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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.**Facility/Project Identification**

Facility Name: OSF Saint Elizabeth Medical Center – Peru Hospital Expansion
Street Address: 925 West Street
City and Zip Code: Peru, IL 61354
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 |

- 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]

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

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:	OSF Saint Elizabeth Medical Center – Peru Hospital Expansion		
Street Address:	925 West Street		
City and Zip Code:	Peru, IL 61354		
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]

Name:	Mark Hohulin
Title:	Senior Vice President, Healthcare Analytics
Company Name:	OSF Healthcare System
Address:	124 S.W. Adams Street Peoria, IL 61602
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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:	925 West Street Peru, IL 51354
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:	925 West Street Peru, IL 51354
☒ 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 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 expansion of clinical services at OSF Saint Elizabeth Medical Center in Peru ("SEMC-Peru"). The project involves the modernization of existing space to accommodate an 8-bed ICU unit, an increase of four ICU beds above the existing 4 ICU bed unit in space which is being converted to medical/surgical use. 7 medical/surgical beds are being added to the existing 38 medical/surgical beds, for a total of 45. The 11 bed Obstetrics service with 7 OB rooms and 4 LDRPs will be used as is. At the completion of the project, total bed complement will be 64 beds, an increase of 15 from the current 49.

There is no capital cost associated with the additional medical/surgical beds or the OB unit. Other clinical services continuing in existing space include a surgery department with 5 ORs and one procedure room, a C-section room in OB, diagnostic imaging, outpatient services, pharmacy, lab and supporting facility services. The existing emergency department has 10 treatment bays. 4 additional e-ED beds will be added in existing space to accommodate flexes in volume, but will not be open 24 hours a day. These "virtual beds" are a pilot program enabling staff to improve patient flow in peak times, especially addressing patients who leave without being seen due to extended waiting.

SEMC-Peru is the former St. Margaret's Health-Peru, which closed last year. The facility was acquired by OSF Healthcare System in November, 2023 (Certificate of Exemption for Change of Ownership #E-026-23). The acquisition allows Saint Elizabeth Medical Center to operate at two sites (SEMC-Peru and SEMC-Ottawa) under one license. The increased capacity at SEMC-Peru accommodates some of the current services at SEMC-Ottawa being discontinued or reduced in scale at the SEMC-Ottawa replacement hospital.

This Certificate of Need permit application is one of three related projects, each of which has a separate permit application. Permit application #24-011 addresses the establishment of the OSF Saint Elizabeth Medical Center-Ottawa replacement hospital. An additional CON application covers the discontinuation of the existing OSF Saint Elizabeth Medical Center-Ottawa that is being replaced. 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.

The ICU modernization is 2,674 clinical departmental gross square feet. Medical/surgical space is being expanded at no cost by 2,632 clinical dgsf. Over 87,000 sq ft of clinical space will be used as is without additional cost.

Total capital cost of the project is \$5,594,105. \$3,484,671 is clinical; \$2,109,434 is non-clinical.

The anticipated completion date for the project is December 31, 2025.

The project is considered Non-Substantive because it adds inpatient beds to existing categories of services.

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

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): December 31, 2025

Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):

- ☐ 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.

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.

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: St. Margaret's Health-Peru		CITY: Peru			
REPORTING PERIOD DATES: From: January 1, 2021 to: December 31, 2021					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	38	1,089	5,671	+7	45
Obstetrics	7 +4 LDRP *	321	681	0	11
Pediatrics					
Intensive Care	4	241	1,041	+4	8
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long-Term Care					
Specialized Long-Term Care					
Long Term Acute Care					
Other ((identify)					
TOTALS:	49 + 4 LDRP*			+11	64

Notes: CY 2021 is the most recent calendar year of facility and utilization data for St. Margaret's Health-Peru. The hospital closed in January 2023, and was purchased by OSF Healthcare System in November, 2023.

The HFSRB inventory reports 7 OB beds in the annual profile for St. Margaret's Health-Peru. There are 4 LDRPs at the facility in addition to the 7 OB beds. OSF reported the 4 LDRP rooms in a letter to HFSRB dated April 4, 2024, and requested that they be included in the inventory by applying the 20 bed/10% rule. In response to IDPH, OSF submitted information on April 15.

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 (Peru)* 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

Dawn Trompeter
SIGNATURE

Dawn Trompeter
PRINTED NAME

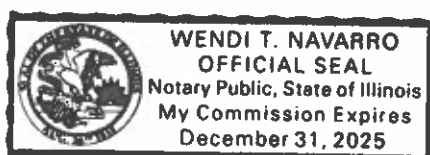
President
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 16th day of April 2024

Wendi Navarro
Signature of Notary

Seal

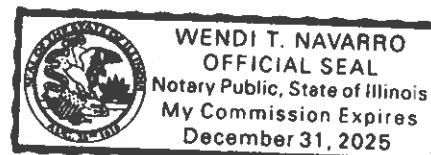


Notarization:

Subscribed and sworn to before me
this 16th day of April 2024

Wendi 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:

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- 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.

Robert C. Sehring
SIGNATURE

Robert C. Sehring
PRINTED NAME

Chief Executive Officer
PRINTED TITLE

Michael A. Cruz, MD
SIGNATURE

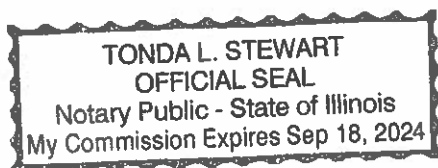
Michael A. Cruz, MD
PRINTED NAME

Chief Operating Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 23rd day of April 2024

Tonda L. Stewart
Signature of Notary

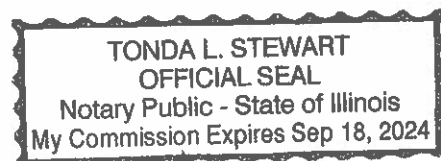
Seal



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**DISCONTINUATION IS NOT PART OF THIS PERMIT APPLICATION**

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 IV. PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE**Criterion 1110.120 - Project Scope, Utilization, and Unfinished/Shell Space**

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative and it shall include the basis used for determining the space and the methodology applied.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:
 - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies and certified by the facility's Medical Director.
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.
 - c. The project involves the conversion of existing space that results in excess square footage.
 - d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT 14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions, or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110. Appendix B. A narrative of the rationale that supports the projections must be provided.

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MEET STANDARD?
YEAR 1					
YEAR 2					

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

UNFINISHED OR SHELL SPACE:

There is no unfinished or shell space proposed for this project.

Provide the following information:

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

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

ASSURANCES:

Submit the following:

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

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

SECTION VI. SERVICE SPECIFIC REVIEW CRITERIA

This Section is applicable to all projects proposing the establishment, expansion, or modernization of categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion, and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria, and provide the required information APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

A. Criterion 1110.200 - Medical/Surgical, Obstetric, Pediatric and Intensive Care

1. Applicants proposing to establish, expand and/or modernize the Medical/Surgical, Obstetric, Pediatric and/or Intensive Care categories of service must submit the following information:
2. Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
☐ Medical/Surgical		
☐ Obstetric		
☐ Pediatric		
☐ Intensive Care		

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

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.200(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (Formula calculation)	X		
1110.200(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.200(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.200(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.200(b)(5) - Planning Area Need - Service Accessibility	X		
1110.200(c)(1) - Unnecessary Duplication of Services	X		
1110.200(c)(2) - Maldistribution	X	X	
1110.200(c)(3) - Impact of Project on Other Area Providers	X		
1110. 200(d)(1), (2), and (3) - Deteriorated Facilities			X
1110.200(d)(4) - Occupancy			X

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.200(e) - Staffing Availability	X	X	
1110.200(f) - Performance Requirements	X	X	X
1110.200(g) - Assurances	X	X	
APPEND DOCUMENTATION AS <u>ATTACHMENT 19</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

M. Criterion 1110.270 - Clinical Service Areas Other than Categories of Service

1. Applicants proposing to establish, expand and/or modernize Clinical Service Areas Other than categories of service must submit the following information:
2. Indicate changes by Service: Indicate # of key room changes by action(s):

Service	# Existing Key Rooms	# Proposed Key Rooms
☐		
☐		
☐		

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

Project Type	Required Review Criteria
New Services or Facility or Equipment	(b) - Need Determination - Establishment
Service Modernization	(c)(1) - Deteriorated Facilities
	AND/OR
	(c)(2) - Necessary Expansion PLUS
	(c)(3)(A) - Utilization - Major Medical Equipment
	OR
	(c)(3)(B) - Utilization - Service or Facility
APPEND DOCUMENTATION AS ATTACHMENT 31, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

- **Section 1120.120 Availability of Funds – Review Criteria**
- **Section 1120.130 Financial Viability – Review Criteria**
- **Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)**

The applicant shall document those financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable [Indicate the dollar amount to be provided from the following sources]:

22

	terms and conditions.
_____	e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent.
_____	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt.
_____	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$5,594,105	TOTAL FUNDS AVAILABLE

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

SECTION VIII. 1120.130 - FINANCIAL VIABILITY

All the applicants and co-applicants shall be identified, specifying their roles in the project funding, or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All the project's capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third-party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT 35, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

	Historical 3 Years			Projected
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

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

Variance

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

APPEND DOCUMENTATION AS ATTACHMENT 36, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IX. 1120.140 - ECONOMIC FEASIBILITY

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all the cash and equivalents must be retained in the balance sheet asset accounts to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest net cost available.
- 2) That the selected form of debt financing will not be at the lowest net cost available but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors.
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (List below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

APPEND DOCUMENTATION AS ATTACHMENT 37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. SAFETY NET IMPACT STATEMENT

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

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

	Outpatient				
	Total				

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

SECTION X. CHARITY CARE INFORMATION

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

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

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

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

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

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

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

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

1. Applicant: OSF SAINT ELIZABETH MEDICAL CENTER - PERU 925 WEST STREET
 (Name) (Address)
PERU IL 61354 815-221-1380
 (City) (State) (ZIP Code) (Telephone Number)
2. Project Location: 925 WEST STREET PERU IL
 (Address) (City) (State)
LASALLE
 (County) (Township) (Section)

3. You can create a small map of your site showing the FEMA floodplain mapping using the FEMA Map Service Center website (<https://msc.fema.gov/portal/home>) by entering the address for the property in the Search bar. If a map, like that shown on page 2 is shown, select the **Go to NFHL Viewer** tab above the map. You can print a

copy of the floodplain map by selecting the  icon in the top corner of the page. Select the pin tool icon  and place a pin on your site. Print a FIRMETTE size image.

If there is no digital floodplain map available select the **View/Print FIRM** icon above the aerial photo. You will then need to use the Zoom tools provided to locate the property on the map and use the **Make a FIRMette** tool to create a pdf of the floodplain map.

IS THE PROJECT SITE LOCATED IN A SPECIAL FLOOD HAZARD AREA: Yes ___ No ☒ ?

IS THE PROJECT SITE LOCATED IN THE 500-YEAR FLOOD PLAIN?

If you are unable to determine if the site is in the mapped floodplain or 500-year floodplain, contact the county or the local community building or planning department for assistance.

If the determination is being made by a local official, please complete the following:

FIRM Panel Number: _____ Effective Date: _____

Name of Official: _____ Title: _____

Business/Agency: _____ Address: _____

(City) (State) (ZIP Code) (Telephone Number)

Signature: _____ Date: _____

NOTE: This finding only means that the property in question is or is not in a Special Flood Hazard Area or a 500-year floodplain as designated on the map noted above. It does not constitute a guarantee that the property will or will not be flooded or be subject to local drainage problems.

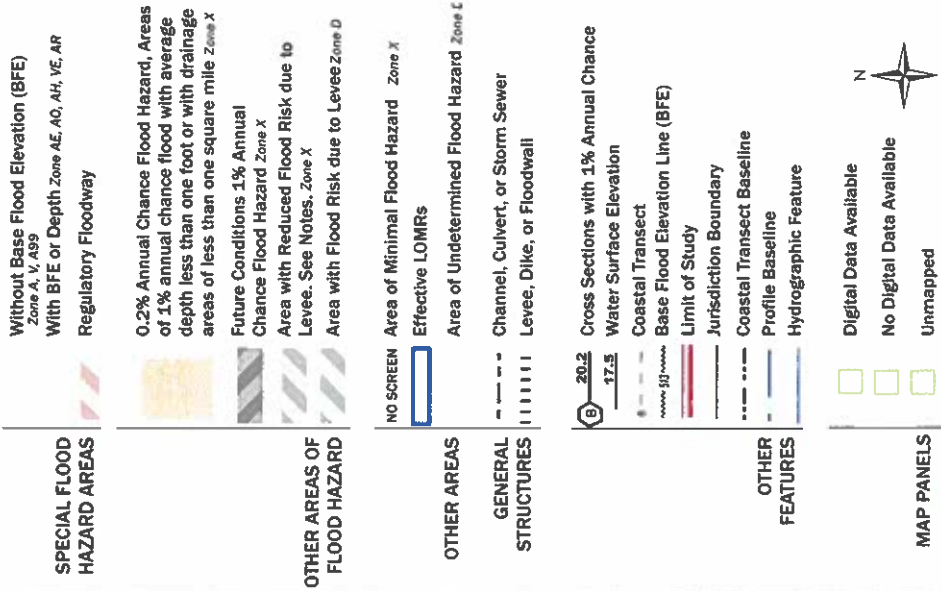
If you need additional help, contact the Illinois Statewide Floodplain Program at 217/782-4428



89°7'51"W 41°19'58"N

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT



The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

#24-014

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 2/12/2024 at 2:50 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is valid if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for



89°7'13"W 41°19'31"N 1:6 000 Feet

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	33-34
2	Site Ownership	35
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	36
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	37
5	Flood Plain Requirements	38-39
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7	Project and Sources of Funds Itemization	41-45
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16	Unfinished or Shell Space	--
17	Assurances for Unfinished/Shell Space	--
	Service Specific:	
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20	Acute Mental Illness	--
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22	Cardiac Catheterization	--
23	In-Center Hemodialysis	--
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25	Selected Organ Transplantation	--
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27	Subacute Care Hospital Model	--
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	Financial and Economic Feasibility:	
33	Availability of Funds	98
34	Financial Waiver	--
35	Financial Viability	99-107
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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 .

Authentication #: 2403902208 verifiable until 02/08/2025
Authenticate at: <https://www.ilsos.gov>

Alexi Giannoulis
SECRETARY OF STATE

File Number

0107-414-8



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

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 Giannoulis
SECRETARY OF STATE



OSF[®] HEALTHCARE

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
OSF Saint Elizabeth Medical Center-Peru, Hospital Expansion Project

Dear Chair Savage:

I affirm that OSF Healthcare System is the owner of the property at 925 West Street, Peru. The property formerly was the location of St. Margaret's Health-Peru, which OSF Healthcare System acquired in 2023. The hospital is now operated as OSF Saint Elizabeth Medical Center-Peru.

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:

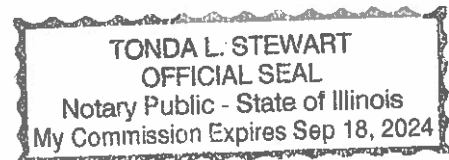
Subscribed and sworn to before me

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 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.



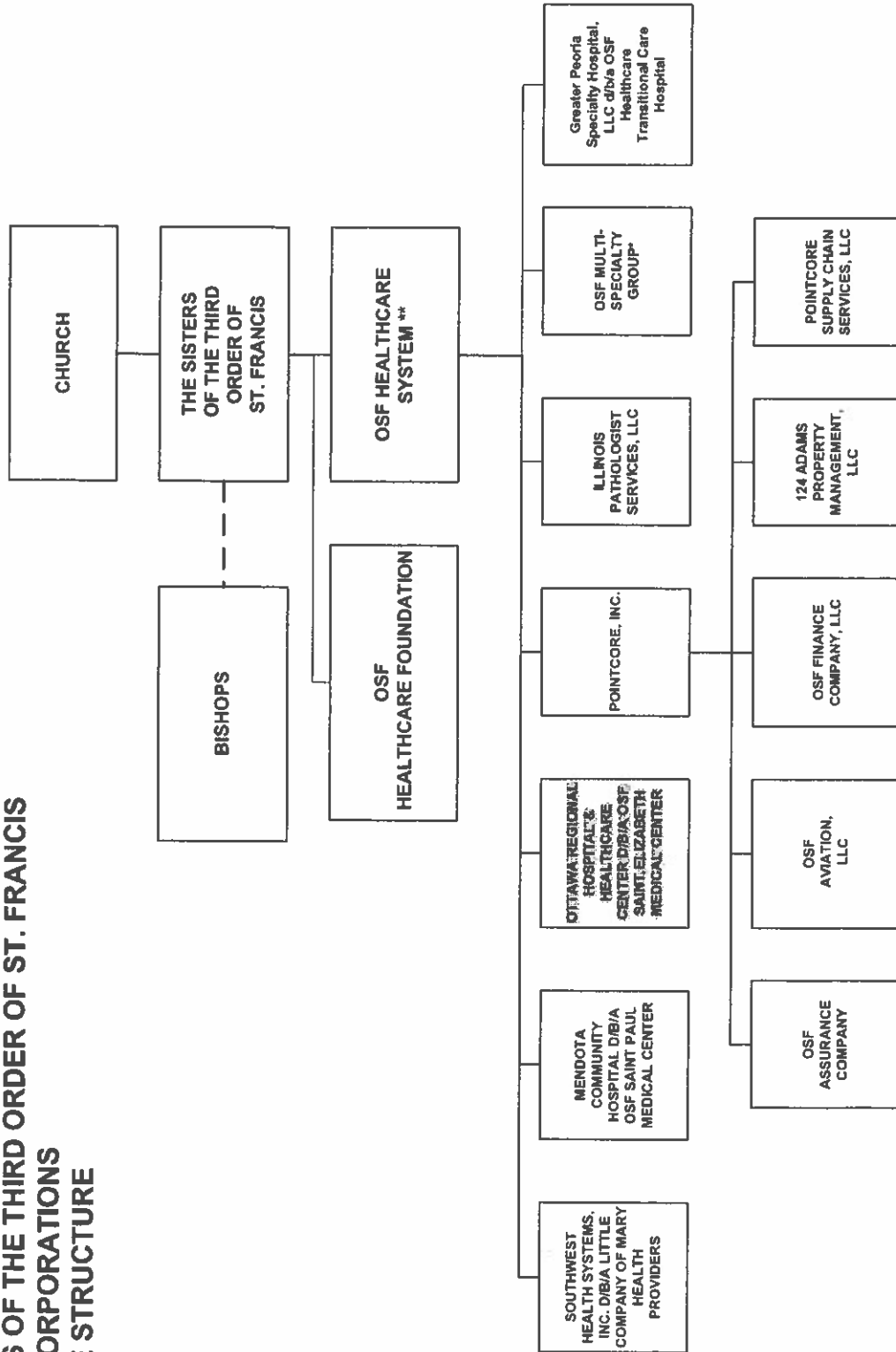
In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 8TH day of FEBRUARY A.D. 2024 .

