

24-036

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

RECEIVED

OCT 31 2024

This Section must be completed for all projects.

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Facility / Project Identification

Facility Name: Graham Medical Group Center for Ambulatory Surgery			
Street Address: 2028 N Seminary St.			
City and Zip Code: Galesburg IL 61401			
County: Knox	Health Service Area: 2	Health Planning Area: C-04	

Applicant(s) [provide for each applicant (see 77 Ill. Adm. Code 1130.220)]

Exact Legal Name: Graham Hospital Association	
Street Address: 210 W Walnut St	
City and Zip Code: Canton IL 61520	
Name of Registered Agent: Robert Senneff	
Registered Agent Street Address: 210 W Walnut St	
Registered Agent City and Zip Code: Canton IL 61520	
Name of Chief Executive Officer: Robert Senneff	
CEO Street Address: 210 W Walnut St	
CEO City and Zip Code: Canton IL 61520	
CEO Telephone Number: 309 647 5240	

Type of Ownership of Applicants

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

Corporations and limited liability companies must provide an Illinois certificate of good standing.  
 Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

**APPEND DOCUMENTATION AS ATTACHMENT 1, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.**

Primary Contact [person to receive ALL correspondence or inquiries]

Name: Robert Senneff	
Title: President & CEO	
Company Name: Graham Hospital Association	
Address: 210 W Walnut St	
Telephone Number: 309 647 5240	
E-mail Address: rsenneff@grahamhospital.org	
Fax Number:	

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

Name: Allison Sours	
Title: Chief Operating Officer	
Company Name: Graham Hospital Association	
Address: 210 W Walnut St	
Telephone Number: 309 647 5240	
E-mail Address: asours@grahamhospital.org	
Fax Number:	

**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: Robert Senneff
Title: President & CEO
Company Name: Graham Hospital Association
Address: 210 W Walnut St
Telephone Number: 309 647 5240
E-mail Address: rsenneff@gmail.com
Fax Number:

**Site Ownership** [provide this information for each applicable site]

Exact Legal Name of Site Owner: Graham Hospital Association
Address of Site Owner: 210 W Walnut St. Canton IL 61520
Street Address or Legal Description of the Site: 2028 N. Seminary St. Galesburg IL. 61401
<b>Proof of ownership or control of the site must 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.</b>
<b>APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.</b>

**Operating Identity/Licensee** [provide this information for each applicable facility and insert after this page]

Exact Legal Name of Site Owner: Graham Hospital Association		
Address of Site Owner: 210 W Walnut St. Canton IL 61520		
<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other
<ul style="list-style-type: none"><li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li><li>o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.</li><li>o <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li></ul>		
<b>APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.</b>		

**Organizational Relationships**

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (see 77 Ill. Adm. Code 1130.140 and 1130.220). 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.
<b>APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.</b>

**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, provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at <a href="http://www.FEMA.gov">www.FEMA.gov</a> or <a href="http://www.illinoisfloodmaps.org">www.illinoisfloodmaps.org</a> . This map must be in a readable format. In addition, provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5. <b>NOTE:</b> A SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM has been added at the end of this application that must be completed to deem a project complete.
<b>APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.</b>

**Historic Resources Preservation Act Requirements** [refer to application instructions]

Document compliance with the requirements of the Historic Resources Preservation Act.
<b>APPEND DOCUMENTATION AS ATTACHMENT 6, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.</b>

## DESCRIPTION OF PROJECT

### 1. Project Classification [check as applicable - refer to 77 Ill. Adm. Code 1110.20 and 1120.20(b)]

Part 1110 Classification :

- Substantive  
 Non-substantive

### 2. 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.

Graham Health Association proposes to establish a multi-specialty, not-for-profit Ambulatory Surgical Treatment Center (ASTC), in Galesburg IL. at the Health System's North Seminary campus. The project will be new construction. The facility will have two operating rooms and seven recovery bays, as well as all components required for licensure as an ASTC.

The Graham Hospital Ambulatory Surgery Center's site is located in HSA 2. Graham Hospital Association is the sole-owner of the proposed ASTC. The official street address of the facility is 2028 N. Seminary St. Galesburg, IL 61401.

Construction costs for this project will be below the Certificate of Need benchmark. Additional services within the North Seminary campus include: state-of-the-art radiology suite (MRI, CT, Mammography, X-Ray, Ultra-Sound, & Dexa services), laboratory services, two-room endoscopy center, and physician exam rooms.

This project will be fully funded by Graham Hospital Association. Construction costs for the building are documented within this application at Fair Market Value (FMV). These are the anticipated actual costs that Graham Hospital Association will incur to complete all aspects of the project (furniture, fixes, & equipment).

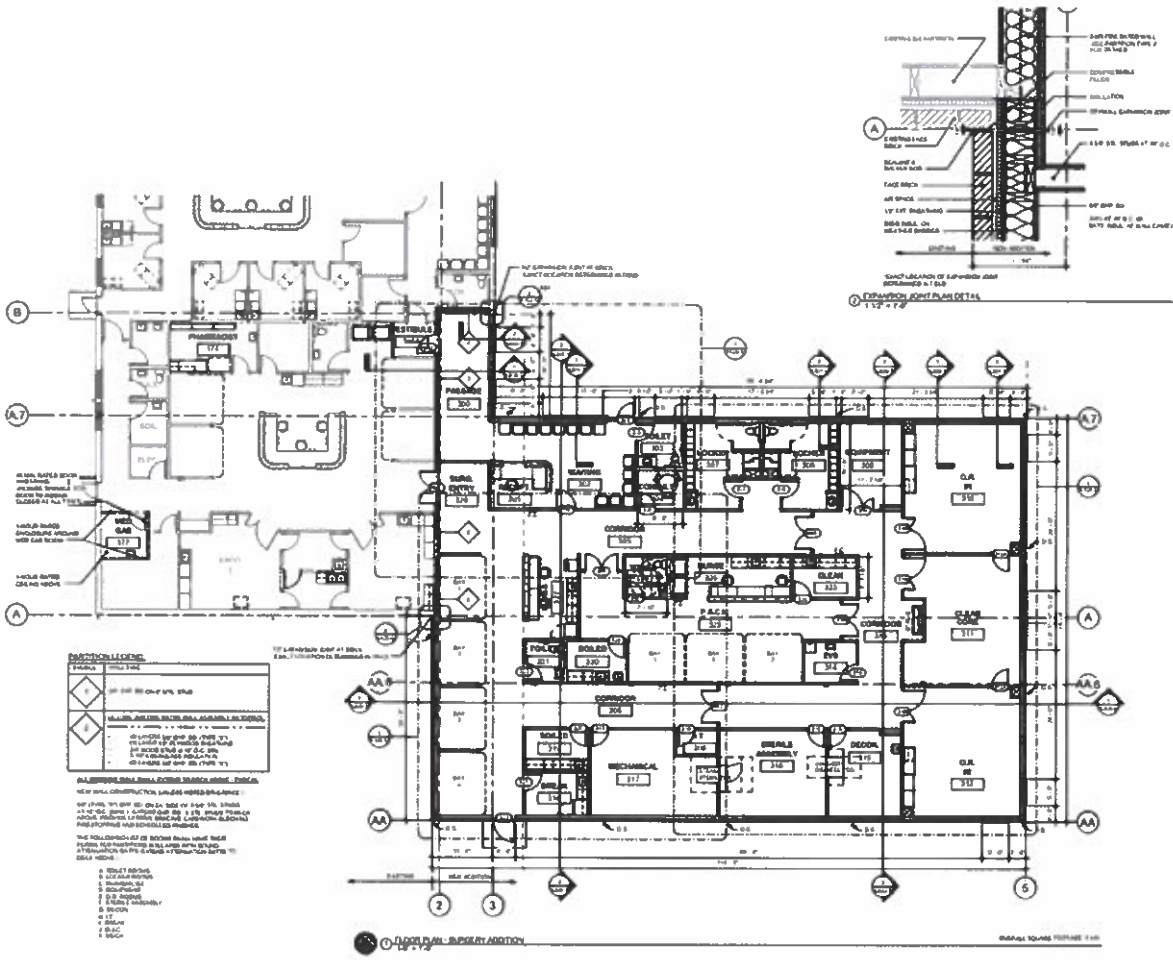
This project proposes to establish a new health care facility and is classified as *substantive* (20 ILCS 3960/12).

The floor plans for the ASTC are included below and the site for the new construction is defined as follows:

**Topography:** The proposed project area is in the level to rolling uplands drained by a tributary to Henderson Creek to the west to the Mississippi. This upland landscape is a loess capped Wisconsinan age glacial till plain. The west end of the tract steps up dramatically.

**Soils:** The project area is mapped as Ipava Silt Loam and Sable Silty Clay Loam. These soil series formed under prairie conditions.

The site was previously used for agriculture. When sold to Graham Hospital Association, the previous owners intended that the land be used for community benefit. Since purchasing, Graham Health System has constructed a new multi-specialty clinic which has been operational since August 2024. The ASTC will sit adjacent to this existing structure.



483 ARCHITECTS  
 200 W. 3rd Street, Suite 200  
 Des Moines, IA 50319  
 Phone: 515.281.4833  
 Fax: 515.281.4834  
 Website: www.483architects.com

CLIENT: GRAYHAM MEDICAL, LLC  
 200 W. 3rd Street, Suite 200  
 Des Moines, IA 50319  
 Project No. 2007-010

DATE: 08/14/07  
 DRAWING NO.: A103-1  
 SCALE: AS SHOWN

PROJECT: CALLEBURG SURGERY ADDITION  
 200 W. 3rd Street, Suite 200  
 Des Moines, IA 50319

PRELIMINARY - NOT FOR CONSTRUCTION  
 PROJECT: 2007-010  
 A103-1

**Project Costs and Sources of Funds**

Complete the following table listing all costs (see 77 Ill. Adm. Code 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 (see 77 Ill. Adm. Code 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 equal.

<b>Project Costs and Sources of Funds</b>			
<b>USE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Preplanning Costs	0.00	0.00	0.00
Site Survey and Soil Investigation	7,235.00	0.00	7,235.00
Site Preparation	168,064.00	0.00	164,064.00
Off Site Work	0.00	0.00	0.00
New Construction Contracts	4,401,263.00	0.00	4,401,263.00
Modernization Contracts	0.00	0.00	0.00
Contingencies	479,433.00	0.00	479,433.00
Architectural/Engineering Fees	205,083.00	0.00	205,083.00
Consulting and Other Fees	0.00	0.00	0.00
Movable or Other Equipment (not in construction contracts)	2,602,337.49	0.00	2,602,337.49
Bond Issuance Expense (project related)	54,505.40	0.00	54,505.40
Net Interest Expense During Construction (project related)	0.00	0.00	0.00
Fair Market Value of Leased Space or Equipment	0.00	0.00	0.00
Other Costs to Be Capitalized	0.00	0.00	0.00
Acquisition of Building or Other Property (excluding land)	0.00	0.00	0.00
<b>TOTAL USES OF FUNDS</b>	<b>7,917,920.89</b>	<b>0.00</b>	<b>7,917,920.89</b>
<b>SOURCE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Cash and Securities	3,605,420.89	0.00	3,605,420.89
Pledges	0.00	0.00	0.00
Gifts and Bequests	0.00	0.00	0.00
Bond Issues (project related)	4,312,500.00	0.00	4,312,500.00
Mortgages	0.00	0.00	0.00
Leases (fair market value)	0.00	0.00	0.00
Governmental Appropriations	0.00	0.00	0.00
Grants	0.00	0.00	0.00
Other Funds and Sources	0.00	0.00	0.00
<b>TOTAL SOURCES OF FUNDS</b>	<b>7,917,920.89</b>	<b>0.00</b>	<b>7,917,920.89</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.</b>			

**Related Project Costs**

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

Land acquisition is related to project <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Purchase Price: \$ <u>12,844.57</u> Fair Market Value: \$ <u>24,858.76</u>
The project involves the establishment of a new facility or a new category of service <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, provide the dollar amount of all <b>non-capitalized</b> operating start-up costs (including operating deficit through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100. Estimated start-up and operating deficit costs \$ <u>3,176,459</u> Start-up; no-anticipated operating deficit

**Project Status and Completion Schedules**

<b>For facilities in which prior permits have been issued please provide the permit numbers.</b>
Indicate the stage of the project's architectural drawings: <input type="checkbox"/> None or not applicable <input type="checkbox"/> Preliminary <input type="checkbox"/> Schematics <input checked="" type="checkbox"/> Final Working
Anticipated project completion date (see 77 Ill. Adm. Code 1130.140): July 2026
Indicate the following with respect to project expenditures or to financial commitments (see 77 Ill. Adm. Code 1130.140): <input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed. <input type="checkbox"/> 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. <input checked="" type="checkbox"/> Financial Commitment will occur after permit issuance.
<b>APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.</b>

**State Agency Submittals [see 77 Ill. Adm. Code 1130.620(c)]**

Are the following submittals up to date as applicable? <input checked="" type="checkbox"/> Cancer Registry <input checked="" type="checkbox"/> APORS <input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted <input checked="" type="checkbox"/> All reports regarding outstanding permits
<b>Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.</b>

**Cost Space Requirements-Left blank and included Attachment 9 with ASTC Category**

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. [see 20 ILCS 3960/3]

Dept. / Area	Cost	GSF		Amount of Proposed Total GSF That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>REVIEWABLE</b>							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
<b>NON-REVIEWABLE</b>							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
<b>TOTALS</b>							
<b>APPEND DOCUMENTATION AS ATTACHMENT 9, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.</b>							

**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.


<b>FACILITY NAME: Not Applicable to Project</b>			<b>CITY:</b>			
<b>REPORTING PERIOD DATES:</b>		<b>From: To:</b>				
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds	
Medical/Surgical						
Obstetrics						
Pediatrics						
Intensive Care						
Comprehensive Physical Rehabilitation						
Acute/Chronic Mental Illness						
Neonatal Intensive Care						
General Long-Term Care						
Specialized Long-Term Care						
Long Term Acute Care						
Other (identify)						
<b>TOTALS:</b>						


**CERTIFICATION**

The Application must be signed by the authorized representative(s) of the applicant entity (see 77 Ill. Adm. Code 1130.140). 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.

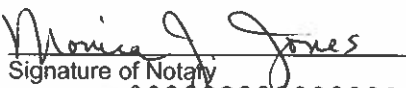
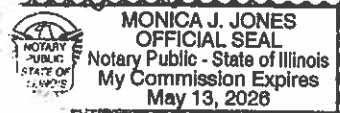
This Application is filed on the behalf of Graham Hospital Association \* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity.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

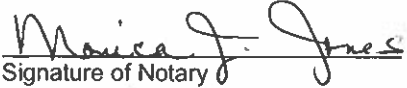
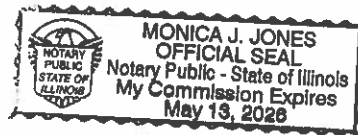
  
SIGNATURE  
Robert G. Bennett  
PRINTED NAME  
President & CEO  
PRINTED TITLE

  
SIGNATURE  
Allison Sours  
PRINTED NAME  
Chief Operating Officer  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_ day of \_\_\_\_\_

Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_ day of \_\_\_\_\_

  
Signature of Notary  
Seal 

  
Signature of Notary  
Seal 

\*Insert the EXACT legal name of the applicant



## SECTION II. DISCONTINUATION

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

Review the criteria and provide the following information: **NOT APPLICABLE TO PROJECT**

### GENERAL INFORMATION REQUIREMENTS (see 77 Ill. Adm. Code 1110.290(a))

1. Identify the categories of service and the number of beds, if any, that are to be discontinued.
2. Identify all 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 health care 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 health care 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 (see 77 Ill. Adm. Code 1110.290(b))

The applicant shall state the reason(s) for the discontinuation and provide data that verifies the need for the proposed action (see 77 Ill. Adm. Code 1110.290(b) for examples).

### IMPACT ON ACCESS (see 77 Ill. Adm. Code 1110.290(c))

1. Document whether the discontinuation of each category of service or of the entire facility will have an adverse effect upon access to care for residents of the facility's market area (see 77 Ill. Adm. Code 1100.510(d)).
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same categories of services as those being discontinued) located within the geographic service area.

**APPEND DOCUMENTATION AS ATTACHMENT 10, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.**

### 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.

Review the criteria and provide the following information:

#### BACKGROUND OF APPLICANT (77 Ill. Adm. Code 1110.110(a))

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 application 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 AT THE END OF THE APPLICATION. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.**

**PURPOSE OF PROJECT (77 Ill. Adm. Code 1110.110(b))**

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 AT THE END OF THE APPLICATION. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.**

**ALTERNATIVES (77 Ill. Adm. Code 1110.110(d))**

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 AT THE END OF THE APPLICATION.**

**SECTION IV. PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE**

Review the criteria and provide the following information:

**SIZE OF PROJECT (77 Ill. Adm. Code 1110.120(a))**

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative and include the basis used for determining the space and the methodology applied.**
2. If the gross square footage exceeds the BGSF/DGSF standards in 77 Ill. Adm. Code 1110.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 AT THE END OF THE APPLICATION.**

**NOT APPLICABLE TO PROJECT**

**PROJECT SERVICES UTILIZATION (77 Ill. Adm. Code 1110.120(b))**

This criterion is applicable 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 77 Ill. Adm. Code 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 AT THE END OF THE APPLICATION.**

**UNFINISHED OR SHELL SPACE (77 Ill. Adm. Code 1110.110(d))**

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 AT THE END OF THE APPLICATION.**

**ASSURANCES (77 Ill. Adm. Code 1110.110(e))**

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 AT THE END OF THE APPLICATION.**

## SECTION V. - MASTER DESIGN AND RELATED PROJECTS

### NOT APPLICABLE TO PROJECT

This Section is applicable only to proposed master design and related projects.

#### **System Impact of Master Design (77 Ill. Adm. Code 1110.130(a))**

Provide documentation that addresses the following:

1. The availability of alternative health care facilities within the planning area and the impact that the proposed project and subsequent related projects will have on the utilization of such facilities.
2. How the services proposed in future projects will improve access to planning area residents.
3. What the potential impact upon planning area residents would be if the proposed services were not replaced or developed.
4. The anticipated role of the facility in the delivery system including anticipated patterns of patient referral, any contractual or referral agreements between the applicant and other providers that will result in the transfer of patients to the applicant's facility.

#### **Master Plan or Related Future Projects (77 Ill. Adm. Code 1110.130(b))**

Provide documentation regarding the need for all beds and services to be developed and document the improvement in access for each service proposed. Provide the following:

1. The anticipated completion date(s) for the future construction or modernization projects; and
2. Evidence that the proposed number of beds and services is consistent with the need assessment provisions of Part 1100; or documentation that the need for the proposed number of beds and services is justified due to such factors, but not limited to:
  - a. limitation on government funded or charity patients that are expected to continue.
  - b. restrictive admission policies of existing planning area health care facilities that are expected to continue.
  - c. the planning area population is projected to exhibit indicators of medical care problems such as average family income below poverty levels or projected high infant mortality.
3. Evidence that the proposed beds and services will meet or exceed the utilization targets established in Part 1100 within two years after completion of the future construction of modernization project(s), based upon:
  - a. historical service/beds utilization levels.
  - b. projected trends in utilization (include the rationale and projection assumptions used in such projections).
  - c. anticipated market factors such as referral patterns or changes in population characteristics (age, density, wellness) that would support utilization projections; and anticipated changes in delivery of the service due to changes in technology, care delivery techniques or physician availability that would support the projected utilization levels.

**Relationship to Previously Approved Master Design Projects (77 Ill. Adm. Code 1110.235(c))**

Review the criteria which requires that projects submitted pursuant to a master design permit are consistent with the approved master design project. Provide the following documentation:

1. Schematic architectural plans for all construction or modification approved in the master design permit.
2. The estimated project cost for the proposed projects and also for the total construction/modification projects approved in the master design permit.
3. An item-by-item comparison of the construction elements (i.e., site, number of buildings, number of floors, etc.) in the proposed project to the approved master design project.
4. A comparison of proposed beds and services to those approved under the master design permit.

**APPEND DOCUMENTATION AS ATTACHMENT 18, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.**

**SECTION VI. SERVICE SPECIFIC REVIEW CRITERIA**

This Section is applicable to projects proposing to establish, expand, or modernize categories of service that are subject to CON review. It is comprised of information requirements, as well as charts for each service, indicating the review criteria that must be addressed for each action. After identifying the applicable review criteria for each category of service, provide the required information.

**A. Medical/Surgical, Obstetric, Pediatric and Intensive Care**

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:

Indicate bed capacity changes by Service:                      Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
<input type="checkbox"/> Medical/Surgical		
<input type="checkbox"/> Obstetric		
<input type="checkbox"/> Pediatric		
<input type="checkbox"/> Intensive Care		

Review the applicable criteria below and submit the required documentation:

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.200(b)(1) – Planning Area Need - Formula Calculation	X		
1110.200(b)(2) - Service to Planning Area Residents	X	X	
1110.200(b)(3) - Establishment of Category of Service	X		
1110.200(b)(4) - Expansion of Existing Category of Service		X	
1110.200(b)(5) - 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)(1-3) - Deteriorated Facilities			X
1110.200(d)(4) - Occupancy			X
1110.200(e) - Staffing Availability	X	X	
1110.200(f) - Performance Requirements	X	X	X
1110.200(g) - Assurances	X	X	
<b>APPEND DOCUMENTATION AS ATTACHMENT 19, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.</b>			



**B. Comprehensive Physical Rehabilitation**

Applicants proposing to establish, expand and/or modernize the Comprehensive Physical Rehabilitation category of service must submit the following information:

Indicate bed capacity changes by Service:                      Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
<input type="checkbox"/> Comprehensive Physical Rehabilitation		

Review the applicable criteria below and submit the required documentation:

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.205(b)(1) - Planning Area Need - Formula Calculation	X		
1110.205(b)(2) - Service to Planning Area Residents	X	X	
1110.205(b)(3) - Establishment of Category of Service	X		
1110.205(b)(4) - Expansion of Existing Category of Service		X	
1110.205(b)(5) - Service Accessibility	X		
1110.205(c)(1) - Unnecessary Duplication of Services	X		
1110.205(c)(2) - Maldistribution	X		
1110.205(c)(3) - Impact of Project on Other Area Providers	X		
1110.205(d)(1-3) - Deteriorated Facilities			X
1110.205(d)(4) - Occupancy			X
1110.205(e)(1) - Staffing Availability	X	X	
1110.205(f) - Performance Requirements	X	X	X
1110.205(g) - Assurances	X	X	
<b>APPEND DOCUMENTATION AS ATTACHMENT 20, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.</b>			

**C. Acute Mental Illness and Chronic Mental Illness**

Applicants proposing to establish, expand and/or modernize the Acute Mental Illness and Chronic Mental Illness categories of service must submit the following information:

Indicate bed capacity changes by Service:                      Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
<input type="checkbox"/> Acute Mental Illness		
<input type="checkbox"/> Chronic Mental Illness		

Review the applicable criteria below and submit the required documentation:

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.210(b)(1) - Planning Area Need - Formula Calculation	X		
1110.210(b)(2) - Service to Planning Area Residents	X	X	
1110.210(b)(3) - Establishment of Category of Service	X		
1110.210(b)(4) - Expansion of Existing Category of Service		X	
1110.210(b)(5) - Service Accessibility	X		
1110.210(c)(1) - Unnecessary Duplication of Services	X		
1110.210(c)(2) - Maldistribution	X		
1110.210(c)(3) - Impact of Project on Other Area Providers	X		
1110.210(d)(1-3) - Deteriorated Facilities			X
1110.210(d)(4) - Occupancy			X
1110.210(e)(1) - Staffing Availability	X	X	
1110.210(f) - Performance Requirements	X	X	X
1110.210(g) - Assurances	X	X	
<b>APPEND DOCUMENTATION AS ATTACHMENT 21, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.</b>			

**D. Open Heart Surgery**

Applicants proposing to establish, expand and/or modernize the Open-Heart Surgery category of service must submit the following information.

Indicate bed capacity changes by Service:      Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
<input type="checkbox"/> Open Heart Surgery		

Review the applicable criteria below and submit the required documentation:

**1. 1110.220(b)(1), Peer Review**

Review the criteria and submit a detailed explanation of your peer review program.

**2. 1110.220(b)(2), Establishment of Open-Heart Surgery**

Review the criteria and provide the following information:

- a. The number of cardiac catheterizations (patients) performed in the latest 12-month period for which data is available.
- b. The number of patients referred for open heart surgery following cardiac catheterization at your facility, for each of the last two years.

**3. 1110.220(b)(3), Unnecessary Duplication of Services**

Review the criteria and address the following:

- a. Contact all existing facilities within the established radii of your facility which currently provide or are approved to provide open heart surgery to determine what the impact of the proposed project will be on their facility.
- b. Provide a sample copy of the letter written to each of the facilities and include a list of the facilities that were sent letters.
- c. Provide a copy of all the responses received.

**4. 1110.220(b)(4), Support Services**

Review the criteria and indicate on a service-by-service basis which of the services listed in this criterion are available on a 24-hour inpatient basis and explain how any services not available on a 24-hour inpatient basis can be immediately always mobilized for emergencies.

**5. 1110.220(b)(5), Staffing**

Review the criteria and for those positions described under this criteria provide the following information:

- a. The name and qualifications of the person currently filling the job.
- b. Application filed for a position.
- c. Signed contracts with the required staff.
- d. A detailed explanation of how you will fill the positions.

**APPEND DOCUMENTATION AS ATTACHMENT 22, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.**

**E. Cardiac Catheterization**

Applicants proposing to establish, expand and/or modernize the Cardiac Catheterization category of service must submit the following information.

Indicate bed capacity changes by Service:      Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
<input type="checkbox"/> Cardiac Catheterization		

Review the applicable criteria below and submit the required documentation:

**1. 1110.225(a), Peer Review**

Review the criterion and submit a detailed explanation of your peer review program.

**2. 1110.225(b), Establishment or Expansion of Cardiac Catheterization Service**

Review the criteria and, if applicable, submit the following information:

- a. A map (on 8 1/2" x 11" paper) showing the location of the other hospitals providing cardiac catheterization services within the planning area.
- b. The number of cardiac catheterizations performed for the last 12 months at each of the hospitals shown on the map.
- c. Provide the number of patients transferred directly from the applicant's hospital to another facility for cardiac catheterization services in each of the last three years.

**3. 1110.225(c), Unnecessary Duplication of Services**

Review the criteria and, if applicable, submit the following information.

- a. Copies of the letter sent to all facilities within the planning area that currently provide cardiac catheterization. This letter must contain a description of the proposed project and a request that the other facility quantify the impact of the proposal on its program.
- b. Copies of the responses received from the facilities to which the letter was sent.

**4. 1110.225(d), Modernization of Existing Cardiac Catheterization Laboratories**

Review the criterion and, if applicable, submit the number of cardiac catheterization procedures performed for the latest 12 months.

**5. 1110.225(e), Support Services**

Review the criterion and indicate on a service-by-service basis which of the listed services are available on a 24-hour basis and explain how any services not available on a 24-hour basis will be available when needed.

**6. 1110.225(f), Laboratory Location**

Review the criterion and, if applicable, submit line drawings showing the location of the proposed laboratories. If the laboratories are not in proximity, explain why.

**7. 1110.225(g), Staffing**

Review the criterion and submit a list of names and qualifications of those who will fill the positions detailed in this criterion. Also, provide staffing schedules to show the coverage required by this criterion.

**8. 1110.225(h), Continuity of Care**

Review the criterion and submit a copy of the fully executed written referral agreement(s).

**9. 1110.225(i), Multi-institutional Variance**

Review the criteria and, if applicable, submit the following information:

- a. A copy of a fully executed affiliation agreement between the two facilities involved.
- b. Names and positions of the shared staff at the two facilities.
- c. The volume of open-heart surgeries performed for the latest 12-month period at the existing operating program.
- d. A cost comparison between the proposed project and expansion at the existing operating program.
- e. The number of cardiac catheterization procedures performed in the last 12 months at the operating program.
- f. The number of catheterization laboratories at the operating program.
- g. The projected cardiac catheterization volume at the proposed facility annually for the next 2 years.
- h. The basis for the above projection.

**APPEND DOCUMENTATION AS ATTACHMENT 23, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.**

**F. In-Center Hemodialysis**

Applicants proposing to establish, expand and/or modernize the In-Center Hemodialysis category of service must submit the following information:

Indicate station capacity changes by Service: Indicate # of stations changed by action(s):

Category of Service	# Existing Stations	# Proposed Stations
<input type="checkbox"/> In-Center Hemodialysis		

Review the applicable criteria below and submit the required documentation:

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.230(b)(1) - Planning Area Need - Formula Calculation	X		
1110.230(b)(2) - Service to Planning Area Residents	X	X	
1110.230(b)(3) - Establishment of Category of Service	X		
1110.230(b)(4) - Expansion of Existing Category of Service		X	
1110.230(b)(5) - Service Accessibility	X		
1110.230(c)(1) - Unnecessary Duplication of Services	X		
1110.230(c)(2) - Maldistribution	X		
1110.230(c)(3) - Impact of Project on Other Area Providers	X		
1110.230(d)(1-3) - Deteriorated Facilities and Documentation			X
1110.230(e) - Staffing	X	X	
1110.230(f) - Support Services	X	X	X
1110.230(g) - Minimum Number of Stations	X		
1110.230(h) - Continuity of Care	X		
1110.230(i) - Relocation (if applicable)	X		
1110.230(j) - Assurances	X	X	
<b>APPEND DOCUMENTATION AS ATTACHMENT 24, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.</b>			

Projects for relocation of a facility from one location in a planning area to another in the same planning area must address the requirements listed in subsection (a)(1) for the "Establishment of Services or Facilities", as well as the requirements in Section 1130.525 – "Requirements for Exemptions Involving the Discontinuation of a Health Care Facility or Category of Service" and subsection 1110.230(i) - Relocation of an in-center hemodialysis facility.

**G. Non-Hospital Based Ambulatory Surgery**

Applicants proposing to establish, expand and/or modernize the Non-Hospital Based Ambulatory Surgery category of service must submit the following information.

ASTC Service
<input type="checkbox"/> Cardiovascular
<input type="checkbox"/> Colon and Rectal Surgery
<input type="checkbox"/> Dermatology
<input type="checkbox"/> General Dentistry
<input checked="" type="checkbox"/> General Surgery
<input type="checkbox"/> Gastroenterology
<input type="checkbox"/> Neurological Surgery
<input type="checkbox"/> Nuclear Medicine
<input checked="" type="checkbox"/> Obstetrics/Gynecology
<input type="checkbox"/> Ophthalmology
<input type="checkbox"/> Oral/Maxillofacial Surgery
<input checked="" type="checkbox"/> Orthopedic Surgery
<input checked="" type="checkbox"/> Otolaryngology
<input checked="" type="checkbox"/> Pain Management
<input type="checkbox"/> Physical Medicine and Rehabilitation
<input type="checkbox"/> Plastic Surgery
<input checked="" type="checkbox"/> Podiatric Surgery
<input type="checkbox"/> Radiology
<input type="checkbox"/> Thoracic Surgery
<input checked="" type="checkbox"/> Urology
<input type="checkbox"/> Other _____

Review the applicable criteria below and submit the required documentation:

APPLICABLE REVIEW CRITERIA	Establish New ASTC or Service	Expand Existing Service
1110.235(c)(2)(B) - Service to GSA Residents	X	X
1110.235(c)(3) - Establishment of an ASTC or Additional ASTC Service	X	
1110.235(c)(4) - Expansion of Existing ASTC Service		X
1110.235(c)(5) - Treatment Room Need Assessment	X	X
1110.235(c)(6) - Service Accessibility	X	
1110.235(c)(7)(A) - Unnecessary Duplication	X	
1110.235(c)(7)(B) - Maldistribution	X	
1110.235(c)(7)(C) - Impact to Area Providers	X	
1110.235(c)(8) - Staffing	X	X
1110.235(c)(9) - Charge Commitment	X	X
1110.235(c)(10) - Assurances	X	X
<b>APPEND DOCUMENTATION AS ATTACHMENT 25, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.</b>		

**H. Selected Organ Transplantation**

Applicants proposing to establish or modernize the Selected Organ Transplantation category of service must submit the following information:

Indicate changes by Service:

Indicate # of rooms changed by action(s):

Transplantation Type	# Existing Beds	# Proposed Beds
<input type="checkbox"/> _____		
<input type="checkbox"/> _____		

Review the applicable criteria below and submit the required documentation:

APPLICABLE REVIEW CRITERIA	Establish	Modernize
1110.240(b)(1) - Planning Area Need - Formula Calculation	X	
1110.240(b)(2) - Service to Planning Area Residents	X	
1110.240(b)(3) - Establishment of Category of Service	X	
1110.240(b)(4) - Service Accessibility	X	
1110.240(c)(1) - Unnecessary Duplication	X	
1110.240(c)(2) - Maldistribution	X	
1110.240(c)(3) - Impact of Project on Other Area Providers	X	
1110.240(d)(1-3) - Deteriorated Facilities		X
1110.240(d)(4) - Utilization		X
1110.240(e) - Staffing Availability	X	
1110.240(f) - Surgical Staff	X	
1110.240(g) - Collaborative Support	X	
1110.240(h) - Support Services	X	
1110.240(i) - Performance Requirements	X	X
1110.240(j) - Assurances	X	X

**APPEND DOCUMENTATION AS ATTACHMENT 26, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.**

**I. Kidney Transplantation**

Applicants proposing to establish or modernize the Kidney Transplantation category of service must submit the following information:

Indicate changes:

Indicate # of key rooms by action:

Category of Service	# Existing Beds	# Proposed Beds
<input type="checkbox"/> <b>Kidney Transplantation</b>		

Review the applicable criteria below and submit required documentation:

APPLICABLE REVIEW CRITERIA	Establish	Modernize
1110.245(b)(1) - Planning Area Need - Formula Calculation	X	
1110.245(b)(2) - Service to Planning Area Residents	X	
1110.245(b)(3) - Establishment of Category of Service	X	
1110.245(b)(4) - Service Accessibility	X	
1110.245(c)(1) - Unnecessary Duplication	X	
1110.245(c)(2) - Maldistribution	X	
1110.245(c)(3) - Impact of Project on Other Area Providers	X	
1110.245(d)(1-3) - Deteriorated Facilities		X
1110.245(d)(4) - Occupancy		X
1110.245(e) - Staffing Availability	X	
1110.245(f) - Surgical Staff	X	
1110.245(g) - Support Services	X	
1110.245(h) - Performance Requirements	X	X
1110.245(i) - Assurances	X	

**APPEND DOCUMENTATION AS ATTACHMENT 27, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.**

**J. Community-Based Residential Rehabilitation Center**

**A. 1110.260(b)(1), Staffing**

Review the criteria and provide the following information:

1. A detailed staffing plan that identifies the number and type of staff positions dedicated to the model and the qualifications for each position.
2. How special staffing circumstances will be handled.
3. The staffing patterns for the proposed center; and
4. The way non-dedicated staff services will be provided.

**B. 1110.260(b)(2), Mandated Services**

Review the criterion and provide a narrative description documenting how the applicant will provide the minimum range of services required by Section 35 of the Alternative Health Care Delivery Act.

**C. 1110.260(b)(3), Unit Size**

Review the criterion and provide a narrative description that identifies the number and location of all beds in the model. Include the total number of beds for each residence and the total number of beds for the model.

**D. 1110.260(b)(4), Utilization**

Review the criterion and provide documentation that the target utilization for the model will be achieved by the second year of the model's operation. Include supporting information such as historical utilization trends, population growth, expansion of professional staff or programs, and the provision of new procedures that may increase utilization.

**E. 1110.260(b)(5), Background of Applicant**

Review the criterion and provide documentation that demonstrates the applicant's experience in providing the services required by the model. Provide evidence that the programs offered in the model have been accredited by the Commission on Accreditation of Rehabilitation Facilities as a Brain Injury Community-Integrative Program for at least three of the last five years.

**APPEND DOCUMENTATION AS ATTACHMENT 28, IN NUMERIC SEQUENTIAL ORDER AT THE LAST END OF THE APPLICATION.**



**K. Long Term Acute Care Hospital**

Applicants proposing to establish, expand and/or modernize Long Term Acute Care Hospital Bed projects must submit the following information:

Indicate the bed service(s) and capacity changes by Service:  
Indicate the # of beds by action(s):

Category of Service	# Existing Beds	# Proposed Beds
<input type="checkbox"/> <b>LTACH</b>		
<input type="checkbox"/> <b>Intensive Care</b>		
<input type="checkbox"/>		

Review the applicable criteria below and submit the required documentation:

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.265(b)(1) - Planning Area Need - Formula Calculation	X		
1110.265(b)(2) - Service to Planning Area Residents	X	X	
1110.265(b)(3) - Establishment of Category of Service	X		
1110.265(b)(4) - Expansion of Existing Category of Service		X	
1110.265(b)(5) - Service Accessibility	X		
1110.265(c)(1) - Unnecessary Duplication	X		
1110.265(c)(2) - Maldistribution	X		
1110.265(c)(3) - Impact of Project on Other Area Providers	X		
1110.265(d)(1-3) - Deteriorated Facilities			X
1110.265(d)(4) - Occupancy			X
1110.265(e) - Staffing Availability	X	X	
1110.265(f) - Performance Requirements	X	X	X
1110.265(g) - Assurances	X	X	
<b>APPEND DOCUMENTATION AS ATTACHMENT 29, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.</b>			

**L. Clinical Service Areas Other than Categories of Service**

Applicants proposing to establish, expand and/or modernize Clinical Service Areas Other than categories of service must submit the following information:

Indicate changes by Service:                      Indicate # of key room changes by action(s):

Service	# Existing Key Rooms	# Proposed Key Rooms
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

Review the applicable criteria below and submit the required documentation:

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
<b>APPEND DOCUMENTATION AS ATTACHMENT 30, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.</b>	

## **M. Freestanding Emergency Center Medical Services**

### **A. 1110.280 – Establishment of Freestanding Emergency Center Medical Services**

Review the criteria and provide the following information:

1. Projected Utilization – Provide the projected number of patient visits per day for each treatment station in the FEC based upon 24-hour availability, including an explanation of how the projection was determined. (see 77 Ill. Adm. Code 1110.280(c)(3)(B))
2. The identification of the municipality of the FEC and FECMS and the municipality's population as reported by the most recently available U.S. Census Bureau data. (see 77 Ill. Adm. Code 1110.280(b)(5))
3. The identification of the hospital that owns or controls the FEC and the distance of the proposed FEC from that hospital, including an explanation of how that distance was calculated. (see 77 Ill. Adm. Code 1110.280(b)(5)(B))
4. The identification of the Resource Hospital affiliated with the FEC, the distance of the proposed FEC from that Resource Hospital, (including an explanation of how that distance was calculated), and identification of that Resource Hospital's EMS system, including certification of the hospital's Resource Hospital status. (see 77 Ill. Adm. Code 1110.280(b)(5)(C))
5. Certification signed by two authorized representative(s) of the applicant entity(s) that they have reviewed, understand and plan to comply with both of the following requirements (see 77 Ill. Adm. Code 1110.280(b)(6)):
  - A) The requirements of becoming a Medicare provider of freestanding emergency services; and
  - B) The requirements of becoming licensed under the Emergency Medical Services Systems Act [210 ILCS 50/32.5].
6. Area Need; Service to Area Residents - Document the proposed service area and projected patient volume for the proposed FEC (see 77 Ill. Adm. Code 1110.280(c)):
  - A) Provide a map of the proposed service area, indicating the boundaries of the service area, and the total minutes travel time from the proposed site, indicating how the travel time was calculated.
  - B) Provide a list of the projected patient volume for the proposed FEC, categorized by zip code. Indicate what percentage of this volume represents residents from the proposed FEC's service area.
  - C) Provide either of the following:
    - a) Provide letters from authorized representatives of hospitals, or other FEC facilities, that are part of the Emergency Medical Services System (EMSS) for the defined service area, that contain patient origin information by zip code, (each letter shall contain a certification by the authorized representative that the representations contained in the letter are true and correct. A complete set of the letters with original notarized signatures shall accompany the application for permit), or
    - b) Patient origin information by zip code from independent data sources (e.g., Illinois Health and Hospital Association COMP data or IDPH hospital discharge data), based upon the patient's legal residence, for patients receiving services in the existing service area's facilities' emergency departments (EDs), verifying that at least 50% of the ED patients served during the last 12-month period were residents of the service area.
7. Area Need; Service Demand – Historical Utilization (see 77 Ill. Adm. Code 1110.280(c)(3)(A))
  - A) Provide the annual number of ED patients that have received care at facilities that are in the FEC's service area for the latest two-year period prior to submission of the application.

