for referrals without the limitations of the current semi-private rooms. The new hospital will have a full-service emergency room with 10 treatment stations and an additional two trauma rooms, a surgical suite with two ORs and one procedure room, diagnostic imaging, outpatient care, a pharmacy and lab. The hospital site is immediately south of the current hospital across Route 6. Cost of the replacement hospital is approximately \$138 million, including \$12.5 million in demolition costs for the hospital being replaced. (Permit application #24-011

A key part of the facility solution is to convert the former St. Margaret's Health-Peru hospital acquired by OSF in 2023 to OSF Saint Elizabeth Medical Center-Peru. (This project is addressed in a separate but related CON permit application.) OSF Saint Elizabeth Medical Center will operate on two hospital sites – Ottawa and Peru – under one hospital license. This arrangement facilitates the relocation of ICU and OB services, and a portion of the medical/surgical services, from the current Ottawa hospital to Peru. As a result, the new SEMC-Ottawa can operate efficiently as a downscaled facility from the current 99 bed hospital, saving the capital cost of replacing the entire 1972 hospital and centralizing services in the service area.

The planned OSF Saint Elizabeth Medical Center on two campuses will replace and continue services that were closed last year due to the termination of St. Margaret's Health's two hospitals in Peru and Spring Valley. The OSF-coordinated bed plan at SEMC-Ottawa and SEMC-Peru includes 57 medical/surgical beds, 12 of which will be located at SEMC-Ottawa. OSF tracking of hourly census by day during 2023 demonstrates that 57 medical/surgical beds, coupled with services at OSF Saint Paul Medical Center in Mendota and OSF Saint Clare Medical Center in Princeton, will meet the inpatient needs of the 146,020 residents of Planning Area C-02.

The plan also sustains ICU, obstetrics, and acute mental illness in the area. St. Margaret's Health had a total of 10 ICU beds at the two hospitals. The new 8 bed ICU unit at SEMC-Peru, coupled with the 7 ICU beds in Mendota and Princeton, result in 15 ICU beds in C-02, comparable to the State's calculated need for 14 ICU beds. (*Inventory of Health Care Facilities and Services and Need Determinations, December 18, 2023*). St. Margaret's Health had a total of 17 OB beds at the two hospitals. The discontinuation of OB beds in SEMC-Ottawa and re-opening of 11 OB beds at SEMC-Peru compare a calculated need for 13 OB beds in C-02. Tracking of hourly OB census by day in 2023, following the closure of St Margaret's in June, determined that 11 OB beds is sufficient to meet the obstetrics needs in the area.

The new facility in Ottawa will enable the 26 bed AMI service to operate with 26 private rooms. The current 26 bed AMI service at the SEMC-Ottawa hospital has only 4 private room beds. This restrictive condition has prevented the ability of the service to accept requested referrals for inpatient admissions due to double occupancy rooms where patients cannot be accommodated as a result of gender and other compatibility issues. In 2022 and 2023, for example, 799 and 425 requests for admission to the

AMI unit at SEMC-Ottawa were refused due to lack of bed availability. The proposed project maintains the capacity of AMI at 26 beds. Having all 26 beds in private rooms in the future increases the ability to accommodate requests for transfers.

This alternative was selected as the Preferred Alternative for several reasons. The capital cost of the replacement hospital in Ottawa and the modernization of SEMC-Peru to accommodate the ICU service relocated from Ottawa is significantly less than replacing the current OSF Saint Elizabeth Medical Center-Ottawa within the I-80 corridor.

In addition, the ability to take advantage of a regional health care delivery system, centered on Ottawa and Peru as the hub in a hub and spoke model, will provide appropriate access to area residents and stabilize the availability of health care services following the closure of the two St. Margaret's Health hospitals. Specialized services not available in Ottawa and Peru can be accessed by referrals to other hospitals in the OSF network, such as OSF Saint Francis Medical Center in Peoria, OSF Saint Anthony Medical Center in Rockford and OSF St. Joseph Medical Center in Bloomington.