Authentication #: 2403902208 verifiable until 02/08/2025
 Authenticate at: <https://www.ilsos.gov>

Alexi Giannoulis
 SECRETARY OF STATE

Attachment 3

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



Legend:
 --- Direct Responsibility
 - - - Advisory

** 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

Flood Plain Requirements

The following page includes the most recent National Flood Hazard Layer FIRMette for the location of the existing OSF Saint Elizabeth Medical Center – Peru, 925 West Street, Peru.

The site is located in Zone X, panel 17099C0460F, effective 7/18/2011. According to FEMA, Zone X consists of “areas determined to be outside 500-year floodplain determined to be outside the 1% and 0.2% annual chance floodplains.” (www.floodmaps.com/zones.htm). This classification designates areas least susceptible to flooding in the FEMA system.

Illinois Executive Order #2006-5, “Construction Activities in Special Flood Hazard Areas” defines “Special Flood Hazard Areas” or “Floodplains” as areas subject to “100 year frequency flood and shown as such on the most current Flood Insurance Rate Map published by the Federal Emergency Management Agency.”

The FIRMette designates the site as located in an “Area of Minimal Flood Hazard.”

National Flood Hazard Layer FIRMette



89°7'51"W 41°19'58"N



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS	Without Base Flood Elevation (BFE) Zone A, V, A99 With BFE or Depth Zone AE, AO, AH, VE, AR Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD	0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X Future Conditions 1% Annual Chance Flood Hazard Zone X Area with Reduced Flood Risk due to Levee, See Notes, Zone X Area with Flood Risk due to Levee Zone D
OTHER AREAS	NO SCREEN Area of Minimal Flood Hazard Zone X Effective LOMRs Area of Undetermined Flood Hazard Zone L
GENERAL STRUCTURES	Channel, Culvert, or Storm Sewer Levee, Dike, or Floodwall
OTHER FEATURES	20.2 47.5 Cross Sections with 1% Annual Chance Water Surface Elevation Coastal Transect Base Flood Elevation Line (BFE) Limit of Study Jurisdiction Boundary Coastal Transect Baseline Profile Baseline Hydrographic Feature
MAP PANELS	Digital Data Available No Digital Data Available Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 2/12/2024 at 2:50 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for

#24-014



**Illinois
Department of
Natural
Resources**

JB Pritzker, Governor • Natalie Phelps Fennie, Director
One Natural Resources Way • Springfield, Illinois 62702-1271
www.dnr.illinois.gov

**LaSalle County
Peru**

**CON - Modernization of OSF Saint Elizabeth Medical Center - Peru
925 West St.
SHPO Log #041022924**

March 19, 2024

**Ralph Weber
Weber Alliance
920 Hoffman Lane
Riverwoods, IL 60015**

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact Rita Baker, Cultural Resources Manager, at 217/785-4998 or at Rita.E.Baker@illinois.gov.

Sincerely,

A handwritten signature in cursive script that reads "Carey L. Mayer".

**Carey L. Mayer, AIA
Deputy State Historic Preservation Officer**

Attachment 6

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	\$20,475	\$14,525	\$35,000
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts	\$1,698,436	\$1,202,746	\$2,901,182
Contingencies	\$254,578	\$180,599	\$435,177
Architectural/Engineering Fees	\$154,707	\$109,750	\$264,457
Consulting and Other Fees	\$133,904	\$94,991	\$228,895
Movable or Other Equipment (not in construction contracts)	\$794,800	\$203,200	\$998,000
Bond Issuance Expense (project related)	\$58,438	\$41,456	\$99,894
Net Interest Expense During Construction (project related)	\$292,208	\$207,292	\$499,500
Fair Market Value of Leased Space or Equipment			
Other Costs to Be Capitalized			
IT	\$73,125	\$51,875	\$125,000
Artwork	\$1,000	\$1,000	\$2,000
Signage	\$3,000	\$2,000	\$5,000
Acquisition of Building or Other Property (exclude land)			
TOTAL USES OF FUNDS	\$3,484,671	\$2,109,434	\$5,594,105
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)	\$3,484,671	\$2,109,434	\$5,594,105
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$3,484,671	\$2,109,434	\$5,594,105

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

Project Costs and Sources of Funds

Narrative Descriptions of Line Items

Item 1. Preplanning Costs - \$35,000

These costs include the evaluation of overall facility conditions and options for the reuse of existing space.

Preplanning costs assigned to clinical uses total \$20,475. This amount is 0.8% of \$2,747,814, the total of \$1,698,436 for clinical construction plus \$254,578 clinical contingency plus \$794,800 clinical equipment. As a result, it meets the State standard, under 1.8%.

Item 6. Modernization Cost \$2,901,182

Cost of modernization includes interior buildout of the intensive care unit space including walls, ceiling and flooring, headwalls with medical gases and electrical connections, finishes, cabinetry and installation of built-in equipment. Plumbing, heating and air conditioning, and electrical systems are included, as well as contractor's overhead.

Of the total construction cost, \$1,698,436 is allocated to ICU clinical uses. With a total of 2,674 sq ft of clinical space, the average cost per clinical square foot is \$635.16.

Of the total \$635.16 per sq ft, approximately \$216 per sq ft is attributed to construction requirements and conditions that are not associated with an average hospital modernization project.

1. Intensive Care Unit (ICU) space is higher cost than other clinical spaces due to a number of factors. By the nature of the unit, this area is responsible for providing critical care to some of the most vulnerable and highest risk patients.
 - a. Architecturally, ICU space is condensed to place care providers in close proximity to the patients. Large sliding doors are included to provide for easier maneuverability of patient beds and to facilitate viewing of patients from the nurse station. Upgraded flooring, wall protection, and ceiling systems are included to withstand heavy duty wear and tear with an eye toward infection control. Specialized casework incorporates sinks and toilets into a compact area. These items are not standard in other general clinical spaces and typically have a premium cost in comparison to other less-specialized clinical spaces.
 - b. Mechanically, ICU space requires a larger number of outside air exchanges and total air changes than typical clinical spaces. The project also includes the creation of an isolation ICU patient room with an anteroom. These requirements lead to an increased cost for these systems compared to typical clinical space.
 - c. Electrically, ICU space requires significant electrical systems that address substantial power requirements for patient care equipment and HVAC systems. Complex technology systems such as lighting controls, security, access control, patient monitoring, nurse call, and e-ICU are also utilized.

2. Infrastructure Upgrades. The modernization is taking place on the second floor in an area that is not currently used for inpatient care. Therefore, infrastructure required to support the new ICU space needs to be added, extended to, or completely replaced in this area. These infrastructure upgrades include the following:

- a. Plumbing upgrades. Complete removal and replacement of the plumbing systems serving the space including underfloor piping, supply piping, and new fixtures. Additionally, softened cold water must be extended to the space from another floor.
- b. Medical gas upgrades. Complete removal and replacement of the medical gas systems serving the space. The existing systems were undersized and utilizing older technology. The tie-in points for medical gases are outside the work area including on other floors within the hospital. Additional zone valve boxes and service valves will be added to provide flexibility to shut down individual rooms in the event that the medical gas system requires servicing. Existing headwall units will require extensive rework to update existing medical gas outlets and provide additional outlets.
- c. HVAC system upgrades. Complete removal and replacement of the existing system serving the space. This includes the removal of the existing hot water and steam piping. New equipment and digital controls will be provided to facilitate individual climate control within each room. Roofing work will be required to add exhaust fans for the isolation room and soiled utility room.
- d. Electrical upgrades. New panels and feeders for normal power, critical power, and life-safety are necessary to provide for the increased power requirements. Tie-ins for these new feeds are a significant distance from the work area. Rework of headwall units is required to provide additional outlets including for critical power. A new dedicated IT room will be created to serve the space.

3. Construction in Occupied Space

The renovation is taking place in occupied space that requires difficult access thru the patient areas of the hospital for transport of materials. Access to underfloor plumbing requires work within an occupied imaging space, which will require off-hours work, adding cost to the project. Additionally, significant infection control measures must be taken to ensure patient safety during construction. Due to the project complexity and various phasing requirements, there are many unknowns that will not be discovered until construction begins. For this reason, we include overtime and phasing allowances in the modernization costs. These construction allowances help alleviate changes that need to be made due to the sensitive location where construction is taking place.

4. Hyper Cost Escalation.

Construction of healthcare and other facilities have been experiencing an unprecedented rate of escalation, exceeding the standard 3% per year average. The contract costs currently include an 8% escalation above the estimated costs to account for unknown pricing and labor increases. This factor is based on OSF's experience with four projects in central and northern Illinois in the past three years: cost estimates have risen by as much as 20 – 25% for projects under consideration, and none of the increase is attributed to larger scope. The 5% difference between 8% and 3% equates to a

premium of over \$400,000 within the \$2,901,182 total construction cost. For the clinical construction component, the premium is about \$235,000, or \$87.88 per clinical sq ft.

In summary, together these complexities add a premium of about \$577,500 (approximately \$216 per sq ft) to the cost of clinical construction. These factors imply that the \$635.16 clinical cost per sq ft for the Peru modernization project compares to a level of \$419.16 per clinical sq ft.

Item 7. Contingencies - \$435,177

Contingencies are allowances for unforeseen circumstances, such as delays in shipping and receipt of materials and supplies that affect the construction schedule, escalation above anticipated pricing of materials and labor, or site conditions resulting in plan modification.

The total modernization contingency is 15% of the total modernization cost. The clinical modernization contingency of \$254,578 is 15% of the clinical modernization cost of \$1,698,436.

Item 8. Architectural and Engineering Fees - \$264,457

A/E fees include the functional program and space plan, preliminary design, schematic design, design development, construction document services, bidding and negotiation, and construction administration services. The cost of A/E services is \$264,457 of which \$154,707 is allocated to clinical uses.

For clinical modernization, A/E services of \$154,707 amounts to 7.9% of the total \$1,953,014 for clinical modernization plus clinical contingency. This amount is consistent with the State standard's range of 7.40-11.12% for hospital modernization projects with modernization and contingency totaling under \$2,000,000.

Item 9. Consulting and Other Fees - \$228,895

This work includes specialty consultants (such as equipment planning), regulatory approvals including Certificate of Need consulting, CON and IDPH fees, building permit fees, construction management and commissioning fees.

Item 10. Moveable Equipment not in construction contracts - \$998,000

The total amount for equipment and furnishings is \$998,000, of which \$794,800 is associated with clinical services.

Clinical area equipment and furnishings include the following:

Patient Rooms (8) – including beds, mattresses, monitoring equipment, recliners, chairs and tables, supply carts and cabinets	\$616,000
Nurse Station – including ice machine and crash cart with defibrillator	\$54,500
Med Room – including medication refrigerator & freezer, medication dispensing system	\$74,200
Other Equipment	\$36,000
Furnishings – desks and work stations at nurse station	\$14,100

Non-clinical area equipment and furnishings include the following:

Clean Utility	\$8,400
Soiled Utility	\$3,800
Equipment Storage	\$156,000
Furnishings – table and chairs for the breakroom, desks and work stations at office space	\$35,000

Item 11. Bond Issuance Expense (project related) - \$99,894

This line item covers the cost of securing loans in support of the project capital cost.

Item 12: Net Interest Expense During Construction (project related) - \$499,500

Loan interest for the period through December 31, 2025 is estimated at \$499,500.

Item 14. Other Costs to be Capitalized - \$132,000

Information technology includes computers, peripherals, printers, applications / licensing, network equipment, cabling and audio visual.	\$125,000
Artwork	\$2,000
Signage – interior wayfinding, and room identification.	\$5,000

Cost / Space Requirements
(departmental gross sq ft)
OSF St. Elizabeth Medical Center - Peru
(all space data is dgsf)

Department/Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Sq Ft That Is:			
		Existing	Proposed	New Const	Modernized	As Is	Vacated
Construction Costs							
CLINICAL/REVIEWABLE							
Med/Surg *	\$0	26,253	28,885			28,885	
ICU *	\$1,698,436	2,632	2,674		2,674		2,632
OB	\$0	10,874	10,874			10,874	
Emergency Department	\$0	5,857	5,857			5,875	
Diagnostic Imaging							
X-Ray	\$0	2,070	2,070			2,070	
Nuc Med	\$0	1,067	1,067			1,067	
CT	\$0	1,303	1,303			1,303	
Ultrasound	\$0	2,213	2,213			2,213	
Mammo	\$0	787	787			787	
MRI	\$0	1,643	1,643			1,643	
Surgery	\$0	16,265	16,265			16,265	
Pathology lab	\$0	3,846	3,846			3,846	
Pharmacy	\$0	1,610	1,610			1,610	
Outpatient services	\$0	10,640	10,640			10,640	
Subtotal Clinical	\$1,698,436	87,060	89,734		2,674	87,078	2,632
NON-REVIEWABLE							
Break room, lockers and lounges	\$298,143		353		353		
Office	\$97,325		123		123		
Mech, electrical, syst, infrastructure	\$432,286		150		150		
Storage / clean and soiled utility	\$186,779		225		225		
Public circulation	\$129,892		144		144		
Public restroom	\$58,321		60		60		
Subtotal Non-Clinical	\$1,202,746		1,055		1,055		
TOTAL CONSTRUCTION	\$2,901,182		3,729		3,729		
Other Proj Costs							
Preplanning Costs	\$35,000						
Site Survey / Soil							
Site Preparation							
Off Site Work							
Contingencies	\$435,177						
A/E fees	\$264,457						
Consulting, fees	\$228,895						
Moveable Equipt, Furnish	\$998,000						
Bond Issuance Expense	\$99,894						
Net Int Exp Dur Constr	\$499,500						
FMV leased space, eqpmnt							
- space							
- equipment							
Other Capital Costs							
- IT	\$125,000						
- artwork	\$2,000						
- signage	\$5,000						
Subtotal	\$2,692,923						
TOTAL PROJECT COSTS	\$5,594,105						

Note *: 2,632 as is ICU space vacated and converted to medical/surgical use. As a result, medical/surgical space is increased from 26,253 sq ft to 28,885 sq ft.

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



ILLINOIS DEPARTMENT OF

HF129285

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

5/14/2025

CATEGORY

General Hospital

I.D. NUMBER

0005520

Effective: 03/05/2024

Ottawa Regional Hospital & Healthcare Center

dba OSF Saint Elizabeth Medical Center

1100 E Norris Drive

925 West St, Peru

Ottawa, IL 61350

Exp. Date 5/14/2025

Lic Number 0005520

Date Printed 3/7/2024

Ottawa Regional Hospital & Healthcare

dba OSF Saint Elizabeth Medical Cent

1100 E Norris Drive

925 West St, Peru

Ottawa, IL 61350

FEE RECEIPT NO.

The face of this license has a colored background. • Printed by Authority of the State of Illinois • P.D. #442001 10M 2/22

48

Attachment 11

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

ILLINOIS DEPARTMENT OF

HF130177

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	ID 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 3/22

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 Center2800 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



OSF[®] HEALTHCARE

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 – Peru, Hospital Expansion Project

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

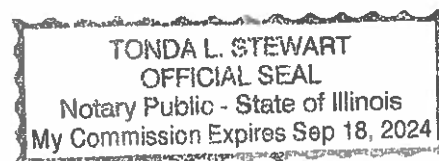
Notarization:

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.

Two St. Margaret's Health hospitals in the area closed in 2023. By purchasing one of the two hospitals, OSF restores needed access to care for communities in the I-80 corridor. OSF's purchase of St. Margaret's Health-Peru in 2023 enables OSF to plan delivery of health care services in a broader regional context. It allows OSF Saint Elizabeth Medical Center to operate at two sites – SEMC-Ottawa and SEMC-Peru - under one hospital license. This dual-campus arrangement enables clinical programs to be expanded at SEMC-Peru in coordination with the replacement of SEMC-Ottawa. With some of the Ottawa services transferring to Peru, the plan establishes SEMC at its two locations as the hub of a regional delivery system. The expansion of services at Peru enables a smaller scaled SEMC-Ottawa and the savings of capital cost compared to the plan originally contemplated.

The project accomplishes three purposes:

1) Coordination of service delivery at the two locations of OSF Saint Elizabeth Medical Center.

In 2021 and 2022, OSF Healthcare System was evaluating various options for replacing OSF Saint Elizabeth Medical Center in Ottawa. The 1972 hospital in Ottawa has significant facility deficiencies including aging infrastructure and inefficient space layouts making it increasingly difficult to meet current operational requirements. The options focused on building a new hospital in Ottawa or elsewhere in the I-80 corridor area, as presented in permit application #24-011 for the replacement of SEMC-Ottawa.

In 2023, St. Margaret's Health closed its two hospitals in the Planning Area C-02, including its hospital in Peru. This event led to OSF purchasing the hospital in Peru, and evolving a plan for operating Saint Elizabeth Medical Center as one hospital at two locations: a new replacement hospital in Ottawa across Route 6 from the current hospital, and at OSF SEMC-Peru, 17 miles to the west of Ottawa. With medical/surgical, ICU and OB services already in place, the Peru facility makes it possible to transfer ICU, obstetrics and part of the medical/surgical patient volume from Ottawa to the existing vacated Peru facility. This situation enables OSF to replace SEMC-Ottawa at a smaller scale and with less capital required than originally planned. Coordinating the delivery of services at both sites is accomplished because the two hospitals are planned to operate as one licensed entity.

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.