**Freestanding Emergency Center Medical Services (continued)**

- B) Provide the estimated number of patients anticipated to receive services at the proposed FEC, including an explanation of how the projection was determined.
- 8. Area Need; Service Accessibility - Document one of the following (using supporting documentation as specified in accordance with the requirements of 77 Ill. Adm. Code 1110.280(c)(4)(B) Supporting Documentation):
  - A) The absence of the proposed ED service within the service area.
  - B) The area population and existing care system exhibit indicators of medical care problems.
  - C) All existing emergency services within the 30-minute normal travel time meet or exceed the utilization standard specified in 77 Ill Adm. Code 1100.
- 9. Unnecessary Duplication - Document that the project will not result in an unnecessary duplication by providing the following information (see 77 Ill. Adm. Code 1110.280(d)(1)):
  - A) A list of all zip code areas (in total or in part) that are located within 30 minutes normal travel time of the project's site.
  - B) The total population of the identified zip code areas (based upon the most recent population numbers available for the State of Illinois population); and
  - C) The names and locations of all existing or approved health care facilities located within 30 minutes normal travel time from the project site that provide emergency medical services.
- 10. Unnecessary Maldistribution - Document that the project will not result in maldistribution of services by documenting the following (see 77 Ill. Adm. Code 1110.280(d)(2)):
  - A) Historical utilization (for the latest 12-month period prior to submission of the application) for existing ED departments within 30 minutes travel time of the applicant's site; or
  - B) That there is not an insufficient population to provide the volume or caseload necessary to utilize the ED services proposed by the project at or above utilization standards.
- 11. Impact on Area Providers (see 77 Ill. Adm. Code 1110.280(d)(3)) – Document that, within 24 months after project completion, the proposed project will not lower the utilization of other service area providers below, or further below, the utilization standards specified in 77 Ill. Adm. Code 1100.
- 12. Staffing Availability - Document that a sufficient supply of personnel will be available to staff the service (see 77 Ill. Adm. Code 1110.280(f)).

**B. 1110.280 – Expansion of Existing Freestanding Emergency Center Medical Services**

Review the criteria and provide the following information:

- 1. The identification of the municipality of the FEC and FECMS and the municipality's population as reported by the most recently available U.S. Census Bureau data. (see 77 Ill. Adm. Code 1110.280(b)(5)(A))
- 2. The identification of the hospital that owns or controls the FEC and the distance of the proposed FEC from that hospital, including an explanation of how that distance was calculated. (see 77 Ill. Adm. Code 1110.280(b)(5)(B))
- 3. The identification of the Resource Hospital affiliated with the FEC, the distance of the proposed FEC from that Resource Hospital (including an explanation of how that distance was calculated), and identification of that Resource Hospital's EMS system, including certification of the hospital's Resource Hospital status. (see 77 Ill. Adm. Code 1110.280(b)(5)(C))
- 4. Provide copies of Medicare and EMS licensure, in addition to certification signed by two authorized representative(s) of the applicant entity(s), indicating that the existing FEC complies with both of the following requirements (see 77 Ill. Adm. Code 1110.280(a)(b)(A) and (B)):

**Freestanding Emergency Center Medical Services (continued)**

- A) The requirements of being a Medicare provider of freestanding emergency services; and
  - B) The requirements of being licensed under the Emergency Medical Services Systems Act [210 ILCS 50/32.5].
5. Area Need; Service to Area Residents - Document the proposed service area and projected patient volume for the expanded FEC (see 77 Ill. Adm. Code 1110.280(c)(2)):
- A) Provide a map of the proposed service area, indicating the boundaries of the service area, and the total minutes travel time from the expanded FEC, indicating how the travel time was calculated.
  - B) Provide a list of the historical (latest 12-month period) patient volume for the existing FEC, categorized by zip code, based on the patient's legal residence. Indicate what percentage of this volume represents residents from the existing FEC's service area, based on patient's legal residence.
6. Staffing Availability - Document that a sufficient supply of personnel will be available to staff the service (in accordance with the requirements of 77 Ill. Adm. Code 1110.280(f)).

**C. 1110.280 – Modernization of Existing Freestanding Emergency Center Medical Services**

Review the criteria and provide the following information:

- 1. The historical number of visits (based on the latest 12-month period) for the existing FEC.
- 2. The identification of the municipality of the FEC and FECMS and the municipality's population as reported by the most recently available U.S. Census Bureau data. (see 77 Ill. Adm. Code 1110.280(b)(5)(A))
- 3. The identification of the hospital that owns or controls the FEC and the distance of the proposed FEC from that hospital, including an explanation of how that distance was calculated. (see 77 Ill. Adm. Code 1110.280(b)(5)(B))
- 4. The identification of the Resource Hospital affiliated with the FEC, the distance of the proposed FEC from that Resource Hospital, (including an explanation of how that distance was calculated), and identification of that Resource Hospital's EMS system, including certification of the hospital's Resource Hospital status. (see 77 Ill. Adm. Code 1110.280.(b)(5)(C))
- 5. Provide copies of Medicare and EMS licensure, in addition to certification signed by two authorized representative(s) of the applicant entity(s), indicating that the existing FEC complies with both of the following requirements (see 77 Ill. Adm. Code 1110.280(b)(6)(A) and (B)):
  - A) The requirements of being a Medicare provider of freestanding emergency services; and
  - B) The requirements of being licensed under the Emergency Medical Services Systems Act [210 ILCS 50/32.5].
- 6. Category of Service Modernization - Document that the existing treatment areas to be modernized are deteriorated or functionally obsolete and need to be replaced or modernized due to such factors as, but not limited to high cost of maintenance, non-compliance with licensing or life safety codes, changes in standards of care, or additional space for diagnostic or therapeutic purposes. Documentation shall include the most recent IDPH Centers for Medicare and Medicaid Services (CMMS) Inspection reports, and Joint Commission on Accreditation of Healthcare Organizations reports. Other documentation shall include the following, as applicable to the factors cited in the application, copies of maintenance reports, copies of citations for life safety code violations, and other pertinent reports and data.

**APPEND DOCUMENTATION AS ATTACHMENT 31, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.**

**N. BIRTH CENTER**

Applicants proposing to establish, expand and/or modernize a Birth Center must submit the following information:

Indicate the bed service(s) and capacity changes by Service:  
 Indicate the # of beds by action(s):

Category of Service	# Existing Beds	# Proposed Beds
<input type="checkbox"/> Birth Center		

Review the applicable criteria below and submit the required documentation:

<b>APPLICABLE REVIEW CRITERIA</b>	<b>Establish</b>	<b>Expand</b>	<b>Modernize</b>
1110.285(c)(2) - Service to Area Residents	X	X	
1110.285(c)(3) - Service Accessibility	X	X	
1110.285(d)(1) - Unnecessary Duplication	X		
1110.285(d)(2) - Maldistribution	X		
1110.285(d)(3-4) - Impact of Project on Other Area Providers	X		
1110.285(e) - Modernization			X
1110.285(f) - Staffing Availability	X		
1110.285(g) - Charity Care	X		
1110.285(h) - Admission Policies	X		
1110.285(i) - Transfer Agreement and Hospital Proximity	X		
1110.285(j) - Prenatal Care and Community Education	X		
1110.285(k) - Quality Assurance	X		
<b>APPEND DOCUMENTATION AS ATTACHMENT 32, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.</b>			

**SECTION VII. AVAILABILITY OF FUNDS (77 ILL. ADM. CODE 1120.120)**

This criterion **DOES NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's or a rating of A3 or better from Moody's. The rating shall be affirmed within the latest 18-month period prior to the submittal of the application.

The applicant shall document that financial resources are available and are 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):

X		a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
		1)	the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
		2)	interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion.
		b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated timetable of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
		c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated timetable of receipts.
		d)	Debt – a statement of the estimated terms and conditions (including the debt time, variable or permanent interest rates over the debt time, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
		1)	General obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated.
		2)	Revenue bonds, proof of the feasibility of securing the specified amount and interest rate.
		3)	For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.
		4)	For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment.
		5)	For any option to lease, a copy of the option, including all 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.
		<b>TOTAL FUNDS AVAILABLE</b>	

**APPEND DOCUMENTATION AS ATTACHMENT 33, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.**

**SECTION VIII. FINANCIAL VIABILITY**

This criterion **DOES NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or a rating of A3 or better from Moody's. The rating shall be affirmed within the latest 18-month period prior to the submittal of the application.

All 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 NOT APPLICABLE TO PROJECT**

Financial viability ratios are not required if:

1. The applicant has an "A" Bond rating or better (see 77 Ill. Adm. Code 1120.20(b(3))); or
2. All the project's capital expenditures are completely funded through internal sources; or
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; or
4. The applicant provides a third-party surety bond or performance bond letter of credit from an A rated guarantor.

See 77 Ill. Adm. Code 1120.130(b) for information to be provided.

**APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.**

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 Three Years			Projected
	2021	2022	2023	2024
<b>Enter Historical and/or Projected Years:</b>	2021	2022	2023	2024
Current Ratio	1.49	1.56	1.19	1.30
Net Margin Percentage	3.5%	3.0%	1.1%	-2.0%
Percent Debt to Total Capitalization	27.8%	28.2%	29.6%	30.6%
Projected Debt Service Coverage	3.6	7.3	2.9	1.8
Days Cash on Hand	501.1	426.8	388.7	380.3
Cushion Ratio	39.08	29.58	25.72	26.38

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 35, IN NUMERICAL ORDER AT THE END OF THE APPLICATION.**

**SECTION IX. ECONOMIC FEASIBILITY**

This criterion **DOES NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or a rating of A3 or better from Moody's. The rating shall be affirmed within the latest 18-month period prior to the submittal of the application.

**A. Reasonableness of Financing Arrangements (77 Ill. Adm. Code 1120.140(a))**

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 (77 Ill. Adm. Code 1120.140(b))**

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 (77 Ill. Adm. Code 1120.140(c))**

Review the criterion and provide the following: 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)			
ASTC	\$565.96		8,436						\$4,774,410		\$4,774,410
Contingency	\$56.83								\$479,433		\$479,433
<b>TOTALS</b>	<b>\$622.79</b>		<b>8,436</b>						<b>\$5,253,843</b>		<b>\$5,523,843</b>

\* Include the percentage (%) of space for circulation



**D. Projected Operating Costs (77 Ill. Adm. Code 1120.140(d))**

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 (77 Ill. Adm. Code 1120.140(e))**

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 36, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.**

## 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 [see 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 [see 20 ILCS 3960/5.4(d)(1)].
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 38.**

<b>SAFETY NET INFORMATION</b>			
<b>CHARITY CARE</b>			
<b>Charity (# of patients)</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Inpatient	10	7	10
Outpatient	518	315	421
<b>TOTALS</b>	<b>528</b>	<b>3322</b>	<b>431</b>
<b>Charity (cost in dollars)</b>			
Inpatient	\$314,353	\$422,730	\$726,634
Outpatient	\$1,211,633	\$1,316,901	\$2,263,631
<b>TOTALS</b>	<b>\$1,525,986</b>	<b>\$1,739,631</b>	<b>\$2,990,265</b>
<b>MEDICAID</b>			
<b>Medicaid (# of patients)</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Inpatient	580	655	566
Outpatient	62,734	57,275	56,712
<b>TOTALS</b>	<b>63,314</b>	<b>57,930</b>	<b>57,278</b>
<b>Medicaid (revenue)</b>			
Inpatient	\$2,228,220	\$2,048,291	\$2,125,689
Outpatient	\$7,978,932	\$7,056,290	\$6,392,133
<b>TOTALS</b>	<b>\$10,207,152</b>	<b>\$9,104,581</b>	<b>\$8,517,822</b>

**APPEND DOCUMENTATION AS ATTACHMENT 37, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.**

**SECTION XI. CHARITY CARE INFORMATION**

Charity Care information **MUST** be furnished for **ALL** projects (see 77 Ill. Adm. Code 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 38.

<b>CHARITY CARE</b>			
	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Net Patient Revenue</b>	<b>\$103,846,242</b>	<b>\$93,018,619</b>	<b>\$82,056,144</b>
Amount of Charity Care (charges)	\$3,558,636	\$3,437,553	\$4,146,565
Cost of Charity Care	\$1,525,986	\$1,739,631	\$2,990,265



**APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERIC SEQUENTIAL ORDER AT THE END OF THE APPLICATION.**

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

In accordance with Executive Order 2006-5 (EO 5), 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: Graham Hospital Association 210 W. Walnut St.  
(Name) (Address)  
Canton IL 61520 309 647 5240  
(City) (State) (ZIP Code) (Telephone Number)

2. Project Location: 2028 N Seminary St. Galesburg, IL  
(Address) (City) (State)  
Knox  
(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. You can print a copy of the floodplain map by selecting the  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 x

**IS THE PROJECT SITE LOCATED IN THE 500-YEAR FLOOD PLAIN?** No

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: 170914 Effective Date: 10/4/2024  
Name of Official: Keith J. Plavec P.E. Title: Project Manager  
Business/Agency: Maurer-Stutz, INC. Address: 1670 East Ash St.  
Canton IL 61520 309 647 5240  
(City) (State) (ZIP Code) (Telephone Number)

Signature: See enclosed letter on Attachment 38. 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.**

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

<b>INDEX OF ATTACHMENTS</b>		
<b>ATTACHMENT NO.</b>		<b>PAGES</b>
1	Applicant Identification including Certificate of Good Standing	1
2	Site Ownership	2-6
3	Persons with 5% or greater interest in the licensee must be identified with the percent of ownership.	
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing, Etc.	7-8
5	Flood Plain Requirements	9-10
6	Historic Preservation Act Requirements	11-51
7	Project and Sources of Funds Itemization	52-55
8	Financial Commitment Document if required	56-57
9	Cost Space Requirements	58
10	Discontinuation	
11	Background of the Applicant	59-61
12	Purpose of the Project	62-67
13	Alternatives to the Project	68-69
14	Size of the Project	70
15	Project Service Utilization	
16	Unfinished or Shell Space	
17	Assurances for Unfinished/Shell Space	
	<b>Service Specific:</b>	
18	Medical Surgical Pediatrics, Obstetrics, ICU	
19	Comprehensive Physical Rehabilitation	
20	Acute Mental Illness	
21	Open Heart Surgery	
22	Cardiac Catheterization	
23	In-Center Hemodialysis	
<del>24</del> 25	Non-Hospital Based Ambulatory Surgery	71-110
25	Selected Organ Transplantation	
26	Kidney Transplantation	
27	Community-Based Residential Rehabilitation Center	
28	Long Term Acute Care Hospital	
29	Clinical Service Areas Other than Categories of Service	
30	Freestanding Emergency Center Medical Services	
31	Birth Center	
	<b>Financial and Economic Feasibility:</b>	
<del>32</del> 33	Availability of Funds	111-260
33	Financial Waiver	
<del>34</del> 35	Financial Viability	261-268
35	Economic Feasibility	
36	Safety Net Impact Statement	269-362
37	Charity Care Information	363
38	Flood Plain Information	364-365

File Number

0971-173-2



**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**

GRAHAM HOSPITAL ASSOCIATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON OCTOBER 16, 1905, 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.



Authentication #: 2430304602 verifiable until 10/29/2025  
Authenticate at: <https://www.ilsos.gov>

**In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 29TH day of OCTOBER A.D. 2024 .**

*Alexi Giannoulis*  
SECRETARY OF STATE

IN WITNESS WHEREOF, the Grantor has caused its name to be signed to these presents by its members on January 3, 2023.

GRANTOR: Schachtrup Enterprises Management Company, LLC,  
an Illinois limited liability company

By: Stephen Schachtrup  
Stephen Schachtrup, Manager

By: F. Michael Schachtrup  
F. Michael Schachtrup, Manager

STATE OF ILLINOIS                    )  
                                                  )ss.  
COUNTY OF KNOX                    )

I, the undersigned, a Notary Public in and for Knox County, Illinois, DO HEREBY CERTIFY that Stephen Schachtrup and F. Michael Schachtrup, not personally, but as managers of Schachtrup Enterprises Management Company, L.L.C, an Illinois Limited Liability Company, ("Grantor"), are personally known to me to be the same persons whose names are subscribed to the foregoing deed and that they appeared before me this day in person and acknowledged that as such member, they signed and delivered this deed as their free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Official Seal on January 3, 2023.

Jennifer E. Allgeyer  
Notary Public



Chief County Assessment Office  
121 S. Prairie Street, Suite 1  
Galesburg, IL 61401



## KNOX COUNTY ASSESSMENT NOTICE

8:30 a.m. to 4:30 p.m. Monday thru Friday

Date of Notice: 09/05/2024

GRAHAM HOSPITAL ASSOCIATION  
210 W WALNUT ST  
CANTON, IL 61520

Pin (Parcel) No : 99-03-226-009  
BENNY SCHACHTRUP SD  
PHASE 2 OUTLOT A S3 T11  
R1 DOCKET#  
24-048-00009  
99-03-226-008 & 009 100%  
3.80 Acres

**Property Value**

Property Type	Assessed Valuation		Reason for Current Year's valuation change
	(2023) Prior Year	(2024) Current Year	
Land/lot or farm homestead	2,030	0	REASSESSMENT
Non Farm Buildings	0	0	
Farmland	0	1,750	
Farm buildings/structures	0	0	
<b>Total</b>	<b>2,030</b>	<b>1,750</b>	

Percent Change from prior year to current year: -13.79%  
 2024 Full Fair Cash Value \$0 (excluding Farmland and Farm Buildings)  
 Assessments of property, other than farmland and coal, are required to be assessed at 33 1/3% of its fair market value.  
 A local township equalization factor, based on a 3 year sales ratio study from 2021-2023, WAS applied to the values shown above, (except for farmland & farm buildings), to achieve the 33 1/3%. The equalization factor is: 1.0328 for CITY OF GALESBURG Township.  
 Assessment changes will be published in the following newspaper: THE BURG  
 Publication date: 09/05/2024 Price per copy, \$1.00

**Homestead Exemptions:** Exemptions marked will be subtracted from the Equalized Assessed Value

General Homestead Exemption		Returning Veterans' Homestead Exemption	
Senior Citizen Homestead Exemption		Disabled Persons' Homestead Exemption	
Low-Income Senior Citizen Exemption Freeze		Disabled Veterans' Homestead Exemption	
Home Improvement Exemption		Disabled Veterans' Homestead Exemption (Special adapted housing)	

**Steps to Review and Appeal Your Property's Assessment**

<b>Step 1. Review your property's records</b>	A detailed description and assessment records of all parcels within your township/multi-township are available in the township/multi-township office or on the internet at <a href="http://www.co.knox.il.us/dept/assessment-office">www.co.knox.il.us/dept/assessment-office</a> for parcels in Knox County.
<b>Step 2. Questions? Contact your assessor to discuss your property's assessment.</b>	If you believe the full fair market value of your property is incorrect, or its assessed value is not uniform with other comparable properties in your area, or an error has been made, (e.g., property characteristics), you may talk to your township assessor.  LAURA E WILLIAMS Phone: (309) 342-1106 121 W. TOMPKINS ST. GALESBURG IL 61401
<b>Step 3. How to file an assessment appeal with the Knox County Board of Review?</b>	NOTE we have all new rules and forms for 2024. In order to determine standing to file a complaint, See Section C page 7 & 8 of the Knox County Board of Review Rules. You may appeal your assessment to the Knox County Board of Review. Appeals must be filed by the deadline date shown, (30 days after the publication date of the assessment changes by CCAO in the newspaper). If you file late, your appeal will not be heard. Board of Review complaint forms, and complaint rules and procedures are available in the Board of Review office or on line at <a href="http://www.co.knox.il.us/dept/assessment-office">www.co.knox.il.us/dept/assessment-office</a> .
<b>FILING DEADLINE</b> <b>BY 4 P.M.</b> <b>10/07/2024</b>	Knox County Board of Review Phone: (309) 345-3845 121 S. Prairie Street, Suite 1 Galesburg, IL 61401
<b>Step 4. Board of Review Decisions</b>	Review the Board of Review's tentative decision made based on evidence submitted with your appeal. If not satisfied with the tentative decision, request and attend a hearing. You may represent yourself, give someone legal power of attorney to represent you or have your attorney represent you at the hearing.
<b>Step 5. Notice of Final Decision by Board of Review</b>	The Board of Review will mail you a notice of its final decision on the assessed value and certified assessed values. (after equalization by the board of review) for the County Clerk to extend taxes for the collection of property taxes. You can determine from the notice if you want to file a further appeal to the State Property Tax Appeal Board.



Chief County Assessment Office  
 121 S. Prairie Street, Suite 1  
 Galesburg, IL 61401



**KNOX COUNTY ASSESSMENT NOTICE**

8:30 a.m. to 4:30 p.m. Monday thru Friday

Date of Notice: 09/05/2024

09/05/2024

**GRAHAM HOSPITAL ASSOCIATION**  
 210 W WALNUT ST  
 CANTON, IL 61520

Pin (Parcel) No.: 99-03-226-008  
 BENNY SCHACHTRUP SD  
 PHASE 2 LOT 4 S3 T11 R1  
 DOCKET# 24-048-00009  
 99-03-226-008 & 009 100%

EXCEPT

EXEMPT BY STATE

36.50 Acres

**Property Value**

Property Type	Assessed Valuation		Reason for Current Year's valuation change
	(2023) Prior Year	(2024) Current Year	
Land/lot or farm homestead	21,230	0	REASSESSMENT
Non Farm Buildings	0	0	
Farmland	0	24,020	
Farm buildings/structures	0	0	
<b>Total</b>	<b>21,230</b>	<b>24,020</b>	

Percent Change from prior year to current year 13.14%  
 2024 Full Fair Cash Value \$0 (excluding Farmland and Farm Buildings)  
 Assessments of property, other than farmland and coal, are required to be assessed at 33 1/3% of its fair market value.  
 A local township equalization factor, based on a 3 year sales ratio study from 2021-2023, WAS applied to the values shown above, (except for farmland & farm buildings), to achieve the 33 1/3%. The equalization factor is: 1.0328 for CITY OF GALESBURG Township  
 Assessment changes will be published in the following newspaper: **THE BURG**  
 Publication date: 09/05/2024 Price per copy: \$1.00

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General Homestead Exemption		Returning Veterans' Homestead Exemption	
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**Steps to Review and Appeal Your Property's Assessment**

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<b>Step 2. Questions? Contact your assessor to discuss your property's assessment.</b>	If you believe the full fair market value of your property is incorrect, or its assessed value is not uniform with other comparable properties in your area, or an error has been made, (e.g., property characteristics), you may talk to your township assessor.  <b>LAURA E WILLIAMS</b> Phone: (309) 342-1106 121 W. TOMPKINS ST. GALESBURG IL 61401
<b>Step 3. How to file an assessment appeal with the Knox County Board of Review?</b>	<b>NOTE we have all new rules and forms for 2024.</b> In order to determine standing to file a complaint, See Section C page 7 & 8 of the Knox County Board of Review Rules. You may appeal your assessment to the Knox County Board of Review. Appeals must be filed by the deadline date shown, (30 days after the publication date of the assessment changes by CCAO in the newspaper). If you file late, your appeal will not be heard. Board of Review complaint forms, and complaint rules and procedures are available in the Board of Review office or on line at <a href="http://www.co.knox.il.us/dept/assessment-office">www.co.knox.il.us/dept/assessment-office</a> .
<b>FILING DEADLINE</b> <b>BY 4 P.M.</b> <b>10/07/2024</b>	Knox County Board of Review Phone: (309) 345-3845 121 S. Prairie Street, Suite 1 Galesburg, IL 61401
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# Non-Homestead Property Tax Exemption Certificate



02/02

ROBERT SENNEFF  
210 W WALNUT ST  
CANTON, IL 61520-2444

August 1, 2024



Letter ID: L0250851624

Decision Date: August 1, 2024

County: Knox

Docket no.: 24-048-00009

Co Reference No:

Property Owner or applicant: GRAHAM HOSPITAL ASSOCIATION

Valid from 1/1/2024 to 12/31/2024

We have determined that the organization, identified above, has met the exemption qualifications necessary to receive a non-homestead property tax exemption under 35 ILCS 200/15-86.

Property index number, legal description, or both:

99-03-226-008 and 99-03-226-009 are exempt except for the 28.1 acres leased as farmland (not in exempt use)

You will need to file an annual affidavit using Form PTAX-300-HA with the CCAO on or before January 31 of each year

If you do not agree, you must file a protest with us, the Illinois Department of Revenue, and request an administrative hearing within 60 days of this notice. Your request must be in writing, must clearly indicate that you want to protest, and state concisely the mistakes alleged to have been made or the new evidence to be presented (35 ILCS 200/8-35(b)). Include the Revenue docket number, listed above, on all correspondence regarding this property. Mail or fax your request to the address or number listed below.

If you have questions, contact our Exemption Section weekdays between 8:30 a.m. and 4:30 p.m. Our address and telephone number are below.

David Harris, Director  
ILLINOIS DEPARTMENT OF REVENUE

EXEMPTION SECTION MC 3-520  
ILLINOIS DEPARTMENT OF REVENUE  
101 WEST JEFFERSON STREET  
SPRINGFIELD IL 62702

217 785-2252  
217 524-1966 fax

cc: Clerk of Board of Review, County Clerk

\*TAX-301-CCert (N-01/21)

P-000024



**Prepared by:**

Patrick C. Egan  
Egan Law, LLC  
Hawthorne Business Center  
2101 Windish Drive  
Galesburg, IL 61401

Mail Tax Bills and  
Return to:

Graham Hospital Association,  
an Illinois not-for-profit corporation  
210 W. Walnut St.  
Canton, IL 61520

1084333  
SCOTT G ERICKSON  
KNOX COUNTY CLERK & RECORDER  
GALESBURG, ILLINOIS  
01/04/2023 09:02 AM  
PAGES: 2  
RHSP SURCHARGE FEE 9.00  
RECORDING FEE 64.00  
ST REV FEE 5,175.00  
CTY REV FEE 2,587.50

**WARRANTY DEED  
[Limited Liability Company]**

THE GRANTOR, Schachtrup Enterprises Management Company, LLC, an Illinois limited liability company, of Peoria Heights, Illinois, for and in consideration of \$2.00 and other valuable consideration, and pursuant to the authority given by the Managers and Members of said company, CONVEYS AND WARRANTS to GRANTEE Graham Hospital Association, an Illinois not-for-profit corporation, of Canton, IL, the following-described real estate:

Lot 4 of the Benny Schachtrup Subdivision Phase 2, being a resubdivision of Lot 2 of Benny Schachtrup Subdivision, being a part of the Northeast Quarter of Section 3, Township 11 North, Range 1 East of the Fourth Principal Meridian, City of Galesburg, Knox County, Illinois, as set forth on Plat dated January 9, 2015, and recorded May 1, 2015, in Book 41 Plats at Page 38 as Document No. 1025457.

PIN: 99-03-226-008

No Common Address

Outlot A of the Benny Schachtrup Subdivision Phase 2, being a resubdivision of Lot 2 of Benny Schachtrup Subdivision, being a part of the Northeast Quarter of Section 3, Township 11 North, Range 1 East of the Fourth Principal Meridian, City of Galesburg, Knox County, Illinois, as set forth on Plat dated January 9, 2015, and recorded May 1, 2015, in Book 41 Plats at Page 38 as Document No. 1025457.

PIN: 99-03-226-009

No Common Address

Subject to general taxes for 2021 and subsequent years. Subject to any restrictions and easements of record.

File Number

0971-173-2



**To all to whom these Presents Shall Come, Greeting:**

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

**GRAHAM HOSPITAL ASSOCIATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON OCTOBER 16, 1905, 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.**



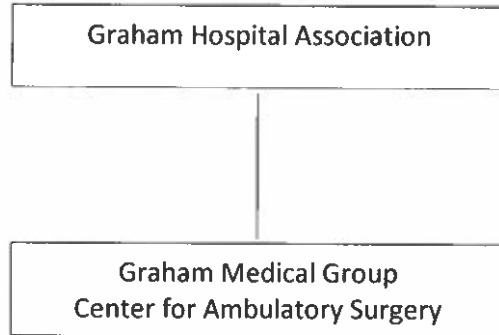
Authentication # 2430304602 verifiable until 10/29/2025  
Authenticate at: <https://www.isos.gov>

**In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 29TH day of OCTOBER A.D. 2024 .**

*Alexi Giannoulas*  
SECRETARY OF STATE

**Attachment 4 – Organizational Chart of Facilities**

Organizational Chart





October 4, 2024

Mr. Robert Senneff, President & CEO  
Graham Medical Group  
210 West Walnut Street  
Canton, IL 61520

RE: Floodplain at the Graham Medical Clinic in Galesburg, IL

Dear Mr. Senneff,

Maurer-Stutz, Inc. was asked to review the Federal Emergency Management Agency (FEMA) floodplain maps to determine if the proposed surgical center at the current Graham Medical Clinic located at 2028 North Seminary Street in Galesburg is in a floodplain.

From our review of the FEMA website, the entire Graham Medical Group property at this location in Galesburg, Illinois, is listed as Zone X which is defined as an area of minimal flood hazard. See the enclosed FEMA FIRMette that was produced from FEMA's website for your reference.

Please contact me if you have any further questions regarding this matter.

Sincerely,  
MAURER-STUTZ, INC.

  
\_\_\_\_\_  
Keith J. Plavec, P.E.  
Project Manager

1670 East Ash Street • Canton, Illinois 61520  
TEL 309-647-7831 • FAX 309-647-6155  
mstutz.com

# National Flood Hazard Layer FIRMette



## Legend

SEE RE APPROPRIATE FOR DETAILS. LINES AND SHOTS MAY NOT BE IN THIS VIEW. LAYOUT

**SPECIAL FLOOD HAZARD AREAS**  
 Without Base Flood Elevation (BFE)  
 With BFE or Depth  
 Regulatory Floodway

**OTHER AREAS OF FLOOD HAZARD**  
 0.2% Annual Chance Flood Hazard, Area of 1% Annual Chance Flood with average depth less than one foot or with drainage areas of less than one square mile  
 Future Conditions 1% Annual Chance Flood Hazard  
 Areas with Reduced Flood Risk due to Levees, Sea Walls, etc.  
 Areas with Flood Risk due to Levees

**OTHER AREAS**  
 Effective Limits  
 Area of Undetermined Flood Hazard  
 Channel, Culvert, or Storm Sewer  
 Levee, Dike, or Floodwall

**OTHER FEATURES**  
 Cross Sections with 1% Annual Chance Water Surface Elevation  
 General Transport  
 Base Flood Elevation Line (BFE)  
 Line of Study  
 Jurisdiction Boundary  
 Coastal Transport 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 FIRM, web services provided by FEMA. This map was reported on 9/26/2024 at 5:44 PM and does not reflect changes or amendments subsequent to this date and time. The FIRM, 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 identifier, FIRM panel number, and FIRM effective date. Map images for unmapped and unmapped areas cannot be used for regulatory purposes.

SHPO LOG NUMBER: 019041923

ARCHAEOLOGICAL SURVEY SHORT REPORT  
State Historic Preservation Office  
One Natural Resources Way  
Springfield, Illinois 62702 (217-785-4997)

Reviewer: \_\_\_\_\_ Date: \_\_\_\_\_  
\_\_\_\_ Accepted \_\_\_\_\_ Rejected  
IHPA use only (FORM ASSR0889)

SHPO LOG NUMBER: 019041923

Title: A Phase I Archaeological Survey of the Proposed Galesburg Seminary Street Clinic

LOCATIONAL INFORMATION AND SURVEY CONDITIONS:

County: Knox  
Quadrangle: Galesburg East 7.5-minute

Funding or Permitting Agency :IEPA

Sec: 3 Town: T11N Range: R1E  
Natural Division: 7a

Project Description: A Phase I archaeological survey was conducted for a proposed development in the northern portion of the City of Galesburg (Figure 1).

Topography: The proposed project area is in the level to rolling uplands drained by a tributary to Henderson Creek to the west to the Mississippi. This upland landscape is a loess capped Wisconsinan age glacial till plain. The west end of the tract steps up dramatically..

Soils: The project area is mapped as Ipava Silt Loam and Sable Silty Clay Loam. These soil series formed under prairie conditions.

Land Use/Ground Cover (Include % Visibility): The proposed project area consists of fallow bare ground and weeds, yielding a range from 10 to 60 percent ground surface visibility with most of the area near the upper limit of this range.

Survey Limitations: The visibility was generally good but could have been better. There were also numerous pieces of high-quality Burlington shatter which confused us initially until we had examined enough of them to realize they were modern.

ARCHAEOLOGICAL AND HISTORICAL INFORMATION

Sources:

Andreas and Lyter  
1870 Illustrated Atlas Map of Knox County, Illinois. Andreas and Lyter, Davenport.  
Ogle, George A.  
1903 Standard Atlas of Knox County, Illinois. George A. Ogle, Chicago.  
Thompson, M.H.  
1861 Map of Knox County, Illinois. M.H. Thompson, Chicago.  
USGS  
1927 Galesburg 15-Minute Quadrangle. U.S. Geological Survey, Washington, D.C.

Previously Reported Sites: No sites in the project area:

Previous Surveys: No archaeological surveys in the project area.

Regional Archaeologists Contacted: Illinois Inventory of Archaeological Sites

Investigation Technique: Field investigation began with archival research of map sources and the IAS site file followed by fieldwork consisting of pedestrian survey under good conditions at a 5 m intervals across the project area. Though there had been a farmstead on the tract in the past, there are currently no buildings there.

Acres: ca. 3 Sq. m: 12, 140 Time Expended: ca. 3 person hours  
Materials: yes Sites/Spots Located: 11KN362  
Collection Techniques: total observation Curated at: WIARC



SHPO LOG NUMBER: 019041923

Recommendation: The pedestrian survey and background research found one new archaeological site (11KX362). Due to the twentieth century age, site 11KX362 is not considered eligible for listing on the NRHP. It is recommended that the project area be cleared from an archaeological perspective.

Phase I Archaeological Reconnaissance Has Located No Archaeological Material; Project Clearance is Recommended.  
X Phase I Archaeological Reconnaissance Has Located Archaeological Materials; Site(s) Does (Do) Not Meet Requirements For National Register Eligibility; Project Clearance Is Recommended.  
Phase I Archaeological Reconnaissance Has Located Archaeological Materials; Site(s) May meet Requirements For National Register Eligibility; Phase II Testing Is Recommended.  
Phase II Archaeological Investigation Has Indicated That Site(s) Does (Do) Not Meet Requirements For National Register Eligibility; Project Clearance Is Recommended.  
Phase II Archaeological Investigation Has Indicated That Site(s) Meet Requirements For National Register Eligibility; Formal Report Is Pending and a Determination of Eligibility is Recommended.

Comments: We got a good look at this tract and are confident there are no significant cultural resources there.

ARCHAEOLOGICAL CONTRACTOR INFORMATION:

Archaeological Contractor: Lawrence A. Conrad  
Address: 3100 W. Adams, Macomb, IL 61455 / Phone: 309-333-6783

Surveyor(s): Lawrence Conrad, Fred Finney  
Report Completed by: Lawrence A. Conrad

Survey Date(s): June 20, 2023  
Date: June 23, 2023

Submitted By (signature and title):



Attachment Check List: (#1 Through #4 Are Mandatory)

- X 1) Relevant Portion of USGS 7.5' Topographic Quadrangle Map(s) Showing Project Location And Any Recorded Sites
- X 2) Project Map(s) Depicting Survey Limits and, When Applicable, Approximate Site Limits and Concentrations of Cultural Materials.
- X 3) Site Form(s): Two Copies of Each Form.
- n/a 4) All Relevant Project Correspondence.
- X 5) Additional Information Sheets as Necessary.

Address of Owner/Agent/Agency To Whom SHPO Comment Should Be Mailed:

Contact Person: Jason Myetich  
Maurer-Stutz, Inc  
1670 East Ash Street  
Canton, IL 61520 Phone:

Reviewer's Comments:

List of Figures

1. Project Location (USGS).
2. Sketch Map for Project Area.
3. The 1861 Knox County Wall Map.
4. The 1870 Knox County Atlas.
5. The 1903 Knox County Atlas.
6. The 1927 Galesburg 15-minute Quadrangle.
7. Aerial Photograph of Project Area.