As a result, the replacement of SEMC hospital in Ottawa with a downsized facility, along with the relocation of selected clinical services to SEMC-Peru, and discontinuation of the current SEMC-Ottawa was chosen as the preferred alternative.

The following sections are not applicable to the Discontinuation project, and are not included:

SECTION IV: PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

SECTION V: MASTER DESIGN PERMITS

SECTION VI: SERVICE SPECIFIC REVIEW CRITERIA

SECTION VII: AVAILABILITY OF FUNDS

SECTION VIII: FINANCIAL VIABILITY

SECTION IX: ECONOMIC FEASIBILITY

SECTION X. Safety Net Impact Statement

1. The project's material impact, if any, on essential safety net services in the community, including the impact on racial and health care disparities in the community, to the extent that it is feasible for an applicant to have such knowledge.

Health safety net services have been defined as services provided to patients who are low-income and otherwise vulnerable, including those uninsured and covered by Medicaid. (Agency for Healthcare Research and Quality, Public Health Services, U.S. Department of Health and Human Services, "The Safety Net Monitoring Initiative," AHRQ Pub. No 03-P011, August, 2003.)

The project is the discontinuation of OSF Saint Elizabeth Medical Center ("SEMC-Ottawa") due to facility and infrastructure deficiencies at the current 1972 hospital.

A separate permit application, #24-011, addresses the plan for a replacement hospital that will include a downsized medical/surgical service and replacement of the 26 acute mental illness beds. The new emergency department will house 10 treatment stations and two trauma rooms. Outpatient and diagnostic services will be available at the new hospital. Some of the clinical services at OSF will be relocated to Saint Elizabeth Medical Center-Peru, the former St. Margaret's Health-Peru hospital which was acquired by OSF following its closure in 2023. OSF Saint Elizabeth Medical Center will operate as one licensed hospital at two sites: SEMC-Ottawa and SEMC-Peru.

Enabled by the discontinuation, the replacement SEMC-Ottawa hospital continues OSF's commitment to subsidize and strengthen safety net services. OSF Healthcare System provides several services in Planning Area C-02 that are important safety net services. These include emergency medical care, inpatient and outpatient behavioral health, outpatient clinic services, pharmaceuticals and other medical services. Specifically, continuation of the Acute Mental Illness service qualifies SEMC for safety net reimbursement, allowing it to continue to meet this special need in the Illinois Valley. SEMC's AMI program is the only inpatient AMI service in State Planning Area C-02, a three-county area with a population of 146,020.

LaSalle County ranks at 0.43, a low to moderate condition score on the CDC's Social Vulnerability Index Scores range from 0 (least vulnerability) to 1 (highest vulnerability). The Index is a tool developed and used by the Centers for Disease Control and Prevention, and incorporates factors such as high poverty, unemployment, minority status, crowded households, low percentage of vehicle ownership, and disability in measuring social vulnerability. By comparison, Bureau County to the west has a score of 0.29; Putnam County's score is 0.03. A significant number of persons cared for at OSF Saint Elizabeth Medical Center are in special need due to these conditional factors.

According to the 2022 Community Health Needs Assessment, the population of LaSalle County decreased over the last 5 years by 1.8%, similar to most counties in Illinois. The elderly population increased by 10.2%. An unemployment rate of 9.4% slightly exceeds the Illinois average of 8% (year 2020). The CHNA concluded that the greatest health needs are healthy behaviors and obesity and mental health. The majority of people exercise less than two times per week and consume two or fewer servings of fruits/vegetables per day. Almost half of the respondents experienced depression or stress in the last 30 days. Risk factors for heart disease are increasing.