OSF acquired St. Margaret's Health-Peru in 2023, keeping the 38 authorized medical/surgical beds, 4 ICU and 7 OB 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 following the closures of the SMH hospitals 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 and obstetrics in the area by relocating them to Peru, thereby centralizing these services for easier access. The ICU service at Peru increases from 4 to 8 beds. The OB plan increases the 7 authorized beds in Peru to 11, invoking the 10% rule to add the existing 4 LDRPs in Peru to the bed count. The combined SEMC plan maintains the current 26 AMI bed count at Ottawa, as covered in CON permit application #24-011.

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.

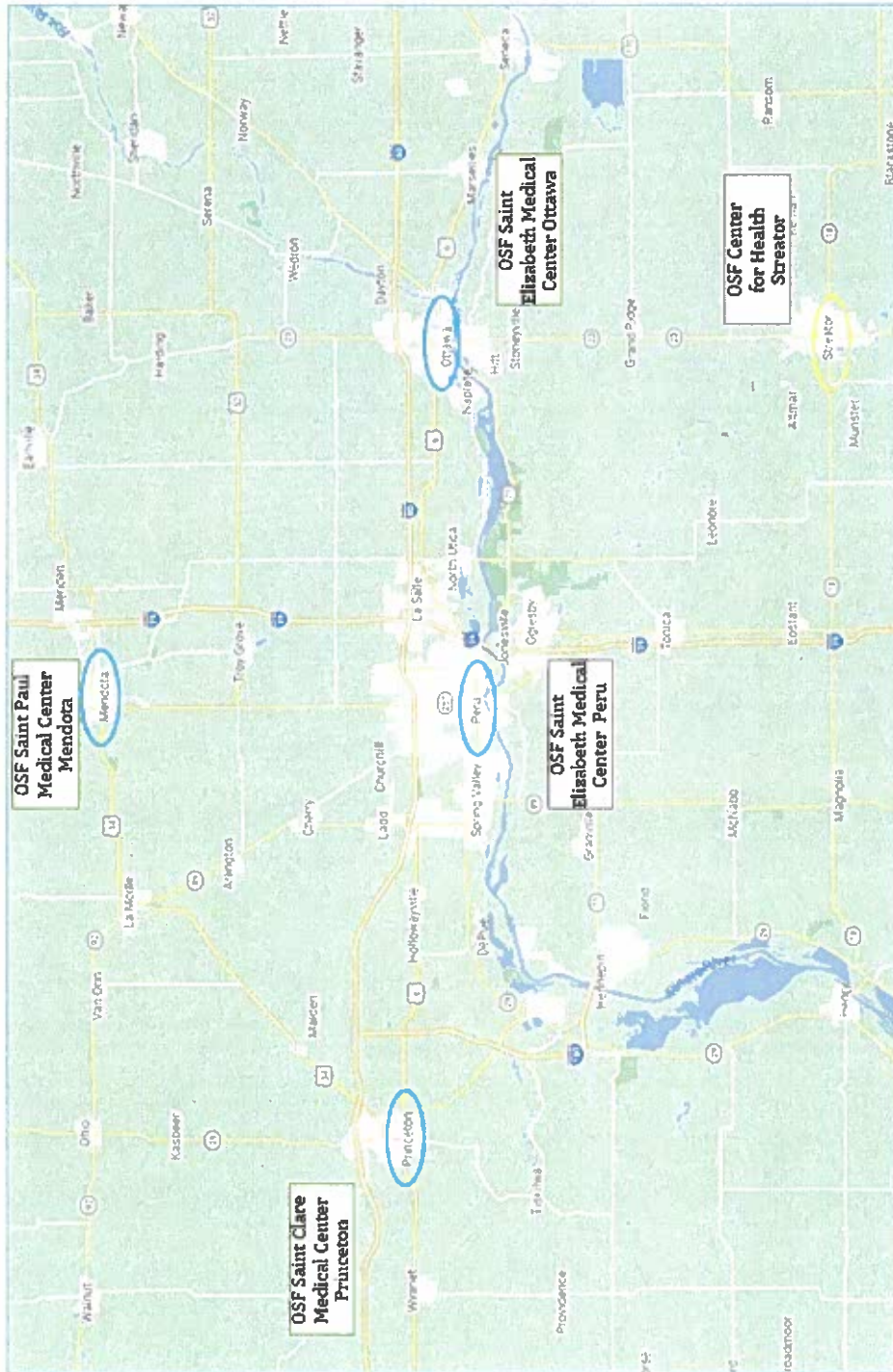
2. Define the planning area or market area, or other relevant area, per the applicant's definition.

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.

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 - Ottav (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%
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	100.0%

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:

- The significant capital cost of building a replacement hospital at SEMC-Ottawa to address the structural and infrastructure deficiencies and maintain all of its current services as well as replacing some of the services at the closed SMH hospitals;
- 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.

A. The cost of replacing the existing SEMC-Ottawa hospital with all of its current services and the capacity to accommodate some of the patient volumes provided at the two closed St. Margaret's Health hospitals is significant.

This issue is addressed in permit application #24-011. The cost of a 75 to 100-bed replacement hospital is estimated at between \$200 and \$250 million. These options were not considered as financially viable. Some of the building options considered at this scale did not accommodate continuation of the 26-bed acute mental illness unit, the only inpatient AMI service in Planning Area C-02. The ability to acquire and utilize the closed SMH-Peru facility as part of OSF Saint Elizabeth Medical Center was critical to formulating solutions for building a smaller-scaled replacement hospital and meeting the increased needs for inpatient services in the I-80 corridor.

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 14 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
- 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 is part of a regional solution to addressing the deficits created by the closures of St. Margaret's Health in Peru and Spring Valley, and addressing the facility deficits at SEMC through construction of a replacement hospital in Ottawa. Expanding the inpatient capacity of SEMC-Peru enables the relocation of ICU and OB and some of the medical/surgical volume from SEMC-Ottawa to the vacant hospital in Peru. Utilizing the available capacity at SEMC-Peru to meet part of the need for care in the area allows for construction of a smaller replacement facility in Ottawa, savings of tens of millions of dollars compared to a full replacement hospital, and continuation of the 26 bed AMI service currently in place at SEMC-Ottawa. Coordination of care is assured because the two sites will operate under one hospital license.

The regional health care delivery system will center on Peru and Ottawa as the hub in a hub and spoke model. It 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. The spokes in the system include OSF Saint Paul Medical Center in Mendota, OSF Saint Clare Medical Center in Princeton, and the OSF Center for Health in Streator. 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.

The capacity of Saint Elizabeth Medical Center-Peru will increase from 38 medical/surgical beds to 45, and from 4 ICU beds to 8. 11 OB beds will be in place in Peru, counting 4 LDRPs in the existing unit. The combined capacity of the two sites will be 100 inpatient beds: 57 medical/surgical beds, 8 ICU beds, 11 OB beds, and the 26 Acute Mental Illness at Ottawa. OSF tracking of hourly census by day during 2023 demonstrates that 57 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 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 surgery department at SEMC-Peru will have 5 ORs and one procedure room, meeting the projected need for surgical and procedure cases. The existing ten bays in the Emergency Department will be used as is. Four additional stations will be operated in existing space as an "e-ED," allowing virtual care during periods of peak utilization, in part to address excessive waiting times that have caused patients to leave without being seen in SEMC-Ottawa. A full range of diagnostic treatment equipment and outpatient services are reopening at the facility.

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

- Accommodate at least 2,500 medical/surgical admissions at OSF Saint Elizabeth Medical Center-Peru in years 2028 - 2029.
- Accommodate 785 ICU admissions at SEMC-Peru in 2028-2029.
- Accommodate over 1,000 OB admissions at SEMC-Peru in 2028-2029.
- Accommodate approximately 21,500 ED visits at SEMC-Peru in 2028-2029.

ALTERNATIVES

The purchase of St. Margaret's Health-Peru in 2023 enabled OSF to plan delivery of health care services in a broader regional context. It allows OSF Saint Elizabeth Medical Center to operate at two sites – SEMC-Ottawa and SEMC-Peru - under one hospital license. This dual-campus arrangement enables clinical programs to be expanded at SEMC-Peru in coordination with the replacement of SEMC-Ottawa. With some of the Ottawa services transferring to Peru, the plan establishes SEMC at its two locations as the hub of a regional delivery system. The expansion of services at Peru enables a smaller scaled SEMC-Ottawa and the savings of capital cost compared to the plan originally contemplated. The following options describe the progression of the planning undertaken.

Alternative 1: Maintain SEMC-Peru hospital capacity at its current 49 bed size: 38 Medical/Surgical beds, 4 ICU beds and 7 OB beds, along with other in-place clinical support services.
(Note: While the official authorized bed capacity for OB is 7 beds, the facility also has 4 LDRPs that had not been included in the inventory in past years.)

Alternative 2: Expand SEMC-Peru into a 75-bed hospital.

Alternative 3: Preferred Alternative: Expand inpatient services at SEMC-Peru: Medical/Surgical by 7 beds, ICU by 4 beds and OB services by 4 beds (matching the current 11 in place), resulting in a total of 64 beds.

Alternative 1: Maintain SEMC-Peru hospital capacity at its current 49 bed size: 38 Medical/Surgical beds, 4 ICU beds and 7 OB beds, along with other in-place clinical support services.

St. Margaret's Health hospitals in Peru and Spring Valley had a total of 93 acute care beds – 49 authorized beds in Peru and 44 authorized beds in Spring Valley. These 93 beds were 39% of the total 242 authorized beds in Planning Area C-02, encompassing LaSalle, Bureau and Putnam Counties and the Osceola and Elmira Townships of Stark County. The closures would have resulted in deficits in State Planning Area C-02 of medical/surgical, ICU and OB beds. However, OSF's acquisition of St. Margaret's Health-Peru in November 2023 keeps the authorized beds at that facility in the State's Inventory.

The option of maintaining the Peru hospital at 49 beds would require SEMC to build a larger replacement hospital in Ottawa, with associated greater capital costs. A combined 57 medical/surgical beds are needed to meet patient needs in the area. If SEMC-Peru remained at 38 medical/surgical beds, 19 beds would need to be constructed in Ottawa, 7 more than the planned 12. Similarly, if the ICU were not expanded to 8 beds in Peru, SEMC-Ottawa would need to include a 4 bed ICU unit. The cost to design, construct and equip 7 added medical/surgical beds and 4 ICU beds in Ottawa is estimated at \$12.5 million. Adding the bond issuance costs and net interest during construction results in a total increased cost of about \$14.0 million. This amount is \$8.4 million above the cost to add these 7 med/surg and 4 ICU beds at SEMC-Peru. The 7 med/surg beds are already available for service at Peru.

In addition to the higher capital cost, it is operationally inefficient to have two small ICU units -- 4 beds in each of Peru and Ottawa.

In summary, the ability to utilize existing space at SEMC-Peru is a cost-effective way to add capacity, centralizing these services within the C-02 Planning Area and meeting the health care needs of those residents. The option of using the existing SEMC-Peru as-is was rejected because of the higher cost to replace SEMC-Ottawa with more beds.

Alternative 2: Expand SEMC-Peru into a 75-bed hospital.

The planning process for deciding how to address the facilities deficiencies at SEMC-Ottawa considered a 220,000 sq ft replacement hospital with 56 medical/surgical beds, 8 ICU beds and an 11-bed obstetric service (including 6 LDRPs). Non-inpatient clinical services planned included, but are not limited to: a 14-station emergency department, surgery (4 ORs, 1 procedure room), endoscopy, diagnostic imaging, cardiac/pulmonary rehab, lab and outpatient services. Support services included: pharmacy, lab, dietary, materials management, biomed, EVS and central energy plant. The new hospital would be located somewhere in the I-80 corridor area. The total cost of the replacement hospital with these programs is \$225 to \$250 million.

When the opportunity to purchase the existing St. Margaret's Health hospital in Peru became available, it was immediately apparent that acquiring the existing hospital and operating it in conjunction with SEMC-Ottawa was a much better option than constructing a larger SEMC-Ottawa hospital. The capacity available at St. Margaret's Health in Peru allows service expansion in Peru, and replacement of SEMC-Ottawa with a smaller facility, saving capital cost.

Further planning demonstrated that operating 57 medical/surgical beds at the two sites in Peru and Ottawa was adequate to accommodate the needs of patients in the area. Further, the 75-bed option in Peru did not include continuing the 26-bed Acute Mental Illness service in Ottawa; St. Margaret's Health-Peru did not have an AMI service, and there is no space available at Peru that could be converted to that program.

The alternative of expanding SEMC-Peru to a 75-bed hospital was rejected. There is no available space for the extra beds. The cost to design, construct and equip a building addition is estimated at \$46 - \$53 million, including the costs related to bond issue expense and net interest expense during construction. This amount far exceeds the proposed project capital cost of \$5.6 million. Moreover, the 75-bed option does not include replacement SEMC-Ottawa's 26-bed Acute Mental Illness service, or the ability to accommodate all outpatient clinical volumes.

Alternative 3: Preferred Alternative: Expand inpatient services at SEMC-Peru: Medical/Surgical by 7 beds, ICU by 4 beds and OB services by 4 beds, resulting in a total of 64 beds.

The decision by St. Margaret's Health in 2023 to close their hospital in Peru turned out to be a key event as OSF planned the replacement of OSF Saint Elizabeth Medical Center in Ottawa. By acquiring the closed St Margaret's Health hospital in Peru, OSF created the opportunity to operate the two hospitals under one combined license. It further enabled OSF to plan for a smaller facility in Ottawa, without terminating Acute Mental Illness in Ottawa or any of the clinical programs in the area.

A key part of the plan is the relocation of ICU and OB services from SEMC-Ottawa to SEMC Peru. The relocation plan includes the expansion of ICU in Peru from 4 to 8 beds, and sizing obstetrics as an 11-bed unit based on the current 7 OB beds and 4 LDRPs and centralizes these services for easier access for the entire C-02 Planning Area residents. The combined medical/surgical bed capacity at the two sites is 57 beds. Including the replacement of the 26-bed AMI service with 26 single room AMI beds at SEMC-Ottawa, the total bed complement of the two sites is 100 inpatient beds. This size gives SEMC a critical mass for the delivery of health care services in new and modernized facilities.

The OSF-coordinated bed plan at SEMC-Ottawa and SEMC-Peru includes 57 medical/surgical beds. 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 before they closed. 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 to 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.

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-sized 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, OSF chose as the preferred alternative the relocation of selected clinical services to SEMC-Peru and expansion of medical/surgical beds at Peru by 7, ICU by 4 beds, and operating OB as an 11-bed service.

SIZE OF THE PROJECT

The project is the conversion of the former St. Margaret's Health-Peru hospital to OSF Saint Elizabeth Medical Center-Peru ("SEMC-Peru"). Over 87,000 sq ft of clinical space will be used in the "as is" condition. The most significant change is the modernization of space for an 8 room Intensive Care Unit, with 2,674 sq ft of clinical space. Another change is the conversion of 2,632 sq ft of space that had been used for ICU (but not currently used for ICU) into medical/surgical space to enable medical/surgical expansion from 38 to 45 beds. There is no capital cost associated with the conversion of this space for medical/surgical expansion.

Department/Service	Proposed DGSF	State Standard (dgsf)	Difference	Met Standard?
<i>Clinical Space</i>				
Medical/surgical beds	28,885	500-660 dgsf per bed	under by 815 dgsf	Yes
		45 x 660 = 29,700		
Intensive Care	2,674	440-560 dgsf per bed	under by 1,806 dgsf	Yes
		8 x 560 = 4,480		
Obstetrics	10,874	660/bed x 7 = 4,620	under by 2,221 dgsf	Yes
		1600/LDRP x 4 = 6,400		
		2075/C-sec x 1=2,075		
Surgery	16,265	2,750 dgsf per OR (5) = 13,750	under by 4,865 dgsf	Yes
		1,100 dgsf / proc rm (1) = 1,100		
		180 dgsf / rec Stage I (6) = 1,080		
		400 dgsf/rec Stage II (13)=5,200		
Emergency Department	5,857	900 dgsf per station	under by 6,743 dgsf	Yes
		14 x 900 = 12,600		
Diagnostic Imaging				
xray	2,070	1,300 per unit; 3 units	under by 1,830 dgsf	Yes
MRI	1,643	1,800 per unit; 1 unit	under by 157 dgsf	Yes
CT	1,303	1,800 per unit; 1 unit	under by 497 dgsf	Yes
Mammography	787	900 per unit; 1 unit	under by 113 dgsf	Yes
Ultrasound	2,213	900 per unit; 3 units	under by 487 dgsf	Yes
Nuclear Medicine	1,067	1600 per unit; 1 unit	under by 533 dgsf	Yes
Outpatient services	10,640	800 dgsf per room	over by 240 dgsf	No
		13 rms x 800 = 10,400		
Lab/phlebotomy/morgue	3,846	None specified		NA
Pharmacy	1,610	None specified		NA
<i>Total Clinical Space</i>	89,734			
<i>Non-clinical Space</i>	1,055			NA
<i>Total dgsf</i>	90,789			

The Obstetrics department will be used as is, and will accommodate patients from the former St. Margaret's Health hospitals as well as from SEMC-Ottawa, following the closure of the OB service in Ottawa. There are 7 OB postpartum rooms in the authorized bed count at the former St. Margaret's Health-Peru. 4 existing LDRPs are operational, but had not been included in the authorized bed count. OSF has sent a letter to the Illinois Health Facilities and Services Review Board dated April 4 requesting that these 4 beds be included in the SEMC-Peru OB bed count under the 20 bed/10% rule. That request is currently in process. All 11 beds are needed to meet the demand in Planning Area C-02. The OB service also has one existing C-section room.

The outpatient services space operated by SMH-Peru had 27 rooms for patient exam/treatment, in an area of 10,640 dgsf. This existing sizing and room count meets the State standard of up to 800 dgsf per room. SEMC-Peru intends to utilize 13 rooms – 12 for general outpatient visits, and one dedicated room for respiratory therapy. 13 rooms do not justify the existing space because of the fewer rooms to be utilized in the existing space. The calculated additional 240 sq ft of space above the standard is the result of the existing condition and will not be changed. The unused rooms will allow for the potential of future growth. If additional rooms are needed above the 13 requested, OSF will work with the State to obtain the necessary authorization.