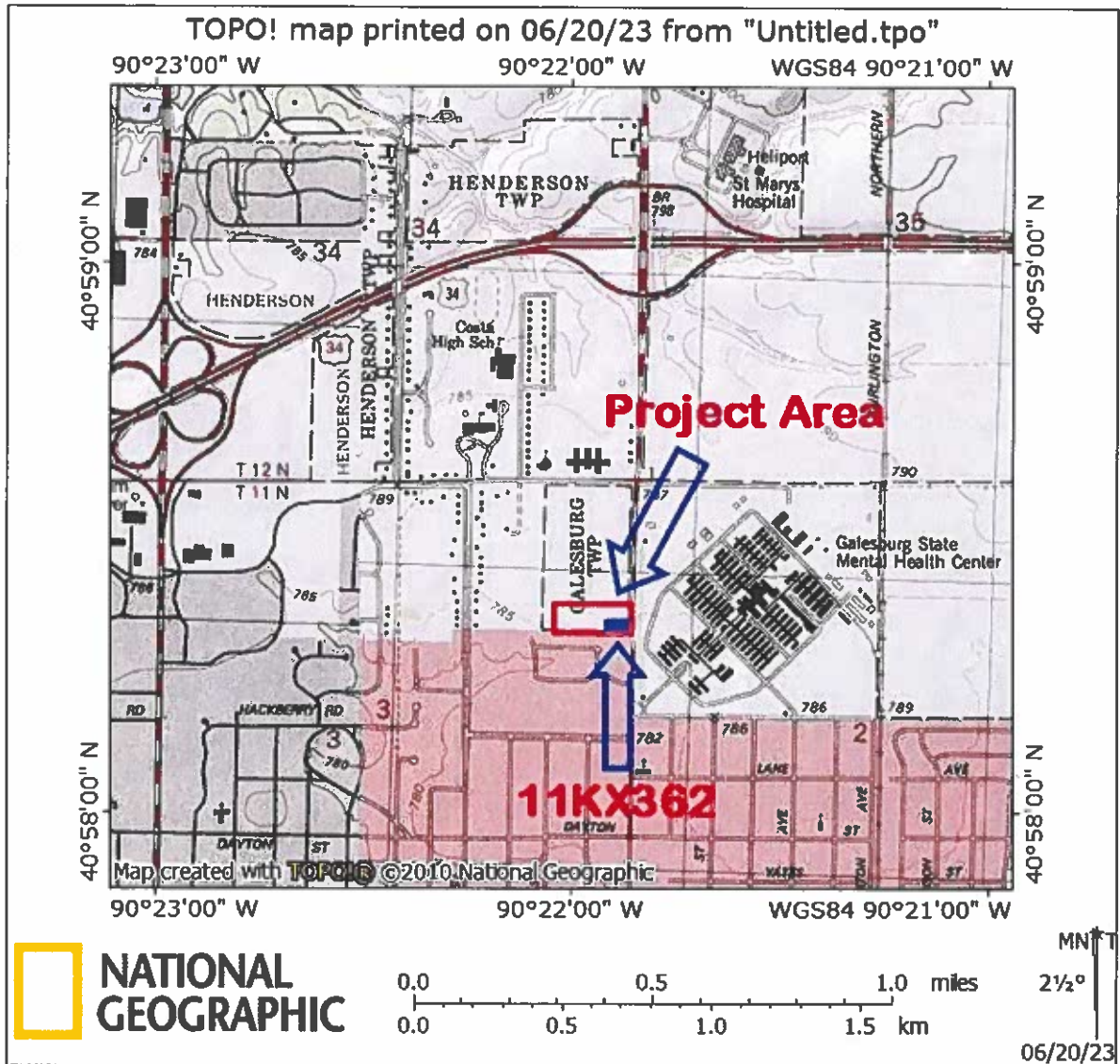


Figure 1. Project Location (base map from USGS Galesburg East 7.5-minute Quadrangle).

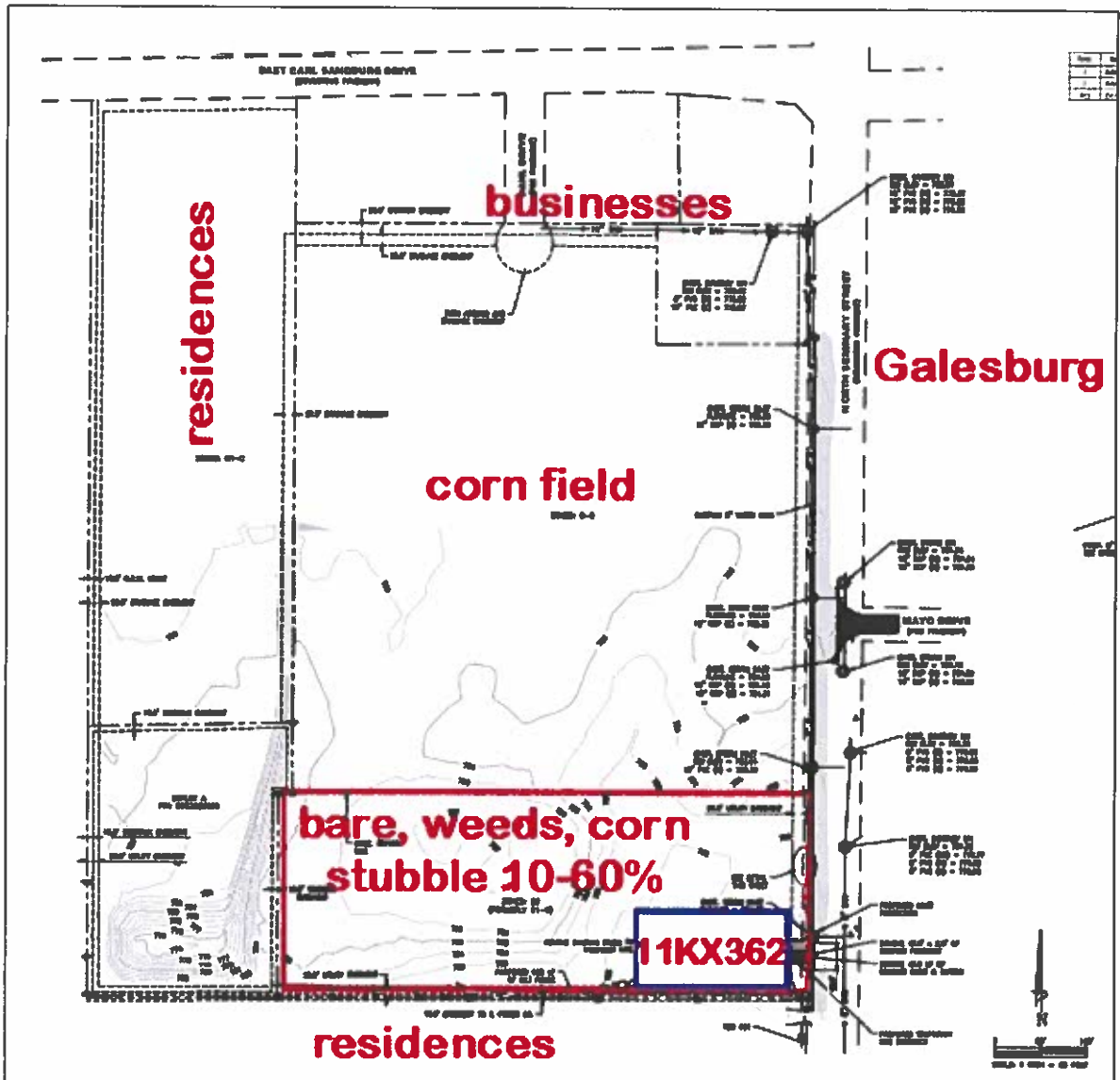


Figure 2. Sketch Map for the Project Area (from map supplied by client). The Project Area is outlined in red.

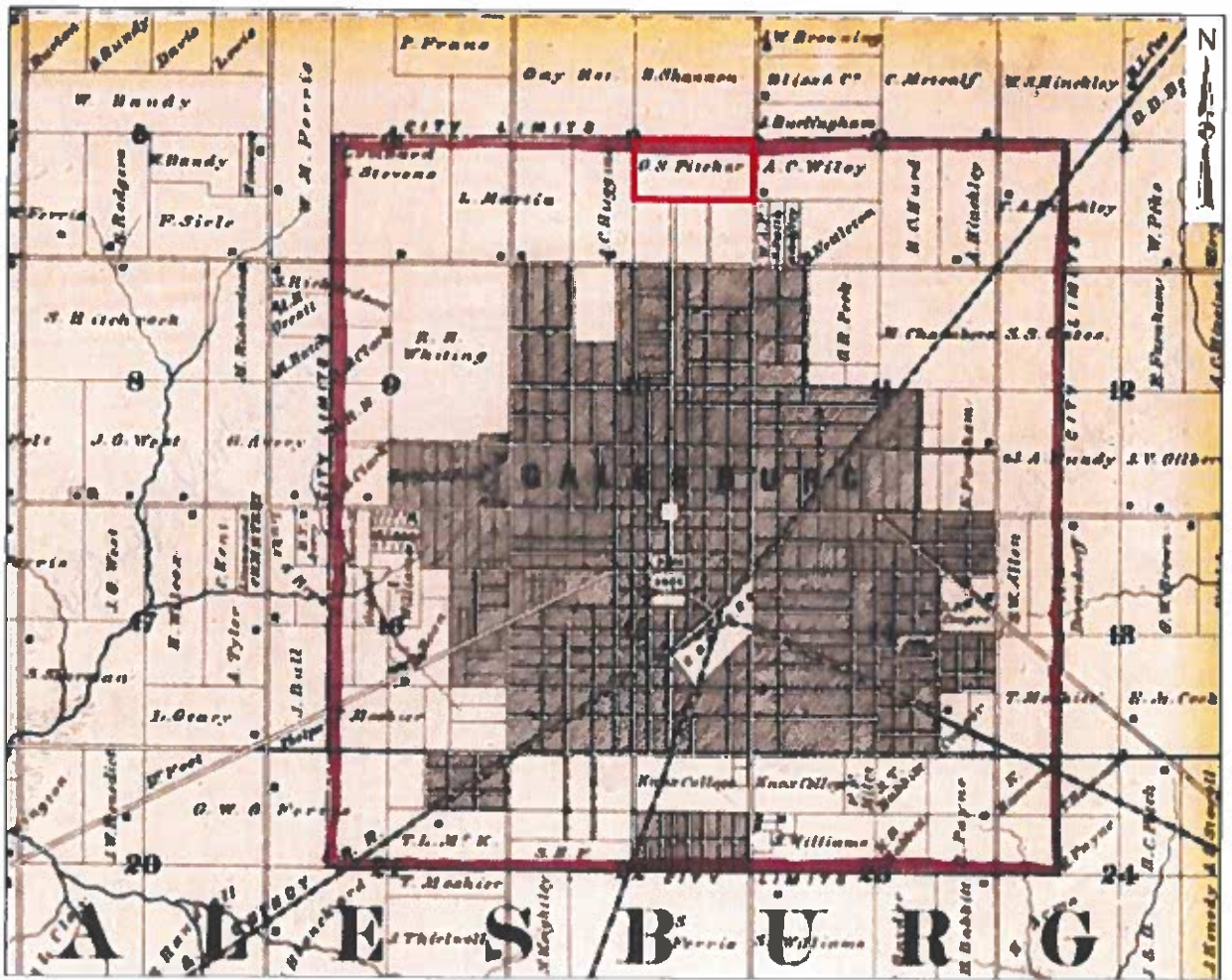


Figure 3. The 1861 Knox County Wall Map showing the Project Area (Thompson 1861).

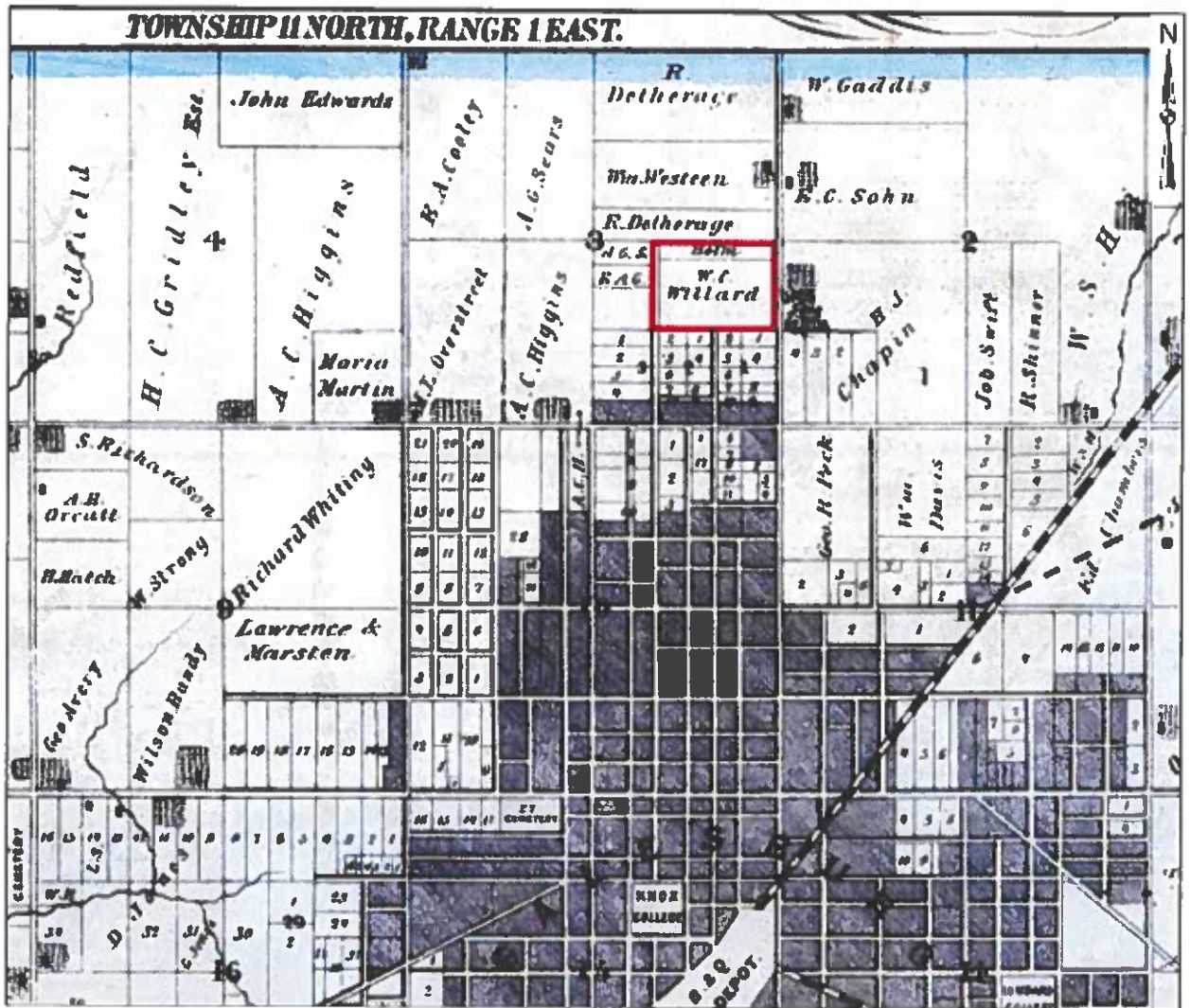


Figure 4. The 1870 Knox County Atlas showing the Project Area (Andreas and Lyter 1870).

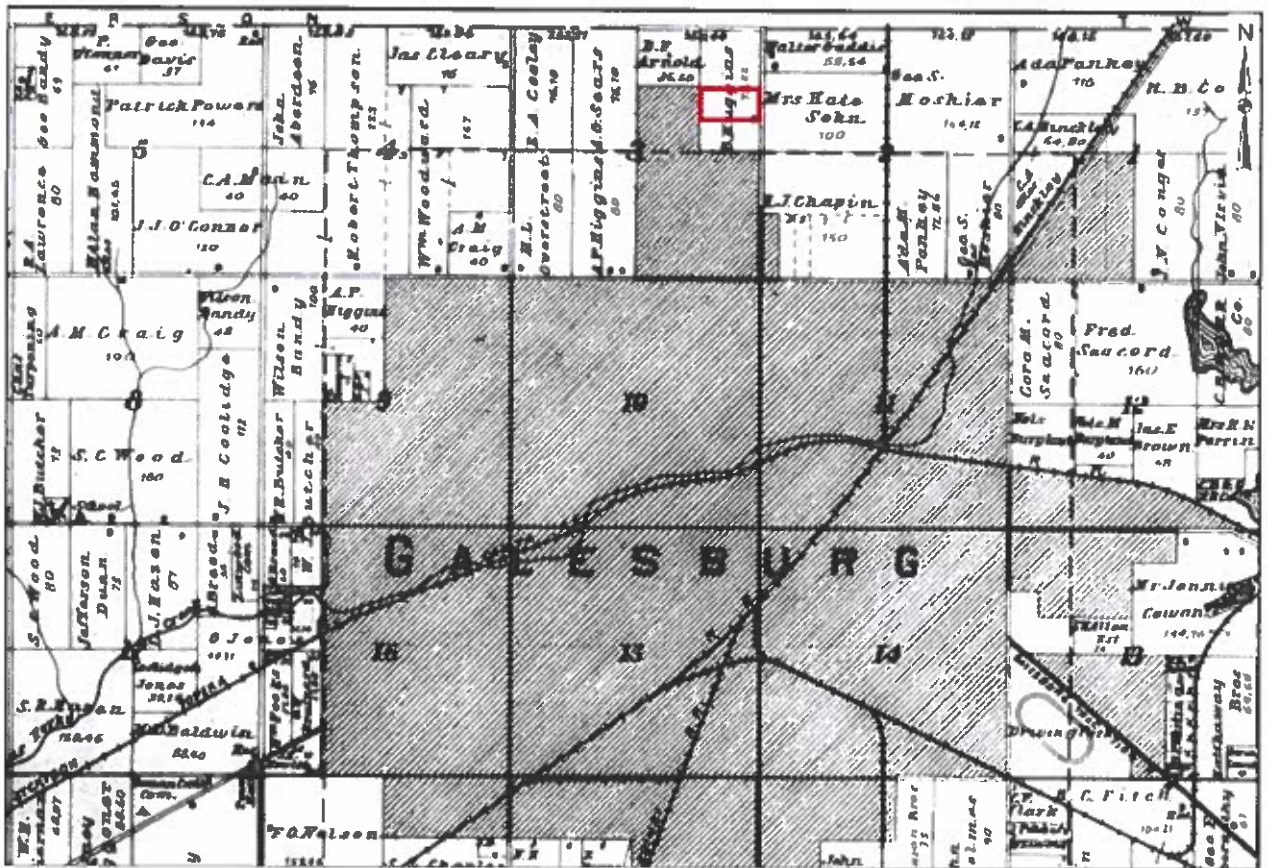


Figure 5. The 1903 Knox County Atlas showing the Project Area (Ogle 1903).

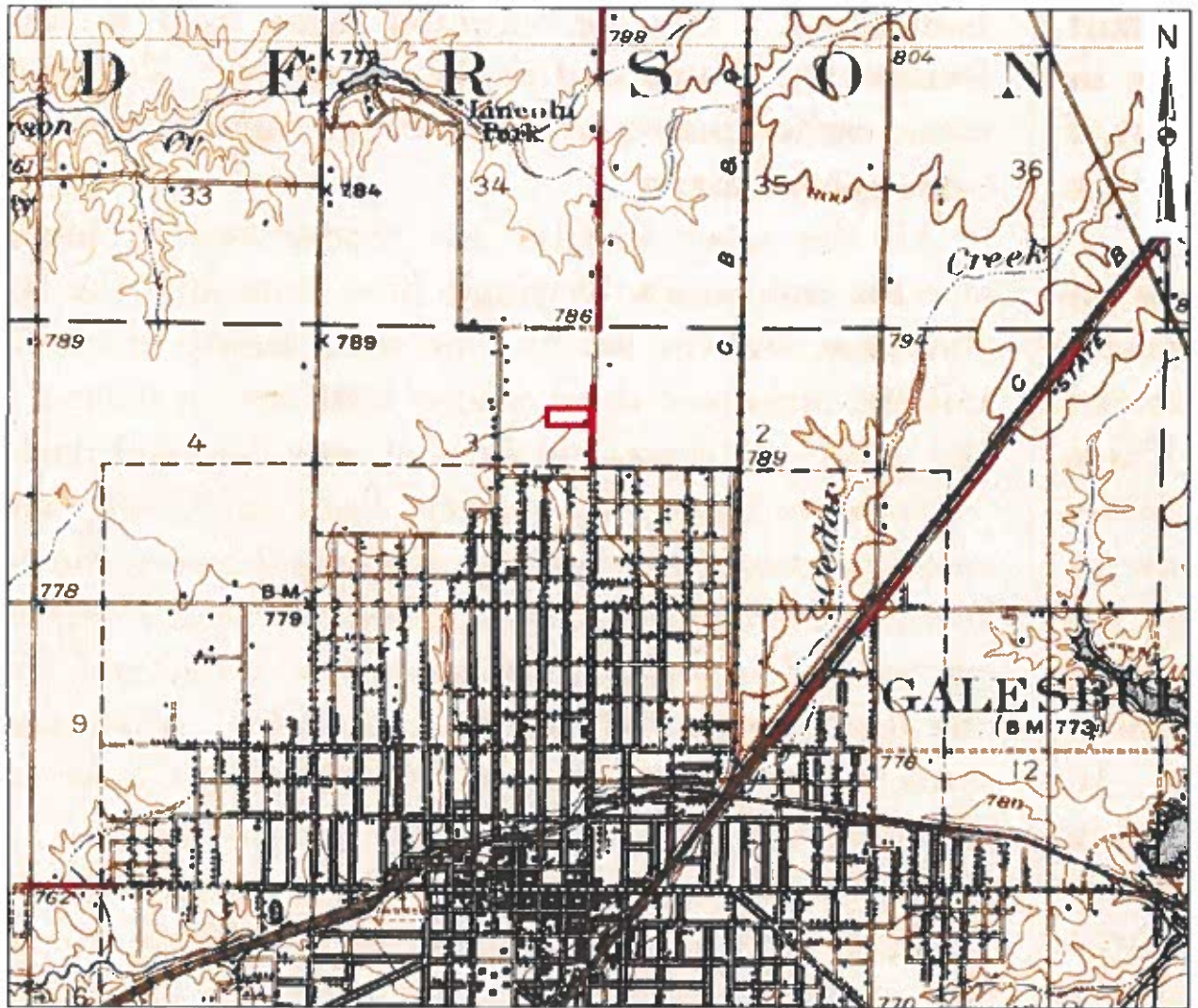


Figure 6. The 1927 Galesburg 15-Minute Quadrangle showing the Project Area (USGS 1927).



Figure 7. Aerial Photograph of the Topography surrounding the Project Area (from Google Earth). The Project Area is outlined in red.





Illinois  
Department of  
**Natural  
Resources**

JB Pritzker, Governor • Natalie Phelps Finnie, Director  
One Natural Resources Way • Springfield, Illinois 62702-1271  
[www.dnr.illinois.gov](http://www.dnr.illinois.gov)

Knox County  
Galesburg  
North Seminary Street  
IEPA, MSI-24123001  
New construction, medical clinic - Graham Medical Group Galesburg Clinic

PLEASE REFER TO: SHPO LOG #019041923

May 8, 2023

**SURVEY REQUEST**

Jason Myetich  
Maurer-Stutz, Inc.  
1670 E. Ash St.  
Canton, IL 61520

Dear Mr. Myetich:

The Illinois State Historic Preservation Office is required by the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420, as amended, 17 IAC 4180) to review all state funded, permitted or licensed undertakings for their effect on cultural resources. We have received information indicating that the referenced project will, under the state law cited above, require comments from our office and our comments follow. Should you have any contrary information, please contact our office at the number below.

According to the information provided to us concerning your proposed project, apparently there is no federal involvement in your project. However, please note that the state law is less restrictive than the federal cultural resource laws concerning archaeology, therefore if your project will use federal loans or grants, need federal agency permits or federal property then your project must be reviewed by us under a slightly different procedure under the National Historic Preservation Act of 1966, as amended. Please notify us immediately if such is the case.

The project area has a high probability of containing significant prehistoric/historic archaeological resources. Accordingly, a Phase I archaeological reconnaissance survey to locate, identify, and record all archaeological resources within the project area will be required, in addition to the survey we will also need clear photographs of all structures in, or adjacent to, the current project area. This decision is based upon our understanding that there has not been any large scale disturbance of the ground surface (excluding agricultural activities) or major construction activity within the project area which would have destroyed existing cultural resources prior to your project. If the area has been disturbed, please contact our office with the appropriate written and/or photographic evidence. The area(s) that need(s) to be surveyed (within the zone that needs to be surveyed) include(s) all area(s) that will be developed as a result of the issuance of the state agency permit(s) or the granting of the state funds or loan guarantees that have prompted this review. Enclosed you will find an attachment briefly describing Phase I surveys and listing archaeological contracting services. A COPY OF OUR LETTER WITH THE SHPO LOG NUMBER SHOULD BE PROVIDED TO THE SELECTED PROFESSIONAL ARCHAEOLOGICAL CONTRACTOR TO ENSURE THAT THE SURVEY RESULTS ARE CONNECTED TO YOUR PROJECT PAPERWORK.

If you have further questions, please contact Jeff Kruchten, Chief Archaeologist at 217/785-1279 or [Jeffery.kruchten@illinois.gov](mailto:Jeffery.kruchten@illinois.gov).

Sincerely,

Carey L. Mayer, AIA  
Deputy State Historic Preservation Officer

Enclosure (see website)

20

Attachment 6



Illinois  
Department of  
**Natural  
Resources**

JB Pritzker, Governor • Natalie Phelps Finnie, Director  
One Natural Resources Way • Springfield, Illinois 62702-1271  
[www.dnr.illinois.gov](http://www.dnr.illinois.gov)

Knox County  
W of N Seminary St & Mayo Dr  
Section:3-Township:11N-Range:1E  
IEPA, MSI-24123001  
New Construction, Graham Medical Group Clinic

PLEASE REFER TO: SHPO LOG #007060524

June 9, 2024

Jason Myetich  
Maurer-Stutz, Inc.  
1670 E. Ash St.  
Canton, IL 61520

The Illinois State Historic Preservation Office is required by the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420 as amended, 17 IAC 4180) to review all state undertakings for their effect on cultural resources. Pursuant to this requirement, we have received information regarding the above referenced project for our comment.

According to the information provided there is no federal involvement in your project. Be aware the state law is less restrictive than the federal cultural resource laws concerning archaeology. If your project will use federal loans or grants, need federal agency permits, use federal property, or involve assistance from a federal agency, then your project must be reviewed under the National Historic Preservation Act of 1966, as amended. Please notify us immediately if such is the case.

Our files do not identify any known historic properties within this proposed project area, nor is it within the high probability area for archaeological resources as defined in the state Act. Accordingly, this project is **EXEMPT** pursuant to Section 6 of the Illinois State Agency Historic Resources Preservation Act. An archaeological survey for your above referenced project is not *required* under Illinois law as there is no public funding and it is not on public land. Please know, however, we are always receptive to reviewing the results of any due diligence survey coverages that may help prevent unanticipated discoveries during construction.

This does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Remains Protection Act (20 ILCS 3440).

If further assistance is needed please contact Jeff Kruchten, Principal Archaeologist, at 217/785-1279 or [jeff.kruchten@illinois.gov](mailto:jeff.kruchten@illinois.gov).

Sincerely,

Carey L. Mayer, AIA  
Deputy State Historic  
Preservation Officer



Illinois  
Department of  
**Natural  
Resources**

JB Pritzker, Governor • Natalie Phelps Finnie, Director  
One Natural Resources Way • Springfield, Illinois 62702-1271  
[www.dnr.illinois.gov](http://www.dnr.illinois.gov)

Knox County  
Galesburg  
North Seminary Street  
11KX362, Section:3-Township:11N-Range:1E  
IEPA, MSI-24123001  
New construction, medical clinic - Graham Medical Group Galesburg Clinic

PLEASE REFER TO: SHPO LOG #019041923

July 24, 2023

Lawrence A. Conrad  
Western IL Archaeology Research Center  
3100 West Adams Road  
Macomb, IL 61455

Dear Mr. Conrad:

The Illinois State Historic Preservation Office is required by the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420, as amended, 17 IAC 4180) to review all state funded, permitted or licensed undertakings for their effect on cultural resources. Pursuant to this we have received information regarding the referenced project for our comment.

Our staff has reviewed the specifications under the state law and assessed the impact of the project as submitted by your office. We have determined, based on the available information, that no significant historic, architectural or archaeological resources are located within the proposed project area.

According to the information you have provided concerning your proposed project, apparently there is no federal involvement in your project. However, please note that the state law is less restrictive than the federal cultural resource laws concerning archaeology. If your project will use federal loans or grants, need federal agency permits, use federal property, or involve assistance from a federal agency, then your project must be reviewed under the National Historic Preservation Act of 1966, as amended. Please notify us immediately if such is the case.

This clearance remains in effect for two (2) years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the IL Human Skeletal Remains Protection Act (20 ILCS 3440).

Please retain this letter in your files as evidence of compliance with the Illinois State Agency Historic Resources Preservation Act.

If further assistance is needed please contact Jeff Kruchten, Principal Archaeologist at 217/785-1279 or [jeffery.kruchten@illinois.gov](mailto:jeffery.kruchten@illinois.gov).

Sincerely,

Carey L. Mayer, AIA  
Deputy State Historic  
Preservation Officer

22

Attachment 6

April 19, 2023

State Historical Preservation Office - IDNR  
Attn: Review & Compliance  
One Natural Resources Way  
Springfield, Illinois 62702

Re: Graham Medical Group Galesburg Clinic  
SHPO Project Review and Sign-off  
MSI Project No. 24123001

Dear Reviewer:

The purpose of this correspondence is to solicit comments and/or a sign-off letter from the Illinois Historic Preservation Agency for the Graham Medical Group Galesburg Clinic. Please find enclosed for your information a copy of the preliminary project drawings.

Construction is planned to begin in the Summer of 2023 and after all permits have been obtained. The project will include the construction of a medical clinic on a 7.0-acre site on the west side of North Seminary Street south of Carl Sandberg Drive. The project will include a 13,672sf commercial building, concrete parking lot, site utilities, storm detention, and site grading. The work will take place on private property and in the right-of-way of North Seminary Street within the City of Galesburg in Knox County.

All proposed work will be governed by the requirements of the latest editions of the *Standard Specifications for Water & Sewer Main Construction in Illinois*, the *Illinois Department of Transportation Standard Specifications for Road and Bridge Construction*, all State & City Building Codes, and in addition to any requirements placed on the project by permits required by the State and City of Galesburg.

If you have any questions or require any further clarifications regarding this matter, please do not hesitate to contact me at (309) 647-7831.

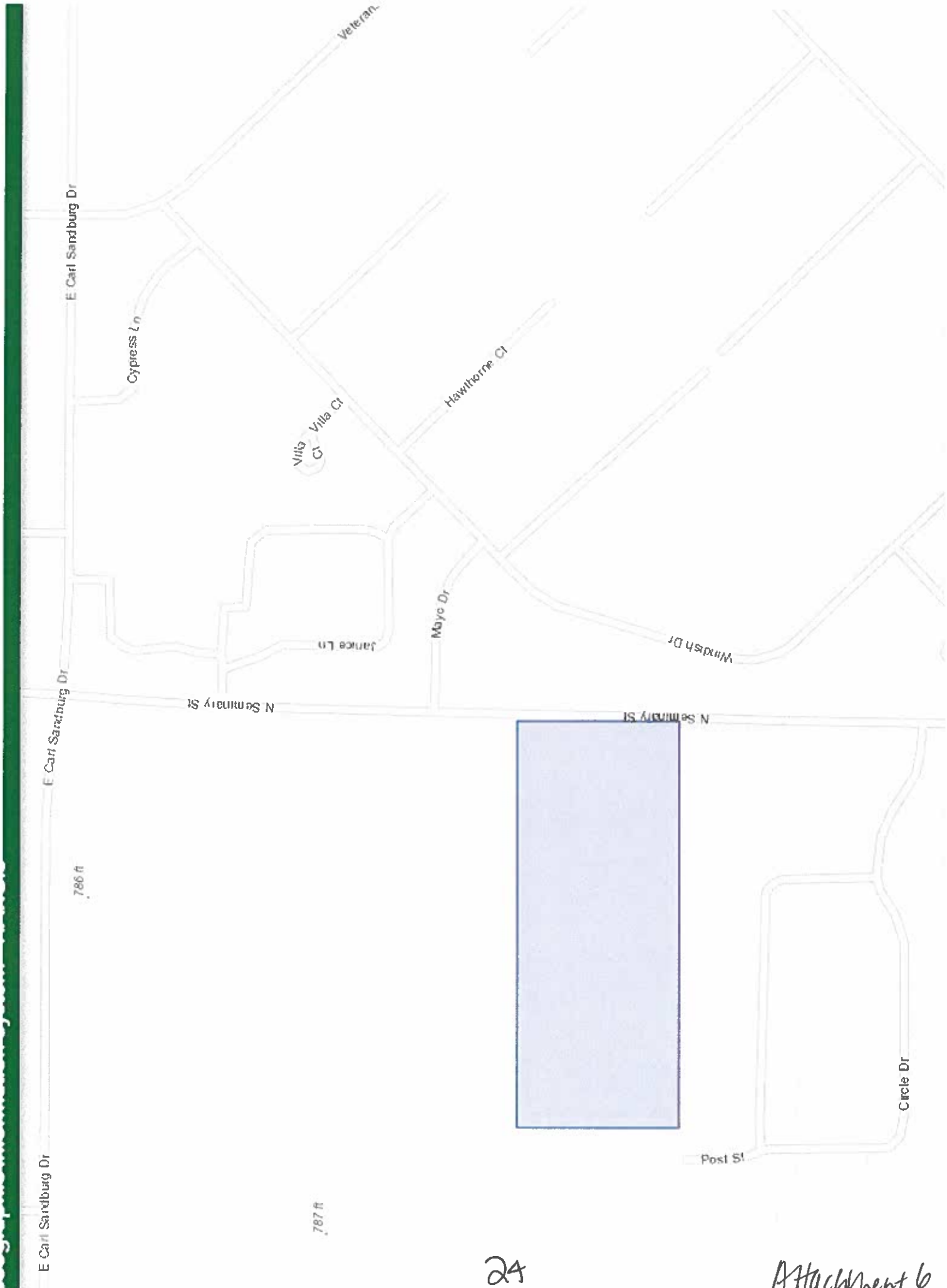
Sincerely,  
MAURER-STUTZ, INC.

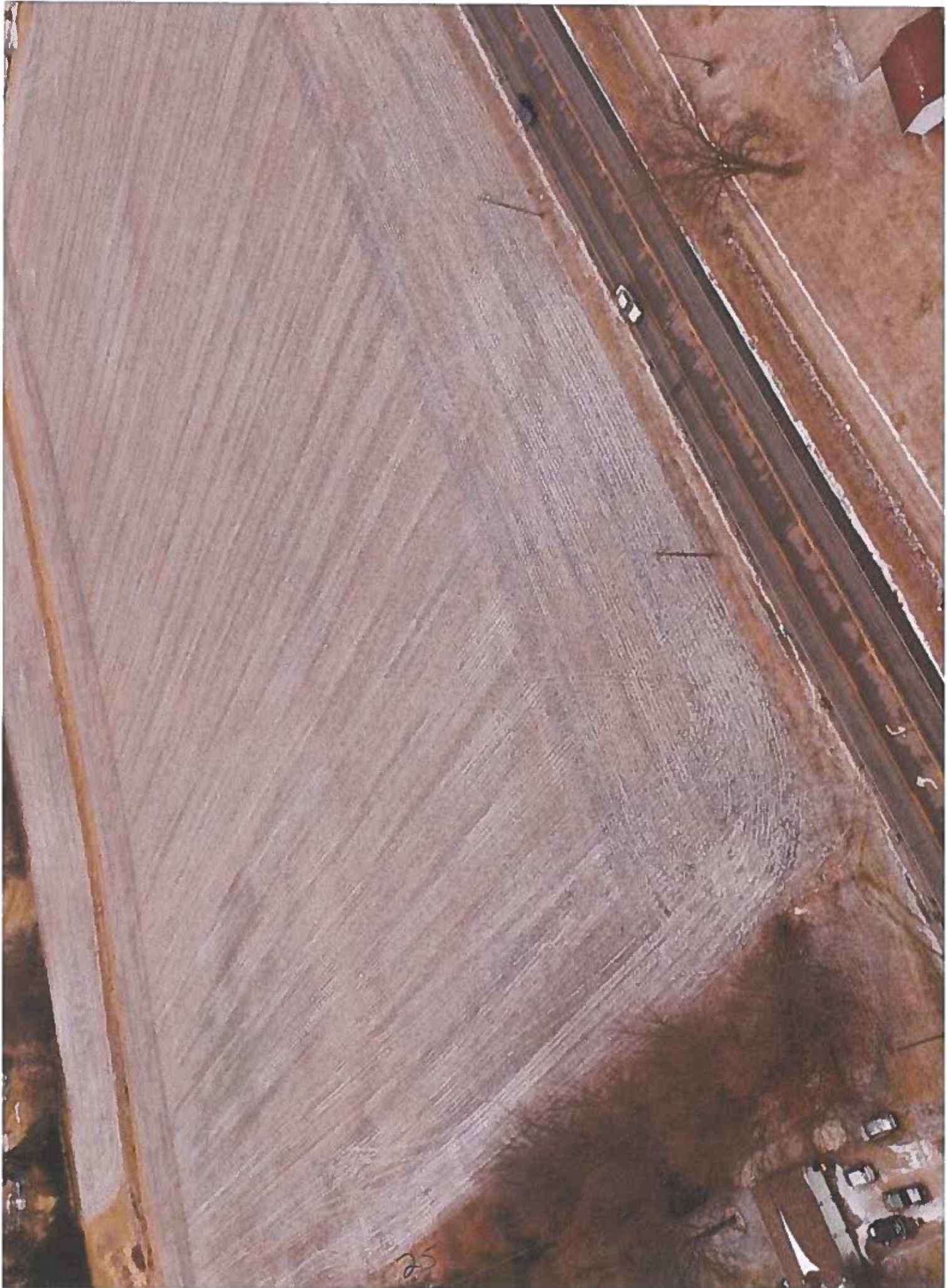


Jason Myetich  
Project Engineer

Enclosures  
cc: file

O:\241-Civil\2023\24123001.00 - GMG Galesburg Clinic\Permitting\IHPA\IHPA Letter.doc





25

Attachment 4

26

**GENERAL NOTES**

- UNLESS OTHERWISE NOTICED, ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE APPLICABLE SECTIONS OF THE ILLINOIS DEPARTMENT OF TRANSPORTATION'S STANDARD SPECIFICATIONS FOR ROAD AND BRIDGE CONSTRUCTION, CURRENT EDITION, AND ALL APPLICABLE SUPPLEMENTAL SPECIFICATIONS (HEREINAFTER REFERRED TO JOINTLY AS DOT STANDARD SPECIFICATIONS).
- WHERE APPLICABLE, THE CONTRACTOR SHALL MAKE NECESSARY SUPERVISION PERSONNEL, FOR MEETINGS BETWEEN THE SCHOOL PERSONNEL, DESIGN REPRESENTATIVES AND PERSONNEL AFFICED BY THE PROJECT.
- STREET AND PRIVATE DRIVEWAY CLOSURES WILL REQUIRE A MINIMUM OF 48 HOURS ADVANCE NOTICE TO THE PUBLIC PROPERTY OWNER.
- ON THE DRAINAGE, SELECT TO CHANGING BACKFILL AND STANDARD PAVEMENT INSTALLATION SHALL NOT BE OPEN CROWE WATERLINE SPECIFICATIONS, INSTALLATION PROCEDURES AND CONNECTION REQUIREMENTS.
- CONSTRUCTION SHALL REMOVE AND REPLACE ANY CONCRETE SIDEWALKS AND DRIVEWAYS PARTIALLY DAMAGED DURING CONSTRUCTION IN FULL ACCORDANCE WITH SECTION 301 OF THE DOT STANDARD SPECIFICATIONS.
- THE CONSTRUCTION RECORD OR SETS OF THE JOB SITE WILL BE REQUIRED TO ENSURE OWNER THAT ALL UTILITIES ARE PROTECTED AND NOT DAMAGED. UTILITIES TO BE PROTECTED SHALL BE IDENTIFIED BY THE CONTRACTOR AND THE DESIGN PROFESSIONAL SHALL BE RESPONSIBLE FOR VERIFYING AND RECORDING THE LOCATION AND DEPTH OF ALL UTILITIES. UTILITIES TO BE PROTECTED SHALL BE IDENTIFIED BY THE CONTRACTOR AND THE DESIGN PROFESSIONAL SHALL BE RESPONSIBLE FOR VERIFYING AND RECORDING THE LOCATION AND DEPTH OF ALL UTILITIES. UTILITIES TO BE PROTECTED SHALL BE IDENTIFIED BY THE CONTRACTOR AND THE DESIGN PROFESSIONAL SHALL BE RESPONSIBLE FOR VERIFYING AND RECORDING THE LOCATION AND DEPTH OF ALL UTILITIES.
- THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING AND SUBMITTING ALL RECORD DRAWINGS TO THE OWNER AND ENGINEER. THE CONTRACTOR SHALL KEEP ONE SET OF PLANS WHICH SHOW ALL UTILITIES OR "VARIOUS" ARE NOTED TO DISMISSE OF FINAL CERTIFICATE FOR PAYMENT.
- ALL UTILITIES MARKED FOR REMOVAL SHALL BE DEPOSED OF OFF-SITE AT AN APPROVED DISPOSAL LOCATION IN ACCORDANCE WITH PUBLIC ACT 03-781, WHICH AMENDS THE ENVIRONMENTAL PROTECTION ACT CONCERNING GENERAL CONSTRUCTION, REDEMPTION, REPAIR AND RELOCATION OF UTILITIES, STRUCTURES AND ROADS THAT IS NOT COMPLETED BY THE OWNER OR SOLELY BY THE CONTRACTOR. ALL UTILITIES TO BE PROTECTED SHALL BE IDENTIFIED BY THE CONTRACTOR AND THE DESIGN PROFESSIONAL SHALL BE RESPONSIBLE FOR VERIFYING AND RECORDING THE LOCATION AND DEPTH OF ALL UTILITIES.
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**UTILITIES**

- THE LOCATIONS OF ALL UTILITIES SHALL BE IDENTIFIED BY THE CONTRACTOR AND THE DESIGN PROFESSIONAL SHALL BE RESPONSIBLE FOR VERIFYING AND RECORDING THE LOCATION AND DEPTH OF ALL UTILITIES.
- CONTRACTOR SHALL OBTAIN RECORD DRAWINGS AND AUGMENTATIONS OF ALL UTILITIES LOCATED IN THE PUBLIC RIGHT OF WAY WITHIN EIGHTEEN FEET OF EXISTING UTILITIES. CONTRACTOR SHALL SUPPORT THE EXISTING UTILITY LINES, BACKFILL AND COMPACTION ARE COMPLETE. BACKFILL AT THESE CROSSINGS SHALL BE METEOROLOGICALLY COMPACTED TO THE SAME DENSITY AS THE EXISTING UTILITIES UNLESS OTHERWISE NOTICED BY THE OWNER OR SOLELY BY THE CONTRACTOR. CONTRACTOR SHALL USE A MINIMUM OF 100 PSI TO SET OF SELECT GRANULAR BACKFILL, 10' NO ADJACENT CONSTRUCTION SHALL BE ALLOWED.
- IF DISTANCE FROM THE CENTERLINE OF THE PROPOSED LINE TO THE CENTERLINE OF EXISTING POWER POLES OR UTILITY LINES IS LESS THAN 5 FEET, CONTRACTOR SHALL COORDINATE WITH UTILITY COMPANY TO HAVE POLES STABILIZED DURING CONSTRUCTION.
- THE CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTING ALL UTILITIES LOCATED WITHIN THE PUBLIC RIGHT OF WAY WITHIN EIGHTEEN FEET OF EXISTING UTILITIES UNLESS OTHERWISE NOTICED BY THE OWNER OR SOLELY BY THE CONTRACTOR. CONTRACTOR SHALL USE A MINIMUM OF 100 PSI TO SET OF SELECT GRANULAR BACKFILL, 10' NO ADJACENT CONSTRUCTION SHALL BE ALLOWED.