OSF Saint Elizabeth Medical Center will continue to play a significant role in addressing access to quality health care and racial and health care disparities especially in rural areas of the county. Eliminating health disparities is fundamental to the well-being, productivity and viability of the entire nation. However, this is impossible to achieve unless every entity does its part. OSF does its part in many ways. Through its participation in the Community Gardens program, it enables access to healthy fresh fruit and vegetables given to families and individuals in need, to local food banks, and to community agencies. This program not only covers Ottawa, but extends to Streator and Mendota as well. SEMC-Ottawa is active in several programs aimed at addressing active living, obesity and mental health issues among the populations in the area. It has promoted the University of Illinois walking guide for Ottawa, Streator and Mendota, advocating the program on digital screens in patient waiting rooms. Hospital staff have been active in nutrition education as part of the healthy living programming. The hospital also uses Social Determinates of Health (SDOH) in screening patients and connecting them with community-based organizations.

Approximately 25% of inpatients and outpatients at OSF Saint Elizabeth Medical Center are Medicaid; charity care as a percent of net revenue in 2022 was 1.3%, comparable to the Statewide average for hospitals. OSF upholds the principle that all people have a right to needed health care, and the hospitals are open to persons of every faith and ethnic background, regardless of ability to pay. There are a range of financial assistance programs based on patients' needs.

Some of SEMC's work is highlighted in the Fiscal Year 2022 community benefits report by OSF.

Highlights of the Community Benefits report are:

- OSF Saint Elizabeth Medical Center provided \$20,145,491 in uncompensated community benefit.
- Charity care (at cost) of \$1,697,135.
- OSF Saint Elizabeth Medical Center government-sponsored indigent health care of \$13,822,009.
- \$3,412,010 given as subsidized health care in 2022.
- OSF Saint Elizabeth Medical Center donated \$22,544 to local agencies in 2022.

The entire OSF system of 16 hospitals, the multi-specialty group practice, and the homecare service provided more than \$600 million in community benefit services in 2021.

Commitment to addressing diversity, equity and inclusion is broad within OSF system organizations – in hiring practices and human resources programs (for training, advancement and development of leadership skills), governance, and community involvement. These practices and programs apply especially to treating a diversity of patients, and being especially attentive to addressing populations with health care and social disparities.

The inpatient payor mix of SEMC is projected to continue at the new SEMC-Ottawa as follows:

Medicare:	56.4%
Medicaid:	21.9%
Commercial:	19.0%
Self Pay / Other:	2.7%
TOTAL	100.0%

2. The project's impact on the ability of another provider or healthcare system to cross-subsidize safety net services, if reasonably known to the applicant.

The plan for the discontinuation and replacement of OSF Saint Elizabeth Medical Center is part of OSF's regional plan for health care delivery, in and beyond State Planning Area C-02. In part, the plan responds to the recent closures of two St Margaret's Health hospitals, in Peru and Spring Valley. The hospital closures created a deficit of capacity in the Illinois Valley, a threat to access to safety net services for residents of the I-80 corridor. The plan to discontinue and replace SEMC in Ottawa is part of a two-hospital plan, enabled by OSF Healthcare System's purchase of St Margaret's Health-Peru in November, 2023. SEMC will operate as one licensed facility in two locations – the replacement hospital at SEMC-Ottawa and the converted hospital in Peru, now called SEMC-Peru. Several of the inpatient clinical services now at SEMC-Ottawa will be relocated to SEMC-Peru, specifically ICU, obstetrics and an expanded medical/surgical service. The result is a scaled down state-of-the-art hospital in Ottawa and expanded inpatient services in Peru.

The regional plan is patterned as a hub-and-spoke model, with SEMC's two campus as the hub, and OSF Saint Paul Medical Center in Mendota, OSF Saint Clare Medical Center in Princeton and OSF Center for Health in Streator (outpatient) as the spokes. Saint Paul and Saint Clare are Critical Access hospitals, and play special roles in the delivery of health care services needed in the region. The bed capacities of the Ottawa and Peru hospitals are smaller than the capacity of the previous three hospitals at Ottawa, Peru and Spring Valley. As a result, each of the OSF hospitals and the OSF Center for Health – Streator will have a sufficient patient base to serve in their individual capacities.

The project will have no adverse impact on another hospital's ability to provide safety net services in this area.