PROJECT SERVICES UTILIZATION

The project is the conversion of the former St. Margaret's Health-Peru hospital to SEMC-Peru. The conversion includes the expansion of medical/surgical beds from 38 to 45, ICU from 4 to 8 beds, and continuing the existing Obstetrics service with 7 authorized beds and 4 LDRP rooms that were not in the State inventory but are being added under the 20 bed/10% rule. Clinical services that are not categories of services are being continued, including the surgical department, emergency department, diagnostic imaging, outpatient services, lab, and pharmacy.

The projected utilization of SEMC-Peru is a composite of inpatient and outpatient volumes from several sources: a) transfer of ICU and OB services from Ottawa that are being discontinued in Ottawa, as well as some of the medical/surgical historic volume in Ottawa; b) replacement of volumes formerly served by St. Margaret's Health hospitals that closed in 2023 in Peru and Spring Valley; and c) return of volumes to Peru that were dispersed from the two SMH hospitals to OSF Saint Paul Medical Center in Mendota and to OSF Saint Clare Medical Center in Princeton. The documentation of historic utilization and calculations of projected utilization are shown in sections 1110.200 and 1110.270 of this permit application.

Inpatient services

The table on the next page summarizes information presented in sections 1110.200 of this permit application, documenting the historic and projected utilization of the Medical/Surgical, ICU and OB beds. Historic information lists admissions, patient days and Average Daily Census for SMH-Peru for 2020 and 2021 (HFSRB profiles and AHQ), and COMPdata estimates for 2022. The table also provides this information for SEMC-Ottawa for reference. Calculations supporting the projections are documented in full in section 1110.200 of this permit application. The following summary information outlines how projected utilization is determined

Medical/surgical

The projected utilization of the 45 medical/surgical beds at SEMC-Peru is 2,502 annual admissions and 12,860 patient days. These volumes are the result of a) 1,353 historic admissions transferring from SEMC-Ottawa, b) an additional 275 Ottawa admissions to account for 6 months of dispersed patients from the SMH hospitals that were not counted in the partial year 2023, c) 150 patients dispersed to OSF Saint Clare Medical Center from the closures – to be returned to Peru in the future, d) 260 patients dispersed to OSF Saint Paul Medical from the closures – to be returned to Peru, and e) an estimated 464 admissions from SMH that were not counted in the above. The associated 12,860 patient days are an ADC of 35.2 patients, resulting in an occupancy of 78.2% of the 45 beds. This occupancy meets the State standard of 75% for modernization.

Intensive Care

The projected utilization of the 8 bed ICU unit at SEMC-Peru is 785 annual admissions and 1,844 patient days. These volumes are the result of a) 384 historic admissions (year 2023) transferring from SEMC-Ottawa, b) an additional 45 Ottawa admissions to account for 6 months of dispersed patients from the SMH hospitals that were not counted in the partial year 2023, c) 228 patients dispersed to OSF Saint Clare Medical Center from the closures – to be returned to Peru in the future, and d) 128 patients dispersed to OSF Saint Paul Medical from the closures – to be returned to Peru. The associated 1,844

patient days are an ADC of 5.05 patients, resulting in an occupancy of 63.2% of the 8 beds. This occupancy meets the State standard of 60.0% for intensive care.

Obstetrics

The projected utilization of the 11 OB at SEMC-Peru is 1,043 annual admissions and 2,420 patient days. These volumes are the result of a) historic admissions averaging 454 annually (2020-2022) transferring from SEMC-Ottawa, b) a volume of 321 OB admissions at SMH-Peru, year 2021, c) a volume of 268 OB admissions at SMH-Spring Valley, year 2021. The associated 2,420 patient days are an ADC of 6.63 patients, resulting in an occupancy of 60.3% of the 11 OB beds. This occupancy meets the State standard of 60% for OB services in Areas with ADCs of under 10 patients.

Table: Historic and Projected Utilization of SEMC-Peru - Med/Surg, ICU and OB
Sources: HFSRB Profiles and AHQs for 2020-2023

		Historic Utilization				Projected Utilization				After Completion		
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Occup
Medical/Surgical												
1	SEMC-Ottawa											
	Adm	1,880	1,911	1,778	2,053	2,328	2,328	1,030	1,030	700	700	
	Pt Days	7,901	8,410	8,704	10,562	11,966	11,966	5,335	5,335	3,598	3,598	
	ADC	21.6	23.0	23.8	28.9	32.8	32.8	14.6	14.6	9.9	9.9	82.1%
Medical/Surgical												
2	SMH-Peru until 2023; SEMC-Peru starting 2024											
	Adm	1,133	1,089	710	0	395	676	2,502	2,502	2,502	2,502	
	Pt Days	5,264	5,671	2,007	0	2,030	3,504	12,860	12,860	12,860	12,860	
	ADC	14.4	15.5	5.5	0	9.6	9.6	35.2	35.2	35.2	35.2	78.2%
						7 mo.	12 mo.					
Intensive Care												
3	SMH-Peru until 2023; SEMC-Peru start Oct 2025											
	Adm	261	241	157	0	--	146	785	785	785	785	
	Pt Days	993	1,041	408	0	--	417	1,844.3	1,844.3	1,844.3	1,844.3	
	ADC	2.72	2.85	1.12	0	--	4.57	5.05	5.05	5.05	5.05	63.2%
Intensive Care												
4	SEMC-Ottawa											
	Adm	460	448	451	384	585	439	--	--	--	--	
	Pt Days	1,151	1,261	1,239	1,321	1,669	1,252	--	--	--	--	
	ADC	3.15	3.45	3.4	3.62	4.57	4.57	--	--	--	--	
Obstetrics												
5	SMH-Peru until 2023; SEMC-Peru start Oct 2025											
	Adm	362	321	271	0	--	261	1,043	1,043	1,043	1,043	
	Pt Days	787	681	569	0	--	605	2,420	2,420	2,420	2,420	
	ADC	2.16	1.87	1.56	0	--	6.63	6.63	6.63	6.63	6.63	60.3%
Obstetrics												
6	SEMC-Ottawa											
	Adm	446	505	411	585	759	782	--	--	--	--	
	Pt Days	1,047	1,125	974	1,309	1,698	1,815	--	--	--	--	
	ADC	2.87	3.08	2.37	3.59	4.65	6.63	--	--	--	--	

Other clinical services

The table on page 70 addresses other clinical patient volumes that are not inpatient services. These include the surgery department, emergency department, diagnostic imaging, and outpatient services. All of the historic volume data in the table relates to St. Margaret's Health-Peru (SMH-Peru) and St. Margaret's Health-Spring Valley (SMH-SV). SMH-Peru reported data through 2021; SMH-SV reported data through 2022. 2021 is used for projecting many of the services volumed because that was the last year when both reported data. Historic data used for SEMC-Ottawa are displayed in permit application #24-011, page 84 for inpatient medical/surgical volumes and page 85 for Clinical Services that are not Categories of Service.

The plan is to move services to Peru by the end of 2025; accordingly, projections are made for years 2026 and 2027 (two years after project completion).

The following statements summarize the basis for the calculations of future volumes at SEMC-Peru:

Surgical Department – Operating Rooms (5 ORs):

5,681 hours in year 2023 less 3,930 hours remaining at SEMC-Ottawa = 1,751 hours
 1,417 hours (SMH-Peru) + 3,018 hours (SMH-SV) in 2021 = 4,489 hours
 $4,489 + 1,751 = 6,186$ hours, for year 2026 and year 2027

Surgical Department – Procedure Rooms (1 room)

378 inpatient procedures hours from Ottawa, year 2023 volume
 27 inpatient hrs at SMH-Peru + 338 GI hrs (SMH Peru 2021 AHQ) = 365 hrs
 $378 + 365 = 743$ hours, for year 2026 and for year 2027

Emergency Department

Ottawa visits to remain in Ottawa
 $11,709 \text{ SMH-Peru} + 9,144 \text{ SMH-SV} = 20,853$ visits
 Additional 855 pts to be accommodated based on 4.1% Ottawa patients Left Without Being Seen
 $20,853 \times 0.041 = 855$ visits to be accommodated in e-ED bays, not available 24/7 but in flex times
 $20,853 + 855 = 21,708$

X-ray / fluoroscopy (3)

$17,033 \text{ SMH-Peru} + 40\% \text{ of } 11,353 \text{ SMH-SV} = 17,033 + 4,541 = 21,574$
 Assumption is made that the remainder Spring Valley patients can be seen at OSF Saint Clare Medical Center, Princeton

Mammography (1)

$2,438 \text{ SMH-Peru} + 40\% \text{ of } 5,538 \text{ SMH-SV} = 2,438 + 2,215 = 4,653$
 Assumption is made that remaining Spring Valley patients can be seen at OSF Saint Clare Medical Center

Ultrasound (3)

$5,546 \text{ SMH-Peru} + 40\% \text{ of } 5,783 = 5,546 + 2,313 = 7,858$
 Assumption is made that remaining Spring Valley patients can be seen at OSF Saint Clare Medical Center

CT (1)

$7,434 \text{ SMH-Peru} + 40\% \text{ of } 5,337 = 7,434 + 2,135 = \mathbf{9,569}$

Assumption is made that remaining Spring Valley patients can be seen at OSF Saint Clare Medical Center

MRI (1)

$2,194 \text{ SMH-Peru} + 40\% \text{ of } 1,854 = 2,194 + 792 = \mathbf{2,936}$

Assumption is made that remaining Spring Valley patients can be seen at OSF Saint Clare Medical Center

Nuclear Medicine (1)

$1,197 \text{ SMH-Peru} + 40\% \text{ of } 1,086 = 1,197 + 434 = 1,631$

Add 925 volumes (av 2020-2022) from Ottawa prior to SMH closures. $1,631 + 925 = \mathbf{2,556}$

Assumption is made that remaining Spring Valley patients can be seen at OSF Saint Clare Medical Center

Outpatient Services (13 rooms)

Used 13.9% of overall Ottawa outpatient visits were for exam/treatment (others – use of diagnostic tests, blood draws, etc.) 13.9% is applied to SMH-Peru and SMH-SV to derive exam/treatment visits.

$16,930 \text{ SMH-Peru} + 40\% \text{ of } 21,942 = 16,930 + 8,777 = \mathbf{25,707}$ visits

Assumption is made that remaining Spring Valley patients can be seen at OSF Saint Clare

Medical Center plus **1,226** respiratory therapy visits separately counted $25,707 + 1,226 = \mathbf{26,933}$

C-Section (1)

$86 \text{ SMH-Peru} + 82 \text{ SMH-SV} = 168$

129 SEMC Ottawa patients in 2021. $168 + 129 = \mathbf{297}$ patients

Table: Project Services Utilization - OSF Saint Elizabeth Medical Center-Peru
Sources: HFSRB Profiles and AHQs for 2020-2023

	Existing	Historic Utilization				Planned	Projected Utilization		State	Met?
	Units	2020	2021	2022	2023	Units	2026	2027	Standard	
Surgical Department										
Operating rooms - Peru	8 ORs					5 ORs				
Inpatient cases		362	278	--	--		942	942		
inpatient hours		400	289	--	--		1,753	1,753		
outpatient cases		1,944	2,002	--	--		4,327	4,327		
outpatient hours		1,064	1,128	--	--		4,433	4,433		
total OR hours		1,464	1,417	--	--		6,186	6,186	>1500 hrs	Yes
Operating Rooms - SV	6 ORs									
inpatient cases		348	306	170	--					
inpatient hours		777	673	352	--					
outpatient cases		1,479	1,638	1,772	--					
outpatient hours		2,117	2,345	2,682	--					
total OR hours		2,894	3,018	3,034	--					
Procedure rooms - Peru	2 rooms					1 room				
inpatient cases		95	102	--	--		368	368		
inpatient hours		23	27	--	--		405	405		
outpatient cases		2,866	2,881	--	--		1,035	1,035		
outpatient hours		2,827	2,921	--	--		338	338		
total hours		2,850	2,948	--	--		743	743	1500 hrs	Yes
Procedure Rooms - SV	3 rooms									
inpatient cases	--	--	--							
inpatient hours	--	--	--							
outpatient cases		1,950	2,880	4,615						
outpatient hours		3,251	4,528	6,885						
total hours		3,251	4,528	6,885						
Emergency Dept visits										
SMH-Peru	10 bays	10,161	11,709	--	--	10 bays	20,853	20,853	>2,000 / rm	Yes
SMH-SV		8,787	9,144	9,802						
ED virtual visits						1 rm/4 bays	855	855		
Diagnostic Imaging										
x-ray/fluoroscopy										
SMH-Peru	3	11,958	17,033	--	--	3	21,574	21,574	>6500 visits	Yes
SMH-SV		11,080	11,353	11,296						
mammography										
SMH-Peru	1	2,494	2,438	--	--	1	4,653	4,653	5,000 visits	Yes
SMH-SV		5,215	5,538	6,415						
ultrasound										
SMH-Peru	3	3,960	5,546	--	--	3	7,859	7,859	>3,100 visits	Yes
SMH-SV		5,563	5,783	6,346						
CT										
SMH-Peru	1	5,485	7,434	--	--	1	9,569	9,569	7,000 visits	Yes
SMH-SV		5,824	5,337	6,145						
MRI										
SMH-Peru	1	1,789	2,194	--	--	1	2,936	2,936	2,500 visits	Yes
SMH-SV		1,983	1,854	1,955						
nuclear medicine										
SMH-Peru	1	507	1,197	--	--	1	2,556	2,556	2,000 visits	Yes
SMH-SV		1,123	1,086	972						
Outpatient Visits		106,902	121,523	--	--					
SMH-Peru est	27	14,859	16,930	--	--	12	25,707	25,707	>2,000 visits	Yes
Outpatient Visits		140,614	157,853	156,460	--					
SMH-SV est		19,545	21,942	21,748	--					
respiratory therapy						1	1,226	1,226		
C-section	1	101	86	--	--	1	297	297	800 proc	Yes

1110.200 Medical/Surgical, Obstetric, Pediatric and Intensive Care

Service (Peru)	# of Existing Beds	# of Proposed Beds
Medical/Surgical	38	45
ICU	4	8
Obstetrics	7 + 4	11

OSF Saint Elizabeth Medical Center-Peru ("SEMC-Peru") is the former St. Margaret's Health-Peru. OSF Healthcare System acquired the former St. Margaret's Health-Peru in November, 2023. SEMC-Peru and OSF Saint Elizabeth Medical Center-Ottawa ("SEMC-Ottawa") will operate as one licensed hospital at these two locations. The service expansions listed in the above table involve the relocation of ICU and Obstetrics from SEMC-Ottawa and the transfer of some of the medical/surgical services volumes from SEMC-Ottawa. Separate but related CON permit applications address the replacement of the existing hospital SEMC-Ottawa with a new facility and discontinuation of the existing SEMC-Ottawa.

This section of the permit application covers the documentation required for the 45 medical/surgical beds, 8 ICU beds and 11 Obstetrics beds requested in Peru. As context for this project, the following table shows the effect of the three OSF projects (establishment of the replacement hospital at SEMC-Ottawa – CON Project 24-011, expansion at SEMC-Peru (this permit application) and discontinuation of the existing SEMC-Ottawa) on Medical/Surgical, ICU and OB bed counts in Planning Area C-02.

Change in Inpatient Bed Counts, Planning Area C-02

	Current supply	Future supply	Comment
Medical/Surgical			
SEMC-Peru	38	45	Add 7 beds
SEMC-Ottawa	54	12	Discontinue; Establish 12 bed unit
OSF Saint Paul	21	21	No change
OSF Saint Clare	22	22	No change
Total med/surg beds	135	100	
ICU			
SEMC-Peru	4	8	4 bed expansion
SEMC-Ottawa	5	0	Discontinue 5 beds
OSF Saint Paul	4	4	No change
OSF Saint Clare	3	3	No change
Total ICU beds	16	15	
Obstetrics			
SEMC-Peru	7	11	Add 4 beds (LDRPs not counted in inventory)
SEMC-Ottawa	14	0	Discontinue 14 beds
OSF Saint Paul	0	0	No change
OSF Saint Clare	0	0	No change
Total OB beds	21	11	

1110.200(b) Planning Area Need

1) Formula calculation

(Not required for Expansion of Existing Services)

2) Service to Planning Area Residents

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 (containing Spring Valley), Putnam County, and the townships of Osceola and Elmira in Stark County.

As shown in the patient origin table on the following page, the case volumes are a composite of inpatients and observation cases at 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 (combined Ottawa and Peru locations) in the future will mirror the patient origin distributions of SEMC-Ottawa and at St. Margaret's Health-Peru before it closed.

Because SEMC will operate as one licensed hospital at two locations, Ottawa and Peru, 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.

The patient origin data show that the project meets the requirement that more than 50% of the projected patient volume will be residents of the Planning Area C-02.

3) Service Demand – Expansion of Existing Category of Service*Medical/Surgical*

The current 38 authorized medical/surgical beds at SEMC-Peru will be increased to 45 beds, upon approval. This addition of beds at SEMC-Peru is part of the two-site plan that includes the replacement of 54 authorized medical/surgical beds at SEMC-Ottawa with a 12-bed unit. Together, the two sites will have 57 medical/surgical beds.

The 57-bed plan at the two combined hospitals should be considered in the context of the changes in the past year. At the start of 2023, there were 120 authorized medical/surgical beds at three of the five hospitals in the I-80 corridor part of the area: 38 at St. Margaret's-Peru, 28 at St. Margaret's-Spring Valley, and the 54 beds at SEMC-Ottawa. OSF's acquisition of St. Margaret's-Peru following its closure kept the 38 med/surg beds in the inventory. St. Margaret's-Spring Valley also closed last year, removing its 28 medical/surgical beds from the inventory. The result is a total of 92 inventoried medical/surgical beds (38 plus 54) at the beginning of 2024. (These numbers do not include two other hospitals in C-02: OSF Saint Paul's Medical Center in Mendota and OSF Saint Clare Medical Center in Princeton.)

The complete inventory of medical/surgical beds in Planning Area C-02 at the conclusion of the two-campus SEMC project will be 100: 57 at the combined SEMC campuses (12 at SEMC-Ottawa and 45 at SEMC-Peru), 22 at OSF Saint Clare Medical Center in Princeton and 21 at OSF Saint Paul Medical Center in Mendota.