**EROSION CONTROL**

- THE CONTRACTOR IS RESPONSIBLE FOR DUST AND EROSION CONTROL.
- EROSION CONTROL IS A REQUIREMENT OF THE PROJECT AND IS PROMULGATED BY ORDINANCES ENACTED AGAINST THIS PROJECT FOR NONCOMPLIANCE WILL BE BONDED SOLELY BY THE CONTRACTOR.
- THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY "LANDUSE URBAN MANUAL", LATEST EDITION, SHALL GOVERN THE EROSION CONTROL PROCEDURES FOR THIS PROJECT.
- CONSTRUCTION OPERATIONS SHALL BE CONDUCTED IN SUCH A MANNER THAT EROSION, SEDIMENT AND WATER POLLUTION PRIOR TO LEAVING SITE, CONSTRUCTION VEHICLES SHALL CLEAN TIRES TO AVOID TRACKING SOIL ONTO PUBLIC STREETS. ANY SOIL TRACKED ONTO PUBLIC STREET SHALL BE CLEANED WITHIN FOUR HOURS.

**QUALITY CONTROL ITEMS**

- TESTING OF CONCRETE SHALL BE IN ACCORDANCE WITH SECTION 600 OF THE DOT STANDARD SPECIFICATIONS.
- CONCRETE SHALL BE TESTED AT 28 DAYS AND 56 DAYS AFTER PLACEMENT. TESTS SHALL BE PERFORMED IN ACCORDANCE WITH SECTION 600 OF THE DOT STANDARD SPECIFICATIONS.
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**SUBBASES, BASES AND BACKFILLS**

- CONTRACTOR SHALL CHARGE A QUALIFIED GEOTECHNICAL ENGINEERING TESTING AGENCY TO PERFORM FIELD QUALITY CONTROL TESTING. TESTING SHALL BE PERFORMED AT 100 FT SPACING AND EACH FEET OF BACKFILL LAYER SHALL BE TESTED. TESTING SHALL BE PERFORMED AT 100 FT SPACING AND EACH FEET OF BACKFILL LAYER SHALL BE TESTED. TESTING SHALL BE PERFORMED AT 100 FT SPACING AND EACH FEET OF BACKFILL LAYER SHALL BE TESTED.
- AT FOOTING SUBBASES, AT LEAST ONE TEST OF EACH SOIL STRATUM SHALL BE PERFORMED TO VERIFY DESIGN BEARING CAPACITY. SUBSEQUENT VERIFICATION AND APPROVAL OF OTHER FOOTING SUBBASES MAY BE BASED ON A VISUAL COMPARISON OF SUBBASE WITH TESTED SUBBASE WHICH APPROVED BY ENGINEER.
- TESTING AND RECORDING SHALL BE IN ACCORDANCE WITH SECTION 301 OF THE DOT STANDARD SPECIFICATIONS AND ALL TESTS SHALL BE PERFORMED AT THE FOLLOWING LOCATIONS AND FREQUENCIES:
- WHEN TESTING AGENCY REPORTS THAT SUBBASES FAIL OR BACKFILLS HAVE NOT ACHIEVED DESIRED DEGREE OF COMPACTATION, SUBBASES SHALL BE REWORKED OR REMOVED AND REPLACED SOLE TO DEPTH REQUIRED. REWORK AND RETEST UNTIL SPECIFIED COMPACTATION IS OBTAINED.
- CONTRACTOR SHALL PROTECT ALL AREAS FROM TRAFFIC, FREEZING, AND EROSION. KEEP FREE OF TRASH, DEBRIS, AND OTHER MATERIALS WHICH MAY CAUSE DAMAGE TO SURFACES BEING EXPOSED. TRAFFIC, FREEZING, AND EROSION SHALL BE PROTECTED BY CONSTRUCTION OPERATIONS OR WHENEVER CONDITIONS SETTLE, OR WHERE THEY LOSE COMPACTION DUE TO SUBSEQUENT CONSTRUCTION OPERATIONS, REPAIR AND RELOCATION OF UTILITIES, STRUCTURES AND ROADS THAT IS NOT COMPLETED BY THE OWNER OR SOLELY BY THE CONTRACTOR.
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**CIVIL SYMBOLS**

- GENERAL NOTES & LEGEND  
 C101 EXISTING SITE PLAN  
 C201 PROPOSED UTILITY PLAN  
 C301 PROPOSED EROSION CONTROL PLAN  
 C401 PROPOSED GRADING PLAN  
 C501 PROPOSED CONTOUR PLAN  
 C601 DETAILS

CONCRETE WALKER  
 EXISTING PROPERTY PA  
 EXISTING TELEPHONE BOX  
 EXISTING WELL  
 EXISTING MANHOLE  
 EXISTING SAND  
 EXISTING GAS WALK  
 FURN LIME  
 EXISTING UTILITY POLE  
 UTILITY POLE WITH LIGHT  
 UTILITY POLE WITH TRANSFORMER  
 EXISTING LIGHT POLE  
 EXISTING GAS MANHOLE  
 EXISTING STAMP  
 PROP. SIDEWALK GRADE POINT  
 PROP. PAVEMENT GRADE POINT  
 EXISTING GRADE POINT  
 CONCRETE FINISH  
 BITUMINOUS PAVEMENT

**GENERAL LEGEND**

- EXISTING WATER LINE  
 EXISTING STORM SEWER  
 EXISTING ALTERN. ELECTRIC  
 EXISTING UNDERGROUND TELEPHONE  
 EXISTING GAS LINE  
 EXISTING FENCE LINE  
 EXISTING CHAIN LINK FENCE  
 EXISTING DRIVEWAY  
 RIGHT-OF-WAY LINE  
 EXISTING RECREATION  
 EXISTING BUSH  
 EXISTING DECIDUOUS TREE  
 EXISTING CONIFEROUS TREE  
 EXISTING DAY AMEOR  
 PIPE LINE PROTECTION  
 APPROPRIATE PAVEMENT  
 CONCRETE FINISH  
 BITUMINOUS PAVEMENT



STUDIO 400 ARCHITECTS  
 1714 N. Ashy  
 300 W. 91st St.  
 Des Moines, IA 50317  
 Phone: 515-281-1901  
 Fax: 515-281-1902



HAUER-STUTZ  
 1714 N. Ashy  
 300 W. 91st St.  
 Des Moines, IA 50317  
 Phone: 515-281-1901  
 Fax: 515-281-1902

GALESBURG  
 SEMINARY STREET  
 CLINIC

SEMINARY ST.  
 GALESBURG, IA 51401

GENERAL NOTES & LEGEND

PROJECT: 2201072.00

C101

PRELIMINARY - NOT FOR CONSTRUCTION



JUSTIN J. PARK, P.E.  
 I.E.C. NO. 082-00403  
 EXP. DATE: 11/30/2023

CIVIL PLANS (SHEETS C001 - C502) WERE PREPARED BY OR UNDER THE DIRECTORSHIP OF MAURER-STUTZ, INC. LICENSED PROFESSIONAL DESIGN FIRM 184-005754

Attachment 10

12

Sheet	Revising	Checked	Reviewed	Description
1	1/20/2017	02/23/2018	781.35	Per New Set in Worksheet
2	1/20/2018	02/23/2018	781.62	Per New Set in Worksheet
3	1/20/2018	02/23/2018	781.52	Per New Set in Worksheet



STUDIO 400 ARCHITECTS  
 14500 S. 110th St.  
 Suite 100  
 Omaha, NE 68148  
 402.491.1100  
 www.studio400.com



MAURE-STUTZ  
 ENGINEERS  
 1111 N. 10th St.  
 Omaha, NE 68102  
 402.441.1111  
 www.ms-engineers.com

GALESBURG  
 SEMINARY STREET  
 CLINIC  
 GRADUATE MEDICAL GROUP  
 SEMINARY ST.  
 GALESBURG, NE 67401

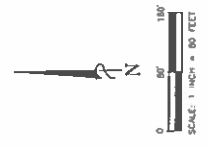
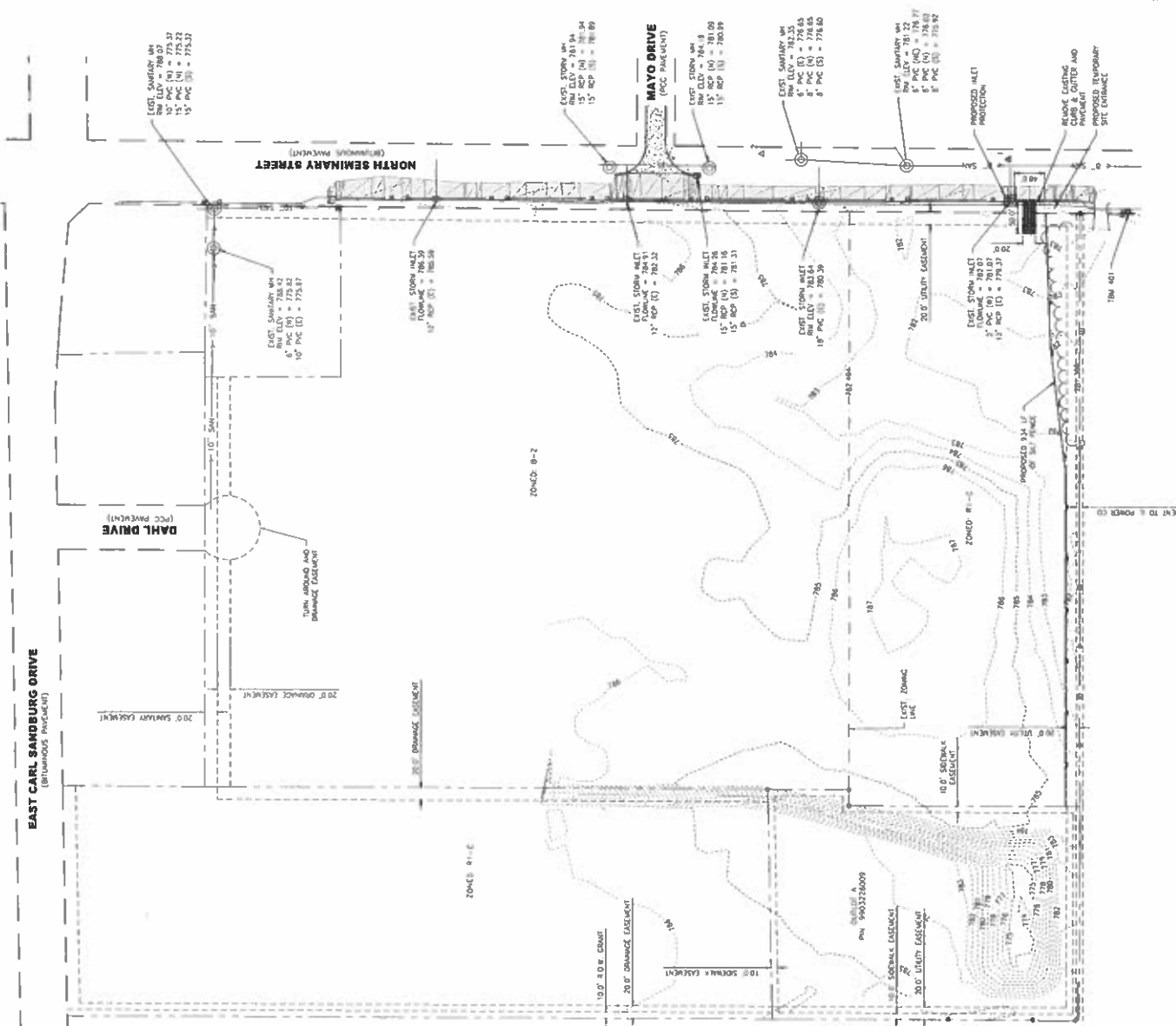
5th Edition Development 04.11.11

EXISTING SITE  
 & EROSION  
 CONTROL PLAN

PROJECT: 22010172.00

C101

PRELIMINARY - NOT FOR CONSTRUCTION



Attachment 6





STUDIO 483 ARCHITECTS  
 125 W. 11th St.  
 3rd Floor  
 New York, NY 10011  
 212.253.1111  
 201 W. 2nd Street, Suite 606  
 Galesburg, IL 62501  
 314.243.2221



GALESBURG  
 SEMINARY STREET  
 CLINIC  
 GRAHAM MEDICAL GROUP  
 SEMINARY ST.  
 GALESBURG, IL 62501

5% DEVELOPMENT IN IL

PROPOSED  
 SITE PLAN

PROJECT: 22010172.00

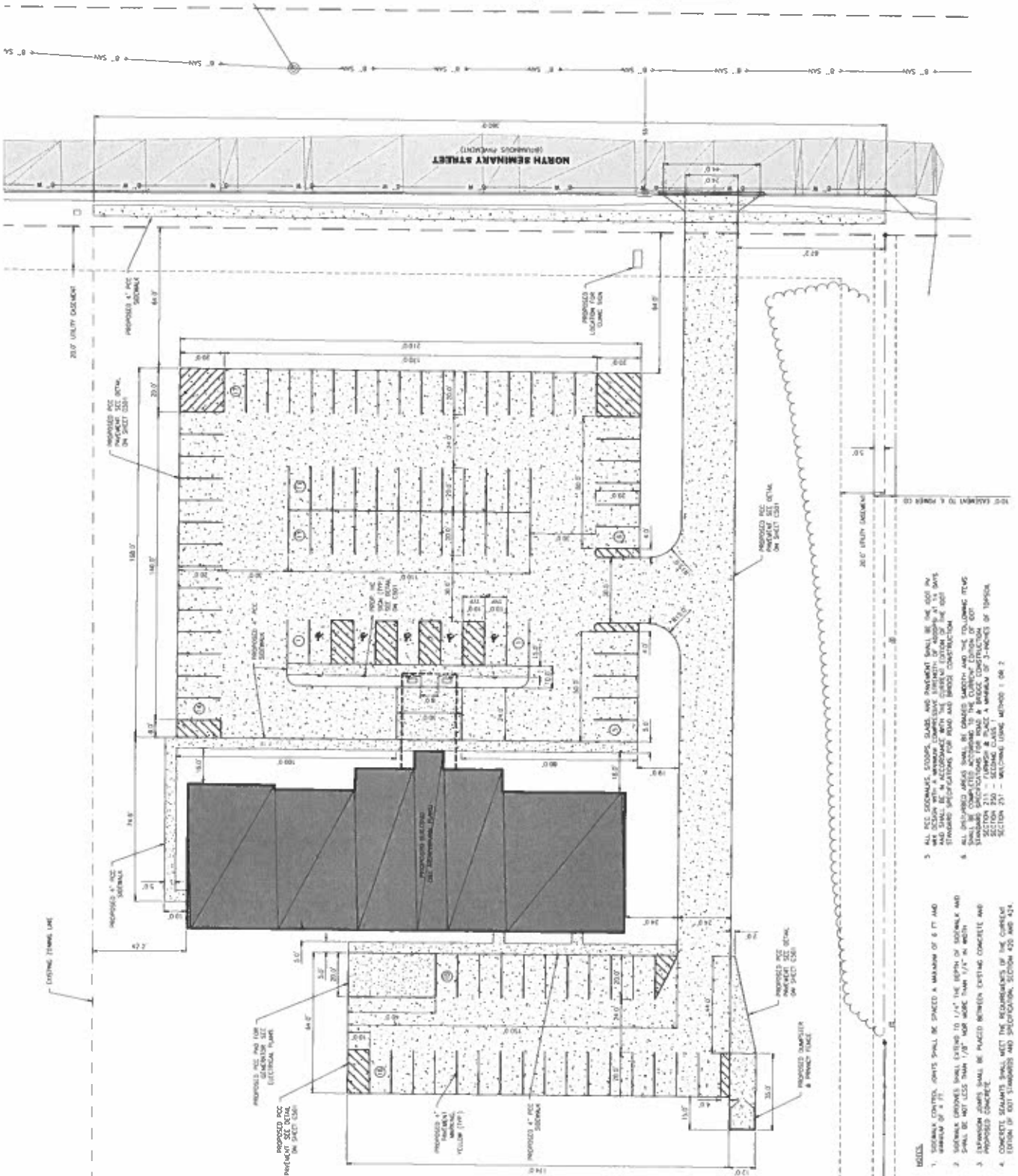
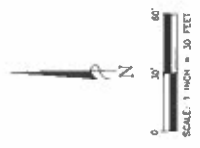
C201

PRELIMINARY - NOT FOR CONSTRUCTION

REQUIRED DECKING SPACES  
 5 SPACES  
 5 x (1,357.57 / 1000) = 68.4  
 68 REGULAR SPACES REQUIRED  
 3 HANDICAP SPACES

PROPOSED PARKING SPACES

WEST SIDE PARKING	20
REGULAR	17
HANDICAP	3
EAST SIDE PARKING	68
REGULAR	65
HANDICAP	3
TOTAL REGULAR	82
TOTAL HANDICAP	3



- NOTES
1. SIGNAGE, CONTROL LIGHTS SHALL BE SPACED A MINIMUM OF 6 FT AND MAXIMUM OF 4 FT.
  2. SIGNAGE DECKING SHALL EXTEND TO 1/4" THE DEPTH OF SIGNAGE AND SHALL BE NOT LESS THAN 1/8" NOR MORE THAN 1/4" IN WIDTH.
  3. EXPANSION JOINTS SHALL BE PLACED BETWEEN EXISTING CONCRETE AND PROPOSED CONCRETE.
  4. CONCRETE SEALANTS SHALL MEET THE REQUIREMENTS OF THE CURTAIN EDITION OF DOT STANDARD AND SPECIFICATION, SECTION 420 AND 424.
  5. ALL ICE DRAINAGE, STOPS, SLABS AND PAVEMENT SHALL BE THE 600 IN. MAXIMUM OF 4 FT. ALL SHALL BE IN ACCORDANCE WITH THE CURTAIN EDITION OF THE DOT STANDARD SPECIFICATIONS FOR ROAD AND BRIDGE CONSTRUCTION.
  6. ALL PAVED AREAS SHALL BE GRADED SAFELY AND THE FOLLOWING ITEMS SHALL BE PROVIDED TO THE CONTRACTOR FOR CONSTRUCTION:
    - SECTION 211 - PAVING & PLACE A MINIMUM OF 3-INCHES OF THICK.
    - SECTION 201 - MATERIALS USING METHOD 1 OR 2.

28

Attachment 6



STUDIO 489 ARCHITECTS  
112 Park Ave. #1121  
New York, NY 10017  
212.691.2400  
211 W. 2nd Street, Suite 404  
New York, NY 10013  
212.254.1511



HAURER-STUTZ  
NEW YORK  
ARCHITECTS  
110 W. 11th Street  
New York, NY 10011  
212.254.1511

GALESBURG  
SEMINARY STREET  
CLINIC  
GRAMHAM MEDICAL GROUP  
SEMINARY ST.  
GALESBURG, N.Y. 12401

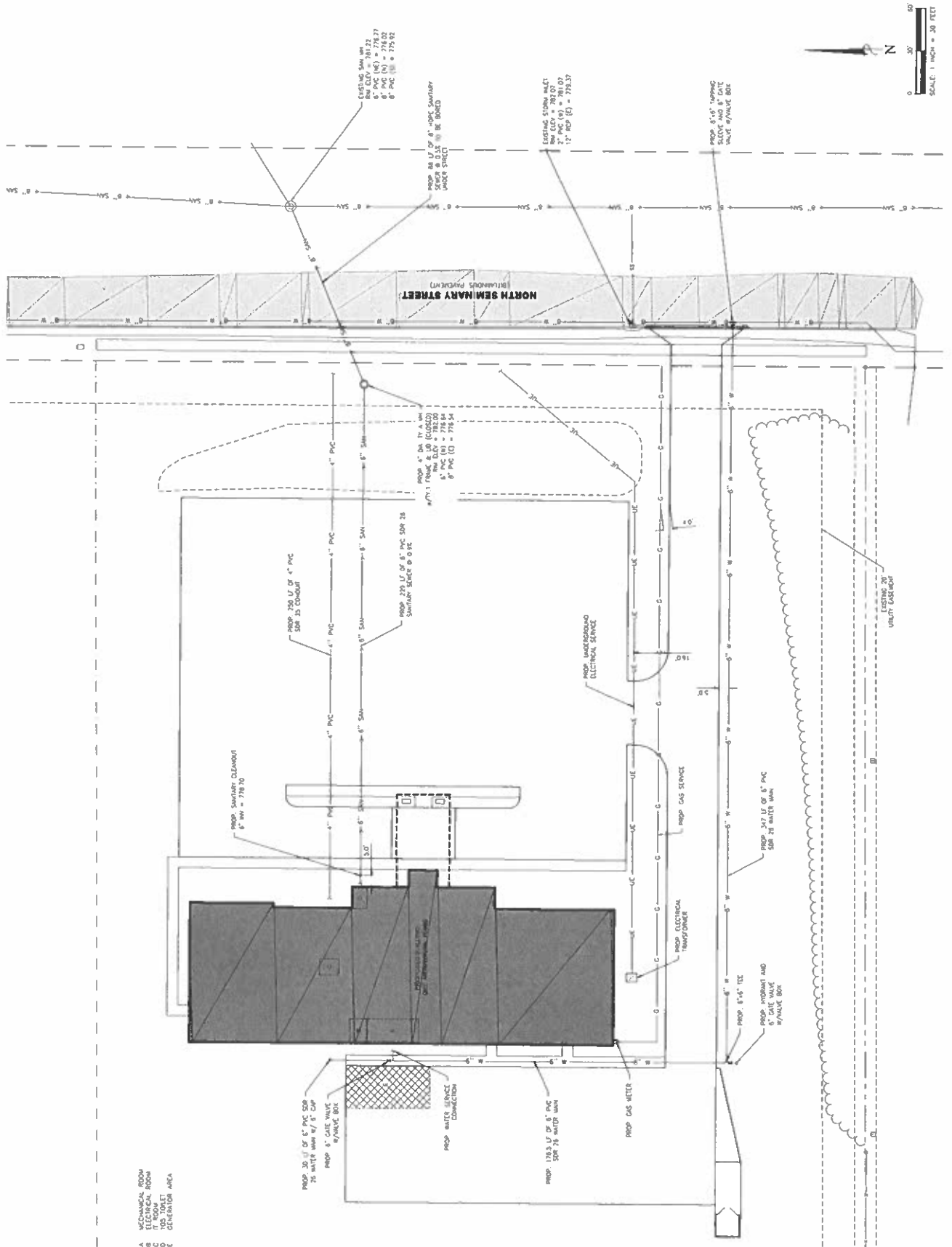
DATE: 08/11/11  
BY: [Signature]

PROPOSED  
UTILITY PLAN

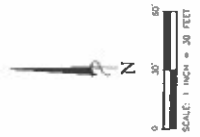
PROJECT: 22010172.00

C202

PRELIMINARY - NOT FOR CONSTRUCTION



- A MECHANICAL ROOM
- B ELECTRICAL ROOM
- C TOILET
- D GENERATOR AREA



29

Attachment 6

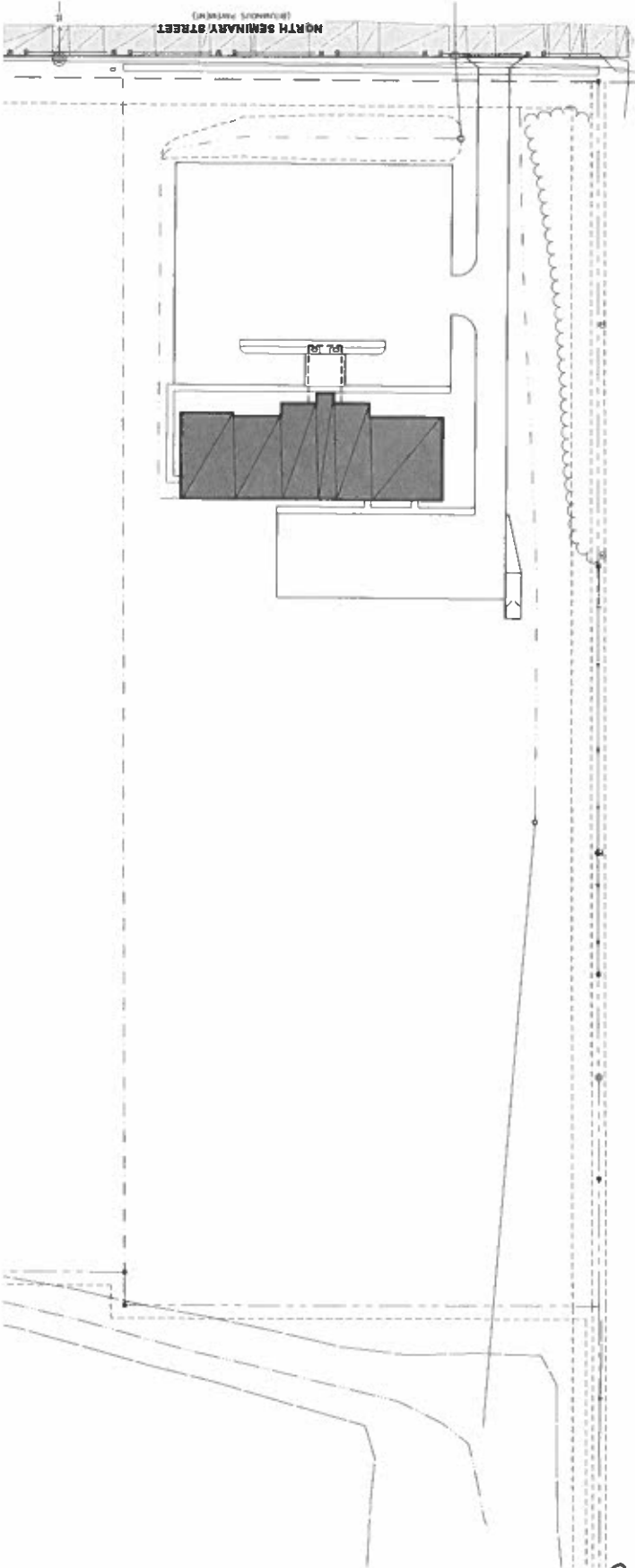


STUDIO 400 ARCHITECTS  
 1000 W. Main St., #1101  
 Galesburg, IL 61401  
 309.798.9193  
 201 W. 2nd Street, Suite 400  
 Galesburg, IL 61401  
 309.798.4225



HAUER-STUTZ ENGINEERS  
 1000 W. Main St., #1101  
 Galesburg, IL 61401  
 309.798.9193  
 201 W. 2nd Street, Suite 400  
 Galesburg, IL 61401  
 309.798.4225

GALESBURG  
 SEMINARY STREET  
 CLINIC  
 GRADUM MEDICAL GROUP  
 SEMINARY ST.  
 GALESBURG, IL 61401



30

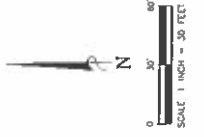
309-798-9193/STUDIO 400

PRELIMINARY - NOT FOR CONSTRUCTION

PROPOSED  
 STORM SEWER  
 PLAN

PROJECT: 23010172.00

C203



Attachment 6



STUDIO 400 ARCHITECTS  
 ARCHITECTS & PLANNERS  
 220 W. 24th Street, Suite 400  
 Galesburg, IL 62521  
 (314) 241-4000  
 www.studio400.com



**GALESBURG  
 SEMINARY STREET  
 CLINIC**  
 GRAHAM MEDICAL GROUP  
 SEMINARY ST.  
 GALESBURG, IL 62521

Site Preparation - 04.11.17

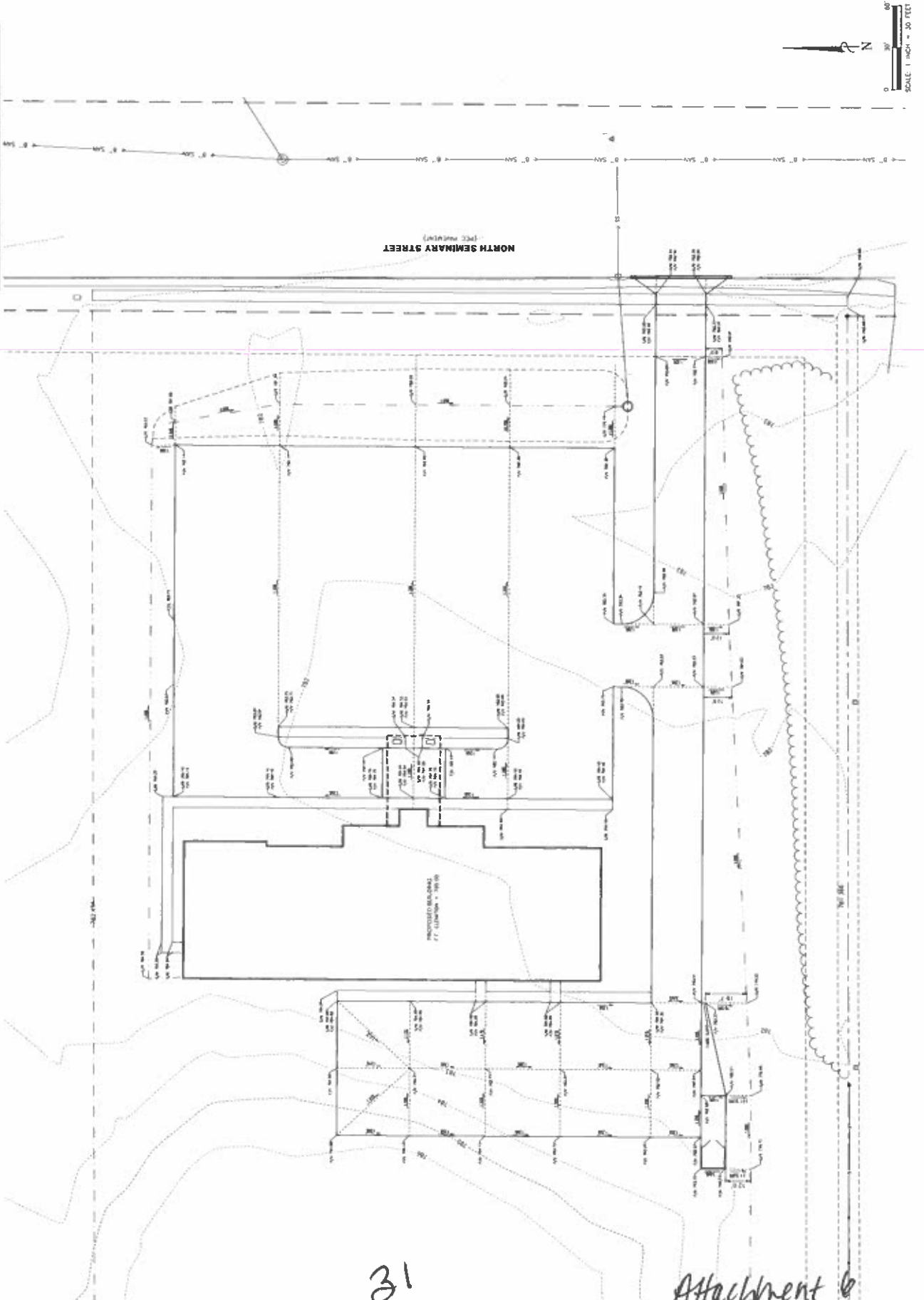
**PROPOSED  
 GRADING PLAN**

PROJECT: 22010172.00

**C204**

PRELIMINARY - NOT FOR CONSTRUCTION

DATE	DESCRIPTION	BY	CHK
11/17/17	ISSUE FOR PERMIT	MM	MM
04/11/17	ISSUE FOR PERMIT	MM	MM
03/22/17	ISSUE FOR PERMIT	MM	MM
03/17/17	ISSUE FOR PERMIT	MM	MM
03/17/17	ISSUE FOR PERMIT	MM	MM



31

Attachment 6



STUDIO 480 ARCHITECTS  
 11.10.10.10.10  
 200 1st Street, Suite 100  
 Galesburg, IL 61401  
 309.342.1000



GALESBURG  
 SEMINARY STREET  
 CLINIC  
 GRADAM MEDICAL GROUP  
 SEMINARY ST  
 GALESBURG, IL 61401

50% DEVELOPMENT (A-11)

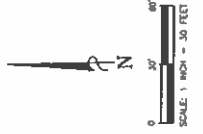
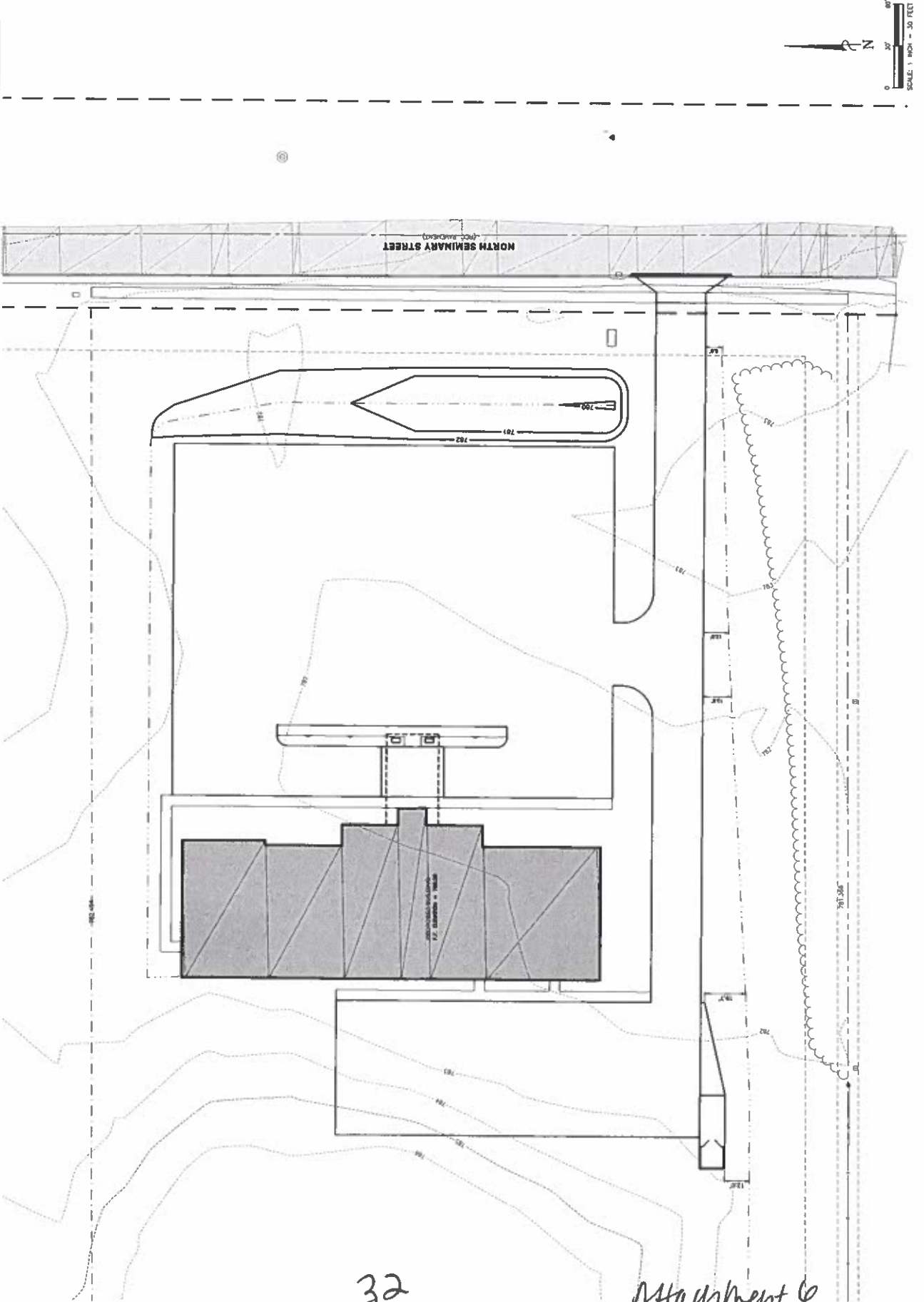
PROPOSED  
 CONTOUR  
 PLAN

