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OUR FILE NUMBER:

October 13, 2025

Mr. Michael Constantino
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

RE: NorthPointe Neighborhood Hospital (Project No. 24-018)

Dear Mr. Constantino:

This letter responds to the Illinois Health Facilities and Services Review Board (the “State Board”) letter dated September 22, 2025, requesting additional information related to the withdrawal of Freeport Memorial Hospital d/b/a FHN Memorial Hospital (“FHN”) from the project to establish a neighborhood hospital as an expansion of the NorthPointe Health & Wellness campus in Roscoe, Illinois.

By way of background, Beloit Health System (“BHS”) has served the Stateline community for over 35 years, including the communities of South Beloit, Rockton, and Roscoe in Illinois, and Beloit, Clinton, and Orfordville in Wisconsin and the surrounding areas. Many of the residents of these communities are underserved and lack access to reliable transportation. In fact, over 12% of South Beloit residents live below the Federal Poverty Guideline. BHS opened the NorthPointe Health and Wellness campus in 2007 and has been steadily expanding its scope of services ever since. The NorthPointe Neighborhood Hospital represents the next phase of the campus’ expansion by adding needed emergency and inpatient services. For these and other reasons that are reflected in the record for this project, the Applicants’ plans have received overwhelming community support.

On September 30, 2025, FHN announced its plans to be acquired by Mercyhealth. As the State Board is aware, Mercyhealth is attempting to block the establishment of the NorthPointe Neighborhood Hospital through the CON process and now with its acquisition of FHN. It is standing in the way of needed service enhancements for Illinois, while closing its own facilities and withdrawing services from the area. Meanwhile, Fire departments across Winnebago County are abandoning Mercyhealth’s Rockcom 911 dispatch system in favor of local public systems, citing faster response times, cost savings, and better coordination. Due to this impending takeover, FHN withdrew from participation in the NorthPointe Neighborhood Hospital. While FHN’s withdrawal from the NorthPointe project affects the Applicants’ timeline, it will not alter the funding or the scope of the project. NorthPointe Health NFP Corporation and Beloit Health

System remain steadfast in their commitment to improve access to quality health care to the Stateline Community.

FHN's withdrawal from the planned NorthPointe Neighborhood Hospital will not impact the services planned for the hospital. As originally envisioned, the hospital will address significant gaps in emergency services, inpatient medical-surgical care, and physician shortages. As noted in our August 15, 2025 letter to the State Board, emergency room wait times are highly problematic at the three Rockford area hospitals with patients spending over 3.5 hours on average in emergency departments for care, which is higher than both the Illinois and national averages.¹ In fact, many patients leave without being seen. Long wait times in the emergency departments result in prolonged healing times, permanent disabilities, and in some cases life-threatening consequences. Overcrowding in the emergency department, due to the lack of inpatient beds, is a major contributor to long wait times and has been linked to increased medical errors, patients leaving without being seen, and reduced quality of care.

In addition to addressing the need for emergency services, the planned NorthPointe Neighborhood Hospital will improve access to inpatient medical/surgical beds in the Stateline Community. As discussed in greater detail in the certificate of need application, Beloit Memorial Hospital has an average daily census of eight patients who are Illinois residents of the Stateline Community. Importantly, this does not include outmigration from Illinois to other hospitals in southern Wisconsin. The additional beds at NorthPointe will alleviate overcrowding in the Beloit Memorial Hospital (BMH) emergency department by allowing Illinois patients who routinely present at BMH to receive care closer to home. With the shelled space on the second floor in the NorthPointe Health and Wellness building, the establishment of the planned hospital can be accomplished in an expedited manner with a modest capital expenditure.

Finally, the Stateline Community is in a health professional shortage area. As a new training site for family practice and emergency services for the University of Illinois College of Medicine – Rockford, the planned NorthPointe Neighborhood Hospital will enhance recruitment of primary care physicians to the area. Moreover, it will serve as a clinical nursing site for Beloit College, Saint Anthony College of Nursing, and Blackhawk Technical College, which will improve clinical training opportunities for local residents and address the need for more nurses.

The Applicants remain committed to ensuring that the planned NorthPointe Neighborhood Hospital project is operated by an Illinois-based, non-profit, tax-exempt organization and that portions of the revenues generated by the planned hospital will be reinvested into enhancing health care services and resources within the State of Illinois including in the greater Rockford communities. While the Applicants are exploring potential partnerships with other Illinois providers and communities, their focus is on upholding the mission and integrity of the proposal as originally envisioned. As you know, nothing about the recent modification changed the scope

¹ U.S. Centers for Medicare and Medicaid Services, Medicare.gov *available at* <https://www.medicare.gov/care-compare/?providerType=Hospital> (last visited Oct. 6, 2025).



of the building or the services to be offered and the location of the planned hospital is outside the FHN service area.

Given the current efforts to secure the appropriate arrangements, we respectfully request that consideration of this project be deferred from the November 18th meeting to allow the Applicants sufficient time to finalize these arrangements and to provide you with the additional information requested in your letter of September 22, 2025.

Thank you for the opportunity to address the withdrawal of FHN from the NorthPointe Neighborhood Hospital CON application.

Sincerely,

A handwritten signature in blue ink that reads 'Anne M. Cooper'.

Anne M. Cooper