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	

Intensive Care

The 4 bed ICU unit at SEMC-Peru will be expanded to an 8-bed unit. In part, this expansion is planned to accommodate patients that have been admitted at the 5-bed ICU service at SEMC-Ottawa, which is being discontinued. Other ICU beds are located at OSF Saint Paul Medical Center in Mendota (4 beds) and OSF Saint Clare Medical Center in Princeton (3 beds). The complete inventory of ICU beds will be 15 following the completion of the SEMC-Peru and SEMC-Ottawa projects.

Obstetrics

The 7 bed Obstetrics service at SEMC-Peru will be expanded to 11 OB beds (7 OB and 4 LDRPs that are located at Peru but had not been included in the inventory when St. Margaret Health was the licensed operator). This expansion is planned to accommodate patients that have been admitted at the 14 bed OB service at SEMC-Ottawa, which is being discontinued, as well as OB patients at the former SMH hospitals in Peru and Spring Valley. The obstetrics program at SEMC-Peru is centrally located in Planning Area C-02, and is the only obstetrics service in C-02.

A) Historical Referrals

As part of its planning process, OSF evaluated the sufficiency of SEMC and the remaining hospitals to accommodate the demand in the area. The table below shows the historic medical/surgical utilization of SEMC-Ottawa and the two St. Margaret's Health hospitals. The analysis shows that the proposed 57 beds at SEMC-Ottawa and SEMC-Peru will accommodate the historic experienced volumes at SEMC and at the two shuttered hospitals. The average daily census for the three hospitals from 2020-2022 was 50.0 ADC. This census will be an 88% occupancy of the planned 57 beds. Additional capacity is available at OSF Saint Paul Medical Center in Mendota and OSF Saint Clare Medical Center in Princeton, if needed.

Historical Medical/Surgical Utilization

	2020			2021			2022			2023		
	Adm	Pt Days	ADC	Adm	Pt Days	ADC	Adm	Pt Days	ADC	Adm	Pt Days	ADC
SEMC - Ottawa	1,880	7,901	21.6	1,911	8,410	23.0	1,778	8,704	23.8	2,053	10,562	28.9
St Margaret's - Peru	1,133	5,264	14.4	1,089	5,671	15.5	710	2,007	5.5	--	--	--
St Margaret's - Spring Valley	1,122	5,442	14.9	993	5,143	14.1	954	6,234	11.0	--	--	--
Total	4,135	18,607	50.9	3,993	19,224	52.7	3,442	16,945	46.4	2,053	10,562	28.9

Sources: HFSRB Profile data and Annual Hospital Questionnaires

The planning also tested the utilization by applying State occupancy standards: 75% for the modernization of beds in Peru and 80% for the addition of beds at Ottawa. The allocation of future patient volumes between SEMC-Ottawa and SEMC-Peru is somewhat arbitrary. After various scenarios, it was decided that 700 annual admissions of the 2,053 admissions at SEMC-Ottawa is the anticipated future volume in the replacement hospital's 12 bed unit. At an average length of stay of 5.14 days (year 2003), the 700 patients equate to 3,598 patient days. This annual volume of patients is an ADC of 9.9

patients, an occupancy level of 82.1%. The remainder of 1,353 admissions (2,053 – 700) are part of the future volume at SEMC-Peru, as covered in the next section.

The following table presents historical utilization for ICU and OB at SEMC-Ottawa and the two St. Margaret's Health hospitals in Peru and Spring Valley prior to their closures in 2023. This information is the base information for projections in the next section of the permit application.

Historical Utilization - ICU and OB

	2020			2021			2022			2023		
	Adm	Pt Days	ADC	Adm	Pt Days	ADC	Adm	Pt Days	ADC	Adm	Pt Days	ADC
Intensive Care												
SEMC - Ottawa	460	1,151	3.15	448	1,261	3.45	451	1,239	3.40	384	1,321	3.62
St Margaret's - Peru	261	993	2.72	241	1,041	2.85	157	408	1.12	--	--	--
St Margaret's - Spring Valley	152	931	2.55	125	911	2.50	183	1,109	3.04	--	--	--
Total	873	3,075	8.42	814	3,213	8.80	791	2,756	7.56	384	1,321	3.62
Obstetrics												
SEMC - Ottawa	446	1,047	2.87	505	1,125	3.08	411	974	2.37	585	1,309	3.59
St Margaret's - Peru	362	787	2.16	321	681	1.87	271	569	1.56	--	--	--
St. Margaret's - Spring Valley	287	564	1.55	268	534	1.46	49	96	0.26	--	--	--
Total	1,095	2,398	6.58	1,094	2,340	6.41	731	1,639	4.19	585	1,309	3.59

Sources: HFSRB Profiles and Annual Hospital Questionnaires
 AHQs for SMH-SV 2021 and 2022
 AHQ for SMH-Peru 2021; Compdata 2022

B) Projected Referrals

The projection of future patient volumes requires investigation of the effects of the closures of the two Saint Margaret's Health Hospitals in 2023. St. Margaret's Health-Peru closed in January; St. Margaret's Health-Spring Valley announced the closure of its hospital in June. From January through June, many patients that would have been admitted at Peru were patients in Spring Valley.

When SMH-Spring Valley closed in June, patients that would have been hospitalized in Peru or Spring Valley were dispersed to other hospitals in the area, especially OSF SEMC-Ottawa, OSF Saint Paul Medical Center in Mendota and OSF Saint Clare Medical Center in Princeton. These three hospitals were located closest to the SMH hospitals.

The table on the next page shows the average daily census (ADC) for medical/surgical beds, ICU beds and OB beds at these three OSF hospitals. The source of the information is hourly and daily census for OSF SEMC-Ottawa, OSF Saint Paul Medical Center-Mendota and OSF Saint Clare Medical Center-Princeton for 2023. For each of the three hospitals, data was prepared for the first half of 2023 (bottom of the table) to enable comparison with volumes for the second half of 2023 following the SMH closures (top of the table).

The table quantifies the effect of the closures of the two SMH hospitals. The medical/surgical census at Ottawa increased from 29.0 in the first half of 2023 by 8.8 ADC to 37.8 patients in the second half of 2023. The increase at Saint Clare was 2.54 patients ADC. The increase at Saint Paul was 3.17 patients ADC. The combined increases were a total of 14.5 medical/surgical patients ADC. Utilization of ICU units at the three hospitals increased by 1.36 ADC. Utilization of obstetrics increased by an ADC of 1.6.

Analysis of Daily Census

OSF Saint Elizabeth Medical Center, OSF Saint Clare Medical Center, and OSF Saint Paul Medical Center

1	2	3	4	5	6
Current bed count	# of Days at/above current bed count	Utilization Standard	Maximum census	Daily Average	ADC Change 1st to 2nd half, 2023

July 1, 2023 - Dec 31, 2023 (184 days)

Med/Surg						14.51
- Ottawa	54	0	80% (43.2 beds)	46	37.8	8.8
- Saint Clare	22	0	60% (13.2 beds)	14	8.48	2.54
- Saint Paul	21	0	60% (12.6 beds)	21	11.88	3.17
ICU						1.36
- Ottawa	5	144	60% (3 beds)	5	4.68	0.42
- Saint Clare	3	4	60% (1.8 beds)	3	1.6	0.37
- Saint Paul	4	5	60% (2.4 beds)	4	1.57	0.57
OB - Ottawa	14	2	60% (8.4 beds)	13	7	1.6

January 1, 2023 - June 30, 2023 (181 days)

Med/Surg						
- Ottawa	54	0	80% (43.2 beds)	42	29	
- Saint Clare	22	0	60% (13.2 beds)	12	5.94	
- Saint Paul	21	0	60% (12.6 beds)	15	8.7	
ICU						
- Ottawa	5	115	60% (3 beds)	5	4.26	
- Saint Clare	3	0	60% (1.8 beds)	2	1.23	
- Saint Paul	4	0	60% (2.4 beds)	1	1	
OB - Ottawa	14	1	60% (8.4 beds)	12	5.4	

The table on the next page presents historic and projected patient volumes at SEMC-Peru and SEMC-Ottawa for the three inpatient services. The sources of the historic data are the HFSRB profiles supplemented by Annual Hospital Questionnaires for the SMH hospitals and COMPdata for SMH-Peru for 2022. ADC Profile and AHQ numbers for OSF (reporting on a full year) are slightly different from the volumes associated with the analysis of hourly and daily census (reported separately for the first half and the second half of 2023, and based on hourly peak volumes). But the conclusions for medical/surgical and OB are the same, showing growth associated with the relocations of patients from the closed St. Margaret's hospitals in 2023.

Key assumptions made in constructing the Projected Utilization section of the table are as follows:

- For the three OSF hospitals, the increases in patient days from 2022-2023 are the result of the *half year* of increases associated with the closures of the SMH hospitals:
 - At SEMC-Ottawa: added admissions 6 months: 275 med/surg, 45 ICU, 174 OB
 - At OSF Saint Paul: added admissions for 6 months: 130 med/surg, 114 ICU
 - At OSF Saint Clare: added admissions for 6 months: 75 med/surg, 64 ICU
- The *full annual effect* shows in the projected utilization column for 2024, by adding the equivalent of the above numbers to 2023 volumes for med/surg and OB. The calculations for these services and ICU are shown below.
- The sequencing of transitioning services between SEMC-Ottawa and SEMC-Peru is not yet decided. It is not practical to have two OB and two ICUs operating at the two hospitals simultaneously. For purpose of the analysis and as shown in the table, it is assumed that:
 - Med/Surg beds in 2024 at Peru will start at 2 in April, 2024, and increase to 12 in June, 2024.
 - These are part of the 38 currently authorized beds.
 - The 45-bed med/surg unit at Peru will fully open in 2025.
 - Opening of the ICU at SEMC-Peru will be coordinated with opening the 45 med/surg beds.
 - OB will remain at SEMC-Ottawa through 2024, and will transition to SEMC-Peru in 2025.
- These transitions will be fully coordinated and communicated with HFSRB and IDPH.

The following statements document the calculations used to project future utilization. The calculations include references in each section to letters of Commitment to Refer patients, which are included at the end of Attachment 19.

Medical/Surgical

- There were 2,053 med/surg admissions at SEMC-Ottawa in 2023 (AHQ).
- This volume includes an increase of 275 patients above the 2022 volume, as part of the dispersion of patients from St Margaret's Health in the second half of 2023. The full year effect is an additional 275 patients (550 for the year), resulting in a total year 2024 projection of 2,328 patients at SEMC-Ottawa.
- 700 of this count will remain at the replacement SEMC-Ottawa 12-bed med/surg unit in 2028.
- The remaining **1,353** admissions will be part of the SEMC-Peru future utilization.
(Commitment to Refer letter, Attachment 19A)
- Other components of the future volume at OSF SEMC-Peru are as follows:
 - **150** admissions annualized dispersion to Saint Clare (letter Attachment 19B)
 - **260** admissions annualized dispersion to Saint Paul (part of letter Attachment 19A)
 - **275** admissions annualized dispersion to SEMC-Ottawa not counted above (Attachment 19A)
 - **464** admissions (approx 1/3 of remaining 2020 census at SMH hospitals not counted above)
Calculation: $1133 + 1122 - (550 + 260 + 150) = 1,295$. $464 / 1,295 = 36\%$
(464 admissions are part of Attachment 19A)

Table: Historic and Projected Utilization of SEMC-Peru - Med/Surg, ICU and OB
Sources: HFSRB Profiles and AHQs for 2020-2023

		Historic Utilization				Projected Utilization				After Completion		
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Occupancy
Medical/Surgical												
1	SEMC-Ottawa											
	Adm	1,880	1,911	1,778	2,053	2,328	2,328	1,030	1,030	700	700	
	Pt Days	7,901	8,410	8,704	10,562	11,966	11,966	5,335	5,335	3,598	3,598	
	ADC	21.6	23.0	23.8	28.9	32.8	32.8	14.6	14.6	9.9	9.9	82.1%
Medical/Surgical												
2	SMH-Peru until 2023; SEMC-Peru starting 2024											
	Adm	1,133	1,089	710	0	395	676	2,502	2,502	2,502	2,502	
	Pt Days	5,264	5,671	2,007	0	2,030	3,504	12,860	12,860	12,860	12,860	
	ADC	14.4	15.5	5.5	0	9.6	9.6	35.2	35.2	35.2	35.2	78.2%
						7 mo.	12 mo.					
Intensive Care												
3	SMH-Peru until 2023; SEMC-Peru starting Oct, 2025											
	Adm	261	241	157	0	--	146	785	785	785	785	
	Pt Days	993	1,041	408	0	--	417	1,844.3	1,844.3	1,844.3	1,844.3	
	ADC	2.72	2.85	1.12	0	--	4.57	5.05	5.05	5.05	5.05	63.2%
Intensive Care												
4	SEMC-Ottawa											
	Adm	460	448	451	384	585	439	--	--	--	--	
	Pt Days	1,151	1,261	1,239	1,321	1,669	1,252	--	--	--	--	
	ADC	3.15	3.45	3.4	3.62	4.57	4.57	--	--	--	--	
Obstetrics												
5	SMH Peru until 2023; SEMC-Peru starting Oct, 2025											
	Adm	362	321	271	0	--	261	1,043	1,043	1,043	1,043	
	Pt Days	787	681	569	0	--	605	2,420	2,420	2,420	2,420	
	ADC	2.16	1.87	1.56	0	--	6.63	6.63	6.63	6.63	6.63	60.3%
Obstetrics												
6	SEMC-Ottawa											
	Adm	446	505	411	585	759	782	--	--	--	--	
	Pt Days	1,047	1,125	974	1,309	1,698	1,815	--	--	--	--	
	ADC	2.87	3.08	2.37	3.59	4.65	6.63	--	--	--	--	

Medical/Surgical (continued)

- The annualized increases at OSF Saint Paul in Mendota (260 patients) and at OSF Saint Clare in Princeton (150 patients) were formerly patients at St. Margaret's Health, residents of the Peru area and are expected to return to SEMC-Peru when the new 45-bed unit is opened.
- Based on the above, the total components of future volume at SEMC-Peru are as follows:
 $1,353 + 150 + 260 + 275 + 464 = \mathbf{2,502}$ med/surg patients at SEMC-Peru, 2028.
- Based on the known dispersion of patients from the two SMH hospitals during the second half of 2023 to SEMC-Ottawa, the full year admissions at SEMC-Ottawa is forecast to be 2,328 in 2024. At 5.14 ALOS, this generates 11,966 patient days.
- This volume will continue at SEMC-Ottawa through 2025. Most patients will then shift from SEMC-Ottawa to the 45-bed unit at Peru. An ADC of 14.6 remains at the current SEMC-Ottawa for 2026 and 2027.
- Finally, OSF will open 12 beds around June 1, 2024 at SEMC-Peru. For the 7 months remaining in 2024, 395 admissions are anticipated, an ADC of 9.6 patients.
- Annualized in 2025, this 9.6 census is 676 admissions at SEMC-Peru.

Intensive Care

- There were 384 ICU admissions at SEMC-Ottawa in 2023 (AHQ).
- This volume includes an increase of 45 patients attributed to the dispersion of patients from St. Margaret's Health in the second half of 2023. The full year effect is an additional 45 ICU admissions (90 for the full year).
- Because the replacement hospital in Ottawa will not have an ICU service, all **384** patients, plus the additional **45** associated with a full year impact of the SMH closures, will be patients at the 8-bed ICU unit at SEMC-Peru. (Commitment to Refer letter in Attachment 19C.)
- Other components of the future ICU volume at SEMC-Peru are as follows:
 - An annualized **228** patients dispersed to OSF Saint Paul Medical Center in Mendota, who will return to Peru upon the opening of the 8-bed ICU unit (Commitment to Refer letter, Attachment 19C).
 - An annualized **128** patients dispersed to OSF Saint Clare Medical Center in Princeton, who will return to Peru upon the opening of the 8-bed ICU unit (Commitment to Refer letter, Attachment 19D).
- Based on the above, the total components of future volume at SEMC-Peru are as follows:
 $384 + 45 + 228 + 128 = \mathbf{785}$ ICU patients at SEMC-Peru, 2028.
- For projecting patient days, admissions are multiplied by the ICU lengths of stay at each of the hospitals where the ICU patients are hospitalized:
 $(384 \times 2.7) + (45 \times 2.7) + (228 \times 1.83) + (128 \times 2.10) = 1844.3$ patient days.
 This volume is an ADC of 5.05 days, an occupancy of 63.2%.
- It is anticipated that the ICU at SEMC-Peru will open in late 2025, associated with the full utilization of the medical/surgical unit there. In the meantime, the ICU unit at SEMC-Ottawa is expected to increase to an admissions level between 384 (year 2023) and 785 (the future projection). An estimated volume of 585 admissions is midway between the two levels.

Obstetrics

- There were 585 OB admissions at SEMC-Ottawa in 2023 (AHQ).
- This volume includes a dramatic increase of 174 patients over year 2022, attributed to dispersion of patients from the closed SMH hospitals during the second half of 2023.
- A full year effect of the dispersion is an annualized volume of 348 above the year 2022 level of 411 OB admissions at SEMC-Ottawa.
- A conservative methodology for estimating baseline volume at SEMC-Ottawa is to take an average of OB admissions at Ottawa for 2020, 2021 and 2022. $446 + 505 + 411 = 1362$. The average for the three years is 454 patients, independent of the effect of the closures of the two SMH hospitals.
- Because the replacement hospital in Ottawa will not have an OB service, all **454** patients will be patients at the 11-bed OB unit at SEMC-Peru. (Commitment to Refer letter in Attachment 19E.)
- Because SEMC-Peru will be the only OB service in the 3-county area, it is reasonable to assume that all OB admissions formerly at St. Margaret's Health hospitals in Peru and Spring Valley will be admitted at SEMC-Peru. The last typical year of operations at SMH hospitals before they closed was 2021. That year, SMH-Peru had 321 OB admissions; SMH-Spring Valley had 268, for a combined total of **589** admissions.
- Added to the SEMC average of 454 results in a total projected volume of **1,043** OB admissions in 2028 and 2029.
- At an average length of stay of 2.32 days for OB patients (years 2020 – 2022 SEMC-Ottawa), 1,043 admissions generate 2,420 patient days. This volume is an ADC of 6.63, an occupancy of 60.3% for the 11 OB beds.
- It is expected that the OB unit at SEMC-Peru could open as soon as 2025. When it does, all OB patients at SEMC will be admitted at SEMC-Peru. It is not practical from a staffing perspective to operate two separate OB services.
- In the meantime, volume at SEMC-Ottawa in 2024 will experience the full year impact of the 174 admissions increase in 2023 above 2022. The additional impact will result in an estimated total 759 OB admissions in 2024.