PROJECT: 22010112.00

C205

PRELIMINARY - NOT FOR CONSTRUCTION

Sheet	Numbering	Conting	Revisions	Description
1	12/01/12	2/24/12	7/18/12	For final plan & schedule
2	12/01/12	2/24/12	7/18/12	For final plan & schedule
3	12/01/12	2/24/12	7/18/12	For final plan & schedule



32

Attachment 6



STUDIO 480 ARCHITECTS  
174 Park Ave. #1101  
New York, NY 10022  
212 778 2910  
212 778 2911  
212 778 2912



MAURER-STUIZ  
CONSULTANTS  
100 Park Ave. #1101  
New York, NY 10022  
212 778 2910  
212 778 2911  
212 778 2912

GALESBURG  
SEMINARY STREET  
CLINIC  
GRAHAM MEDICAL GROUP  
SEMINARY ST  
GALESBURG, N. 61401

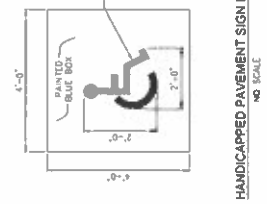
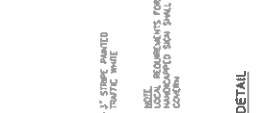
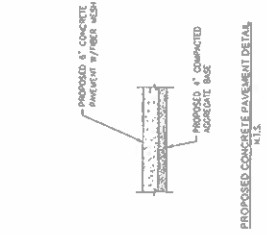
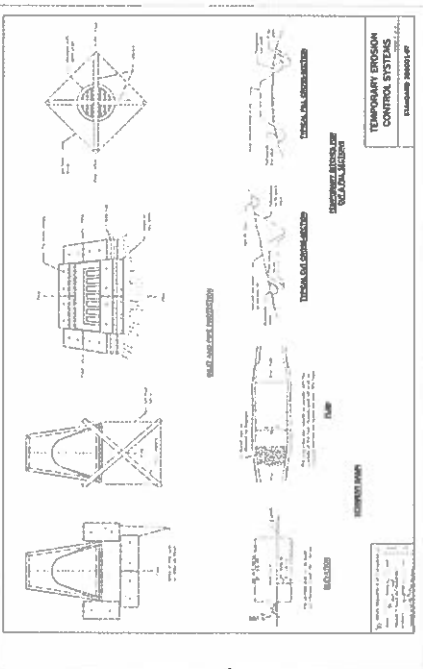
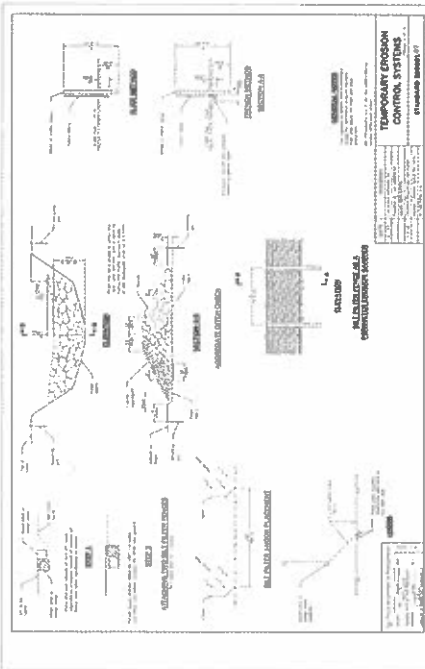
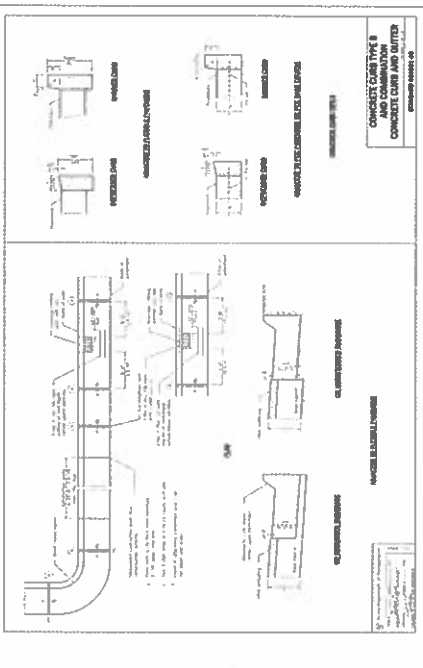
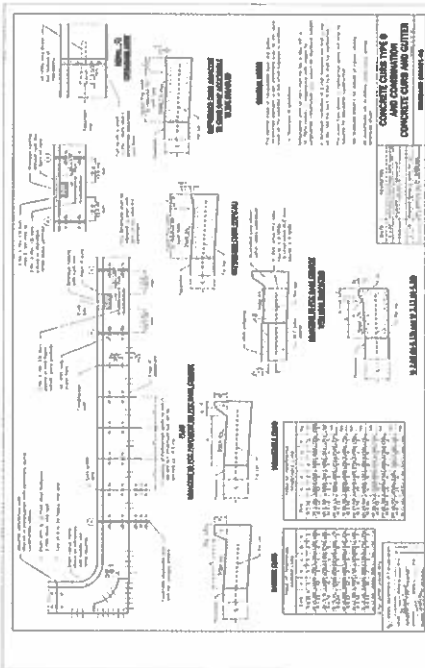
5th DESIGN DEVELOPMENT - 04.11.11

DETAILS

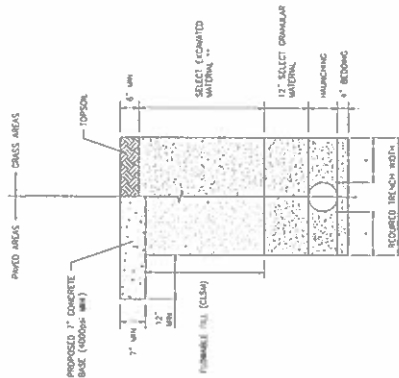
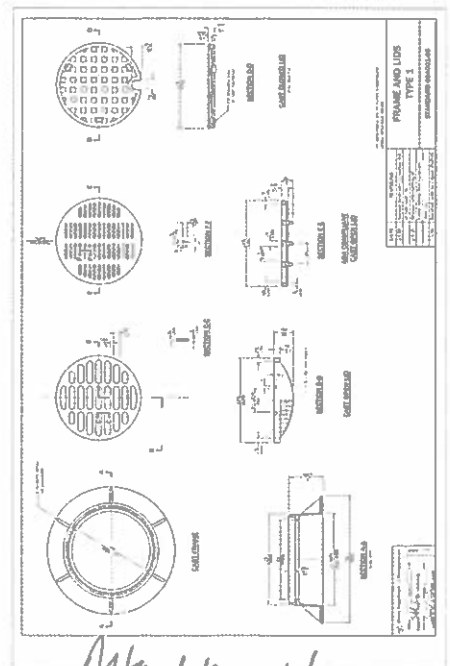
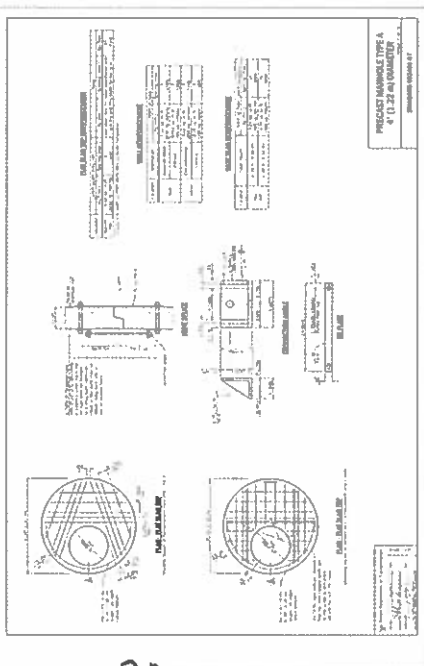
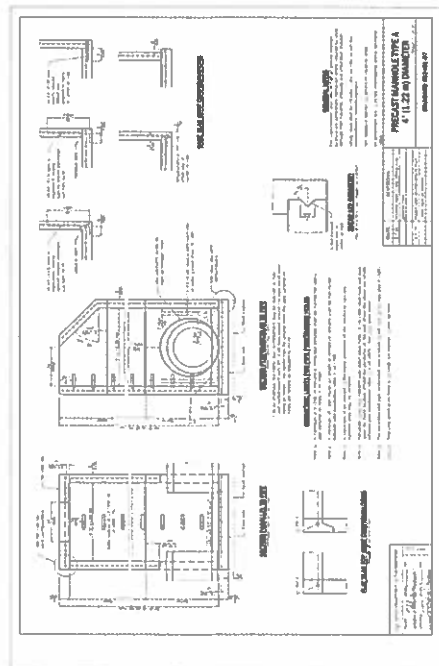
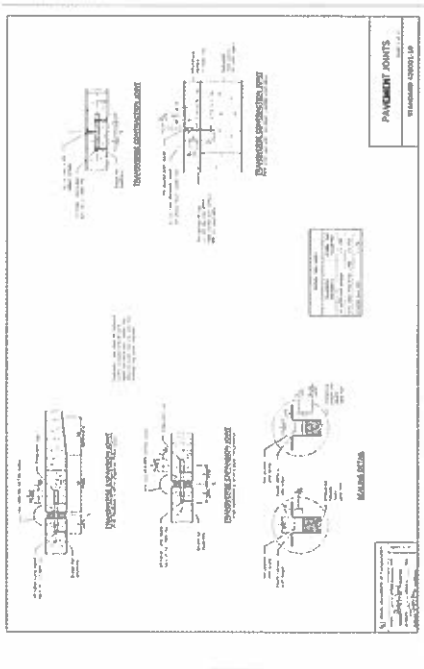
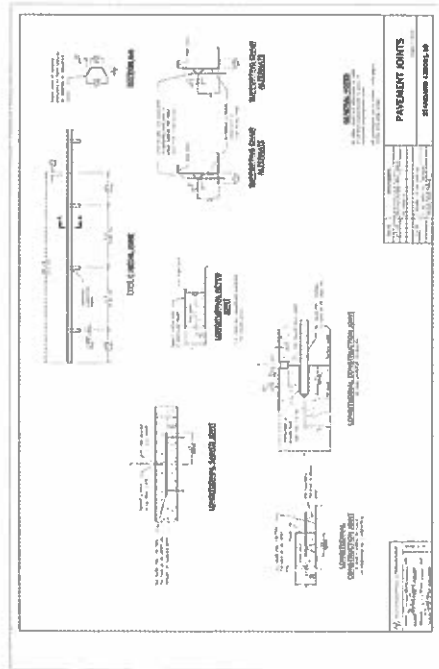
PROJECT: 22010172.00

C501

PRELIMINARY - NOT FOR CONSTRUCTION

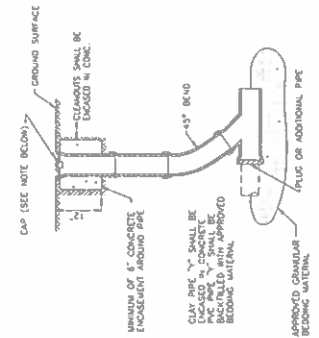
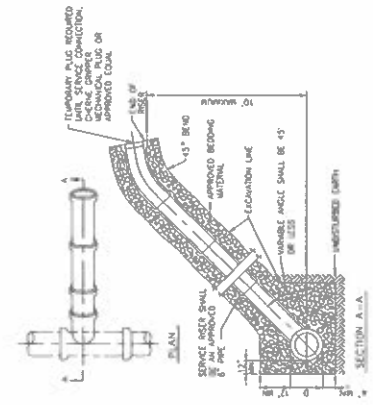


NOTE:  
1. SIGN LOCATION WITH CENTER MARKING AS SHOWN. SIZE OF VEHICLE SHALL HAVE MAX ACCESSIBLE SIGN ATTACHED OTHER SIGN LOCATION IS NOT REQUIRED TO HAVE MAX ACCESSIBLE SPACING.



\*\* SHALL MEET THE REQUIREMENTS OF SECTION 26.05.05 OF THE STANDARD SPECIFICATIONS FOR WATER & SEWER CONSTRUCTION IN ILLINOIS  
\*\* SELECT GRANULAR MATERIAL SHALL CONSIST OF EXCAVATED TRENCH SOILS FREE OF DELETERIOUS MATERIALS (BRICKS, PAWPAW, PINE, TREE ROOTS, ETC.) AND SHALL BE COMPACTED TO THE REQUIRED DENSITY. MATERIAL SHALL BE EXCAVATED TO A MINIMUM OF 12" BELOW THE TRENCH BOTTOM. (SEE MEASUREMENT) THE BACKFILL SHALL BE COMPACTED BY TAMPING INDIVIDUAL LAYERS.

**PROPOSED PIPING TRENCH BACKFILL DETAIL**  
NOT TO SCALE



**NOTE**  
CLEANOUTS SHALL BE LOCATED AT LEAST 18" FROM THE EXTERIOR WALL OF THE BUILDING. CLEANOUTS SHALL BE LOCATED AT LEAST 18" FROM THE EXTERIOR WALL OF THE BUILDING. CLEANOUTS SHALL BE LOCATED AT LEAST 18" FROM THE EXTERIOR WALL OF THE BUILDING. CLEANOUTS SHALL BE LOCATED AT LEAST 18" FROM THE EXTERIOR WALL OF THE BUILDING.

3A

Attachment 6



June 5, 2024

State Historical Preservation Office - IDNR  
Attn: Review & Compliance  
One Natural Resources Way  
Springfield, Illinois 62702

Re: Graham Medical Group Galesburg Clinic  
SHPO Project Review and Sign-off  
MSI Project No. 24123001

Dear Reviewer:


The purpose of this correspondence is to solicit comments and/or a sign-off letter from the Illinois Historic Preservation Agency for the Graham Medical Group Galesburg Clinic. Please find enclosed for your information a copy of the preliminary project drawings.

Construction is planned to begin in the Summer of 2024 and after all permits have been obtained. The project will include the construction of a medical clinic on a 15.5-acre site on the west side of North Seminary Street south of Carl Sandberg Drive. The project will include a commercial medical building, concrete parking lot, site utilities, storm detention, and site grading. The work will take place on private property and in the right-of-way of North Seminary Street within the City of Galesburg in Knox County.

All proposed work will be governed by the requirements of the latest editions of the *Standard Specifications for Water & Sewer Main Construction in Illinois*, the *Illinois Department of Transportation Standard Specifications for Road and Bridge Construction*, all State & City Building Codes, and in addition to any requirements placed on the project by permits required by the State and City of Galesburg.

If you have any questions or require any further clarifications regarding this matter, please do not hesitate to contact me at (309) 647-7831.

Sincerely,  
MAURER-STUTZ, INC.

  
Jason Myetich  
Project Engineer

Enclosures  
cc: file

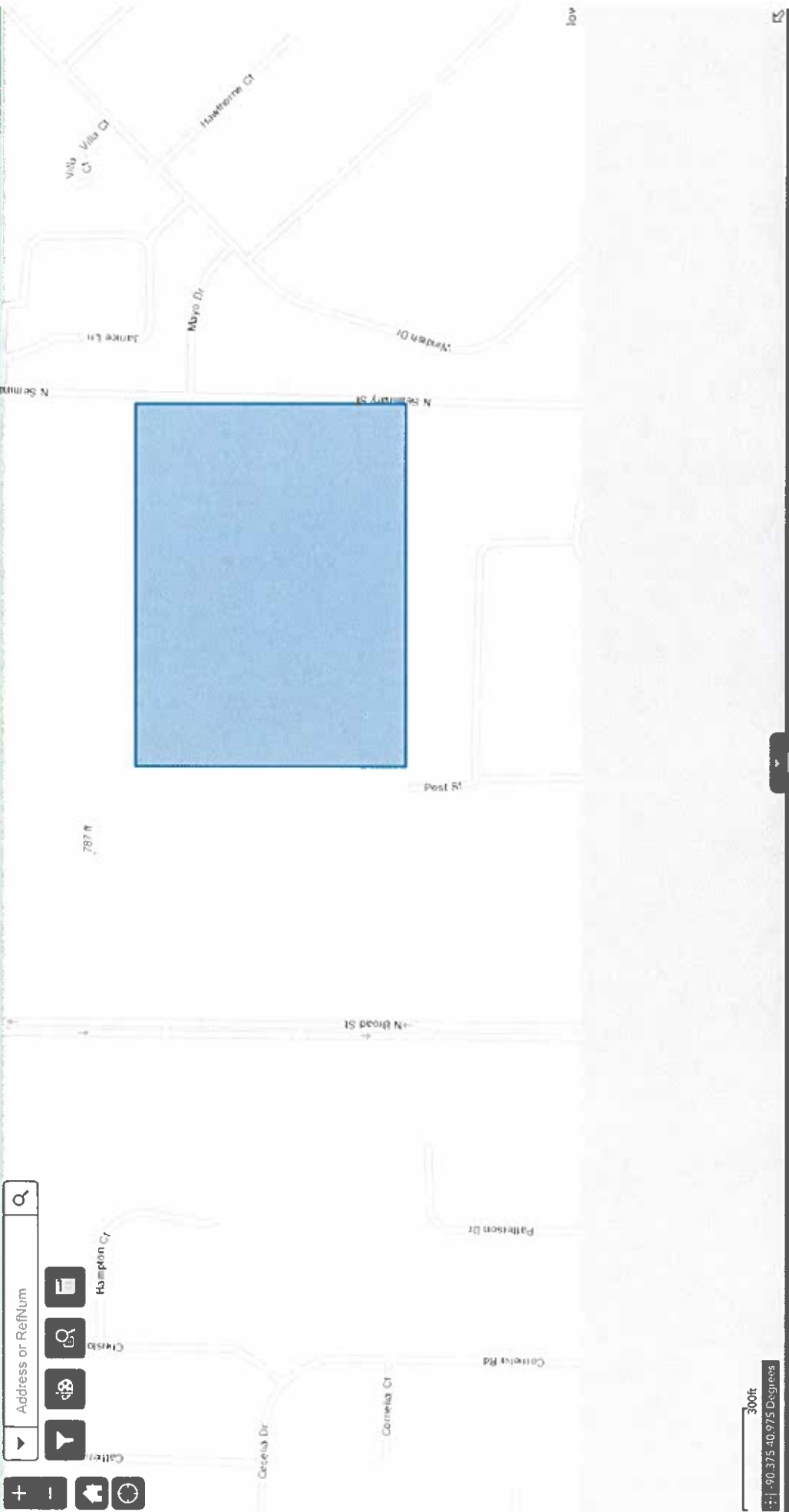
O:\241-Civil\2023\24123001.00 - GMG Galesburg Clinic - 2024 Revisions & Additions\Permitting\IHPA 2024\IHPA Letter.doc

1670 East Ash Street • Canton, Illinois 61520  
TEL 309-647-7831 • FAX 309-647-6155  
maurerstutzinc.com

35

Attachment 6





Significant Name	Other Name	Reference Number	Location	City	County
Alton Gas & Electric Power House	Alton Light & Power House		700 W Broadway	Alton	Madison
Scoville Place		22192	Roughly Bond by Lake St, Oak Park Ave., Ontario St, and N. Grove Ave.	Oak Park	Cook
St. John's Episcopal Church		100005	130 E. Eldorado	Decatur	Macon
First Methodist Episcopal Church		100006	201 W. North	Decatur	Macon
Quintan-Staley House	Staley Mansion	100008	361 N. College	Decatur	Macon

36

Attachment 6

31



Image capture May 2024. Images may be subject to copyr

Attachment

38



Image captured May 2024. Images may be subject to copyright.

Attachment



STUDIO 488 ARCHITECTS
1200 W. Lake Street, Suite 600
Chicago, IL 60606
312.321.4888

MAURER-STUTZ
6500 S. Halsted Street, Suite 200
Chicago, IL 60629
312.586.6000

GALESBURG
SEMINARY STREET
CLINIC
GRAHAM MEDICAL GROUP

SEMINARY ST
GALESBURG, IL 61461

PHASE 1

PHASE 2
GENERAL NOTES &
LEGEND

PROJECT: 22010772.00

C001

CIVIL SHEET LIST

- C001 GENERAL NOTES & LEGEND
C002 PROPOSED REVISION PLAN
C003 PROPOSED SITE PLAN
C004 PROPOSED STREET PLAN & PROFILE
C005 PROPOSED STORM SEWER PLAN
C006 PROPOSED SITE GRADING PLAN
C007 PROPOSED CONCRETE PLAN
C008 DETAILS
C009 DETAILS

GENERAL LEGEND

Table with 3 columns: Symbol, Description, and Legend Item. Includes symbols for concrete, existing and proposed walls, foundations, utilities, and other construction elements.

QUALITY CONTROL ITEMS

- 1. TESTING OF CONCRETE SAMPLES OF FRESH CONCRETE BEFORE PLACING TO ACHIEVE C-75 SHALL BE REQUIRED ACCORDING TO THE 'MATERIALS' SECTION REQUIREMENTS.
2. FRESH CONCRETE SHALL BE TESTED FOR SLUMP, COMPRESSIVE STRENGTH, AND AIR CONTENT AT THE TIME OF PLACEMENT.
3. CONCRETE SHALL BE TESTED FOR SLUMP, COMPRESSIVE STRENGTH, AND AIR CONTENT AT THE TIME OF PLACEMENT.
4. CONCRETE SHALL BE TESTED FOR SLUMP, COMPRESSIVE STRENGTH, AND AIR CONTENT AT THE TIME OF PLACEMENT.

SUBBASES, BASES AND BACKFILLS

- 1. ALL SUBBASES, BASES AND BACKFILLS SHALL BE PLACED AND COMPACTED IN ACCORDANCE WITH THE SPECIFICATIONS FOR ROADWAY CONSTRUCTION.
2. ALL SUBBASES, BASES AND BACKFILLS SHALL BE PLACED AND COMPACTED IN ACCORDANCE WITH THE SPECIFICATIONS FOR ROADWAY CONSTRUCTION.
3. ALL SUBBASES, BASES AND BACKFILLS SHALL BE PLACED AND COMPACTED IN ACCORDANCE WITH THE SPECIFICATIONS FOR ROADWAY CONSTRUCTION.

GENERAL NOTES

- 1. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE SPECIFICATIONS FOR ROADWAY CONSTRUCTION.
2. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE SPECIFICATIONS FOR ROADWAY CONSTRUCTION.
3. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE SPECIFICATIONS FOR ROADWAY CONSTRUCTION.

UTILITIES

- 1. ALL UTILITIES SHALL BE PLACED AND DEPTH AS SHOWN ON THE PLANS.
2. ALL UTILITIES SHALL BE PLACED AND DEPTH AS SHOWN ON THE PLANS.
3. ALL UTILITIES SHALL BE PLACED AND DEPTH AS SHOWN ON THE PLANS.

EROSION CONTROL

- 1. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE DESIGN AND CONSTRUCTION OF ALL EROSION CONTROL MEASURES.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE DESIGN AND CONSTRUCTION OF ALL EROSION CONTROL MEASURES.
3. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE DESIGN AND CONSTRUCTION OF ALL EROSION CONTROL MEASURES.



JAMES J. PLONKA, P.E.
1100 N. LAUREL ST.
CHICAGO, IL 60642

CIVIL PLANS SHEETS C001 - C009 WERE PREPARED BY OR UNDER THE SUPERVISION OF DAVID MAURER-STUTZ, INC. (ILLINOIS PROFESSIONAL DESIGN FIRM 184-00574)

39

Attachment



STUDIO 400 ARCHITECTS  
17 PARKWAY  
SUITE 100  
GALESBURG, IL 62521  
309.244.2222  
WWW.STUDIO400ARCHITECTS.COM



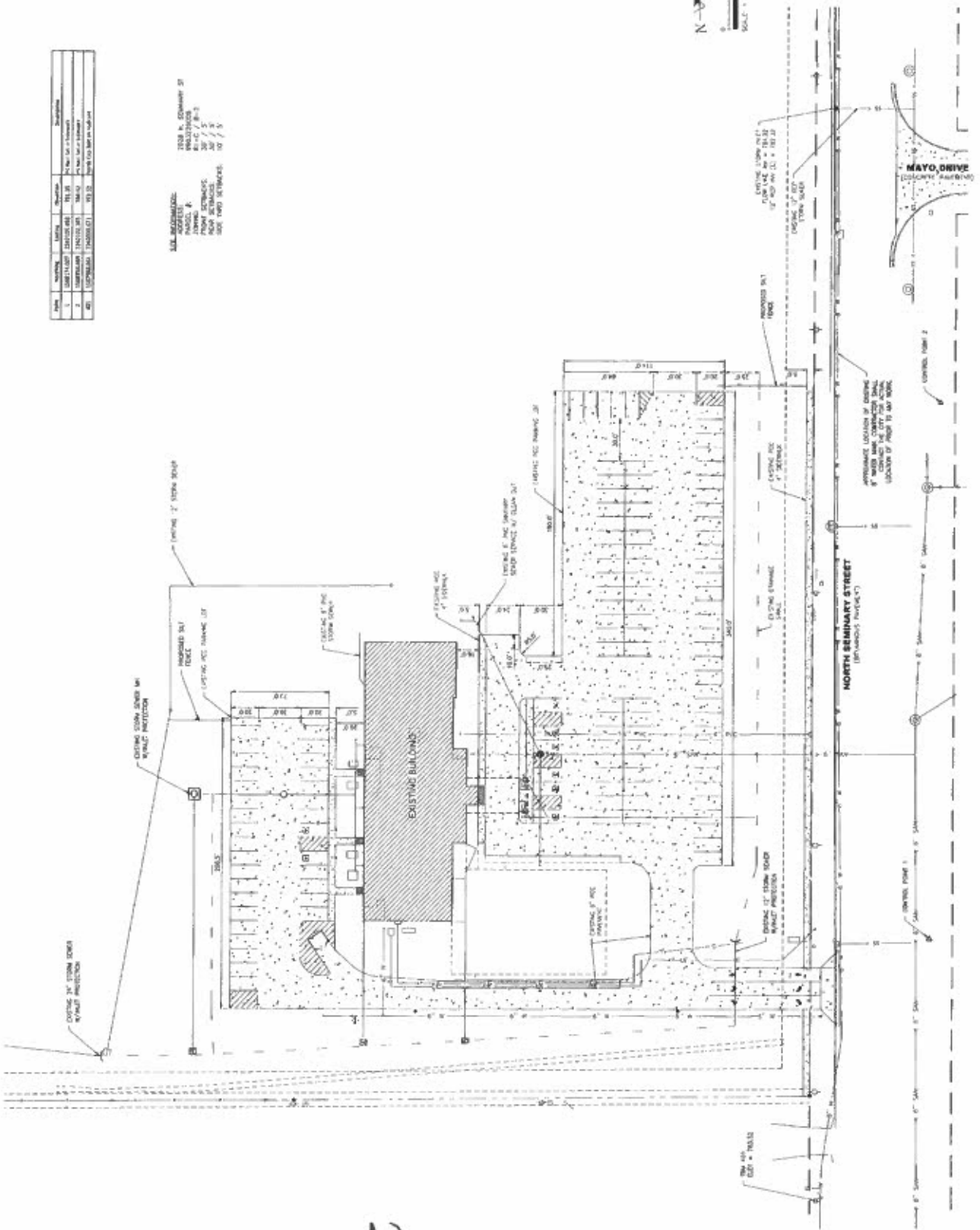
GALESBURG  
SEMINARY STREET  
CLINIC  
GRAHAM MEDICAL GROUP  
SEMINARY ST  
GALESBURG, IL 62401

PHASE 2  
EXISTING SITE PLAN &  
EROSION CONTROL  
PLAN  
PROJECT: 2001012.00

C101

Item	Quantity	Unit	Description
1	1	Sheet	EXISTING SITE PLAN & EROSION CONTROL PLAN
2	1	Sheet	PROPOSED SITE PLAN & EROSION CONTROL PLAN
3	1	Sheet	PROPOSED GRADING PLAN
4	1	Sheet	PROPOSED UTILITY PLAN
5	1	Sheet	PROPOSED PAVING PLAN
6	1	Sheet	PROPOSED LANDSCAPE ARCHITECTURE PLAN
7	1	Sheet	PROPOSED SIGNAGE PLAN
8	1	Sheet	PROPOSED TRAFFIC CONTROL PLAN
9	1	Sheet	PROPOSED LIGHTING PLAN
10	1	Sheet	PROPOSED SECURITY PLAN
11	1	Sheet	PROPOSED ACCESSIBILITY PLAN
12	1	Sheet	PROPOSED HISTORIC PRESERVATION PLAN
13	1	Sheet	PROPOSED ENVIRONMENTAL IMPACT STATEMENT
14	1	Sheet	PROPOSED ARCHITECTURAL RENDERINGS
15	1	Sheet	PROPOSED CONSTRUCTION SCHEDULE
16	1	Sheet	PROPOSED BIDDING DOCUMENTS
17	1	Sheet	PROPOSED CONTRACT AGREEMENT
18	1	Sheet	PROPOSED PERFORMANCE GUARANTEE
19	1	Sheet	PROPOSED RISK MANAGEMENT PLAN
20	1	Sheet	PROPOSED QUALITY MANAGEMENT PLAN
21	1	Sheet	PROPOSED COMMUNITY ENGAGEMENT PLAN
22	1	Sheet	PROPOSED PUBLIC RELATIONS PLAN
23	1	Sheet	PROPOSED MEDIA STRATEGY
24	1	Sheet	PROPOSED SOCIAL MEDIA PLAN
25	1	Sheet	PROPOSED WEBSITE DESIGN
26	1	Sheet	PROPOSED MOBILE APP DEVELOPMENT
27	1	Sheet	PROPOSED VIDEO PRODUCTION
28	1	Sheet	PROPOSED PHOTOGRAPHY
29	1	Sheet	PROPOSED GRAPHIC DESIGN
30	1	Sheet	PROPOSED BRANDING STRATEGY
31	1	Sheet	PROPOSED COPYWRITING
32	1	Sheet	PROPOSED ADVERTISING CAMPAIGN
33	1	Sheet	PROPOSED PUBLIC AFFAIRS STRATEGY
34	1	Sheet	PROPOSED CRISIS COMMUNICATIONS PLAN
35	1	Sheet	PROPOSED REPUTATION MANAGEMENT PLAN
36	1	Sheet	PROPOSED SOCIAL RESPONSIBILITY REPORT
37	1	Sheet	PROPOSED SUSTAINABILITY REPORT
38	1	Sheet	PROPOSED DIVERSITY AND INCLUSION REPORT
39	1	Sheet	PROPOSED ETHICS AND COMPLIANCE REPORT
40	1	Sheet	PROPOSED GOVERNANCE REPORT

7030 N. SEMINARY ST  
ADDRESS:  
7030 N. SEMINARY ST  
GALESBURG, IL 62521  
309.244.2222  
WWW.STUDIO400ARCHITECTS.COM



40

Attachment 6



STUDIO 400 ARCHITECTS  
 517 W. 11th St. #1501  
 Des Moines, IA 50319  
 515.281.2434  
 www.studio400.com



MAURER-STUTZ ARCHITECTS  
 333 W. 11th St.  
 Des Moines, IA 50319  
 515.281.4444  
 www.mstarchitects.com

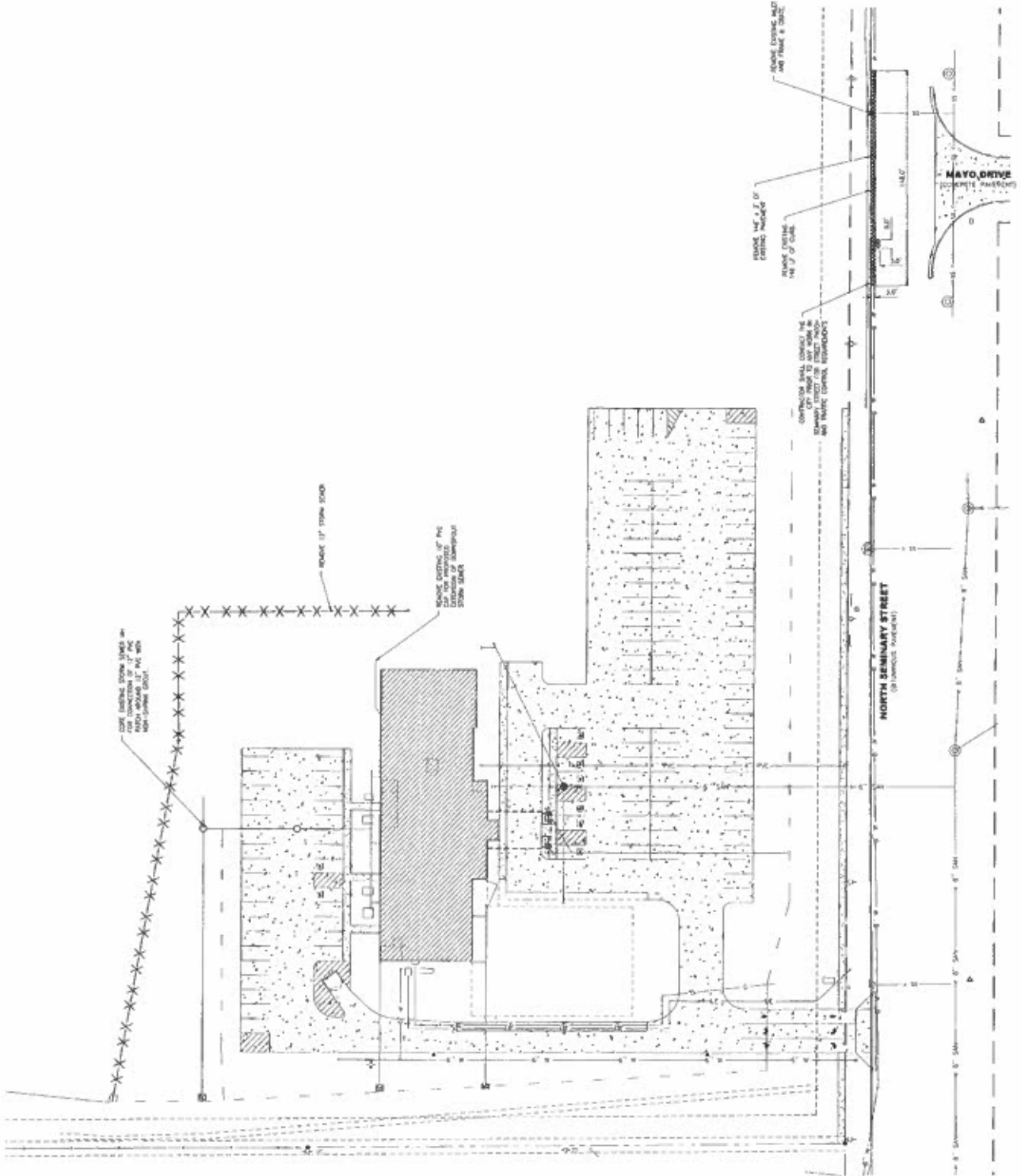
GALESBURG  
 SEMINARY STREET  
 CLINIC  
 GRAHAM MEDICAL GROUP  
 SEMINARY ST.  
 GALESBURG, IA 51402

PHASE 2  
 04.23.21

PHASE 2  
 PROPOSED  
 DEMOLITION PLAN

PROJECT: 2010171.00

**C102**





FROM ARCHITECTS  
 NAME: STUDIO 483  
 ADDRESS: 1200 N. GALESBURG ST.  
 CHICAGO, IL 60642  
 PHONE: (773) 537-8800  
 FAX: (773) 537-8801  
 EMAIL: info@studio483.com  
 WEBSITE: www.studio483.com



MAURER-STUTZ  
 ARCHITECTS  
 1200 N. GALESBURG ST.  
 CHICAGO, IL 60642  
 PHONE: (773) 537-8800  
 FAX: (773) 537-8801  
 EMAIL: info@maurer-stutz.com  
 WEBSITE: www.maurer-stutz.com

GALESBURG  
 SEMINARY STREET  
 CLINIC  
 CHICAGO MEDICAL GROUP  
 1200 N. GALESBURG ST.  
 CHICAGO, IL 60642

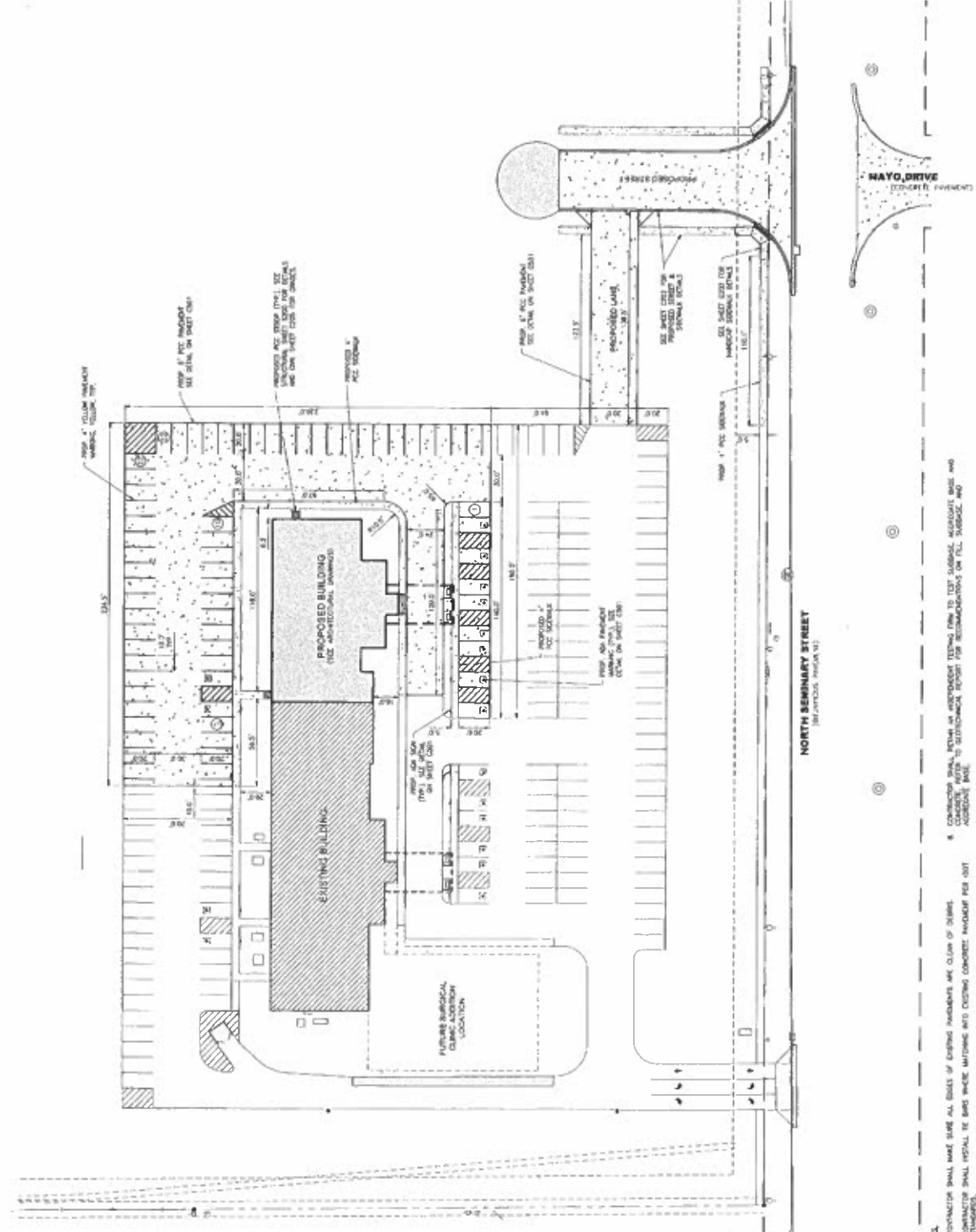
PHASE 2  
 04/21/24

PHASE 2  
 PROPOSED SITE PLAN

PROJECT: 22010722.00

C201

- EXISTING FINISHED SPACES**
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  - 2 2' x 4' (1987/97/2000) = 80.4
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- PROPOSED FINISHED SPACES**
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  - 49 2' x 4' (1987/97/2000) = 80.4
  - 50 2' x 4' (1987/97/2000) = 80.4



1. CONTRACTOR SHALL MAKE SURE ALL DIMENSIONS OF EXISTING FOUNDATIONS ARE CLEAR OF DIMENSIONS.
2. FOUNDATIONS SHALL BE BUILT WITH CONCRETE MASONRY UNITS (CMU) WITH 2" REINFORCING BARS (REBAR) AT 48" ON CENTER.
3. CONCRETE SHALL BE SET ON SANDY GRAVEL AND APPROVED BY THE INSPECTOR. CONCRETE SHALL BE SET IN APPROVED TYPICAL FORMWORK WITH 2" DIMENSIONS.
4. ALL WORK AND MATERIALS SHALL MEET THE REQUIREMENTS OF THE LATEST EDITION OF THE DOT STANDARD SPECIFICATIONS FOR HIGHWAY AND BRIDGE CONSTRUCTION.
5. EXISTING FOUNDATIONS SHALL BE TO 1/4" THE DEPTH OF SOLEMAS AND SHALL BE NOT LESS THAN 1/8" FOR MORE THAN 1/4" IN WIDTH.
6. FOUNDATION JOINTS SHALL BE PLACED BETWEEN EXISTING CONCRETE AND PROPOSED CONCRETE.
7. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR EXISTING FOUNDATIONS.
8. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
9. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
10. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
11. ALL DIMENSIONS SHALL MEET THE REQUIREMENTS OF THE LATEST EDITION OF THE DOT STANDARD SPECIFICATIONS FOR HIGHWAY AND BRIDGE CONSTRUCTION.
12. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
13. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
14. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
15. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
16. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
17. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
18. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
19. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
20. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
21. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
22. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
23. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
24. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
25. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
26. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
27. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
28. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
29. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.
30. CONTRACTOR SHALL PROVIDE JOINTS WITH A JOINTING PLAN PRIOR TO POURING CONCRETE FOR PROPOSED FOUNDATIONS.