The AMI inpatient service will feature all 26 beds in single bed rooms. The present facility at SEMC-Ottawa has 22 of the 26 beds in double occupancy rooms, which has significantly restricted the ability to accept requests for referrals and transfers of patients. The ability to accept more patients will support the work of behavioral health clinicians, counselors and agencies in the communities in the Planning Area. Through the process of initial assessments, the hospital will match a person's specific mental health needs with community services. The hospital will continue its longstanding outpatient services. The AMI program at SEMC-Ottawa will continue to integrate into the existing network of providers.

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

Upon the opening of the replacement SEMC-Ottawa, the present 1972-built hospital will be discontinued and decommissioned. By then, 45 medical/surgical beds will be opened at SEMC-Peru, and 12 medical/surgical beds will be re-established at the replacement SEMC in Ottawa. The combined 57 beds are an increase of 3 medical/surgical beds compared to the current 54 authorized beds at SEMC-Ottawa.

The new 8-bed ICU bed unit at SEMC-Peru will replace the 5 ICU beds being discontinued in Ottawa; the 11 OB beds at SEMC Peru will replace the 14 OB bed unit being discontinued at Ottawa. Consequently,

the combined SEMC Ottawa and Peru campus will have a bed capacity that will not draw patients served at other hospitals in the area, nor will it overwhelm those hospitals by not having sufficient capacity to accommodate its proportion of patients in the I-80 corridor.

4. Additional information on Safety Net Services.

A. For the three fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by the hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with the appropriate methodology specified by the Board.

B. For the three fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

Safety Net Information per PA 96-0031 For OSF Healthcare System CHARITY CARE			
Charity (# of patients)	2020	2021	2022
Inpatient	1,231	945	857
Outpatient	22,945	28,323	25,162
Total	24,176	29,268	26,019
Charity (cost in dollars)			
Inpatient	\$18,862,734	\$18,306,320	\$19,446,244
Outpatient	\$22,422,101	\$22,263,569	\$34,769,329
Total	\$41,284,835	\$40,569,889	\$54,215,573
MEDICAID			
Medicaid (# of patients)	2020	2021	2022
Inpatient	14,074	15,608	15,168
Outpatient	307,481	427,556	506,719
Total	321,555	443,164	521,887
Medicaid (revenue)			
Inpatient	\$253,442,281	\$274,688,101	\$337,605,609
Outpatient	\$131,986,088	\$201,739,577	\$242,779,460
Total	\$385,428,369	\$476,427,678	\$580,385,069

Safety Net Information per PA 96-0031 For OSF Saint Elizabeth Medical Center CHARITY CARE			
Charity (# of patients)	2020	2021	2022
Inpatient	83	64	49
Outpatient	1,570	1,846	1,353
Total	1,653	1,910	1,402
Charity (cost in dollars)			
Inpatient	\$568,753	\$560,122	\$445,277
Outpatient	\$1,541,219	\$1,214,599	\$1,492,881
Total	\$2,109,972	\$1,774,721	\$1,938,158
MEDICAID			
Medicaid (# of patients)	2020	2021	2022
Inpatient	1,009	926	892
Outpatient	32,300	38,114	37,432
Total	33,309	39,040	38,324
Medicaid (revenue)			
Inpatient	\$6,987,331	\$9,569,034	\$13,393,731
Outpatient	\$9,945,687	\$20,793,143	\$25,818,435
Total	\$16,933,018	\$30,362,177	\$39,212,166

SECTION X. CHARITY CARE – OSF Healthcare System			
	2020	2021	2022
Net Patient Revenue	\$2,383,901,200	\$2,978,991,756	\$3,211,070,549
Amount of Charity Care (charges)	\$201,864,109	\$195,002,654	\$217,695,250
Cost of Charity Care	\$41,284,835	\$40,569,889	\$54,215,573
CHARITY CARE – Saint Elizabeth Medical Center			
	2020	2021	2022
Net Patient Revenue	\$106,934,344	\$133,447,766	\$145,655,093
Amount of Charity Care (charges)	\$9,768,389	\$8,423,717	\$8,195,172
Cost of Charity Care	\$2,109,972	\$1,774,721	\$1,938,158