As reported above, there are five letters documenting commitments to refer patients to the medical/surgical, ICU and OB services at SEMC-Peru. Their letters and supporting patient origin tables are included in Attachments 19A through 19E at the end of this section:

Leonardo Lopez, MD

Chief Medical Officer at OSF Saint Elizabeth Medical Center-Ottawa and

Chief Medical Officer at OSF Saint Paul Medical Center

Referral of medical/surgical patients from SEMC-Ottawa, Saint Paul Medical Center, and part of the volume formerly at St. Margaret's Health hospitals.

Barry Clemson, MD

Chief Medical Officer, OSF Saint Clare Medical Center

Referral of medical/surgical patients from Saint Clare Medical Center

Leonardo Lopez, MD

Referral of ICU patients from SEMC-Ottawa and from OSF Saint Paul Medical Center

Barry Clemson, MD

Referral of ICU patients from OSF Saint Clare Medical Center

Leonardo Lopez, MD

Referral of Obstetrics patients from SEMC-Ottawa and former patients associated with St. Margaret's Health hospitals in Peru and Spring Valley

1110.200(b)(5) Service Accessibility

(This section is not required for permit applications for the expansion of existing services.)

1110.200(c)(1) Unnecessary Duplication/Maldistribution

1110.200(c)(2) Maldistribution

1110.200(c)(3) Impact of Project on Other Area Providers

(These sections are not required for the expansion of existing services)

1110.200(d) Category of Service Modernization

The project involves the relocation and expansion of the Intensive Care category of bed service in space being modernized for ICU. The planned closure of the ICU bed service at SEMC-Ottawa will result in the transfer of patient volumes to SEMC-Peru. These patient volumes require the addition of four ICU beds at SEMC-Peru, replacing the current four bed unit at SEMC-Peru with an expanded eight bed unit. There is no space available adjacent to the existing 4-bed ICU that would enable expansion at that location. The current four-bed ICU is being converted to medical/surgical beds as part of the expansion of medical/surgical capacity from 38 to 45 beds. The ICU modernization is the result of the need for expanded bed capacity to accommodate projected patient volumes associated not only with the transfer of patients from SEMC-Ottawa, but also patients dispersed from the closures of St. Margaret's Health hospitals.

As demonstrated earlier in this section, the 8-bed ICU is projected to have an occupancy of 63.2%, exceeding the State standard of 60%.

1110.200(e) Staffing Availability

The proposed project is the expansion of medical/surgical, ICU and obstetric services at Saint Elizabeth Medical Center - Peru. The project involves the relocation of the ICU and Obstetrics services at SEMC-Ottawa to SEMC-Peru. Part of the medical/ surgical service now in Ottawa will be re-established at SEMC-Peru in a 45-bed medical/surgical service. Processes and procedures for staffing are already in place at OSF Saint Elizabeth Medical Center - Ottawa. All licensure and Joint Commission requirements are in place and will continue to be followed.

Staffing is not going to be an issue, because staff will move with the clinical services from Ottawa to Peru, a distance of about 17 miles. In addition, the recent closures of St. Margaret's Health-Peru and St. Margaret's Health-Spring Valley in 2023 resulted in a pool of available nurses, technicians and other staff that could be recruited to work at SEMC-Ottawa and SEMC-Peru. The phased re-opening of SEMC-Peru (the former St Margaret's Health-Peru) enables the recruitment of former St Margaret's employees to continue working in Peru starting in the spring of 2024. As of February 2024, OSF Healthcare System has hired 419 of the St. Margaret's employees.

Over the last three years, OSF Saint Elizabeth Medical Center has been successful at maintaining core staffing. Recruitment and retention of physicians, advanced practice providers and front-line staff remains a focus for 2024 and beyond. Over the last two years, OSF SEMC-Ottawa decreased voluntary turnover from 22.3% in December 2021 to 10.8% in December 2023. OSF SEMC-Ottawa works closely with Illinois State University, Illinois Valley Community College and OSF Colleges of Nursing to provide clinical education as well as employment opportunities to students enrolled in degree programs.

Recruitment for ancillary and support staff including imaging, respiratory therapy and surgical technicians takes place at community-related job fairs in the area and at their respective schools and colleges. The Hospital continues to expand clinical sites to area schools as a method for recruitment. In addition, OSF often uses web-based programs and traditional sites and methods such as nurse.com, monster.com, careerbuilder.com, National Healthcare Career Network, Sun-Times Network, Chicago Tribune, and job fairs. Salaries are competitive and select qualifying employees seeking career advancement benefit from educational support programs.

1110.200(f) Performance Requirements – Bed Capacity Minimum

The minimum size for a new medical/surgical category of service within a Metropolitan Statistical Area (MSA) is 100 beds. There is no minimum bed capacity for a new medical/surgical service outside an MSA. Ottawa and Peru are not MSAs.

The project meets the minimum size performance requirements.

Similarly, the project meets the minimum size requirements for Intensive Care (4 beds) and for Obstetrics (4 beds for units outside a Metropolitan Statistical Area).

1110.200(g) Assurances

The letter on the following page confirms the applicants' understanding that the project will meet the utilization standards for medical/surgical, ICU and OB services.



OSF HEALTHCARE

April 16, 2024

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

Re: Assurance, 1110.200(g)
OSF Saint Elizabeth Medical Center - Peru

Dear Mr. Kniery:

Consistent with the requirements of 1110.200(g), I hereby attest that it is my understanding that by the second year of operation of OSF Saint Elizabeth Medical Center, the Medical/Surgical, ICU and Obstetrics services will achieve the occupancy standards of 75%, 60%, and 60%, respectively, as set forth in 77 Ill. Adm. Code 1100. 75% is the Medical/Surgical occupancy target for modernization projects. 60% is the ICU occupancy target. 60% is also the Obstetrics occupancy target for Areas with projected Average Daily Census under 10.

If you have any questions, please contact me at 815-431-5456 or Mark Hohulin at 309-308-9656.

Sincerely,

Dawn Trompeter

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

Notarization:

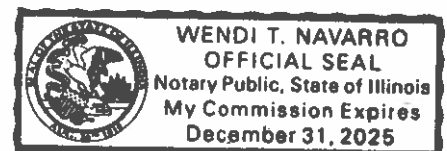
Subscribed and sworn to before me

this 15th day of April 2024

Wendi Navarro

Signature of Notary

Seal



March 19, 2024

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

Re: Commitment to refer Medical/Surgical patients to SEMC Peru
from SEMC-Ottawa and Saint Paul Medical Center

Dear Mr. Kniery:

I am a physician specializing in Family Medicine. I am the Chief Medical Officer at OSF Saint Elizabeth Medical Center in Ottawa and at OSF Saint Paul Medical Center in Mendota. I support the proposed project to replace OSF Saint Elizabeth Medical Center with a new and smaller hospital facility. I also support the shift of selected inpatient services from SEMC-Ottawa to the campus of Saint Elizabeth Medical Center-Peru.

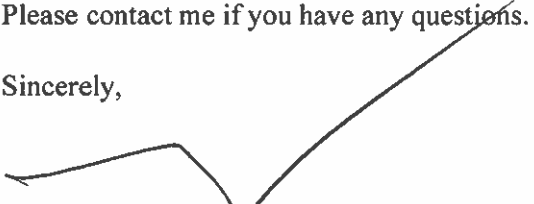
In 2023, there were 2,053 medical/surgical admissions at SEMC-Ottawa. This was an increase from 1,778 medical/surgical admissions the year before. I estimate that 1,353 of these 2,053 patients will be admitted annually to the 45-bed medical/surgical service at SEMC-Peru. (The remaining 700 will be patients at the new SEMC-Ottawa.) The attached table lists the zip codes of residence for these 1,353 patients.

An additional 999 medical/surgical patients will be admitted at SEMC Peru: a) 275 of these are additional patients admitted at SEMC-Ottawa following the closures of St Margaret's Health hospitals and not counted in the 2,063 volume above; b) an additional volume of 260 med/surg admissions at OSF Saint Paul Medical Center previously hospitalized at St. Margaret's; and c) 464 additional medical/surgical patients (one third of the remaining daily census at St. Margaret's unaccounted for). The patient origin table for these patients is also attached.

These referral counts have not been used to support another permit application for any other hospital's medical/surgical service.

Please contact me if you have any questions.

Sincerely,



Leonardo Lopez, MD
OSF Saint Elizabeth Medical Center – Ottawa
1100 E. Norris Drive
Ottawa, IL 61350
(815) 431-5598

Notarization:

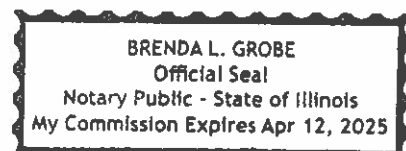
Subscribed and sworn to before me

this 19th day of March 2024

Brenda L. Grobe

Signature of Notary

Seal



Leonardo Lopez, MD - OSF Saint Elizabeth Medical Center - Ottawa
 Zip Code of Patient Residence, Medical/Surgical patients, 2023
 Source: OSF Internal Utilization (OSF Enterprise Explorer)

Patient Zip Code	Patient City	CY 2023 Inpatient
LaSalle County		
61350	OTTAWA	362
61364	STREATOR	251
61301	LA SALLE	92
61341	MARSEILLES	90
61354	PERU	69
61342	MENDOTA	37
61348	OGLESBY	29
61373	UTICA	17
60518	EARLVILLE	17
61370	TONICA	17
61360	SENECA	12
61325	GRAND RIDGE	12
60551	SHERIDAN	7
Other LaSalle County		55
		1,067
Bureau County		
61362	SPRING VALLEY	28
61356	PRINCETON	24
61322	DEPUE	14
61329	LADD	11
61330	LA MOILLE	5
Other Bureau County		42
		124
Putnam County		
61326	GRANVILLE	12
61327	HENNEPIN	7
61335	MC NABB	5
Other Putnam County		37
Stark County		
61421	Bradford	3
Total, Planning Area C-02		1,231
Outside Planning Area C-02		122
Total Patients		1,353

Note: All 1,353 patients were admitted at SEMC-Ottawa in 2023.

Table: 999 Medical/Surgical patients formerly at St. Margaret's Health
(275 shifted to SEMC-Ottawa, 260 shifted to Saint Paul-Mendota, 464 other SMH)

Zip Code	Patient City	Inpatients
LaSalle County		
61354	Peru	234
61301	LaSalle	174
61348	Oglesby	83
61324	Mendota	59
61370	Tonica	34
61373	Utica	24
61350	Ottawa	23
61364	Streator	17
61334	Lostant	13
61508	Earlville	6
Other LaSalle County		22
Total, LaSalle County		689
Bureau County		
61356	Princeton	62
61362	Spring Valley	38
61322	DePue	19
61329	Ladd	12
61379	Wyanet	11
61330	LeMoille	11
61361	Sheffield	10
61312	Arlington	9
61320	Dalzelle	7
Other Bureau County		23
Total, Bureau County		202
Putnam County		
61326	Granville	19
61327	Hennepin	11
61335	McNabb	7
61340	Mark	6
61560	Standard	10
Other Putnam County		53
Total Putnam County		
Stark County		0
Total, Planning Area C-02		969
Outside Planning Area C-02		55
Total Patients		999

March 19, 2024

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

Dear Mr. Kniery:

Re: Commitment to refer Medical/Surgical patients to SEMC Peru
from OSF Saint Clare Medical Center in Princeton

I am a physician specializing in Cardiovascular Disease. I am the Chief Medical Officer at OSF Saint Clare Medical Center in Princeton. I support the proposed project to replace OSF Saint Elizabeth Medical Center with a new and smaller hospital facility. I also support the shift of selected inpatient services from SEMC-Ottawa to the campus of Saint Elizabeth Medical Center-Peru.

In 2023, there were 75 additional medical/surgical admissions at OSF Saint Clare Medical Center attributed to the closure of the St. Margaret's Health hospitals. This volume increase was for a partial year. The full year impact is estimated at 150 medical/surgical patients. Because of the more proximate location of the new SEMC-Peru hospital, I expect that all of these 150 patients will prefer to receive their care in Peru nearer their homes. Therefore, I commit to refer 150 patients annually to the medical/surgical service at SEMC-Peru. The attached table lists the zip codes of residence for these 150 patients.

These referral counts have not been used to support another permit application for any other hospital's medical/surgical service.

Please contact me if you have any questions.

Sincerely,



Barry Clemson, MD
OSF HealthCare Saint Clare Medical Center
530 Park Avenue East, Princeton, IL 61356
815-875-2811

Notarization:

Subscribed and sworn to before me

this 19th day of March 2024

Tonda L. Stewart
Signature of Notary

Seal

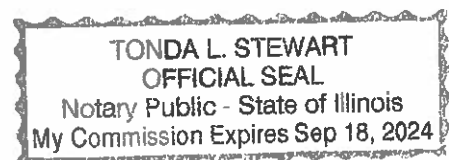


Table: 150 Medical/Surgical patients at Saint Clare, formerly at St. Margaret's Health

Zip Code	Patient City	Inpatients
LaSalle County		
61354	Peru	8
61301	LaSalle	5
61348	Oglesby	4
61370	Tonica	4
	Other	2
LaSalle County Total		23
Bureau County		
61362	Spring Valley	20
61356	Princeton	20
61322	DePue	11
61329	Ladd	10
61330	LaMoille	9
61379	Wyanet	5
61368	Tiskilwa	5
61312	Arlington	5
61320	Dalzell	4
61317	Cherry	4
61376	Walnut	4
	Other	18
Bureau County Total		115
Putnam County		
61326	Granville	3
	Other	2
Putnam Co Total		5
Stark County		0
Total, Planning Area C-02		143
Outside Planning Area C-02		7
Total Patients		150

March 19, 2024

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

Re: Commitment to refer ICU patients to SEMC Peru
from SEMC-Ottawa and Saint Paul Medical Center in Mendota

Dear Mr. Kniery:

I am a physician specializing in Family Medicine. I am the Chief Medical Officer at OSF Saint Elizabeth Medical Center in Ottawa and at OSF Saint Paul Medical Center in Mendota. I support the proposed project to replace OSF Saint Elizabeth Medical Center with a new and smaller hospital facility. I also support the shift of selected inpatient services from SEMC-Ottawa to the campus of Saint Elizabeth Medical Center-Peru.

In 2023, there were 384 ICU admissions at SEMC-Ottawa. I estimate that 384 patients will be admitted annually to the 8-bed ICU service at SEMC-Peru. This volume includes an estimated 45 patients from St. Margaret's Health hospitals following their closures. The impact for a full year is 90 patients, or an additional 45 patients not already in the count. As a result, total ICU referrals from SEMC-Ottawa will be 429 patients (384 plus 45).

An additional volume of 114 ICU admissions occurred at OSF Saint Paul Medical Center in 2023 as a result of the St. Margaret's hospitals closures. The full year effect at OSF Saint Paul Medical Center of the closures is an increase of 228 ICU patients. As Chief Medical Officer at OSF Saint Paul Medical Center, I affirm that this annual volume of 228 ICU patients will be referred to the ICU at SEMC-Peru.

The patient origin table for these patients is also attached. These referral counts have not been used to support another permit application for any other hospital's medical/surgical service.

Please contact me if you have any questions.

Sincerely,

Leonardo Lopez, MD
OSF Saint Elizabeth Medical Center – Ottawa
1100 E. Norris Drive
Ottawa, IL 61350
(815) 431-5598

Notarization:

Subscribed and sworn to before me

this 19th day of March 2024

Brenda L. Grobe

Signature of Notary

Seal



Leonardo Lopez, MD - OSF SEMC- Ottawa and OSF Saint Paul Medical Center

Zip Code of Patient Residence, ICU patients, 2023

Source: OSF Internal Utilization (OSF Enterprise Explorer)

Patient Zip Code	Patient City	Patients seen at SEMC - 2023	Patients at SEMC-Ottawa from SMH	Patients at Saint Paul from SMH
LaSalle County				
61350	OTTAWA	95	10	6
61364	STREATOR	65		
61301	LA SALLE	52	12	26
61341	MARSEILLES	42		
61354	PERU	25	15	45
61342	MENDOTA	11	9	17
61348	OGLESBY	8	7	20
61373	UTICA	6	6	9
60518	EARLVILLE	5		8
61370	TONICA	5		7
61360	SENECA	5		6
61325	GRAND RIDGE			6
60551	SHERIDAN			
Other LaSalle County		16	4	26
Total LaSalle County		335	63	176
Bureau County				
61362	SPRING VALLEY	8	4	6
61356	PRINCETON	6	4	4
61322	DEPUE		2	
61329	LADD		2	
61330	LA MOILLE		2	
Other Bureau County		17	4	12
Total Bureau County		31	18	22
Putnam County				
		8	4	8
Total Putnam County		8	4	8
Stark County				
		0	0	0
Total, Planning Area C-02		374	85	206
Outside Planning Area C-02		10	5	22
Total Patients		384	90	228

Notes: 384 ICU patients at SEMC-Ottawa, 2023 AHQ
 90 ICU patients in 2024 - the full effect at SEMC-Ottawa of the closure of SMH hospitals
 (Patients to return to SEMC-Peru area)
 228 ICU patients at Saint Paul - Mendota due to the closure of SMH hospitals
 (Patients to return to SEMC-Peru area)

March 19, 2024

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

Dear Mr. Kniery:

Re: Commitment to refer ICU patients to SEMC-Peru
from OSF Saint Clare Medical Center in Princeton

I am a physician specializing in Cardiovascular Disease. I am the Chief Medical Officer at OSF Saint Clare Medical Center in Princeton. I support the proposed project to replace OSF Saint Elizabeth Medical Center with a new and smaller hospital facility. I also support the shift of selected inpatient services from SEMC-Ottawa to the campus of Saint Elizabeth Medical Center-Peru.