A2

Attachment 6



STUDIO 483 ARCHITECTS  
 300 N. WABASH, 11 201  
 300 N. WABASH  
 CHICAGO, IL 60610  
 TEL: 312.525.4833  
 FAX: 312.525.4834



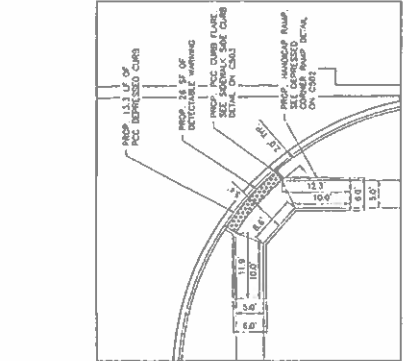
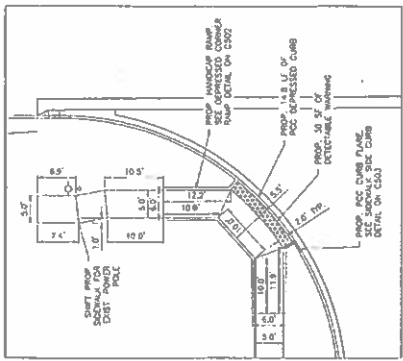
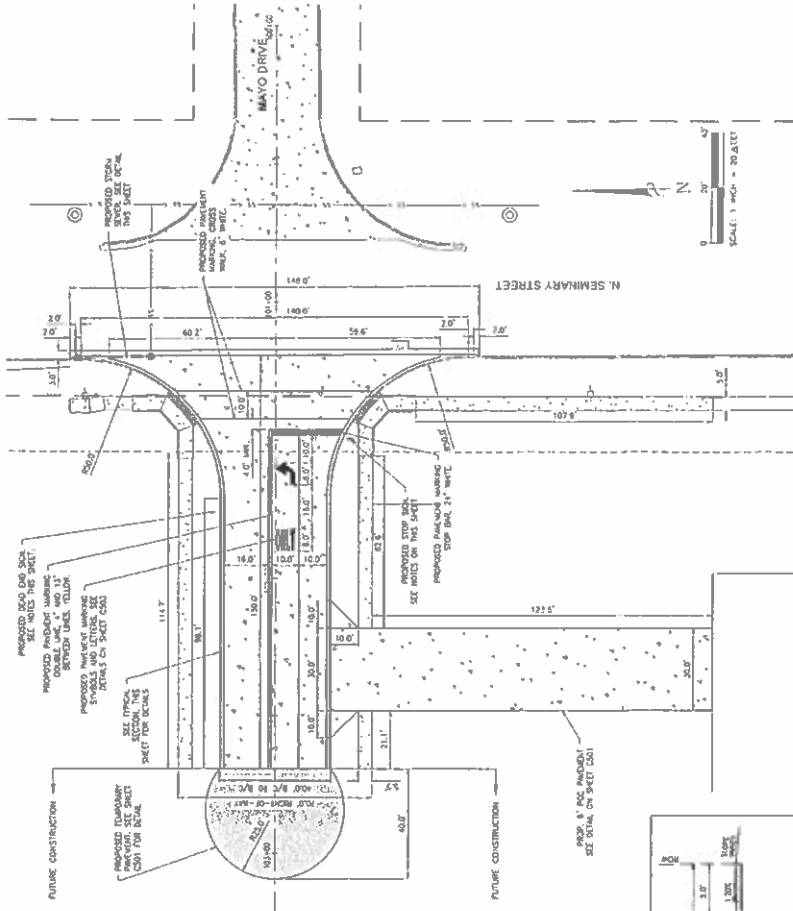
MAURER-STUTZ  
 ARCHITECTS  
 100 N. WABASH, 11 201  
 CHICAGO, IL 60610  
 TEL: 312.525.4833  
 FAX: 312.525.4834

GALESBURG  
 SEMINARY STREET  
 CLINIC  
 GRAHAM MEDICAL GROUP  
 SEMINARY ST.  
 GALESBURG, IL 61401

PHASE 2  
 14-2234

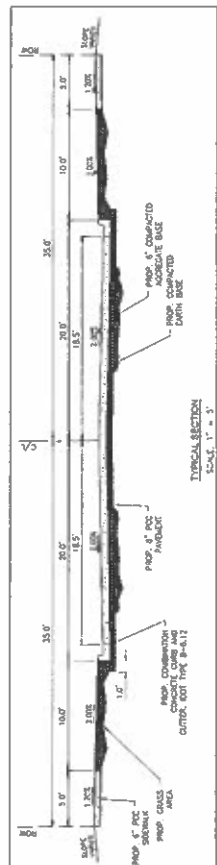
PHASE 2  
 PROPOSED STREET  
 PLAN & PROFILE  
 PROJECT: 22010172.00

C202

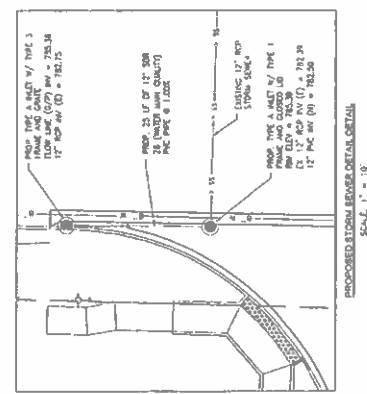
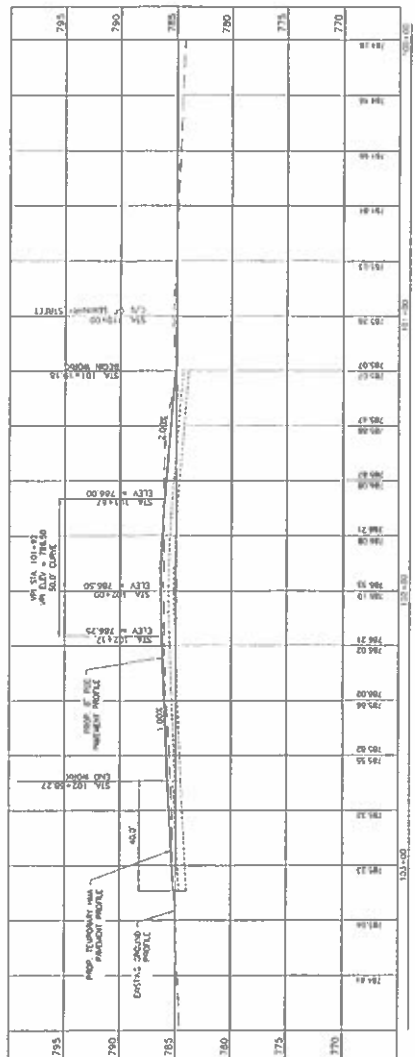


PROPOSED SIDEWALK DETAIL  
 SCALE: 1" = 10'

- ENHANCED SIDEWALK DETAIL**
1. STOP SIGN (61-1-2502) SHALL BE 30" SQUARE RELATIVE WITH 10" SQUARE POST (50-10) AND POST ANCHOR (50-3-ANCHOR).
  2. DEAD END SIGN (61-1-3303) SHALL BE 30" SQUARE RELATIVE WITH 10" SQUARE POST (50-10) AND POST ANCHOR (50-3-ANCHOR).



TYPICAL SECTION  
 SCALE: 1" = 3'



PROPOSED STORM SEWER DETAIL  
 SCALE: 1" = 10'

A3

Attachment 6

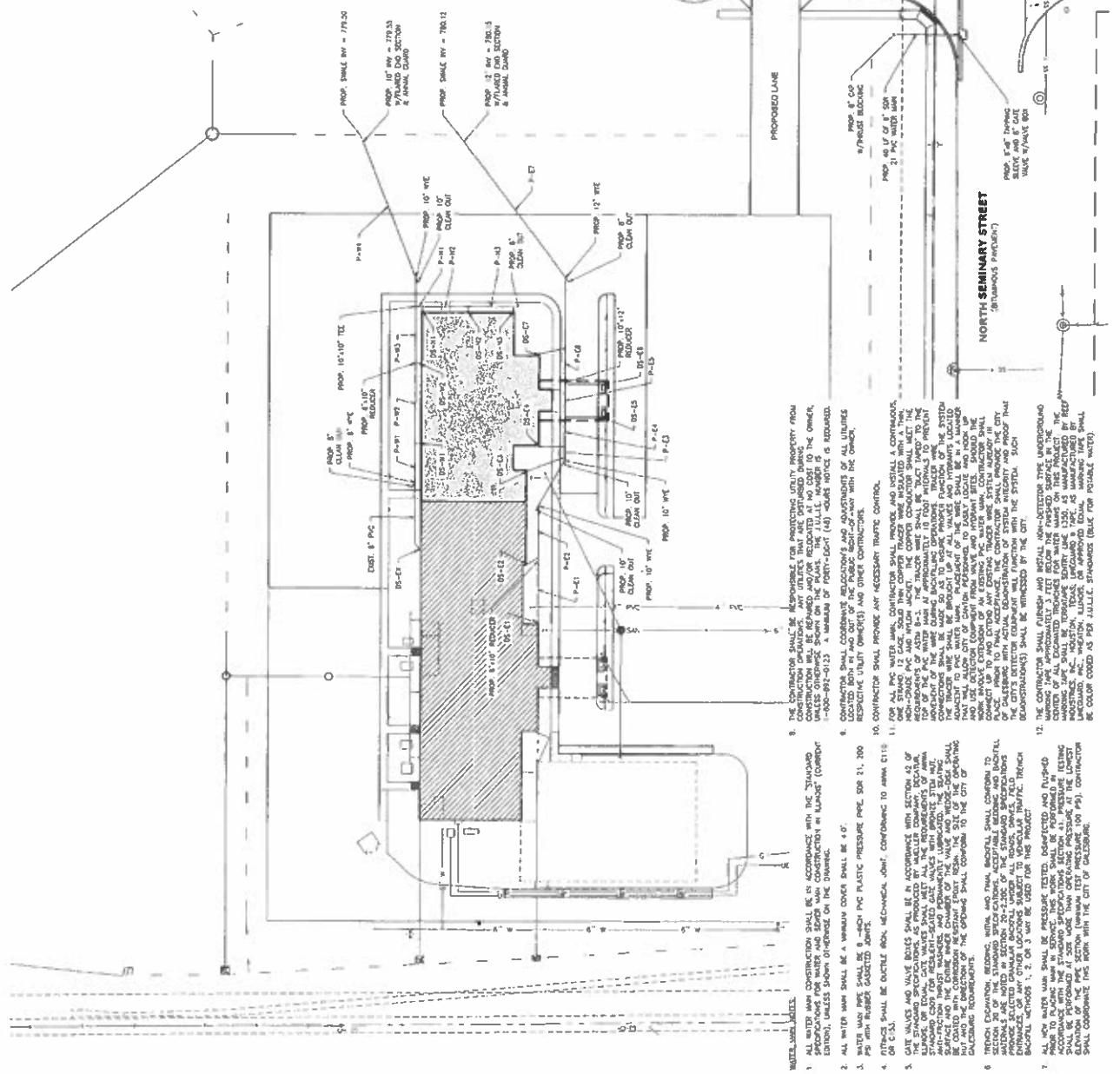


PROPOSED DOWNSPOUT INFORMATION

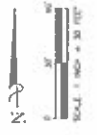
MARKER	MARKER TYPE	MARKER #	MARKER ELEV.	MARKER X	MARKER Y	MARKER Z
D5-1	8"	1	785.95	0.00	781.96	
D5-2	8"	2	785.95	0.00	781.96	
D5-3	8"	3	785.95	0.00	781.96	
D5-4	8"	4	785.95	0.00	781.96	
D5-5	8"	5	785.95	0.00	781.96	
D5-6	8"	6	785.95	0.00	781.96	
D5-7	8"	7	785.95	0.00	781.96	
D5-8	8"	8	785.95	0.00	781.96	
D5-9	8"	9	785.95	0.00	781.96	
D5-10	8"	10	785.95	0.00	781.96	
D5-11	8"	11	785.95	0.00	781.96	
D5-12	8"	12	785.95	0.00	781.96	
D5-13	8"	13	785.95	0.00	781.96	
D5-14	8"	14	785.95	0.00	781.96	
D5-15	8"	15	785.95	0.00	781.96	
D5-16	8"	16	785.95	0.00	781.96	
D5-17	8"	17	785.95	0.00	781.96	
D5-18	8"	18	785.95	0.00	781.96	
D5-19	8"	19	785.95	0.00	781.96	
D5-20	8"	20	785.95	0.00	781.96	
D5-21	8"	21	785.95	0.00	781.96	
D5-22	8"	22	785.95	0.00	781.96	
D5-23	8"	23	785.95	0.00	781.96	
D5-24	8"	24	785.95	0.00	781.96	
D5-25	8"	25	785.95	0.00	781.96	
D5-26	8"	26	785.95	0.00	781.96	
D5-27	8"	27	785.95	0.00	781.96	
D5-28	8"	28	785.95	0.00	781.96	
D5-29	8"	29	785.95	0.00	781.96	
D5-30	8"	30	785.95	0.00	781.96	
D5-31	8"	31	785.95	0.00	781.96	
D5-32	8"	32	785.95	0.00	781.96	
D5-33	8"	33	785.95	0.00	781.96	
D5-34	8"	34	785.95	0.00	781.96	
D5-35	8"	35	785.95	0.00	781.96	
D5-36	8"	36	785.95	0.00	781.96	
D5-37	8"	37	785.95	0.00	781.96	
D5-38	8"	38	785.95	0.00	781.96	
D5-39	8"	39	785.95	0.00	781.96	
D5-40	8"	40	785.95	0.00	781.96	
D5-41	8"	41	785.95	0.00	781.96	
D5-42	8"	42	785.95	0.00	781.96	
D5-43	8"	43	785.95	0.00	781.96	
D5-44	8"	44	785.95	0.00	781.96	
D5-45	8"	45	785.95	0.00	781.96	
D5-46	8"	46	785.95	0.00	781.96	
D5-47	8"	47	785.95	0.00	781.96	
D5-48	8"	48	785.95	0.00	781.96	
D5-49	8"	49	785.95	0.00	781.96	
D5-50	8"	50	785.95	0.00	781.96	

PROPOSED DOWNSPOUT PRELIMINARY INFORMATION

MARKER	MARKER TYPE	MARKER #	MARKER ELEV.	MARKER X	MARKER Y	MARKER Z
D5-1	8"	1	785.95	0.00	781.96	
D5-2	8"	2	785.95	0.00	781.96	
D5-3	8"	3	785.95	0.00	781.96	
D5-4	8"	4	785.95	0.00	781.96	
D5-5	8"	5	785.95	0.00	781.96	
D5-6	8"	6	785.95	0.00	781.96	
D5-7	8"	7	785.95	0.00	781.96	
D5-8	8"	8	785.95	0.00	781.96	
D5-9	8"	9	785.95	0.00	781.96	
D5-10	8"	10	785.95	0.00	781.96	
D5-11	8"	11	785.95	0.00	781.96	
D5-12	8"	12	785.95	0.00	781.96	
D5-13	8"	13	785.95	0.00	781.96	
D5-14	8"	14	785.95	0.00	781.96	
D5-15	8"	15	785.95	0.00	781.96	
D5-16	8"	16	785.95	0.00	781.96	
D5-17	8"	17	785.95	0.00	781.96	
D5-18	8"	18	785.95	0.00	781.96	
D5-19	8"	19	785.95	0.00	781.96	
D5-20	8"	20	785.95	0.00	781.96	
D5-21	8"	21	785.95	0.00	781.96	
D5-22	8"	22	785.95	0.00	781.96	
D5-23	8"	23	785.95	0.00	781.96	
D5-24	8"	24	785.95	0.00	781.96	
D5-25	8"	25	785.95	0.00	781.96	
D5-26	8"	26	785.95	0.00	781.96	
D5-27	8"	27	785.95	0.00	781.96	
D5-28	8"	28	785.95	0.00	781.96	
D5-29	8"	29	785.95	0.00	781.96	
D5-30	8"	30	785.95	0.00	781.96	
D5-31	8"	31	785.95	0.00	781.96	
D5-32	8"	32	785.95	0.00	781.96	
D5-33	8"	33	785.95	0.00	781.96	
D5-34	8"	34	785.95	0.00	781.96	
D5-35	8"	35	785.95	0.00	781.96	
D5-36	8"	36	785.95	0.00	781.96	
D5-37	8"	37	785.95	0.00	781.96	
D5-38	8"	38	785.95	0.00	781.96	
D5-39	8"	39	785.95	0.00	781.96	
D5-40	8"	40	785.95	0.00	781.96	
D5-41	8"	41	785.95	0.00	781.96	
D5-42	8"	42	785.95	0.00	781.96	
D5-43	8"	43	785.95	0.00	781.96	
D5-44	8"	44	785.95	0.00	781.96	
D5-45	8"	45	785.95	0.00	781.96	
D5-46	8"	46	785.95	0.00	781.96	
D5-47	8"	47	785.95	0.00	781.96	
D5-48	8"	48	785.95	0.00	781.96	
D5-49	8"	49	785.95	0.00	781.96	
D5-50	8"	50	785.95	0.00	781.96	



1. ALL WATER MAIN CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR WATER AND SEWER MAIN CONSTRUCTION IN ILLINOIS (CONTRACT ENCL. 1), UNLESS SHOWN OTHERWISE ON THE DRAWING.
2. ALL WATER MAIN SHALL BE 8" MINIMUM COVER SHALL BE 4'-0".
3. WATER MAIN PIPE SHALL BE 8" MINIMUM COVER SHALL BE 4'-0".
4. FITTINGS SHALL BE DUCTILE IRON, MECHANICAL JOINT, CONFORMANCE TO ANNA D115 OR C-31.
5. THE MAIN AND VALVE BODIES SHALL BE IN ACCORDANCE WITH SECTION 05 05 00 OF THE STANDARD SPECIFICATIONS AS PROVIDED BY MALLER COMPANY. LOCATOR MARKERS OR REFLECTOR MARKERS SHALL MEET ALL THE REQUIREMENTS OF ANNA D115. ALL REFLECTOR MARKERS SHALL BE MANUFACTURED BY MALLER COMPANY. THE MARKERS SHALL BE COATED WITH CONCRETE RESISTANT ENamel. THE SIZE OF THE OPERATING BUCKLING REQUIREMENTS OF THE OPERATOR SHALL CONFORM TO THE CITY OF CHICAGO.
6. TRENCH EXCAVATION, BENCHING, WIND AND SOIL PROTECTION SHALL CONFORM TO SECTION 05 05 00 OF THE STANDARD SPECIFICATIONS, ACCEPTABLE BENCHING AND BACKFILL SHALL BE PROVIDED AT ALL TIMES. ALL TRENCHES SHALL BE PROTECTED BY APPROVED SAFETY DEVICES. ALL TRENCHES SHALL BE PROTECTED BY APPROVED SAFETY DEVICES. ALL TRENCHES SHALL BE PROTECTED BY APPROVED SAFETY DEVICES.
7. ALL WATER MAIN SHALL BE PROTECTED BY APPROVED SAFETY DEVICES. ALL TRENCHES SHALL BE PROTECTED BY APPROVED SAFETY DEVICES. ALL TRENCHES SHALL BE PROTECTED BY APPROVED SAFETY DEVICES.
8. THE CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTING UTILITY PROPERTY FROM CONSTRUCTION OPERATIONS. ANY UTILITIES THAT ARE DISTURBED DURING CONSTRUCTION SHALL BE REPAIRED TO ORIGINAL OR BETTER CONDITION. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS FROM THE CITY OF CHICAGO. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS FROM THE CITY OF CHICAGO.
9. CONTRACTORS SHALL COORDINATE NEARBY EXISTING UTILITIES AND ADJUSTMENTS OF ALL UTILITIES SHALL BE MADE IN ACCORDANCE WITH THE CITY OF CHICAGO. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS FROM THE CITY OF CHICAGO.
10. CONTRACTOR SHALL PROVIDE ANY NECESSARY TRAFFIC CONTROL.
11. FOR ALL PVC WATER MAIN, CONTRACTOR SHALL PROVIDE AND INSTALL A CONTINUOUS ONE STRAND 12 GAUGE GALV. STEEL CORNER TRACER WITH INSULATION WITH A THICKNESS OF 1/2" MINIMUM. THE CORNER TRACER SHALL BE INSTALLED WITH A THICKNESS OF 1/2" MINIMUM. THE CORNER TRACER SHALL BE INSTALLED WITH A THICKNESS OF 1/2" MINIMUM. THE CORNER TRACER SHALL BE INSTALLED WITH A THICKNESS OF 1/2" MINIMUM.
12. THE CONTRACTOR SHALL FURNISH AND INSTALL NON-RETURN TYPE UNDERGROUND WATER MAIN EXTENSION OF AN EXISTING PVC WATER MAIN. CONTRACTOR SHALL PROVIDE AND INSTALL A CONTINUOUS ONE STRAND 12 GAUGE GALV. STEEL CORNER TRACER WITH INSULATION WITH A THICKNESS OF 1/2" MINIMUM. THE CORNER TRACER SHALL BE INSTALLED WITH A THICKNESS OF 1/2" MINIMUM. THE CORNER TRACER SHALL BE INSTALLED WITH A THICKNESS OF 1/2" MINIMUM.



AA Attachment 6



STUDIO 400 ARCHITECTS  
 100 N. LAKE ST. #100  
 CHICAGO, IL 60601  
 TEL: 312.467.4000  
 WWW.STUDIO400.COM

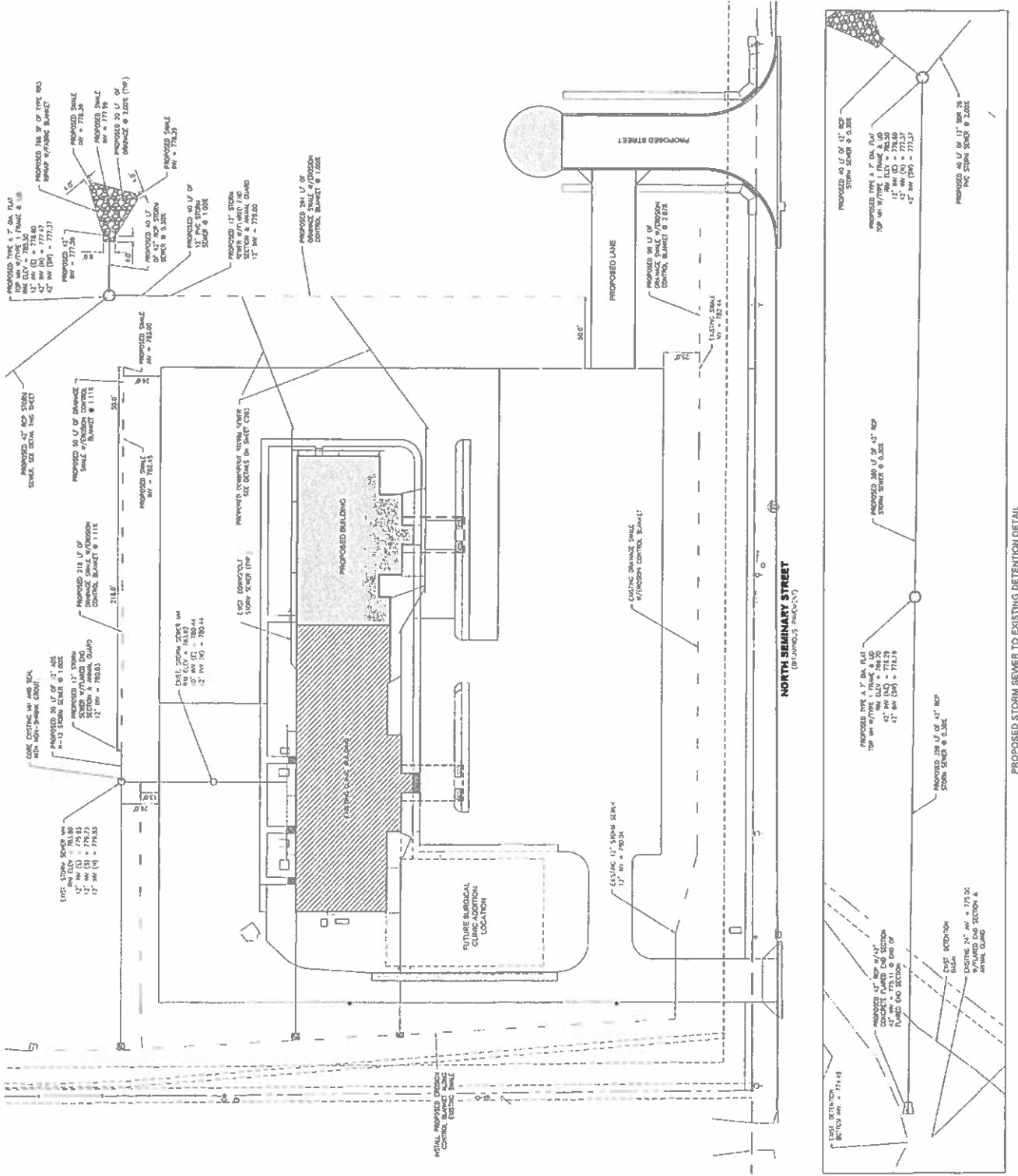


MAURER-STUTZ  
 100 N. LAKE ST. #100  
 CHICAGO, IL 60601  
 TEL: 312.467.4000  
 WWW.MSARCH.COM

GALESBURG  
 SEMINARY STREET  
 CLINIC  
 GRAMM-HMEDICAL GROUP  
 SEMINARY ST.  
 GALESBURG, IL 61401

PHASE 2  
 PROPOSED STORM  
 SEWER PLAN

PROJECT: 2010122.00  
**C204**



45

Attachment 6



STUDIO 489 ARCHITECTS  
100 W. MADISON ST. SUITE 1000  
CHICAGO, IL 60601  
TEL: 312.467.4899 FAX: 312.467.4898  
WWW.STUDIO489.COM



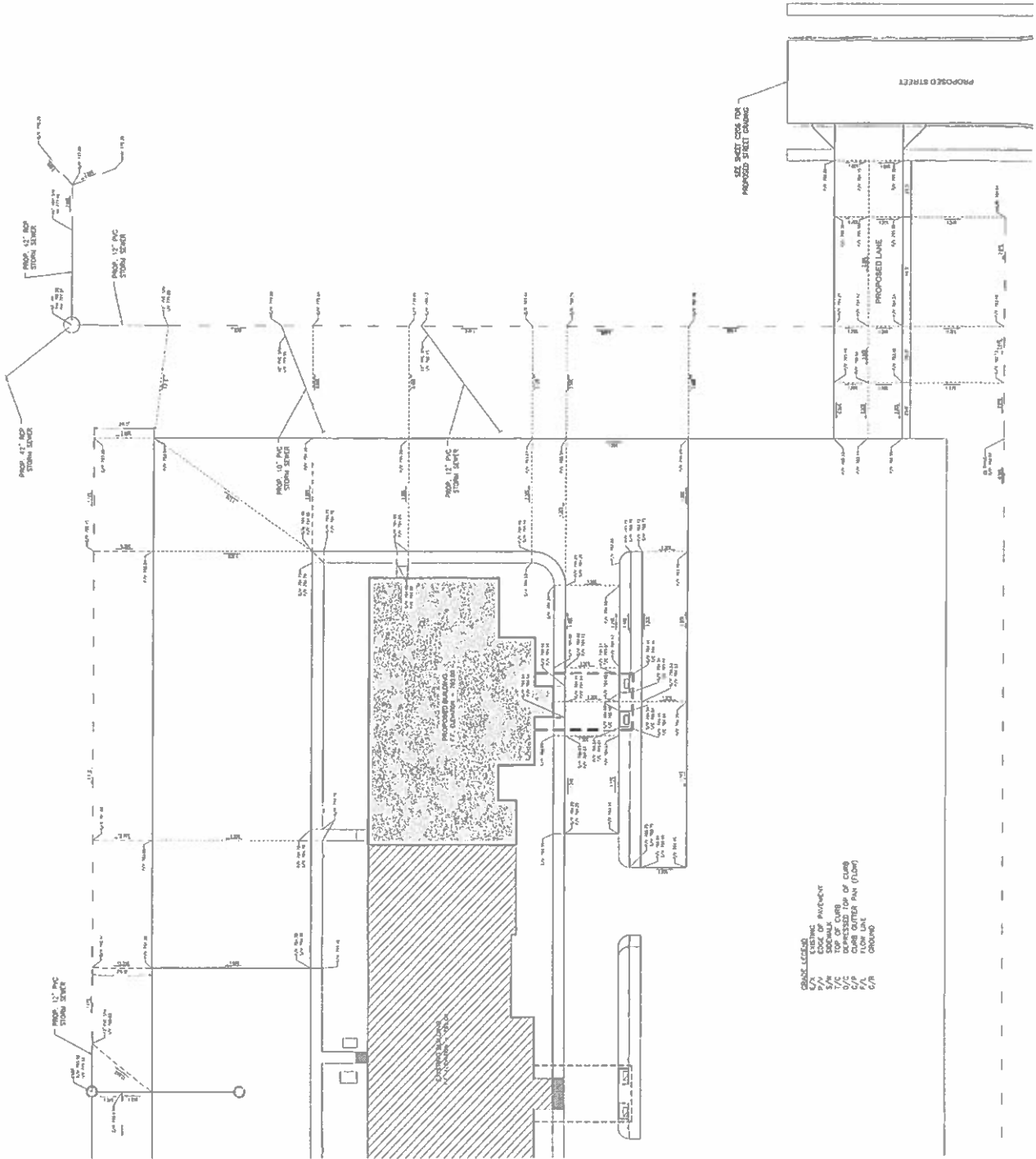
**GALESBURG  
SEMINARY STREET  
CLINIC**  
CROMM MEDICAL GROUP  
SEMINARY ST.  
GALESBURG, IL 61401

PLAN 1

**PHASE 2  
PROPOSED SITE  
GRADING PLAN**

PROJECT: 22010172.00

**C205**



4le

Attachment 6



STUDIO 400 ARCHITECTS  
 111 N. LAUREL ST. SUITE 400  
 CHICAGO, IL 60602  
 TEL: 312.525.2525



MAURER-STUTZ  
 CIVIL ENGINEERS & ARCHITECTS  
 111 N. LAUREL ST. SUITE 400  
 CHICAGO, IL 60602  
 TEL: 312.525.2525

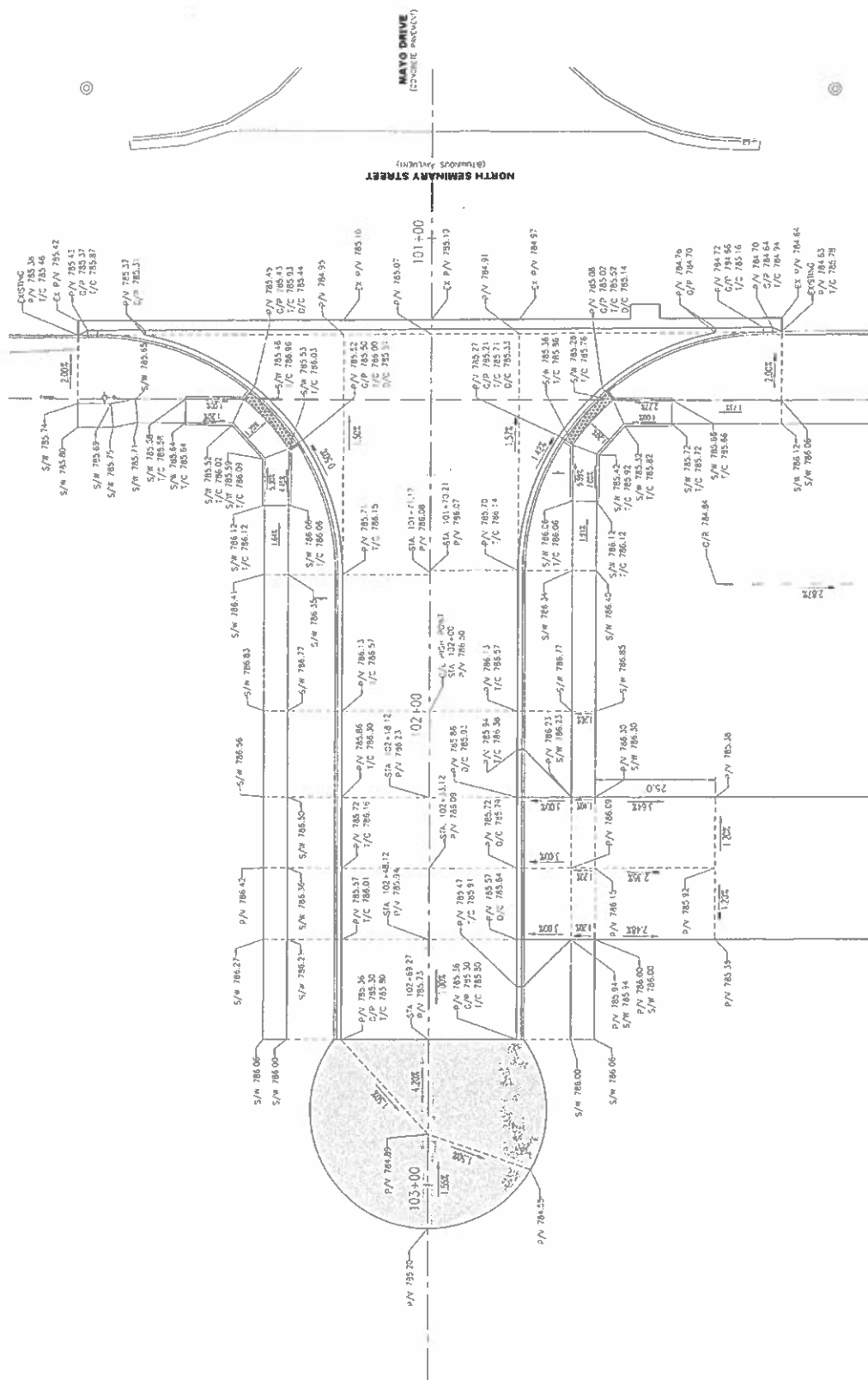
**GALESBURG SEMINARY STREET CLINIC**  
 GRHAM MEDICAL GROUP  
 SEMINARY ST.  
 GALESBURG, IL 61401

PHASE 2  
 04.13.24

**PHASE 2  
 PROPOSED STREET  
 GRADING PLAN**

PROJECT: 2010172.00

**C206**



GRADE LEGEND  
 E/X EXISTING ELEVATION  
 P/N PROPOSED FINISHED  
 S/W SLOPE  
 T/C TOP OF CURB  
 C/P CURB CUTTER PAV (CUTP)  
 F/L FLOW LINE  
 G/A GROUND



STUDIO 400 ARCHITECTS  
 400 North Main Street  
 Suite 100  
 Galesburg, IA 52140  
 Phone: 319.338.3338  
 Fax: 319.338.3339



MAURER-STUTZ  
 1701 E. 13th St.  
 Galesburg, IA 52140  
 Phone: 319.338.3338  
 Fax: 319.338.3339

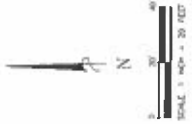
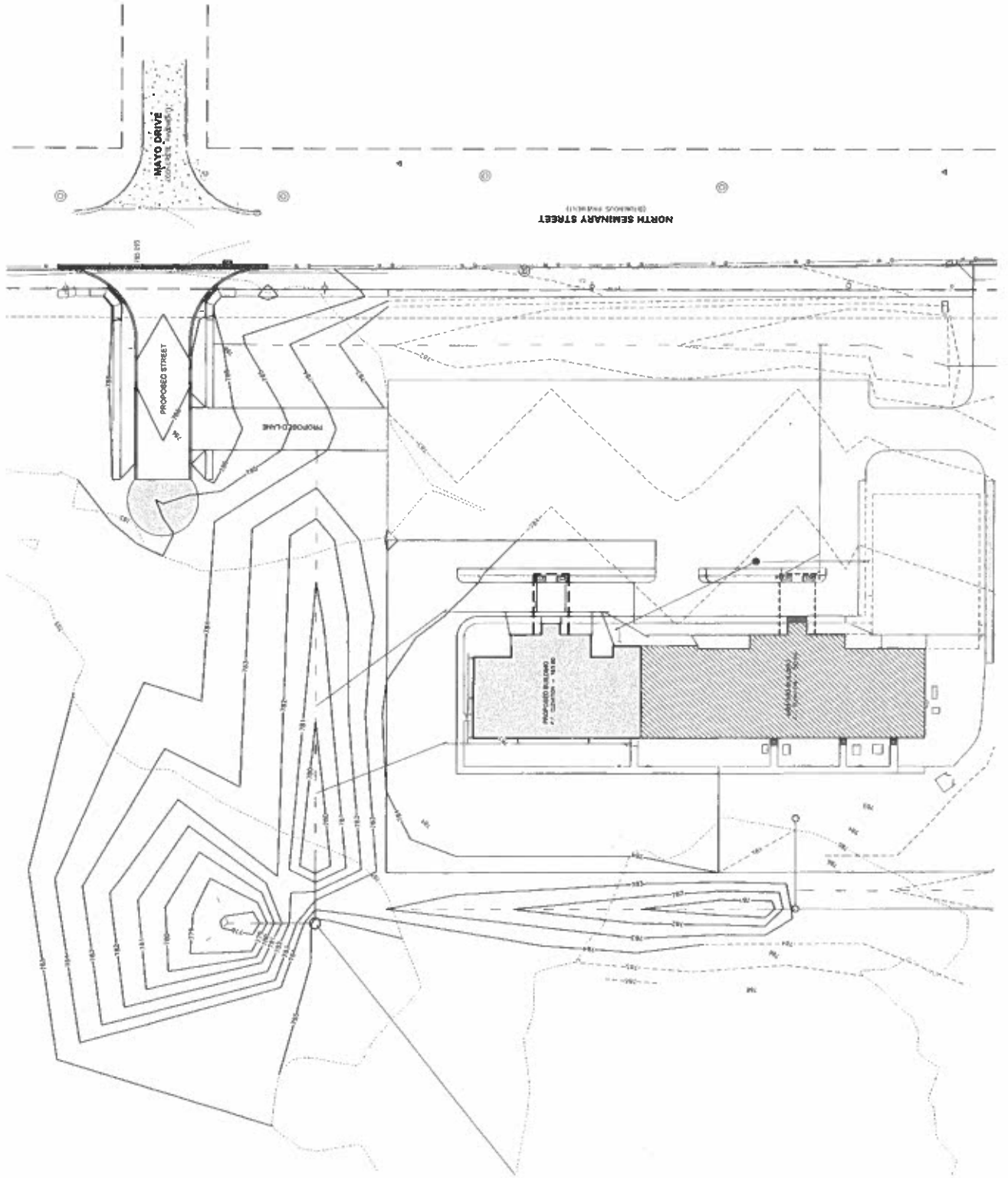
GALESBURG  
 SEMINARY STREET  
 CLINIC  
 GRAHAM MEDICAL GROUP  
 SEMINARY ST  
 GALESBURG, IA 52140

PHASE 2  
 8/13/24

PHASE 2  
 PROPOSED CONTOUR  
 PLAN

PROJECT: 2201072.00

C207



48

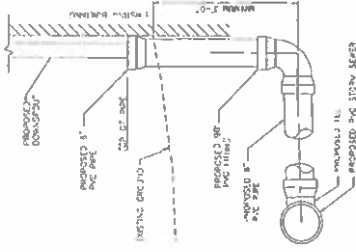
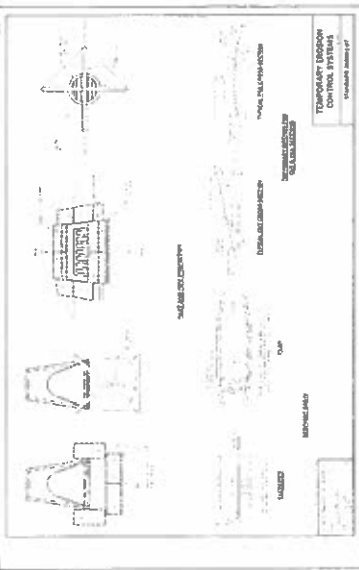
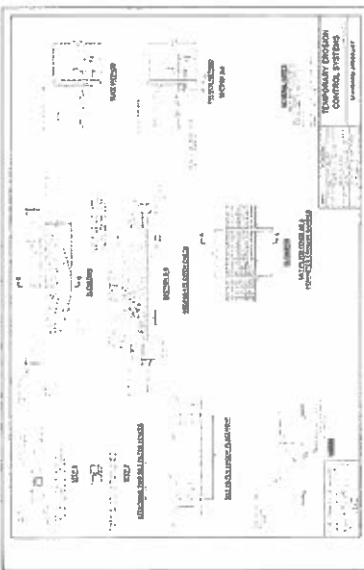
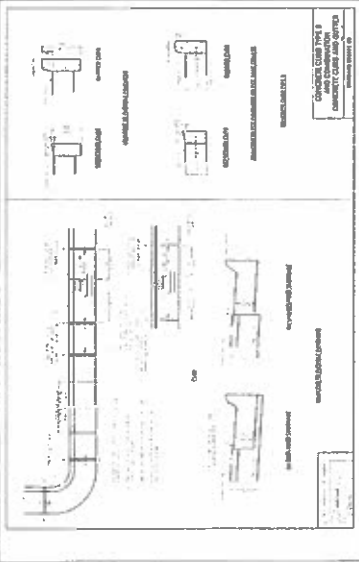
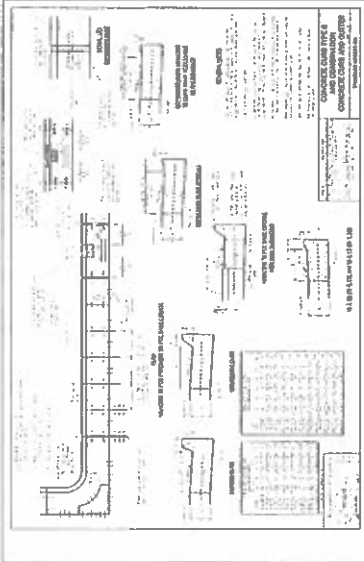
Attachment 6



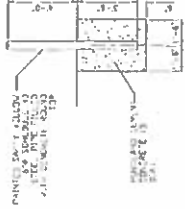
STUDIO 4883 ARCHITECTS  
11700 48th Avenue, Suite 400  
San Diego, CA 92124  
Tel: 619-451-4883  
Fax: 619-451-4883  
www.studio4883.com

**MAURER-STUTZ**  
ARCHITECTS  
11700 48th Avenue, Suite 400  
San Diego, CA 92124  
Tel: 619-451-4883  
Fax: 619-451-4883  
www.maurer-stutz.com

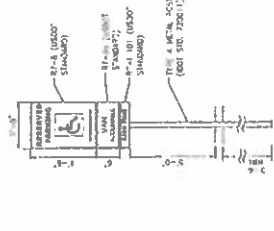
**GALESBURG SEMINARY STREET CLINIC**  
GRAHAM MEDICAL GROUP  
SEMINARY ST  
GALESBURG, IL 61401



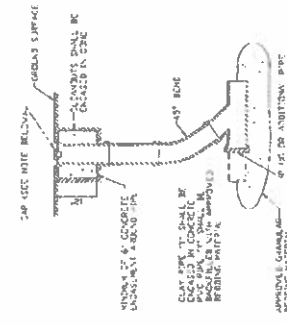
PROPOSED DOWNSPOUT CONNECTION DETAIL  
NO SCALE



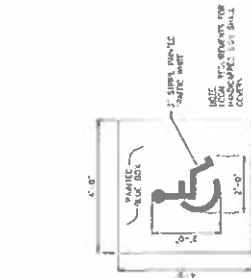
PROPOSED BOLLARD  
1/8\"/>



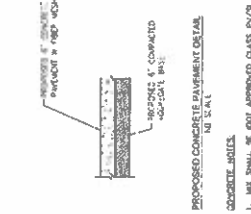
HANDICAPPED PARKING SIGN DETAIL  
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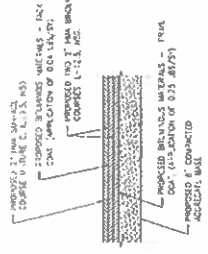
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1/8\"/>



HANDICAPPED PAVEMENT MARKING DETAIL  
1/8\"/>



PROPOSED CONCRETE PAVEMENT DETAIL  
NO SCALE



PROPOSED BRICK WALL DETAIL  
NO SCALE

PHASE 2  
M1224

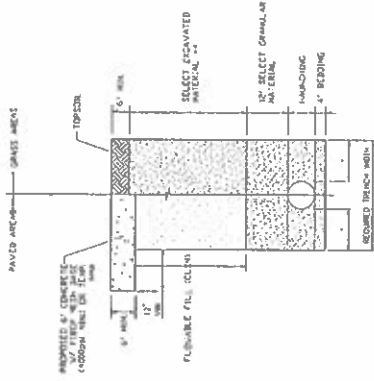
PHASE 2  
DETAILS

PROJECT 231017230

**C501**

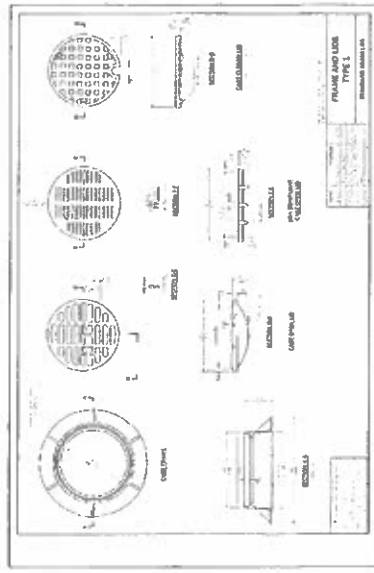
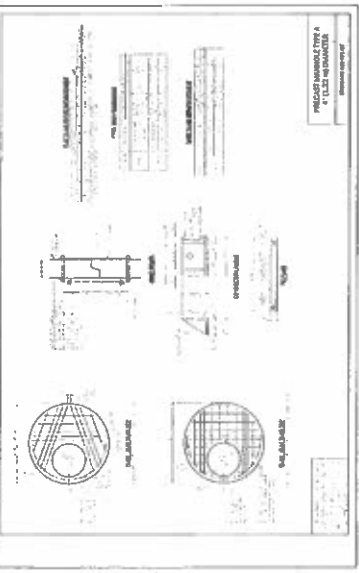
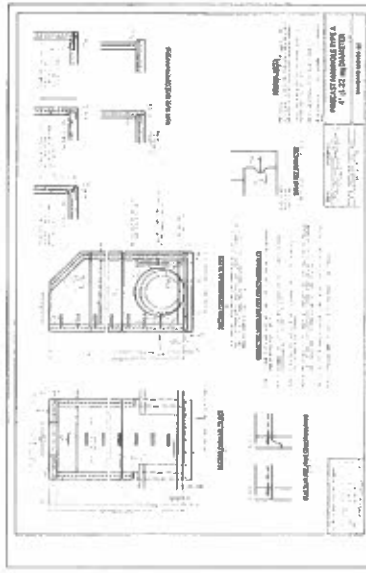
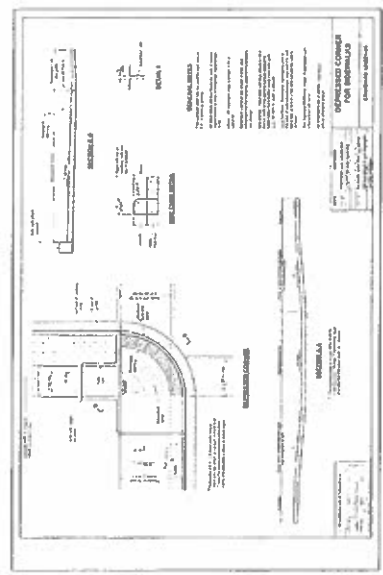
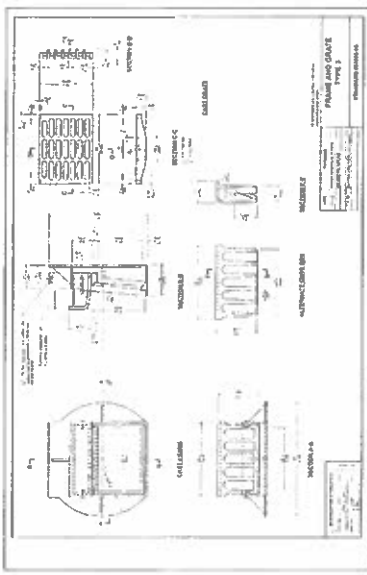
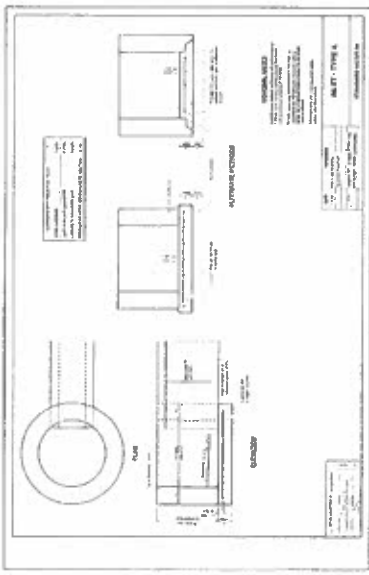
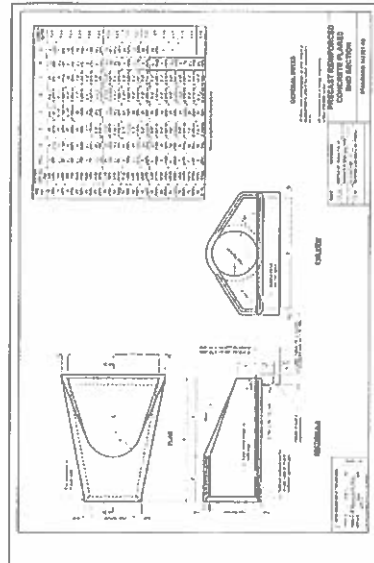
99

Attachment 6



1. SHALL MEET THE REQUIREMENTS OF SECTION 05450 OF THE 2018 ILLINOIS SPECIFICATIONS FOR WATER & SEWER CONSTRUCTION IN ALLIANCE WITH THE ILLINOIS DEPARTMENT OF TRANSPORTATION. 2. SHALL BE COMPACTED TO 95% OF THE THEORETICAL DENSITY. 3. SHALL BE COMPACTED TO 95% OF THE THEORETICAL DENSITY. 4. SHALL BE COMPACTED TO 95% OF THE THEORETICAL DENSITY.

PROPOSED PIPING TRENCH BACKFILL DETAIL



50

Attachment 6



STUDIO 483 ARCHITECTS  
 1100 N. W. 10th St., Suite 400  
 Fort Lauderdale, FL 33304  
 Phone: 954.581.4833  
 Fax: 954.581.4834  
 www.studio483.com



MAURER-STUTZ PARTNERS  
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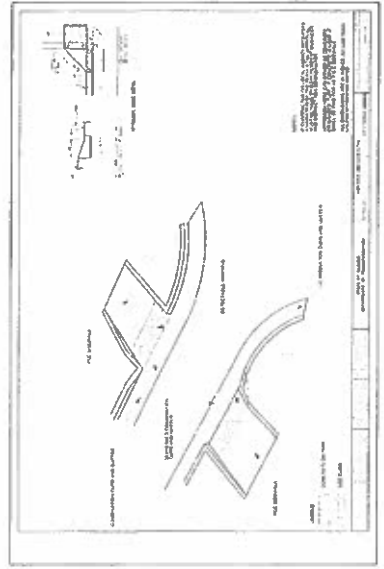
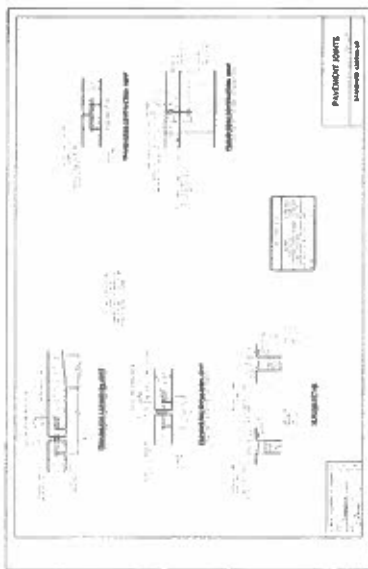
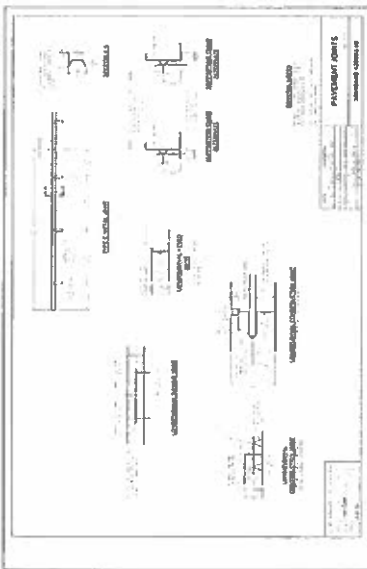
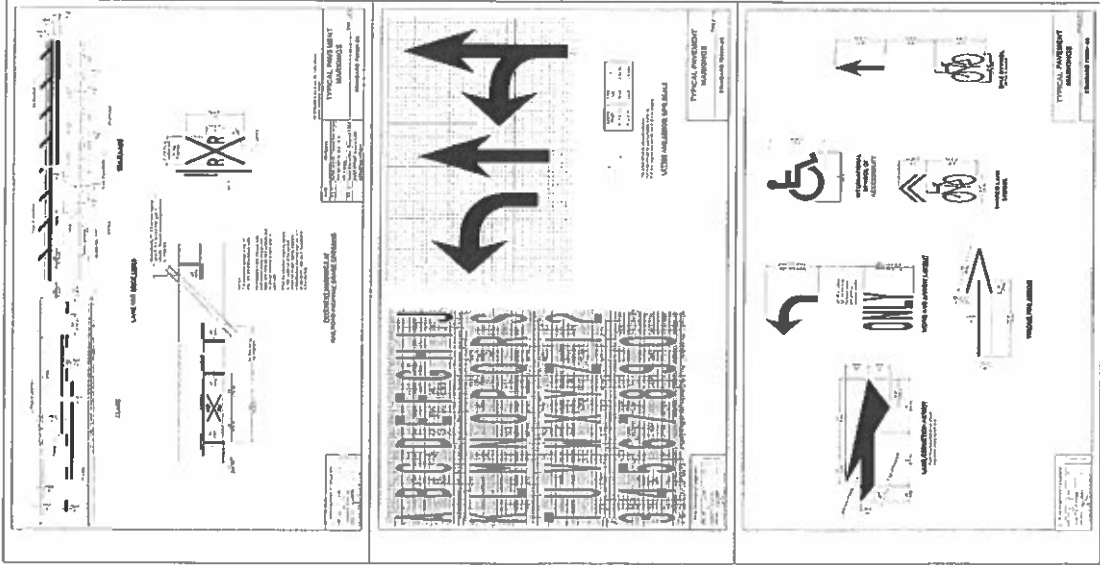
GALESBURG SEMINARY STREET CLINIC  
 GRADHALL MEDICAL GROUP  
 SEMINARY ST  
 GALESBURG, IL 61401

REVISIONS  
 04/20/24

PHASE 2  
 DETAILS

PROJECT 22010172.00

C503





**Attachment 7**

Design Development Budget

DD Documents dated 10/04/2024

8,436 Square feet

Description of Work	Cost / SF	Cost
General Conditions	\$37.26	\$314,338
Demolition	\$1.53	\$12,930
Building Concrete/Excavation	\$18.68	\$157,620
Masonry	\$31.04	\$261,830
Structural/Misc. Steel	\$3.91	\$33,000
Rough Carpentry - Trusses/Walls	\$34.13	\$287,955
Finish Carpentry	\$27.36	\$230,841
Siding	\$2.74	\$23,094
Roofing	\$11.23	\$94,735
Dr / Fr / Hw	\$16.72	\$141,027
Glass / Windows / Aluminum	\$11.42	\$96,310
Studs / Drywall / Acoust / Insulation	\$33.16	\$279,700
Flooring	\$21.22	\$179,000
Painting	\$0.00	\$0
Specialties	\$8.25	\$69,627
Elevator	\$0.00	\$0
Fire Protection	\$6.84	\$57,735
Plumbing	\$34.38	\$290,000
Heat/Vent/Controls	\$102.90	\$868,034
Electrical	\$94.82	\$799,900
Subtotal	\$497.59	\$4,197,676
Overhead & Profit (4.85%)	\$24.13	\$203,587
<b>Building Total</b>	<b>\$521.72</b>	<b>\$4,401,263</b>

**Attachment 7**

<b>Description of Work</b>	<b>Cost / SF</b>	<b>Cost</b>
Sitework	\$14.22	\$120,000
Site Concrete	\$4.78	\$40,290
Site Utilities - Storm Only	\$0.00	\$0
Fencing	\$0.00	\$0
Utilities (Ameren, Mediacom, Mid Century)	\$0.00	\$0
Site Subtotal	\$19.00	\$160,290
Overhead & Profit (4.85%)	\$0.92	\$7,774
<b>Sitework Total</b>	<b>\$19.92</b>	<b>\$168,064</b>
<b>Construction Total</b>	<b>\$541.65</b>	<b>\$4,569,327</b>
Contingency (5%)		\$456,933
Winter Condition Allowance		\$22,500
Unsuitable Soils Allowance		\$0
Surveying/GeoTech		\$0
Exsiting Improvements		\$0
Overhead & Profit (4.85%)		\$0
<b>Planning Total</b>		<b>\$0</b>
Architectural Design		\$140,000
Civil Design/Surveying		\$23,000
MEP Design		\$26,900
Landscaping Design		\$0
Design Misc Items		\$5,697
Design Subtotal		\$195,597
Overhead & Profit (4.85%)		\$9,486
<b>Design Total</b>		<b>\$205,083</b>
<b>PROJECT GRAND TOTAL</b>	<b>\$622.79</b>	<b>\$5,253,844</b>

**Attachment 7**

**Movable or Other Equipment Detail**

Qty	Item Description	Unit Price	Total Price
4	Patient Cart -Big Wheel Stretcher	\$ 11,115.91	\$ 44,463.64
7	Patient Wall Monitor	\$ 11,023.10	\$ 77,161.70
7	Oxygen Wall Regulator	\$ 50.00	\$ 350.00
7	Suction Mount with Regulator	\$ 366.62	\$ 2,566.34
5	TV - Bradfield's LG 28" Healthcare TV	\$ 395.00	\$ 1,975.00
5	Flat Screen Bolt Down Stand - Bradfield's	\$ 45.00	\$ 225.00
5	White Boards36x24	\$ 29.50	\$ 147.50
25	Waiting Chairs	\$ 244.71	\$ 6,117.75
1	Trash Can	\$ 150.00	\$ 150.00
10	Glove Box Wall Holder	\$ 39.00	\$ 390.00
1	Large Hamper with Lid	\$ 669.59	\$ 669.59
6	EME Bag Dispenser - Medline Emesis Bag Dispenser	\$ 14.27	\$ 85.62
1	Standard Crash Cart - Uline Cabinet	\$ 525.00	\$ 525.00
1	Defibrillator - ACLS Lifepak 20	\$ 10,001.09	\$ 10,001.09
1	Supply Cart	\$ 1,325.45	\$ 1,325.45
12	5 Shelf Wire Rack	\$ 248.84	\$ 2,986.08
1	Hamper - Small	\$ 121.48	\$ 121.48
1	Hamper - Large	\$ 248.22	\$ 248.22
9	Desktop Computers	\$ 1,031.83	\$ 9,286.47
12	Monitors	\$ 168.00	\$ 2,016.00
3	Fax/Copy/Scanner - Large	\$ 385.00	\$ 1,155.00
1	Pyxis Cabinets	\$ 175,000.00	\$ 175,000.00
8	Office Chairs	\$ 255.92	\$ 2,047.36
1	Ice Machine w/Water Dispenser	\$ 3,297.61	\$ 3,297.61
1	Coffee Maker	\$ 336.99	\$ 336.99
5	3 Tier Cart	\$ 230.00	\$ 1,150.00
4	Exam Stool Rolling/No Back	\$ 226.63	\$ 906.52
2	Exam Stool Rolling/With Back	\$ 478.50	\$ 957.00
2	Anesthesia Machine	\$ 54,000.00	\$ 108,000.00
2	Patient Monitor	\$ 17,334.18	\$ 34,668.36
2	Procedural Cart	\$ 501.62	\$ 1,003.24
2	3 Tier Cart	\$ 230.00	\$ 460.00
2	Hamper	\$ 248.22	\$ 496.44
2	Hamper	\$ 121.48	\$ 242.96
2	IV Pole	\$ 121.04	\$ 242.08
1	Lights / Booms / Video Processing and Integration	\$ 658,000.00	\$ 658,000.00
1	Power	\$ 212,000.00	\$ 212,000.00
1	Neptune Rover and Docking Station	\$ 71,000.00	\$ 71,000.00
1	OR Beds	\$ 106,000.00	\$ 106,000.00
1	Cautery and Advanced Bipolar	\$ 87,000.00	\$ 87,000.00
1	Storage Cabinets	\$ 6,000.00	\$ 6,000.00
1	Instrumentation	\$ 150,000.00	\$ 150,000.00
1	Positioning Devices	\$ 75,000.00	\$ 75,000.00
1	Specialty Tables, Mayo Stands, Etc	\$ 150,000.00	\$ 150,000.00
1	C-Arms	\$ 175,000.00	\$ 175,000.00
1	ASP SPD Quote	\$ 103,690.00	\$ 103,690.00
1	Steris SPD Quote	\$ 317,872.00	\$ 317,872.00
	<b>Total</b>		<b>\$ 2,602,337.49</b>

SA

**Attachment 7**

**Bond Issuance Expense**

Bond Issuance Costs	\$	143,098
Bond Funds-ASC	\$	4,312,500
Bond Funds-Total	\$	11,322,000
ASC % of Bond Funds		38.1%
Bond Issuance Expense-ASC	\$	54,505.40

**Attachment 8**

**Land Value Calculation**

Land Cost-Net of Donation

Parcel	Acres	Sq Ft Per Acre	Total Square Feet
9903226009	3.8	43,560	165,528
9903226008	36.5	43,560	<u>1,589,940</u>
Total Square Feet			1,755,468
Acquisition Cost			\$ 2,672,919.96
Cost per Square Foot-Cost			\$ 1.52
ASC Square Footage			8,436
ASC Land Cost - Allocated			\$ 12,844.87

Land Acquisition

Parcel	Acres	Sq Ft Per Acre	Total Square Feet
9903226009	3.8	43,560	165,528
9903226008	36.5	43,560	<u>1,589,940</u>
Total Square Feet			1,755,468
Acquisition Cost			\$ 5,172,919.96
Cost per Square Foot-Acquisition			\$ 2.95
ASC Square Footage			8,436
ASC Land Acquisition Cost - Allocated			\$ 24,858.76

**Attachment 8**

**Financial Projection-Project Costs and Deficit, if Applicable**

First full fiscal year when project achieves target utilization (80% of 250 days, 7.5 hours per day).  
Anticipated to be months 25-36 of operations.

Gross Revenue	\$	6,535,871
Net Revenue	\$	3,538,366
Expenses:		
Salaries	\$	1,651,400
Benefits	\$	412,850
Supplies	\$	1,112,210
Total Expense	\$	3,176,459
Operating Income/(Loss)	\$	361,907

**Attachment 9**

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							
ASTC	\$ 7,917,920.89			8,436			
Total Clinical	\$ 7,917,920.89			8,436			
NON-REVIEWABLE							
Total Non-clinical	\$ -			0			
TOTAL	\$ 7,917,920.89			8,436			

58

## Attachment 11 - Background of Applicants

**1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.**

The following is a list of all Illinois healthcare facilities (as that term is defined in the Act) owned by Graham Hospital Association:

- Graham Hospital
  - License Number: **0000869**
  - Accreditation Number: 140001
- Graham Medical Group – Canton
  - License Number: **1205072626**
  - Accreditation Number: CCN:14-3492
- Graham Medical Group – Convenient Care Canton
  - License Number: **124735402**
  - Accreditation Number: CCN 14-8661
- Graham Medical Group – Farmington
  - License Number: **1841436268**
  - Accreditation Number: CCN:14-3494
- Graham Medical Group – Lewistown
  - License Number: **1750527172**
  - Accreditation Number: CCN-14-3493
- Graham Medical Group – Elmwood
  - License Number: **1093288797**
  - Accreditation Number: CCN-14-8603
- Graham Medical Group – Williamsfield
  - License Number: **1508463563**
  - Accreditation Number: CCN-14-8636
- Graham Medical Group – Glasford
  - License Number: **1104604529**
  - Accreditation Number: 140001
- Graham Medical Group – Macomb
  - License Number: **1780321117**
  - Accreditation Number: CCN-14-8660
- Graham Medical Group – Galesburg A
  - License Number: **1194462101**
  - Accreditation Number: 140001
- Graham Medical Group – **Galesburg**
  - License Number: **1063128601**
  - Accreditation Number: CCN-14-8662
- Graham Medical Group **Center for Ambulatory Care**
  - License Number: **1134975576**
  - Accreditation Number: CCN-148659
- **Graham Medical Group South Primary and Convenient Care**
  - License Number: **1346093937**
  - Accreditation Number: 140001



**Attachment 11 - Background of Applicants**

- 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.**

Graham does not have a five percent (5%) or greater ownership interest in any other Illinois healthcare facilities.

- 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.

Graham attests that in the last three years prior to filing of this CON application, there has been no "adverse action" (as that term is defined in 77 IAC 1130.140) against any Illinois health care facility owned and operated by Graham.

- 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.

Graham attests that there are no applicants for which the above is applicable.

- c. A certified and detailed listing of each applicant or person charged with fraudulent conduct or any act involving moral turpitude.

Graham attests that there are no applicants for which the above is applicable.

- d. A certified listing of each applicant with one or more unsatisfied judgements against him or her.

Graham attests that there are no applicants for which the above is applicable.

- 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.

Graham attests that there are no applicants for which the above is applicable.

- 4. Authorization permitting HFSRB and IDPH 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.**

**Attachment 11 - Background of Applicants**

HFSRB and IDPH are hereby authorized by Graham to access any documents necessary to verify the information submitted with this application relating to Graham, including, but not limited to: official records of IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.

**Attachment 12 – Section III. Criterion 1110.110 (b) & (d)**

- 1. Document that the project will provide health services that improve the healthcare or wellbeing of the market area population to be served.**

Graham Health System's proposed Ambulatory Surgical Center will improve both healthcare access and well-being of patients in the project's geographic service area. Graham Hospital Association is currently serving patients in the market through its four multi-specialty clinics. The addition of the ASC will provide patients with increased healthcare services within the community.

This will be a new addition to the existing Graham Medical Group Center for Ambulatory Care & Imaging located at 2028 N. Seminary St. The project will be fully funded by Graham Hospital Association. In addition to the new ASC, the building will offer the following services to patients in the market: imaging (CT, MRI, Mammography, X-Ray, Dexa, & Ultrasound), endoscopy, primary care, pediatrics, podiatry, urology, dermatology, and many other specialty services.

The proposed ASTC achieves the following for the market:

- Provides an appropriate setting where surgeons on the medical staff of Graham Hospital Association can perform outpatient surgeries on current patients in the projects GSA in a setting that is more aligned with payer requirements.
- The project introduces additional capacity into the market and gives current GHS patients in the GSA choices for their healthcare without requiring them to travel out of the market.
- This ASTC brings services to the market that are currently not available or underserved in the GSA: urology, pain management, vascular, gynecology, & ENT.

In addition, the Graham Medical Group ASC addresses the void left when Galesburg Cottage Hospital left the market. Per data obtained using IHA's CompData tool, in Fiscal Year 2024, 53% of the population received outpatient surgical services outside of the immediate market area.

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

The Graham Medical Group ASC's market area is defined by the health service area (HSA). The proposed site (2028 N. Seminary St.) is located within HSA 2, as is Graham Health System Center for Ambulatory Care & Imaging.

The market area, as defined by 77 Ill. Adm. Code 1110.210(d), consists of zip codes located within 21 miles of the proposed ASTC as specified for health care facilities in Knox County. Using this definition, nearly all of the patients currently being seen at Graham Medical Center for Ambulatory Care reside within these zip codes (see following table). Attestations for referral patterns of providers demonstrate that these patients will shift care from healthcare services outside of the GSA, to the new Graham ASTC are included in Appendix A of Attachment 25.

**Attachment 12 – Section III. Criterion 1110.110 (b) & (d)**

<b>Zipcodes &amp; Population within Project's GSA</b>		
<b>ZIP</b>	<b>Primary City</b>	<b>% of County Population</b>
61401	Galesburg	65%
61410	Abingdon	7%
61448	Knoxville	7%
61414	Altona	2%
61428	Dahinda	2%
61430	East Galesburg	2%
61436	Gilson	2%
61458	Maquon	2%
61467	Oneida	2%
61488	Wataga	2%
61489	Williamsfield	2%
61572	Yates City	2%
61472	Rio	1%
61485	Victoria	1%
61439	Henderson	0.50%
61474	Saint Augustine	0.50%
61434	Galva	0.30%
61449	La Fayette	0.20%
61544	London Mills	0.20%
61529	Elmwood	0.10%
61531	Farmington	0.10%
61490	Woodhull	0.10%

All of these zip codes are located in HSA 2, the Geographical Service Area in which Graham currently serves through its Graham Medical Group Center for Ambulatory Care & Imaging.

More than 81% of Graham's patients receiving clinical care at Graham Medical Group's Galesburg facilities reside within both the GSA and HSA 2.

**Attachment 12 – Section III. Criterion 1110.110 (b) & (d)**

<b>Patient Visits by City of Origin</b>			
<b>Zip Code</b>	<b>City</b>	<b>Count of Visits</b>	<b>% of Total Visits</b>
61401	Galesburg	8495	69.23%
61410	Abingdon	907	7.39%
61414	Altona	125	1.02%
61428	Dahinda	141	1.15%
61430	E Galesburg	3	0.02%
61434	Galva	52	0.42%
61436	Gilson	182	1.48%
61439	Henderson	134	1.09%
61448	Knoxville	1084	8.83%
61488	Wataga	298	2.43%
61449	La Fayette	14	0.11%
61458	Maquon	72	0.59%
61467	Oneida	223	1.82%
61472	Rio	149	1.21%
61474	St. Augustine	64	0.52%
61485	Victoria	105	0.86%
61489	Williamsfield	50	0.41%
61490	Woodhull	88	0.72%
61529	Elmwood	11	0.09%
61531	Farmington	13	0.11%
61544	London Mills	45	0.37%
61572	Yates City	16	0.13%
<b>Total Visits from GSA</b>		<b>12271</b>	<b>100%</b>
<b>Total Visits at GHS Galesburg Clinics</b>		<b>15091</b>	<b>81%</b>

3. Identify the existing problems that need to be addressed as applicable and appropriate for the project.
- I. **Lack of specialty services in the area.** There are not any ASTC's in the immediate Geographical Service Area & few in the HSA. The lack of ASTC's and specialty care in the current market leave patients at a disadvantage. The following services are not available in the immediate service area:
    - o Urology
    - o Gynecology
    - o Vascular
    - o ENT
  - II. **Lack of choice due to Cottage closing / outmigration.** As stated previously, only 47% of patients receive surgical services within the market. Since 2022, there have been 2,256 fewer outpatient surgeries completed for patients in the GSA due to Cottage closing. With the population remaining fairly constant over the last two years, it can be assumed that these patients are going without care or traveling significant distances.
  - III. **Drive to outpatient services by payers.** As the cost to deliver healthcare, specifically surgical services, continue to rise – payors are looking for the least costly solution for

CA

**Attachment 12 – Section III. Criterion 1110.110 (b) & (d)**

their covered lives. Most payors, specifically Medicare and Medicaid, are driving care to the outpatient setting. This trend is expected to continue. As indicated in the 2023 Berkley University of California Study: "...[Berkley Researchers analyzed] *government data to identify how much money ASCs saved Medicare in recent years, and then, forecast how much more ASCs will save Medicare in the future. The key findings are the following:*

- *During the four-year period from 2008 to 2011, ASCs saved the Medicare program and its beneficiaries \$7.5 billion. ASCs saved Medicare and its beneficiaries \$2.3 billion in 2011 alone.*
- *\$6 billion of these savings were realized by the federal Medicare program. The remaining \$1.5 billion went directly to Medicare beneficiaries. In other words, Medicare patients nationwide saved \$1.5 billion thanks to the less expensive care offered at ASCs.*
- *ASCs have the potential to save the Medicare program and its beneficiaries up to \$57.6 billion more over the next decade.*
- *Beneficiaries themselves also stand to save considerably in future years. Because Medicare reimburses ASCs at a lower rate than HOPDs, patients also pay a smaller coinsurance amount in an ASC. The authors use the example of cataract surgery, noting that a Medicare beneficiary will save \$148 on his or her coinsurance by electing to undergo surgery in an ASC instead of a hospital."*

IV. **Underserved & Uninsured Populations with unmet needs due to lack of facilities that accept these patients.** In the GSA, 20.9% of patients are covered by Medicaid and 17.1% of patients are covered by Medicare. Additional providers in that accept all payers or offer charity care in the market will allow this population greater choices and access to healthcare.

**4. Cite the sources of the documentation above.**

The following resources were used to determine and analyze the healthcare related problems that the proposed ASTC would address:

Historical data from both Graham Hospital and Graham Medical Group patient activity.

Illinois Ambulatory Surgical Treatment Center Licensing Requirements (77 Ill. Adm. Code 205)

IHA CompData

<https://www.ascassociation.org/asca/about-ascs/savings/medicare-cost-savings/medicare-cost-savings-tied-to-ascs>

<https://datausa.io/profile/geo/knox-county-il#health>

**5. Detail how the project will address these issues and improve the population's well-being.**

The Graham Health System ASC will address the healthcare issues in the region and improve the well-being of the residents within the market area through the following:

1. The center will offer the following surgical services which are not available in the GSA:

**Attachment 12 – Section III. Criterion 1110.110 (b) & (d)**

- Urology
  - Gynecology
  - Vascular
  - ENT
- II. The not-for-profit ambulatory surgical center Graham Health System is proposing will give patients a local option for health care that they do not currently have. The two operating room facility, equipped with state-of-the-art equipment and advanced imaging services, will allow residents in the market a new choice after Galesburg Cottage Hospital closed.
- III. Graham Medical Group Center for Ambulatory Surgery will provide a cost-effective, out-patient option for surgical service not currently available in the market. This will meet the expectations of many payers, primarily Medicare and Medicaid. 38% of residents in the GSA are currently covered by either Medicare or Medicaid.
- IV. The proposed center will address the lack of options for patients with certain Medicare and Medicaid plan by accepting all payors for surgical services. Graham Hospital Association currently accepts all types of payors and intends to extend these same contracts to the ASTC. This will give a significant percentage of the population access to care within the GSA that they currently do not have.
- 6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieve the stated goals as appropriate.**
- In its first year of operation, the ASTC will have the capacity to provide over 1900 cases. The goal will be to reach 100% of this capacity.
  - Introduce the following specialty surgical services to the market that are not currently available or underserved:
    - Pain
    - Vascular
    - Gynecology
    - Urology
    - ENT (adult & pediatric)
  - Offer care to 100% of the population who are currently underinsured or uninsured in alignment with our mission, charity care policy, and practice to contract with any and all payors, i.e. Medicare, Medicaid and Medicare/Medicaid Managed programs. This effort will be bolstered by the recent opening of Graham Medical Group's clinic in the southern portion of Galesburg (455 E 3<sup>rd</sup> St., Galesburg IL 61401), an area with a higher minority population and historically underserved by providers.