In 2023, there were 64 additional ICU admissions at OSF Saint Clare Medical Center attributed to the closure of the St. Margaret's Health hospitals. This volume increase was for a partial year. The full year impact is estimated at 128 ICU patients. Because of the more proximate location of the new SEMC-Peru hospital, I expect that all of these 128 patients will prefer to receive their care in Peru nearer their homes. Therefore, I commit to refer 128 patients annually to the medical/surgical service at SEMC-Peru. The attached table lists the zip codes of residence for these 128 patients.

These referral counts have not been used to support another permit application for any other hospital's medical/surgical service.

Please contact me if you have any questions.

Sincerely,



Barry Clemson, MD
OSF HealthCare Saint Clare Medical Center
530 Park Avenue East, Princeton, IL 61356
815-875-2811

Notarization:

Subscribed and sworn to before me

this 19th day of March 2024


Signature of Notary

Seal

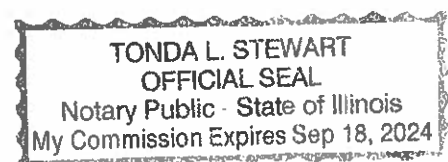


Table: 128 ICU patients at Saint Clare Medical Center formerly at SMH

Patient Zip Code	Patient City	ICU Patients
Bureau County		
61362	Spring Valley	33
61356	Princeton	27
61322	DePue	16
61329	Ladd	13
61330	LaMoille	9
61379	Wyanet	8
61368	Tiskilwa	7
61312	Arlington	5
61320	Dalzell	5
Other Bureau County		5
Total Bureau County		128

April 16, 2024

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

Dear Mr. Kniery:

Re: Commitment to Refer Obstetrics patients from
SEMC-Ottawa and the Closed St. Margaret's Health Hospitals

I am a physician specializing in Family Medicine. I am the Chief Medical Officer at OSF Saint Elizabeth Medical Center in Ottawa. I support the proposed project to replace OSF Saint Elizabeth Medical Center with a new and smaller hospital facility. I also support the shift of selected inpatient services, including obstetrics, from SEMC-Ottawa to the campus of Saint Elizabeth Medical Center-Peru.

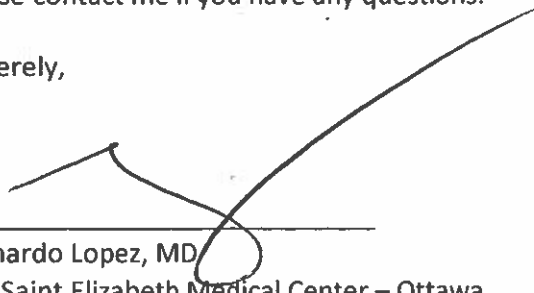
In 2022, there were 411 obstetrics admissions at SEMC-Ottawa. With the closure of the obstetrics service at the two SMH hospitals, the volume increased to 585 OB patients at SEMC-Ottawa in 2023, a partial year increase of +174 patients, annualized to an increase of 348 patients above the 411 in 2022.

Obstetrics patients residing in the area served by the former St. Margaret's Health-Peru and St. Margaret's Health-Spring Valley are expected to utilize the new OB service at SEMC-Peru, the only hospital OB unit in the three-county area following the relocation. Geographically it will be the closest OB service for them. There were 589 deliveries in 2021 at the two SMH hospitals, patients expected to remain at the new SEMC-Peru OB service. I therefore commit to refer approximately 1,043 patients to the new OB service (454 from SEMC-Ottawa plus 589 from the two closed SMH hospitals).

The attached table lists the zip codes of residence for these patients. These referral counts have not been used to support another permit application for any other hospital's obstetrics service.

Please contact me if you have any questions.

Sincerely,



Leonardo Lopez, MD
OSF Saint Elizabeth Medical Center – Ottawa
1100 E. Norris Drive
Ottawa, IL 61350
815-431-5598

Notarization:

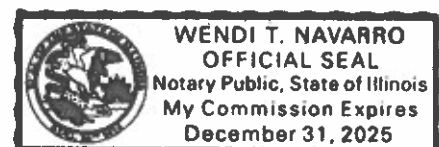
Subscribed and sworn to before me

this 15th day of April 2024



Signature of Notary

Seal



Attachment 19E

Table: Obstetrics Patients at SEMC-Ottawa, SMU-Peru and SMH-Spring Valley
 Sources: Annual Hospital Questionnaires; SEMC-Ottawa 2023; SMH hospitals 2021

Zip Code	Patient City	OB patients at SEMC-Ottawa	OB patients at SMH - Peru	OB patients at SMH-Spring Valley
LaSalle County				
61354	Peru	55	72	
61301	LaSalle	45	47	
61348	Oglesby	41	26	15
61324	Mendota	34	19	
61370	Tonica	19	9	
61373	Utica	14	17	
61350	Ottawa	107	18	
61364	Streator	53		
61334	Lostant	7		
61508	Earlville	6		
Other LaSalle County		22	20	20
Total, LaSalle County		403	228	35
Bureau County				
61356	Princeton	55	27	23
61362	Spring Valley	22		47
61322	DePue	16	13	18
61329	Ladd	14	8	14
61379	Wyanet	10	7	11
61330	LeMoille	9	6	11
61361	Sheffield	7		
61312	Arlington	6		
61320	Dalzelle	5		
Other Bureau County		21	25	23
Total, Bureau County		165	86	147
Putnam County				
61326	Granville			22
61327	Hennepin			13
61335	McNabb			11
61340	Mark			9
61560	Standard			9
Other Putnam County		3	0	10
Total Putnam County		3	0	74
Stark County				5
Total, Planning Area C-02		571	314	261
Outside Planning Area C-02		14	7	7
Total Patients		585	321	268

1110.270 Clinical Services that are not Categories of Service

Service (Peru)	# of Existing Units	# of Proposed Units
Surgery Department		
Operating Rooms	8	5
Procedure Rooms	2	1
Emergency Department		
Bays	10	10 + 4
Diagnostic Imaging		
x-ray - fluoroscopy	3	3
mammography	1	1
ultrasound	3	3
CT	1	1
MRI	1	1
nuclear medicine	1	1
Outpatient services		
Exams/treatment	27	12
Respiratory	0	1
Lab	1	1
Pharmacy	1	1

1110.270(c) Service Modernization

The project involves the expansion of inpatient services and Clinical Services that are not Categories of Service at OSF Saint Elizabeth Medical Center-Peru ("SEMC-Peru"). This facility, formerly St. Margaret's Health-Peru, was closed in early 2023 and acquired by OSF in November, 2023. SEMC-Peru and OSF Saint Elizabeth Medical Center-Ottawa ("SEMC-Ottawa") will be operated as one licensed hospital at two locations. A separate permit application (#24-011) covers the replacement of SEMC-Ottawa in Ottawa, and a third permit application covers the discontinuation of the existing hospital in Ottawa upon the opening of the new hospital there.

1120.270(c)(2) Necessary expansion

OSF's acquisition of the former St. Margaret's Health-Peru hospital enables OSF to coordinate the planning of clinical service delivery in the I-80 corridor. SEMC-Peru and SEMC-Ottawa will operate as the hub in a hub and spoke model, with the spokes being OSF Saint Paul Medical Center in Mendota, OSF Saint Clare Medical Center in Princeton and OSF Center for Health in Streator. As presented in section 1110.210 of this permit application, the plan includes the transfer of all ICU and Obstetrics services to Peru from Ottawa, and the expansion of medical/surgical beds in Peru from 38 to 45.

The Peru hospital facility and equipment is in good condition. The case for modernization is based on continuation of existing services under new ownership, not based on a need to upgrade deteriorated facilities. Except for inpatient intensive care and medical/surgical expansion, the clinical areas will be used in their current size and configuration. Most of the surgical case volume, emergency visits and diagnostic tests will replace volumes previously served at St. Margaret's Health-Peru and some of the services delivered at St. Margaret's Health-Spring Valley. Additional volume is associated with supporting the relocation of some of the inpatient care from SEMC-Ottawa.

The table in section (c)(3) on the next page shows historic volumes of these Clinical Services for 2020 and 2021 for St. Margaret's Health-Peru, the last year of reported data. Volumes for St. Margaret's Health-Spring Valley are shown for 2020 through 2022. SMH-SV closed later than SMH-Peru and accommodated patients from SMH-Peru.

Most of the Clinical Services that are not Categories of Services will be phased in at Peru, as required to support community needs and the phased opening of medical/surgical inpatient care (2 beds in April, 2024, 12 in June, 2024) and ICU and OB expansion in the fall of 2025. CT, x-ray and ultrasound services will re-open at SEMC-Peru in the spring of 2024, along with lab, pharmacy, and a fully operational emergency department. Mammography screening, MRI and lab services for outpatients will follow soon thereafter. The table shows projections for years 2026 and 2027, following completion and opening of the 8-bed ICU unit in Peru in late 2025.

The Clinical Service volumes in the different categories of service are primarily based on historic levels at St. Margaret's Health. Patient volumes are associated with patients formerly at the SMH hospitals that were dispersed after the closures in 2023 to other hospitals in the GSA: OSF Saint Paul Medical Center-Mendota, OSF Saint Clare Medical Center in Princeton, and SEMC-Ottawa.

1110.270(c)(3) Utilization

The table presents historic utilization and key rooms or units for the various categories of Clinical Service. The table also displays projected utilization and key rooms/units. State HFSRB utilization standards are also presented in the table.

All services meet utilization standards. The Emergency Department will continue operation of the 10 bays in place. It will also have 4 stations in one room that will offer virtual ER care as a pilot project. This pilot is based on the experience in Ottawa for accommodating patients leaving without being seen due to service delays. The 4 bays will not be operated 24 hours per day, but will flex with volume requirements.

Table: Project Services Utilization - OSF Saint Elizabeth Medical Center-Peru
Sources: HF5RB Profiles and AHQs for 2020-2023

	Existing Units	Historic Utilization				Planned Units	Projected Utilization		State Standard	Met?
		2020	2021	2022	2023		2026	2027		
Surgical Department										
Operating rooms - Peru	8 ORs					5 ORs				
inpatient cases		362	278	--	--		942	942		
inpatient hours		400	289	--	--		1,753	1,753		
outpatient cases		1,944	2,002	--	--		4,327	4,327		
outpatient hours		1,064	1,128	--	--		4,433	4,433		
total OR hours		1,464	1,417	--	--		6,186	6,186	>1500 hrs	Yes
Operating Rooms - SV	6 ORs									
inpatient cases		348	306	170	--					
inpatient hours		777	673	352	--					
outpatient cases		1,479	1,638	1,772	--					
outpatient hours		2,117	2,345	2,682	--					
total OR hours		2,894	3,018	3,034	--					
Procedure rooms - Peru	2 rooms					1 room				
inpatient cases		95	102	--	--		368	368		
inpatient hours		23	27	--	--		405	405		
outpatient cases		2,866	2,881	--	--		1,035	1,035		
outpatient hours		2,827	2,921	--	--		338	338		
total hours		2,850	2,948	--	--		743	743	1500 hrs	Yes
Procedure Rooms - SV	3 rooms									
inpatient cases		--	--	--						
inpatient hours		--	--	--						
outpatient cases		1,950	2,880	4,615						
outpatient hours		3,251	4,528	6,885						
total hours		3,251	4,528	6,885						
Emergency Dept visits										
SMH-Peru	10 bays	10,161	11,709	--	--	10 bays	20,853	20,853	>2,000 / rm	Yes
SMH-SV		8,787	9,144	9,802						
ED virtual visits						1 rm/4 bays	855	855		
Diagnostic Imaging										
x-ray/fluoroscopy										
SMH-Peru	3	11,958	17,033	--	--	3	21,574	21,574	>6500 visits	Yes
SMH-SV		11,080	11,353	11,296						
mammography										
SMH-Peru	1	2,494	2,438	--	--	1	4,653	4,653	5,000 visits	Yes
SMH-SV		5,215	5,538	6,415						
ultrasound										
SMH-Peru	3	3,960	5,546	--	--	3	7,859	7,859	>3,100 visits	Yes
SMH-SV		5,563	5,783	6,346						
CT										
SMH-Peru	1	5,485	7,434	--	--	1	9,569	9,569	7,000 visits	Yes
SMH-SV		5,824	5,337	6,145						
MRI										
SMH-Peru	1	1,789	2,194	--	--	1	2,936	2,936	2,500 visits	Yes
SMH-SV		1,983	1,854	1,955						
nuclear medicine										
SMH-Peru	1	507	1,197	--	--	1	2,556	2,556	2,000 visits	Yes
SMH-SV		1,123	1,086	972						
Outpatient Visits		106,902	121,523	--	--					
SMH-Peru est	27	14,859	16,930	--	--	12	25,707	25,707	>2,000 visits	Yes
Outpatient Visits		140,614	157,853	156,460	--					
SMH-SV est		19,545	21,942	21,748	--					
respiratory therapy						1	1,226	1,226		
C-section	1	101	86	--	--	1	297	297	800 proc	Yes

1120.120 AVAILABILITY OF FUNDS

Audited Financial Statements are submitted separately from this permit application, attesting to the financial capability of OSF Healthcare System.

The project will be funded with an established line of credit. A letter from Michael Allen, Chief Financial Officer of OSF Healthcare System, is included in Attachment 37, in response to the Reasonableness of Financing Arrangements.

1120.130 FINANCIAL VIABILITY

The following report by Fitch Ratings affirms that OSF has a bond rating of A+. As a result, the applicant meets the requirements for financial viability waiver.

RATING ACTION COMMENTARY

Fitch Affirms OSF HealthCare System's (IL) IDR at 'A+'; Outlook Stable

Wed 29 Mar, 2023 - 2:35 PM ET

Fitch Ratings - Chicago - 29 Mar 2023: Fitch Ratings has affirmed OSF HealthCare System's (OSF) Issuer Default Rating (IDR) and the ratings applied to revenue bonds issued by the Illinois Finance Authority on behalf of OSF at 'A+'.

The Rating Outlook is Stable.

RATING ACTIONS

ENTITY / DEBT ↕	RATING ↕			PRIOR ↕
OSF Healthcare System (IL)	LT IDR	A+ Rating Outlook Stable	Affirmed	A+ Rating Outlook Stable
OSF Healthcare System (IL) /General Revenues/1 LT	LT	A+ Rating Outlook Stable	Affirmed	A+ Rating Outlook Stable

VIEW ADDITIONAL RATING DETAILS

Analytical Conclusion

The 'A+' reflects OSF's leading market position its core primary service area (PSA) around Peoria, with assets distributed among multiple markets throughout Illinois. Liquidity ratios remained sound at FYE 2022 despite cash flow pressures and equity market volatility. The Stable Outlook considers Fitch's expectation that while macro labor and inflationary pressures will continue to compress operating margins, long term OSF should sustain an operating EBITDA margins generally in the 7% range and its liquidity position should strengthen over time.

SECURITY

Revenue bonds are secured by a security interest in the unrestricted receivables of the obligated group (OG). The OG represents the vast majority of assets and operating revenues.

KEY RATING DRIVERS**Revenue Defensibility - 'bbb'****Broad Reach with Market Lead in Peoria**

OSF has a broad reach across multiple markets in Illinois and the system is the distinct market leader in the core PSA around Peoria. OSF has exclusive or leading positions for many high-end services (e.g., OSF has the only children's hospital between Chicago and St. Louis). Still, many OSF markets are competitive. In the Peoria area (Central Region), OSF's flagship Saint Francis Medical Center competes with Carle Foundation (AA-), which is acquiring the acute care operations in Peoria from UnityPoint Health.

OSF also competes with Carle in the Eastern Region of Bloomington/Pontiac and Campaign/Urbana, where Carle is the market leader in the Urbana area, while OSF is the leader in Bloomington/Pontiac. OSF has one of three hospitals in Rockford, IL (the core of the Northern Region), competing with University of Wisconsin Health's SwedishAmerican Hospital and Mercy Health (A). The acquisition of LCOM in early calendar year 2020 introduced OSF to the competitive Chicago metro market.

Demographic indicators vary by local market. Population trends in many of OSF's more populous service areas are stagnant to declining, although the service area economy is considered to be generally stable. OSF's combined Medicaid and self pay consistently account for less than 25% of gross revenue (including 22.6% in FY22), even though OSF has a large children's hospital (children's hospitals tend to rely heavily on Medicaid).

Operating Risk - 'bbb'**Track Record of Profitability; Margins Compress in FY22**

OSF has a track record of profitability and sound operating EBITDA margins, although like most other hospitals in the U.S. the system faced pronounced operating pressure in FY22. Prior to the pandemic, OSF's operating EBITDA margin averaged around 8%. In FY20, pandemic related challenges resulted in a modest 4.0% operating EBITDA margin. Metrics rebounded in FY21 with a 7.4% operating EBITDA margin. Results compressed noticeably in FY22 with a 1.7% operating EBITDA margin. Despite this degree of margin compression, Fitch would characterize this as roughly in line with industry peers in 2022.

Fitch notes that OSF generally did not face volume pressures in FY22. While the system experienced a 3.4% decline in admissions, this was offset by a 12% increase in observations (resulting in a 0.1% increase in combined admissions/observations). Most other key volumes experienced growth, including unique patients, surgeries, and total outpatient visits.

Like all other healthcare providers in 2022, OSF faced significant labor pressures (combined salaries, benefits and agency costs increased nearly 11%) and generationally elevated inflation. Management also reports a

spike in malpractice expenses because of increased reserves expensed in 2022 related to actuarial adjustments. Per management calculations, OSF met its 1.1x debt service coverage covenant in FY22.

The Stable Outlook reflects Fitch's expectation that operating margins will show significant and sustained improvement over time. Management has budgeted an operating EBITDA margin in excess of 5% in FY23 with further improvement expected in FY24. OSF initiated an improvement plan, which includes streamlining leadership structure, significant reduction in agency costs, supply cost savings, reducing average length of stay (ALOS), targeting additional volume gain opportunities, and structural care delivery remodel.

Management is also pursuing FEMA funding, although this is not budgeted. Longer-term Fitch expects the operating EBITDA margin should be sustained in the 7% range. In unaudited 1Q23 metrics remained compressed with a 0.6% operating EBITDA margin; management's goal is to be profitable by 4Q23 or early FY24.

Capital Spending

OSF's capital spending plans are manageable. Capex has been robust in recent years, as the capital spending ratio averaged approximately 1.8x between fiscal years 2017 and 2022. Capex is starting to moderate, as management is expecting a capital spending ratio in the 1.3x-1.4x range. Capex is highlighted by the Comprehensive Cancer Center in Peoria (which includes a proton beam) as well as continued investments in OSF urgent care centers.

The Cancer Center is supported by considerable philanthropy and a portion is financed by prior bond proceeds. Management does not have new money debt plans in the near term, although Fitch expects a system of OSF's scope to access the capital markets from time-to-time.

Financial Profile - 'a'

Strong Capital-Related Ratios Despite Macro Pressures

OSF's financial profile remains strong in the context of its midrange revenue defensibility and operating risk assessments. Fitch expects capital-related ratios to be strong in the forward-looking stress case.

At FYE 2022 OSF's debt measured nearly \$1.9 billion and unrestricted liquidity was about \$2.1 billion (excluding payroll tax deferrals). OSF has a defined benefit (DB) Church pension. The DB plan was 71% funded compared to a projected benefit obligation (PBO) of just under \$1 billion at FYE 2022. Combined with direct debt, total adjusted debt measured just under \$2 billion at FYE 2022 (Fitch counts the portion of a DB pension plan below 80% funded when calculating adjusted debt). Net adjusted debt-to-adjusted EBITDA was favorably negative at FYE 2022. Liquidity remains robust despite investment volatility; cash on hand measured 202 days at FYE 2022 and does not pose an asymmetric risk to the financial profile.

Given Fitch's operating margin expectations, cash should continue to grow in a base case of the forward-looking scenario analysis. Even in a stress case, cash-to-adjusted debt should approach 120% by year three at which point net adjusted debt-to-adjusted EBITDA should be favorably negative.

RATING SENSITIVITIES

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

- Failure to show material operating improvement in the coming months, particularly if the operating EBITDA margin were expected to be sustained below 6% for an extended period;
- Compression in liquidity and capital-related ratios, particularly if cash-to-adjusted debt in the forward look failed to rebound well above 120%.

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

- Material rebound in operating metrics in the coming years, with an operating EBITDA margin sustained in the 8%-9% range;
- Improved liquidity, such that cash-to-adjusted debt exceeds 190% even in forward-looking stress case.

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Sovereigns, Public Finance and Infrastructure issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of three notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>.

PROFILE**CREDIT PROFILE**

OSF is a large integrated health system headquartered in Peoria, IL. The system operates 15 acute-care hospitals in three regions: the Central Region, centered on Peoria, IL where the flagship OSF Saint Francis Medical Center referral center is located; the Eastern Region, inclusive of on Urbana, Danville, Bloomington, and the Chicago south suburbs; and the Western Region, centered on Galesburg and Rockford (and inclusive of suburban St. Louis operations). OSF's total audited operating revenue exceeded \$3.8 billion in audited FY22 (September 30 FYE).

In addition to the sources of information identified in Fitch's applicable criteria specified below, this action was informed by information from Lumesis.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg

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New York

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sandro.scenga@thefitchgroup.com

Additional information is available on www.fitchratings.com**PARTICIPATION STATUS**

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

U.S. Not-For-Profit Hospitals and Health Systems Rating Criteria (pub. 18 Nov 2020) (including rating assumption sensitivity)

Public Sector, Revenue-Supported Entities Rating Criteria (pub. 01 Sep 2021) (including rating assumption sensitivity)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Portfolio Analysis Model (PAM), v2.0.0 (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

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US Public Finance

Healthcare and Pharma

North America

United States

1120.140 ECONOMIC FEASIBILITY

- A. Reasonableness of Financing Arrangements *and*
- B. Conditions of Debt Financing

See the following letter by Michael Allen, Chief Financial Officer, OSF Healthcare System

- C. Reasonableness of Project and Related Costs

See the following table of capital construction and modernization costs for the clinical and non-clinical components of the project. Also included in this section is the table *Project Costs and Sources of Funds*, and accompanying narrative explanations of the line items of cost.

- D. Projected Operating Costs

See Table D following in this section

- E. Total Effect of the Project on Capital Costs

See Table E following in this section.



OSF HEALTHCARE

April 18, 2024

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

Re: Financing Arrangements
OSF Saint Elizabeth Medical Center – Peru, Hospital Expansion Project,

Dear Chairwoman Savage:

My name is Michael Allen. As Chief Financial Officer, OSF Healthcare System, I attest to the fact that the selected form of debt financing will be at the lowest cost available, or if not, it will be more advantageous due to other terms, such as pre-payment privileges, lack of security interest, loan timing, or other reasons.

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,

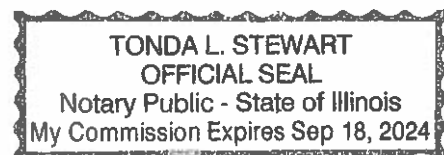
Michael M. Allen, Chief Financial Officer
OSF Healthcare System
124 S.W. Adams Street
Peoria, IL 61602

Subscribed and sworn to before me

this 18th day of April 2024

Signature of Notary

Seal



C. Reasonableness of Project and Related Costs

COST AND SQUARE FOOT BY DEPARTMENT												
Department	A	B	C	D	E	F	G	H	I	Total Cost	Sq Ft	As Is
	Cost / Sq Ft			DGSF		DGSF		Const \$	Mod \$	(G + H)		
	New	Mod	New	Circ %	Mod	Circ %	(A x C)	(B x E)				
CLINICAL												
ICU		\$635.16			2,674	18%		\$1,698,436		\$1,698,436		
Medical/Surgical		\$0			2,632	23%		\$0		\$0		28,885
OB		\$0				22%		\$0		\$0		10,874
Emergency Department		\$0				25%		\$0		\$0		5,875
Surgery		\$0				22%		\$0		\$0		16,265
Diagnostic Imaging		\$0				19%		\$0		\$0		9,083
Outpatient Services		\$0				20%		\$0		\$0		10,640
Lab		\$0				18%		\$0		\$0		3,846
Pharmacy		\$0				18%		\$0		\$0		1,610
Clinical subtotal		\$320.10			5,306	20%		\$1,698,436		\$1,698,436		87,078
NON-CLINICAL												
Break room, lockers and lounge		\$844.60			353	23%		\$298,143		\$298,143		
Office		\$791.26			123	19%		\$97,325		\$97,325		
Mech, electrical, syst, infrastructure		\$2,881.91			150	18%		\$432,286		\$432,286		
Storage / clean and soiled utility		\$830.13			225	18%		\$186,779		\$186,779		
Public circulation		\$902.03			144	---		\$129,892		\$129,892		
Public restroom		\$972.02			60	20%		\$58,321		\$58,321		
Subtotal Non-clinical		\$1,140.04			1,055	20%		\$1,202,746		\$1,202,746		
TOTAL CONSTRUCTION		\$456.09			6,361	20%		\$2,901,182		\$2,901,182		

Note: Circulation space for non-clinical areas is included in its own line item.

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	\$20,475	\$14,525	\$35,000
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts	\$1,698,436	\$1,202,746	\$2,901,182
Contingencies	\$254,578	\$180,599	\$435,177
Architectural/Engineering Fees	\$154,707	\$109,750	\$264,457
Consulting and Other Fees	\$133,904	\$94,991	\$228,895
Movable or Other Equipment (not in construction contracts)	\$794,800	\$203,200	\$998,000
Bond Issuance Expense (project related)	\$58,438	\$41,456	\$99,894
Net Interest Expense During Construction (project related)	\$292,208	\$207,292	\$499,500
Fair Market Value of Leased Space or Equipment			
Other Costs to Be Capitalized			
IT	\$73,125	\$51,875	\$125,000
Artwork	\$1,000	\$1,000	\$2,000
Signage	\$3,000	\$2,000	\$5,000
Acquisition of Building or Other Property (exclude land)			
TOTAL USES OF FUNDS	\$3,484,671	\$2,109,434	\$5,594,105
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)	\$3,484,671	\$2,109,434	\$5,594,105
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$3,484,671	\$2,109,434	\$5,594,105
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Project Costs and Sources of Funds

*Narrative Descriptions of Line Items***Item 1. Preplanning Costs - \$35,000**

These costs include the evaluation of overall facility conditions and options for the reuse of existing space.

Preplanning costs assigned to clinical uses total \$20,475. This amount is 0.8% of \$2,747,814, the total of \$1,698,436 for clinical construction plus \$254,578 clinical contingency plus \$794,800 clinical equipment. As a result, it meets the State standard, under 1.8%.

Item 6. Modernization Cost \$2,901,182

Cost of modernization includes interior buildout of the intensive care unit space including walls, ceiling and flooring, headwalls with medical gases and electrical connections, finishes, cabinetry and installation of built-in equipment. Plumbing, heating and air conditioning, and electrical systems are included, as well as contractor's overhead.

Of the total construction cost, \$1,698,436 is allocated to ICU clinical uses. With a total of 2,674 dgsf of clinical space, the average cost per clinical square foot is \$635.16.

Of the total \$635.16 per sq ft, approximately \$216 per sq ft is attributed to construction requirements and conditions that are not associated with an average hospital modernization project.

1. Intensive Care Unit (ICU) space is higher cost than other clinical spaces due to a number of factors. By the nature of the unit, this area is responsible for providing critical care to some of the most vulnerable and highest risk patients.
 - a. Architecturally, ICU space is condensed to place care providers in close proximity to the patients. Large sliding doors are included to provide for easier maneuverability of patient beds and to facilitate viewing of patients from the nurse station. Upgraded flooring, wall protection, and ceiling systems are included to withstand heavy duty wear and tear with an eye toward infection control. Specialized casework incorporates sinks and toilets into a compact area. These items are not standard in other general clinical spaces and typically have a premium cost in comparison to other less-specialized clinical spaces.
 - b. Mechanically, ICU space requires a larger number of outside air exchanges and total air changes than typical clinical spaces. The project also includes the creation of an isolation ICU patient room with an anteroom. These requirements lead to an increased cost for these systems compared to typical clinical space.
 - c. Electrically, ICU space requires significant electrical systems that address substantial power requirements for patient care equipment and HVAC systems. Complex technology systems such as lighting controls, security, access control, patient monitoring, nurse call, and e-ICU are also utilized.

2. Infrastructure Upgrades. The modernization is taking place on the second floor in an area that is not currently used for inpatient care. Therefore, infrastructure required to support the new ICU space needs to be added, extended to, or completely replaced in this area. These infrastructure upgrades include the following:

- a. Plumbing upgrades. Complete removal and replacement of the plumbing systems serving the space including underfloor piping, supply piping, and new fixtures. Additionally, softened cold water must be extended to the space from another floor.
- b. Medical gas upgrades. Complete removal and replacement of the medical gas systems serving the space. The existing systems were undersized and utilizing older technology. The tie-in points for medical gases are outside the work area including on other floors within the hospital. Additional zone valve boxes and service valves will be added to provide flexibility to shut down individual rooms in the event that the medical gas system requires servicing. Existing headwall units will require extensive rework to update existing medical gas outlets and provide additional outlets.
- c. HVAC system upgrades. Complete removal and replacement of the existing system serving the space. This includes the removal of the existing hot water and steam piping. New equipment and digital controls will be provided to facilitate individual climate control within each room. Roofing work will be required to add exhaust fans for the isolation room and soiled utility room.
- d. Electrical upgrades. New panels and feeders for normal power, critical power, and life-safety are necessary to provide for the increased power requirements. Tie-ins for these new feeds are a significant distance from the work area. Rework of headwall units is required to provide additional outlets including for critical power. A new dedicated IT room will be created to serve the space.

3. Construction in Occupied Space

The renovation is taking place in occupied space that requires difficult access thru the patient areas of the hospital for transport of materials. Access to underfloor plumbing requires work within an occupied imaging space, which will require off-hours work, adding cost to the project. Additionally, significant infection control measures must be taken to ensure patient safety during construction. Due to the project complexity and various phasing requirements, there are many unknowns that will not be discovered until construction begins. For this reason, we include overtime and phasing allowances in the modernization costs. These construction allowances help alleviate changes that need to be made due to the sensitive location where construction is taking place.

4. Hyper Cost Escalation.

Construction of healthcare and other facilities have been experiencing an unprecedented rate of escalation, exceeding the standard 3% per year average. The contract costs currently include an 8% escalation above the estimated costs to account for unknown pricing and labor increases. This factor is based on OSF's experience with four projects in central and northern Illinois in the past three years: cost estimates have risen by as much as 20 – 25% for projects under consideration, and none of the increase is attributed to larger scope. The 5% difference between 8% and 3% equates to a

premium of over \$400,000 within the \$2,901,182 total construction cost. For the clinical construction component, the premium is about \$235,000, or \$87.88 per clinical sq ft.

In summary, together these complexities add a premium of about \$577,500 (approximately \$216 per sq ft) to the cost of clinical construction. These factors imply that the \$635.16 clinical cost per sq ft for the Peru modernization project compares to a level of \$419.16 per clinical sq ft.

Item 7. Contingencies - \$435,177

Contingencies are allowances for unforeseen circumstances, such as delays in shipping and receipt of materials and supplies that affect the construction schedule, escalation above anticipated pricing of materials and labor, or site conditions resulting in plan modification.

The total modernization contingency is 15% of the total modernization cost. The clinical modernization contingency of \$254,578 is 15% of the clinical modernization cost of \$1,698,436.

Item 8. Architectural and Engineering Fees - \$264,457

A/E fees include the functional program and space plan, preliminary design, schematic design, design development, construction document services, bidding and negotiation, and construction administration services. The cost of A/E services is \$264,457 of which \$154,707 is allocated to clinical uses.

For clinical modernization, A/E services of \$154,707 amounts to 7.9% of the total \$1,953,014 for clinical modernization plus clinical contingency. This amount is consistent with the State standard's range of 7.40-11.12% for hospital modernization projects with modernization and contingency totaling under \$2,000,000.

Item 9. Consulting and Other Fees - \$228,895

This work includes specialty consultants (such as equipment planning), regulatory approvals including Certificate of Need consulting, CON and IDPH fees, building permit fees, construction management and commissioning fees.

Item 10. Moveable Equipment not in construction contracts - \$998,000

The total amount for equipment and furnishings is \$998,000, of which \$794,800 is associated with clinical services.

Clinical area equipment and furnishings include the following:

Patient Rooms (8) – including beds, mattresses, monitoring equipment, recliners, chairs and tables, supply carts and cabinets	\$616,000
Nurse Station – including ice machine and crash cart with defibrillator	\$54,500
Med Room – including medication refrigerator & freezer, medication dispensing system	\$74,200
Other Equipment	\$36,000
Furnishings – desks and work stations at nurse station	\$14,100

Non-clinical area equipment and furnishings include the following:

Clean Utility	\$8,400
Soiled Utility	\$3,800
Equipment Storage	\$156,000
Furnishings – table and chairs for the breakroom, desks and work stations at office space	\$35,000

Item 11. Bond Issuance Expense (project related) - \$99,894

This line item covers the cost of securing loans in support of the project capital cost.

Item 12: Net Interest Expense During Construction (project related) - \$499,500

Loan interest for the period through December 31, 2025 is estimated at \$499,500.

Item 14. Other Costs to be Capitalized - \$132,000

Information technology includes computers, peripherals, printers, applications / licensing, network equipment, cabling and audio visual.	\$125,000
Artwork	\$2,000
Signage – interior wayfinding, and room identification.	\$5,000

D. Project Operating Costs

Estimated Project Start Up Operating Cost
(first year) \$6,129,168

Project Direct Operating Expenses – 2 years after
project completion (Year 2027)

	Peru Modernization
Total Operating Costs	\$6,129,168
Equivalent Patient Days	2,920
Direct Cost per Equivalent Patient Day	\$2,099

E. Total Effect of the Project on Capital Costs

Projected Capital Costs – two years after project
completion (2027)

	Project, 2027	Total hospital, 2027
Equivalent Patient Days (all SEMC-Peru) ICU only	2,920	2,920
Total Project Capital Cost – ICU only	\$5,594,109	--
Useful Life	40 building/7 FF&E	--
Total Annual Depreciation (on just the ICU investment)	\$371,605	\$371,605
Depreciation Cost per Equivalent Patient Day	\$127.26	\$127.26

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.)

Two St. Margaret's Health hospitals in the area closed in 2023. By purchasing one of the two hospitals, St. Margaret's Health-Peru, OSF restores needed access to care for communities in the I-80 corridor. OSF's purchase of St. Margaret's Health-Peru in 2023 enables OSF to plan delivery of health care services in a broader regional context. It allows OSF Saint Elizabeth Medical Center to operate at two sites – SEMC-Ottawa and SEMC-Peru - under one hospital license. This dual-campus arrangement enables clinical programs to be expanded at SEMC-Peru in coordination with the replacement of SEMC-Ottawa. With some of the Ottawa services transferring to Peru, the plan establishes SEMC at its two locations as the hub of a regional delivery system. The expansion of services at Peru enables a smaller scaled SEMC-Ottawa and the savings of capital cost compared to the plan originally contemplated.

The expansion of clinical services at OSF SEMC-Peru continues OSF's commitment to subsidize and strengthen safety net services. The plan expands medical/surgical beds from 38 to 45, ICU from 4 to 8 beds, and maintains Obstetrics at 11 beds, counting the 7 OB beds in the authorized bed count, and the addition of 4 existing LDRPs that are being recognized and added under the 10% rule. A full range of surgical, emergency, diagnostic imaging and outpatient services are being continued.

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 at SEMC-Ottawa allows Saint Elizabeth Medical Center-Ottawa to continue to meet this special need in the I-80 Corridor. 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 (Ottawa and Peru campuses) is projected to be 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 expansion of services at SEMC-Peru 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. OSF Healthcare System's purchase of St Margaret's Health-Peru in November, 2023 enables SEMC-Ottawa and SEMC-Peru to operate as one licensed facility in two locations. 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. In Ottawa, construction of a state-of-the-art hospital will replace the current deteriorated SEMC-Ottawa hospital facility.

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 in 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 at SEMC-Ottawa 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. The plan acknowledges that some of the patients at the closed SMH hospitals have been dispersed to OSF hospitals in Mendota and Princeton.

Some of these patients will return to SEMC-Peru for services closer to their homes in the Peru/Spring Valley area.

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