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**Attachment 13 Section III. Criterion 1110.110 (d) Alternatives**

1. Identify ALL alternatives to the proposed project

Alternatives to the proposed project were considered. These alternatives were either not feasible for the health system or did not address the needs within the community.

**A). Proposing a project of greater or lesser scope and cost.**

Graham Hospital Association leadership considered expansion of the current surgical center at Graham Hospital, located in Canton, IL. (Fulton County). This option proved to be less desirable because, although less in cost and less construction time, it did not address the immediate needs within the HSA or Geographical Service Area. Given the Health System's presence in the Galesburg market, it was understood that additional capacity was needed for cost-effective surgical care. Additionally, establishing a new ASTC in the market created new jobs for professionals in the immediate service area, as well as created a more cost-effective and efficient option for patients and third-party payers.

ASC V. Expansion at GH	Galesburg		Canton	
	GMG - Ambulatory Surgery Center 2 Suites		Graham Hospital - 2 Additional OR Suites	
Total Population Served	48,000		35,000	
OP Surgery Competition (Miles)	(1) (St. Mary's)		(30- 70) Peoria/Galesburg/S-Field/Macomb	
Additional OP Cases (8 per day /40 per week /2000 per year)	2,000 Annually		480 Annually	
Additional IP Cases (10%)	200 Annually		72 Annually	
Female Reproductive Cases	Yes - ENT, Pain, Vascular, Urology, Gyne		No	
Total Construction Costs	\$ 7,917,920.00		\$ 7,102,337.49	
Anesthesia	Additional MD or CRNA		Additional MD or CRNA	
RN Staffing Surgery	Additional 4		Additional 2	
RN Staffing Surgery Pre-Post	Additional 2		Additional 2	
Tech Staffing	Additional 1		Additional 1	
Registration	Additional		0	
EVS	Additional		0	
Access to ICU - Higher level of Care	OSF St. Mary's		Graham Hospital	
Access to ED (Code Situation)	OSF St. Mary's		Graham Hospital	
Access to Additional Providers	Graham GMG		Graham Hospital	
Pharmacy	Compounding		No Change	
Lab	Point Of Care Testing		No Change	
Imaging	X Ray / CT/MRI/Mammo/US/Dexa		No Changes	

**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.**

A joint venture or similar arrangement with other entities was discussed. This option was determined infeasible because the most logical partner in the service area is a Catholic Facility which would have limited the types of services Graham Health System aims to offer. Due to their religious directives, patients are unable to receive a vasectomy, tubal, or other family planning procedures.

Joint ventures with independent providers was not an option as it would have complicated the core mission of this endeavor which is to deliver ASTC service to the GSA within the next 18-24 months and ensure all existing payer contracts are eligible.

68

**Attachment 13 Section III. Criterion 1110.110 (d) Alternatives**

Creating a new entity separate from Graham Hospital Association would have introduced complexity and delays that did not allow for immediate goals to be met.

**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**

This alternative is not applicable to the proposed project. The intent of establishing a new ASTC in HSA 2 was to provide appropriately sized ambulatory surgical services in a facility that is constructed to support this type of care. Additionally, the center seeks to expand the services in the area available to residents so that outmigration of the market is prevented. Not all proposed services can be provided utilizing existing resources in the area.

Two options for surgical services in the geographical service area is advantageous for the market as a whole. This dynamic will not only create more access to care for patients, but will also create reasonable competition to regulate pricing. Services provided in the ASTC will be done so in a more cost-effective manner than those in a traditional hospital surgery center (which is the only option in the market). The total population is over 48,000 residents (per US Census Website 7/2023). In similarly sized markets.

As indicated in the physician and APP support letters (Attachment 25), over 1500 Graham Hospital Association patients who received care in Fiscal Year 2024 at Graham Hospital, or other facilities within the GSA, would have been referred to the Graham Medical Group ASTC had it been operational.

**D) Provide the reasons why the chosen alternative was selected.**

Graham Health System Leadership, along with physician and APP support, chose to move forward with the Ambulatory Surgery Treatment Center because it created the best opportunity to provide local, high-quality, cost-effective care to all patients in the Geographical Service area.

**Attachment 14 – Section IV. Size of Project 77 Ill Adm. Code 1110.12 (a)**

The Graham Medical Group Ambulatory Surgical Center, located at 2028 North Seminary Street in Galesburg, Illinois will be an approximately 8,400 square foot space that will house two operating rooms, three post anesthesia care unit bays, and four prep/recovery bays. T

he Center will be physically attached to an existing (circa 2024/2025) 22,000 square foot outpatient facility that houses primary and specialty care clinics, an endoscopy center, and a full-service imaging center, with CT, X-Ray, Ultrasound, Mammography, Dexa Scan and mobile MRI and Pet/CT.

Multiple planning & design meetings were held with David Guile, RN, Director of Surgical Services at Graham Hospital Association, Robert Senneff, President & CEO of Graham, Brian Slayback, Director of Facilities and the design team consisting of Studio 483 Architects, Keith Engineering and Design, and the general contractor, PJ Hoerr, Inc. Additional members of the medical staff and Board of Trustees were consulted on the proposed design.

In these meetings, programming information was given by the end users as to qualify the needs of the facility. Utilizing Illinois Administrative Code to verify requirements for ambulatory surgical centers, and also information from The Facilities Guidelines Institute, a list of minimum requirements and spaces to support the facility were established. This information was then used to determine the size of the spaces and ultimately the overall size of the facility.

In addition to the rooms mentioned above, the facility will also contain men's and women's locker rooms, clean and soiled rooms, a sterile processing department to serve the needs of two OR's, a pharmacy space, a clean core storage, a surgery equipment room, consult room, nurse stations, and IT/mechanical space. There will also be public spaces such as toilet rooms, waiting areas, and receptionist area.

The proposed facility meets all of the requirements by the Illinois Administrative Code and Illinois Department of Public Health, as well as the specialized needs of the end users.

**Attachment 25**

**Section V. Service Specific Review Criteria**

The proposed project is to establish a Not-For-Profit, Non-Hospital Based Ambulatory Surgery Center (Graham Medical Group Center for Ambulatory Surgery) on the Health System's current North Seminary campus.

Graham Medical Group Center for Ambulatory Surgery will have the following services:

- Ambulatory surgery with 2 operating rooms. Providing procedures in the following specialties:
  - General Surgery
  - Urology
  - OB GYN
  - Vascular
  - Orthopedic
  - Podiatry
  - ENT
  - Pain Management
  - Ophthalmology
- Pre- & Post Op Care

**Documentation that the proposed project meets the specified review criterion: 1110.235 C 2 B Service to GSA Residents:**

The primary purpose of this project is to improve the health care and well-being of the project's geographic service area (GSA), which consists of zip codes located within 21 miles of the proposed ASTC, as specified for health care facilities in Knox County per 77 Ill Adm. Code 1100.510 (d) (2). All of these zip codes are located in the health care service area HSA 2, the planning area in which the Graham Medical Group Center for Ambulatory Surgery will be located (see following table for specifics).

**Attachment 25**  
**Section V. Service Specific Review Criteria**

<b>Patient Visits by City of Origin</b>			
<b>Zip Code</b>	<b>City</b>	<b>Count of Visits</b>	<b>% of Total Visits</b>
61401	Galesburg	8495	69.23%
61410	Abingdon	907	7.39%
61414	Altona	125	1.02%
61428	Dahinda	141	1.15%
61430	E Galesburg	3	0.02%
61434	Galva	52	0.42%
61436	Gilson	182	1.48%
61439	Henderson	134	1.09%
61448	Knoxville	1084	8.83%
61488	Wataga	298	2.43%
61449	La Fayette	14	0.11%
61458	Maquon	72	0.59%
61467	Oneida	223	1.82%
61472	Rio	149	1.21%
61474	St. Augustine	64	0.52%
61485	Victoria	105	0.86%
61489	Williamsfield	50	0.41%
61490	Woodhull	88	0.72%
61529	Elmwood	11	0.09%
61531	Farmington	13	0.11%
61544	London Mills	45	0.37%
61572	Yates City	16	0.13%
<b>Total Visits from GSA</b>		<b>12271</b>	<b>100%</b>
<b>Total Visits at GHS Galesburg Clinics</b>		<b>15091</b>	<b>81%</b>

While the rate of patients from the GSA at Graham Health System Clinics in Galesburg is significant, the In-Patient Hospital numbers do not reflect the same trends. This is mainly because the hospital is situated outside of the GSA, making it a less immediate option for that patients who are the focus of the ASTC project. Currently, only 8.23% of hospital activity is related to patients from the GSA. Patient hospital volumes for Fiscal Year 2024 are included in the following table:

**Attachment 25**

**Section V. Service Specific Review Criteria**

<u>Zip Code</u>	<u>City</u>	<u>Count of Patients</u>
61531	Farmington	95
61401	Galesburg	24
61529	Elmwood	25
61410	Abingdon	7
61572	Yates City	7
61489	Williamsfield	3
61542	Cuba	2
61488	Wataga	2
61414	Altona	2
61458	Maquon	2
61474	St. Augustine	2
61448	Knoxville	1
61428	Dahinda	1

**Total Hospital Admissions from GSA            173**  
**Total Hospital Admissions                    2080**  
**% of Total Admissions                        8.32%**

In addition to the volumes referenced above, market share related to Cottage Hospital, a primary provider of health service to the region who exited the market in late 2022, is a key factor in Graham’s decision to pursue this project. The outmigration in the table below is key to understanding the service gap in the region. As noted in the Safety Net Narrative, in 2017 – 1,649 patients received surgical care at Cottage Hospital. When Cottage closed, these patients were left with minimal options. The chart below demonstrates that neither OSF St. Mary’s hospital nor OSF Holy Family have been able to absorb all of the patient needs in the region:

	2017			2022		Change
	Cottage	St. Mary's	Holy Family	St. Mary's	Holy Family	
Cardiovascular	10	36	-	21	-	(25)
General	349	1,528	366	1,631	400	(212)
GYNE	199	165	-	258	-	(106)
Ophthalmology	496	565	-	-	1,056	(5)
Ortho	446	249	20	216	3	(496)
ENT	-	-	-	-	-	-
Podiatry	13	118	33	156	18	10
Urology	136	401	-	173	-	(364)
<b>Total</b>	<b>1,649</b>	<b>3,062</b>	<b>419</b>	<b>2,455</b>	<b>1,477</b>	<b>(1,198)</b>

Currently, only 47% of patients from the GSA receive services in the market (IHA CompData). These trends are illustrated in the following table.

74

**Attachment 25**  
**Section V. Service Specific Review Criteria**

**FY 2024 Outpatient Procedures for Patients within GSA\***

Facility	Facility Location	GSA (Y/N)	Total Outpatient Surgical	% of Total
			Procedures	Procedures
OSF ST MARY	Galesburg	Y	1055	46.99%
OSF ST FRANCIS	Peoria	N	419	18.66%
GRAHAM HOSPITAL	Canton	N	295	13.14%
CARLE PROCTOR	Peoria	N	104	4.63%
OSF HOLY FAMILY	Monmouth	N	83	3.70%
CENTER FOR HEALTH ASC	Peoria	N	72	3.21%
CARLE METHODIST	Peoria	N	66	2.94%
PEORIA ASC	Peoria	N	26	1.16%
HAMMOND HENRY HOSPITAL	Geneseo	N	17	0.76%
MCDONOUGH DISTRICT HOSPITAL	Macomb	N	16	0.71%
UNITYPOINT TRINITY ROCK ISLAND	Rock Island	N	14	0.62%
CARLE PEKIN	Pekin	N	13	0.58%
UNITYPOINT TRINITY MOLINE	Moline	N	11	0.49%
MH SPRINGFIELD MEMORIAL	Springfield	N	9	0.40%
GENESIS SILVIS	Silvis	N	6	0.27%
OSF ST LUKE	Kewanee	N	6	0.27%
BLESSING HOSPITAL	Quincy	N	4	0.18%
CARLE FOUNDATION	Urbana	N	3	0.13%
HSHS ST JOHNS	Springfield	N	3	0.13%
LOYOLA UNIVERSITY MEDICAL CENTER	Chicago	N	3	0.13%
OSF ST ANTHONY ROCKFORD	Rockford	N	3	0.13%
UCHICAGO MEDICINE	Chicago	N	3	0.13%
ENDEAVOR EDWARD	Elmhurst	N	2	0.09%
MORRISON COMMUNITY HOSPITAL	Morrison	N	2	0.09%
OSF ST ELIZABETH OTTAWA	Ottawa	N	2	0.09%
CHAMPAIGN SURGICENTER	Champaign	N	1	0.04%
CITY OF HOPE CHICAGO	Chicago	N	1	0.04%
GENESIS ALEDO	Aledo	N	1	0.04%
MH DECATUR MEMORIAL	Decatur	N	2	0.09%
RUSH UNIVERSITY MEDICAL CENTER	Chicago	N	1	0.04%
SHRINERS HOSPITALS - CHICAGO	Chicago	N	1	0.04%
UI HEALTH	Chicago	N	1	0.04%
<b>Total Procedures</b>			<b>2245</b>	<b>100.00%</b>
<b>% of Patients Treated in GSA</b>			<b>47%</b>	

\*Obtained from IHA's CompData tool 10.2024. Data includes only those procedures Graham Health System intends to offer at the proposed ASTC

he entry of the Graham Clinics & the proposed Ambulatory Surgery Center will fill the healthcare void and allow patients more options to receive local, high-quality healthcare.

**Documentation that the proposed project meets the specified review criterion: 1110.235 (C)(3)**  
**Service Demand – Establishment of an ASTC**

The establishment of the Graham Medical Group Center for Ambulatory Surgery is necessary to meet the healthcare needs in the area as demonstrated by both historic and projected referrals.

**Attachment 25**

**Section V. Service Specific Review Criteria**

Physician referral letters are documented in Appendix A of this attachment.

Included are referral letters from both physicians and advanced practice providers, all of whom are members of Graham Health System's medical staff. This support illustrates the need for additional care centers for patients in the region.

Additionally, support letters from Graham Health System specialist are included to demonstrate the current and anticipated referral patterns to the ASTC for patients in the GSA.

As indicated in their letters, these providers (who represent a portion of all staff who will refer patients to the proposed ASTC) referred a combined 400 patients to Graham Hospital Association affiliated surgeons and treated over 6,200 patients within the GSA. The surgery referrals are not indicative of all refers to surgery. A significant group of patients were referred to facilities closer to home because they could not travel to Canton, IL. to receive care. These providers confirm their intention to refer future patients who are under their care and live within the market to the Graham Medical Group Center for Ambulatory Surgery, once established.

**1110.235 (C) 5**

**Treatment Room Need Assessment – Justification of the Number of Surgical/Treatment Rooms**

The Graham Health System Center for Ambulatory Surgery is proposing to have two multi-specialty operating rooms. All surgical specialties will be performed in these rooms.

This proposed number of operating rooms is based on the historic and anticipated volumes outlined in the letters from physicians who plan to request privileges at the Graham Medical group Center for Ambulatory Surgery.

The projected utilization during the first 2 years of operation for these surgery spaces is based on the physician referral patterns and market data shown in the below tables:



**Attachment 25**  
**Section V. Service Specific Review Criteria**

<b>Referrals for Patients within GSA</b>	
<b>Specialty</b>	<b>FY 2024 Referral Volume</b>
Dermatology	47
ENT	191
General Surgery	588
Gynecology	52
Ophthalmology	36
Orthopedic Surgery	242
Pain Medicine	67
Podiatrist	123
Urology	169
Vascular Surgery	34
<b>Total</b>	<b>1549</b>
<b>All Surgery Cases</b>	<b>8581</b>
<b>% from GSA</b>	<b>18%</b>

	<b>Historic Utilization</b>	<b>Projected Utilization</b>		<b>State Guideline</b>	<b>Total Proposed Rooms</b>
	<b>FY 24</b>	<b>Year 1</b>	<b>Year 2</b>		
Total Cases for Operating Rooms	2004	1400	1680	N/A	2
Total Hours for Operating Rooms	7746.5	2100	2520	1500 HR / OR	

The proposed number of operating rooms are justified based on the projected utilization for Years 1 and Years 2.

As previously stated, the Graham Medical Group Center for Ambulatory Surgery will have two multi-specialty operating rooms for all cases.

The anticipated caseloads for each of these types of procedures and reference data used to determine these volumes is illustrated in the below table:

<b>Surgical Specialty</b>	<b>Anticipated Vol. After Year 2</b>	<b>Time per Treatment (hours)</b>		<b>Methodology</b>
		<b>Average per Case</b>	<b>Total Annual Time</b>	
General Surgery	520	1.4	728	FY 2024 Historical Data
Gynecology	156	2	312	
Orthopedic Surgery	156	1.5	234	
ENT	208	1.5	312	
Pain Management	416	0.6	249.6	
Podiatry	104	2.1	218.4	
Vascular	104	1.6	166.4	
Urology	312	1.2	374.4	
<b>Total</b>	<b>1976</b>	<b>1.5</b>	<b>2594.8</b>	

77

**Attachment 25**  
**Section V. Service Specific Review Criteria**

This projected utilization is further supported by the physician referral letters included in this application.

The average time per case, including room preparation & cleaning, would be the same as that experienced in Graham Health System’s Hospital operation rooms for the identified ASCT procedures.

The average time per case was calculated separately by specialty, as shown in the below table. The total hours were determined by aggregating the cases by specialty.

<b>FY 24 Surgery Data</b>		
<b>Surgical Specialty</b>	<b>Total Cases FY 24</b>	<b>Average Hour / Case</b>
General Surgery	1073	1.4
Gynecology	232	2.0
Orthopedic Surgery	156	1.5
ENT	431	1.5
Pain Management	472	0.6
Podiatry	107	2.1
Vascular	68	1.6
Urology	644	1.2
<b>Total</b>	<b>3183</b>	<b>1.6</b>

In compliance with 77 III Administrative Code 1110.235 (c)(3)(B)(iii), which states that “The anticipated number of referrals cannot exceed the physician’s experienced caseload,” the projected surgical cases in year 1 is 1,400 cases and in year 2 is 1680, both of which are below the 3,183 FY 2024 surgical cases completed by the physicians who plan to provide care at the new ASTC.

**Documentation that the proposed ASTC services being established are necessary to improve access for residents of the GSA is provided in this section in accordance with 77 III. Administrative Code 1110.235(c)(6)**

The above referenced Administrative Code indicates that the applicant must document that at least one of the four stated conditions exist in the GSA:

- A) There are no other IDPH-licensed ASTCs within the identified GSA of the proposed project. A recent search on IDPH’s website confirms that there are no other ASTC’s in the GSA. Those that are nearest to the region are:

**Attachment 25**  
**Section V. Service Specific Review Criteria**

<b>Agency Name</b>	<b>Address</b>	<b>City</b>	<b>County</b>	<b>Zip</b>	<b>Approximate Distance from GSA</b>
Center for Health Ambulatory Surgery Center - II	303 N William Kumpf Blvd, 2nd FL	Peoria	Peoria	61605	49.8
Center for Health Ambulatory Surgery Center, LLC	8800 North State Route 91	Peoria	Peoria	61615	44.9
Central Illinois Endoscopy Center, LLC	1001 Main Street Ste 500B	Peoria	Peoria	61606	49.6
Renal Intervention Center, LLC	430 W Maxine Dr	Morton	Tazewell	61550	59.5
Peoria Ambulatory Surgery Center	4909 N Glen Park Place	Peoria	Peoria	61614	46.6
Springfield Clinic, LLP	7309 North Knoxville Avenue	Peoria	Peoria	61614	52.3

The establishment of an ASTC is justified given the current healthcare landscape in the service area for the following reasons:

1. An ASTC is necessary to provide alternative care options for patients in the immediate service area. With the closure of a major healthcare provider in the area over three years ago, patients are left with limited options, and increased wait times. If they cannot gain access to services locally, they are forced to travel a significant distance to find care. As stated previously in this attachment, Galesburg Cottage Hospital performed 1,649 procedures in 2017. OSF St. Mary's & OSF Holy Family performed a combined 3,481 surgeries in the same period. Five year's later, St. Mary's performed 2,455 and OSF Holy Family served 1,477 surgical patients. This is a decline of over nearly 1,200 procedures in the area. Additionally, only 47% of the population received surgical care in the GSA. The majority of patients were forced to travel to Peoria for care. This is over a fifty-mile drive for most patients in the region.
2. In 2022, Graham Health System entered the service area with a robust network of clinics to increase primary care capacity and options for patients. Since September 2022, 28,389 clinic visits have occurred. When patients need surgical services, Graham providers are referring to overloaded specialists in the market – requiring patients to wait longer than necessary, or they are asking patients to travel to Canton, IL. to receive more timely care. The addition of an ASTC in the market will allow Graham Health System to provide a better continuum of care for patients.
3. Graham Hospital Association currently accepts all payers, with a significant amount of care being provided to patients with Medicare and Medicaid. It is important that residents in the GSA have access to care covered by their insurance to guarantee their overall well-being. In the region, nearly 20.9% of patients are currently covered by Medicaid programs and 17.1% are covered by Medicare (<https://datausa.io/profile/geo/knox-count-il>).

**Documentation that the proposed ASTC will not result in an unnecessary duplication or maldistribution, as specified in 77 III. Administrative Code 1110.235 (c)(7)(A)**

- A. The total population of Knox County is 48,111 according to the most recent United States Census ( <https://www.census.gov/quickfacts/fact/table/knoxcountyillinois/PST045223> ).
- B. There are currently no other ASTC's within the GSA. The nearest facilities are as follows:

**Attachment 25**

**Section V. Service Specific Review Criteria**

<b>Agency Name</b>	<b>Address</b>	<b>City</b>	<b>County</b>	<b>Zip</b>	<b>Approximate Distance from GSA</b>
Center for Health Ambulatory Surgery Center - II	303 N William Kumpf Blvd, 2nd FL	Peoria	Peoria	61605	49.8
Center for Health Ambulatory Surgery Center, LLC	8800 North State Route 91	Peoria	Peoria	61615	44.9
Central Illinois Endoscopy Center, LLC	1001 Main Street Ste 500B	Peoria	Peoria	61606	49.6
Renal Intervention Center, LLC	430 W Maxine Dr	Morton	Tazewell	61550	59.5
Peoria Ambulatory Surgery Center	4909 N Glen Park Place	Peoria	Peoria	61614	46.6
Springfield Clinic, LLP	7309 North Knoxville Avenue	Peoria	Peoria	61614	52.3

Patients in the GSA who need surgery have limited options due to the absence of an Ambulatory Surgery Center in the region. Most patients receive care at OSF St. Mary's, Galesburg IL. or OSF Holy Family, Monmouth IL. While these options are near to patients in the GSA, they do not offer all of the services that Graham Hospital Association intends to provide with the proposed project. Specifically, patients cannot access services related to family planning at either facility (vasectomy, tubal, etc.).

**Documentation that the proposed ASTC will not result in a maldistribution of services, as specified in 77 III Administrative Code 1110.235 (c)(7)(B)**

The proposed project will not cause maldistribution of services as the current population within the geographical service area is sufficient to support the addition of 2 operating rooms in the region.

**Documentation that, within the 24 months after project completion, the proposed ASTC will not lower the utilization of other area providers below the utilization standards specified in 77 III Adm. Code 1100.640 (c) and will not lower, to a further extend, the utilization of other GSA facilities that are currently (during the latest 12- month period) operating below the utilization standards, as specified in 77 III. Adm Code 1110.235 (c)(7)(C)**

**Impact to Area Providers**

The emergence of Graham Medical Group Center for Ambulatory Surgery will not lower utilization of other area providers within the 24 months after project completion for the following reasons:

- i. As document in the physician referral letters and the data in previous sections, the majority of patients receiving services at the new facility will be from within the GHS network. Current state, those patients are being referred out of the Geographical Services Area or are receiving care at the Canton facility.
- ii. The services to be offered at the Graham Medical Group ASTC are greater than those being offered at alternative Hospital surgery centers in the immediate Health Service Area. Additionally, there will be provided in a method that is more attractive to insurance companies making it more likely that patient's healthcare needs & services will be covered at the ASTC than at an alternative site.

**Attachment 25**

**Section V. Service Specific Review Criteria**

<b>Surgical Specialty</b>	<b>Graham Medical Group ASC</b>	<b>Other Local (Hospital) Surgery Center</b>
General Surgery	X	X
Gynecology	X	X - some procedures excluded
Orthopedic Surgery	X	X
ENT	X	
Pain Management	X	X
Vascular	X	
Urology	X	
Podiatry	X	X

**Documentation of staffing, as specified in 77 III. Administrative Code 1110.235 (c) (8)**

- A. Relevant staffing needs for the proposed project were considered, and the staffing requirements of licensure of accrediting bodies can be met. The staffing matrix for GHS's ASTC in Year 1 are illustrated in the below table:

<b>Role</b>	<b>FTE</b>
Site Director	1
Circulating RN	3
Scrub RN	2
Pre-Op/Post-Op Registered Nurses	4
Pre-Op/Post-Op Staff C.N.A.	1
Sterilization Tech	1
CRNA	1
<b>Total Daily Staff</b>	<b>13</b>

- B. Proposed staffing will be achieved in the same manner as Graham Health System currently recruits its staff. This process includes:
- a. Open positions for the Graham Medical Group Center for Ambulatory Surgery will be posted on the Health System's website, just as all other positions are posted.
  - b. Open positions are shared through social media (Facebook, LinkedIn, & Instagram), with information on how to access the job postings on the website.
  - c. Job postings are also viewable on indeed.com
  - d. Graham Health System will continue to cultivate its strong relationships with local school systems and commerce groups. This will help build pathways to recruiting and ensure GHS is participating in local career fairs.
  - e. Graham Health System's hiring protocols ensure diversity, equity, and inclusion in all facilities and in all roles.

**Attachment 25**

**Section V. Service Specific Review Criteria**

- C. Rozana Dwyer, M.D., FACS will be the Medical Director of the Graham Medical Group Center for Ambulatory Surgery. Dr. Dwyer has been a part of Graham Hospital Association's medical staff from 2019. She is a Board Certified General & Robotic surgeon. Dr. Dwyer has played a pivotal role in the growth of the health system's surgery services and will be an advocate for patient access to care and quality outcomes.

Dr. Dwyer's surgery volumes & referral rates for the previous fiscal year are included in her letter of support. A recent copy of her Curriculum Vitae (C.V.) is also enclosed for review. Both of these documents can be found in Appendix B of this Attachment (25).

**Documentation of the charge commitment, as specified in 77 III. Administrative Code 1110.235 (c) (9)**

- A. Graham Medical Group Center for Ambulatory Surgery's proposed charges are as listed in the below table.
- B. Graham Health System's commitment that these charges will not increase for a minimum of two years, unless the appropriate permits are obtained, is found in Appendix C of this attachment.

**Assurances, as specified in 77 III Administrative Code 1110.235(c)10**

- A. An attestation is found on Page 13 of this attachment, stating that a Quality Assurance program will be in place for the GHS ASTC to ensure quality standards are met and patient outcomes meet or exceed those standards. Should any measure not be met, a quality improvement plan will be created to correct the issue.
- B. As stated earlier, by the second year of operation, the annual utilization of the surgical rooms will meet or exceed the utilization standard specified in 77 III. Administrative Code 1100.640(c). Documentation of projected annual utilization is shown on page 7 of this attachment.

This documentation is based on the referral letters found in Appendix A. These surgical referral letters indicate that these physician's historical caseloads during Fiscal Year 2024 will meet utilization standard, based upon the outpatient surgical hours at GHS during the same time period.

Attachment 25  
Section V. Service Specific Review Criteria



Phone (309) 647-5240  
210 W.  
Walnut Street  
Canton, IL 61520

October 10, 2024

Illinois Health Facilities and Services Review Board  
525 W Jefferson  
Second Floor  
Springfield, IL 62761

Re: Graham Medical Group Center for Ambulatory Surgery

To Whom it May Concern,

As the Chief Operating Officer of Graham Health System, I oversee our Quality programs. As an authorized representative of Graham Hospital Association, I hereby attest to the following, in accordance with 77 Ill. Adm. Code 1110.235 (C)(10)(A):

A peer review program will be implemented specific to the services and procedures performed at the Graham Medical Group Center for Ambulatory Surgery. The Quality Assurance program will evaluate outcomes to ensure they are consistent with the quality standards established for ambulatory surgical treatment center services.

The Quality Assurance program will include Focused Practice Performance Evaluation (FPPE) for physicians who are new to the medical staff or for those that request an increase in privileges. Ongoing Practice Performance Evaluation (OPPE) will be conducted every six months for established physicians who are providing care at the Ambulatory Surgery Center.

All required patient safety metrics will be monitored for trends monthly.

If it is found that outcomes do not meet or exceed these standards, an improvement plan will be initiated to ensure patient safety & quality outcomes.

Sincerely,

A handwritten signature in black ink, appearing to read "Allison Sours".

Allison Sours  
Chief Operating Officer  
Graham Hospital Association  
210 W. Walnut St.  
Canton IL., 61520



A handwritten signature in black ink, appearing to read "Monica J. Jones".

Attachment 25  
Section V. Service Specific Review Criteria

Appendix A



Phone (309) 647-5240  
210 W.  
Walnut Street  
Canton, IL 61520

October 10, 2024

Re: Graham Medical Group Center for Ambulatory Surgery

To Whom it May Concern,

I am a physician and a member of the medical staff of Graham Hospital Association. It is my intention to refer patients to Graham Medical Group Center for Ambulatory Surgery, which is the proposed project of this Certificate of Need application.

This letter includes a summary of patients I currently treat from the geographical service area (GSA). 88% of the patients I care for live within the GSA. In FY 2024, I made 39 referrals to surgery for patients within the GSA. When these patients need surgery, they are asked to travel significant distance to receive care at Graham Hospital or are referred out to providers that are not within the market due to lack of options.

The vast majority of patients who were referred to surgery from the GSA in FY 2024 would have been referred to the Graham Medical Group Center for Ambulatory Surgery had it been an option. I intend to continue to refer at the same cadence during the first two years after the ASC is operational.

By signing below, I verify that the patient referrals indicated in this letter have not been used to support another pending or approved Certificate of Need Application for these services.

I also verify that the information provided in this letter and attached to this letter is true and correct to the best of my knowledge.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chad Lampe'.

Chad Lampe, M.D.



A handwritten signature in black ink, appearing to read 'Monica J. Jones'.



**Attachment 25**  
**Section V. Service Specific Review Criteria**

**Appendix A**



Phone (309) 647-5240  
 210 W.  
 Walnut Street  
 Canton, IL 61520

FY 2024 Chad Lampe, M.D.	
Specialty	Count of referrals
Dermatology	4
ENT	3
General Surgery	15
OB - Gynecology	2
Ophthalmology	3
Orthopedic Surgery	3
Podiatrist	3
Urology	4
Vascular Surgery	2
<b>Total</b>	<b>39</b>

FY 2024 Lampe Patient Visits from GSA		
Patient Zip Code	Patient City	Total Visits
61401	GALESBURG	265
61410	ABINGDON	24
61414	ALTONA	5
61430	EAST GALESBURG	3
61434	GALVA	1
61442	KEITHSBURG	1
61448	KNOXVILLE	10
61467	ONEIDA	12
61474	SAINT AUGUSTINE	1
61485	VICTORIA	7
61488	WATAGA	7
61489	WILLIAMSFIELD	1
61490	WOODHULL	10
<b>Total Patients Visits from GSA</b>		<b>347</b>
<b>Total Visits</b>		<b>394</b>
<b>% of Patients from GSA</b>		<b>88%</b>

Attachment 25  
Section V. Service Specific Review Criteria

Appendix A



Phone (309) 647-6240  
210 W.  
Walnut Street  
Canton, IL 61520

October 10, 2024

Re: Graham Medical Group Center for Ambulatory Surgery

To Whom it May Concern,

I am an Advanced Practice Provider and a member of Graham Hospital Association. It is my intention to refer patients to Graham Health System Center for Ambulatory Surgery, which is the proposed project of this Certificate of Need application.

This letter includes a summary of patients I currently treat from the geographical service area (GSA). 91% of the patients I care for live within the GSA. In FY 2024, I made 48 referrals to surgery for patients within the GSA. When these patients need surgery, they are asked to travel significant distance to receive care at Graham Hospital or are referred out to providers that are not within the market due to lack of options.

The vast majority of patients who were referred to surgery from the GSA in FY 2024 would have been referred to the Graham Medical Group Center for Ambulatory Surgery had it been an option. I intend to continue to refer at the same cadence during the first two years after the ASC is operational.

By signing below, I verify that the patient referrals indicated in this letter have not been used to support another pending or approved Certificate of Need Application for these services.

I also verify that the information provided in this letter and attached to this letter is true and correct to the best of my knowledge.

Sincerely,

A handwritten signature in black ink that reads 'Dawn Knutson'.

Dawn Knutson, APP



A handwritten signature in black ink that reads 'Monica J. Jones'.

**Attachment 25**  
**Section V. Service Specific Review Criteria**

**Appendix A**



Phone(309)647-5240  
 210 W.  
 Walnut Street  
 Canton, IL 61520

FY 2024 Dawn Knutson, APP	
Specialty	Count of referrals
ENT	10
General Surgery	19
OB - Gynecology	1
Orthopedic Surgery	6
Pain Medicine	4
Podiatrist	2
Urology	6
<b>Total</b>	<b>48</b>

FY 2024 Knutson Patient Visits from GSA		
Patient Zip Code	Patient City	Total Visits
61401	GAELSBURG	535
61410	ABINGDON	41
61414	ALTONA	10
61428	DAHINDA	6
61430	EAST GALESBURG	9
61436	GILSON	13
61439	HENDERSON	6
61448	KNOXVILLE	43
61467	ONEIDA	8
61472	RIO	6
61474	SAINT AUGUSTINE	2
61485	VICTORIA	17
61488	WATAGA	19
61490	WOODHULL	1
<b>Total Patients Visits from GSA</b>		<b>716</b>
<b>Total Visits</b>		<b>789</b>
<b>% of Patients from GSA</b>		<b>91%</b>

Attachment 25  
Section V. Service Specific Review Criteria

Appendix A



Phone (309)647-5240  
210 W  
Walnut Street  
Canton, IL 61520

October 10, 2024

Re: Graham Medical Group Center for Ambulatory Surgery

To Whom it May Concern,

I am an Advanced Practice Provider and a member of Graham Hospital Association. It is my intention to refer patients to Graham Medical Group Center for Ambulatory Surgery, which is the proposed project of this Certificate of Need application.

This letter includes a summary of patients I currently treat from the geographical service area (GSA). 91% of the patients I care for live within the GSA. In FY 2024, I made 48 referrals to surgery for patients within the GSA. When these patients need surgery, they are asked to travel significant distance to receive care at Graham Hospital or are referred out to providers that are not within the market due to lack of options.

The vast majority of patients who were referred to surgery from the GSA in FY 2024 would have been referred to the Graham Medical Group Center for Ambulatory Surgery had it been an option. I intend to continue to refer at the same cadence during the first two years after the ASC is operational.

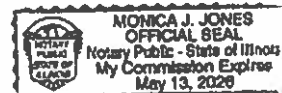
By signing below, I verify that the patient referrals indicated in this letter have not been used to support another pending or approved Certificate of Need Application for these services.

I also verify that the information provided in this letter and attached to this letter is true and correct to the best of my knowledge.

Sincerely,

*Shana Simmons APP*

Shana Simmons, APP



*Monica J. Jones*

**Attachment 25**  
**Section V. Service Specific Review Criteria**

**Appendix A**



Phone (309) 647-5240  
 210 W.  
 Walnut Street  
 Canton, IL 61520

FY 2024 Shana Simmons, APP	
Specialty	Count of referrals
ENT	8
General Surgery	39
OB - Gynecology	1
Ophthalmology	1
Orthopedic Surgery	17
Pain Medicine	5
Podiatrist	1
Urology	12
Vascular Surgery	3
<b>Total</b>	<b>87</b>

FY 2024 Simmons Patient Visits from GSA		
Patient Zip Code	Patient City	Total Visits
61401	GALESBURG	1761
61410	ABINGDON	177
61414	ALTONA	36
61428	DAHINDA	24
61430	EAST GALESBURG	33
61434	GALVA	4
61436	GILSON	32
61439	HENDERSON	35
61447	KIRKWOOD	12
61448	KNOXVILLE	209
61449	LA FAYETTE	2
61453	GALESBURG	3
61458	MAQUON	9
61467	ONEIDA	37
61472	RIO	44
61474	SAINT AUGUSTINE	12
61485	VICTORIA	32
61488	WATAGA	79
61489	WILLIAMSFIELD	11
61490	WOODHULL	18
61544	LONDON MILLS	2
61572	YATES CITY	2
<b>Total Patients Visits from GSA</b>		<b>2574</b>
	<b>Total Visits</b>	<b>3078</b>
	<b>% of Patients from GSA</b>	<b>84%</b>

89

Attachment 25  
Section V. Service Specific Review Criteria

Appendix A



Phone (309) 647-5240  
210 W.  
Walnut Street  
Canton, IL 61520

October 10, 2024

Re: Graham Medical Group Center for Ambulatory Surgery

To Whom It May Concern,

I am an Advanced Practice Provider and a member of Graham Hospital Association. It is my intention to refer patients to Graham Medical Group Center for Ambulatory Surgery, which is the proposed project of this Certificate of Need application.

This letter includes a summary of patients I currently treat from the geographical service area (GSA). 85% of the patients I care for live within the GSA. In FY 2024, I made 87 referrals to surgery for patients within the GSA. When these patients need surgery, they are asked to travel significant distance to receive care at Graham Hospital or are referred out to providers that are not within the market due to lack of options.

The vast majority of patients who were referred to surgery from the GSA in FY 2024 would have been referred to the Graham Medical Group Center for Ambulatory Surgery had it been an option. I intend to continue to refer at the same cadence during the first two years after the ASC is operational.

By signing below, I verify that the patient referrals indicated in this letter have not been used to support another pending or approved Certificate of Need Application for these services.

I also verify that the information provided in this letter and attached to this letter is true and correct to the best of my knowledge.

Sincerely,

A handwritten signature in black ink that reads 'Christina McDorman, APP'.

Christina McDorman, APP



A handwritten signature in black ink that reads 'Monica J. Jones'.

**Attachment 25**  
**Section V. Service Specific Review Criteria**

**Appendix A**



Phone (309) 647-5240  
 210 W.  
 Walnut Street  
 Canton, IL 61520

FY 2024 Christina McDorman, APP	
Specialty	Count of referrals
ENT	14
General Surgery	20
Ophthalmology	1
Orthopedic Surgery	26
Pain Medicine	9
Podiatrist	6
Urology	11
<b>Total</b>	<b>87</b>

FY 2024 McDorman Patient Visits from GSA		
Patient Zip Code	Patient City	Total Visits
61401	GALESBURG	971
61410	ABINGDON	96
61414	ALTONA	10
61428	DAHINDA	24
61430	EAST GALESBURG	21
61434	GALVA	7
61436	GILSON	17
61439	HENDERSON	12
61448	KNOXVILLE	101
61449	LA FAYETTE	10
61458	MAQUON	4
61467	ONEIDA	41
61472	RIO	19
61474	SAINT AUGUSTINE	7
61485	VICTORIA	7
61488	WATAGA	33
61489	WILLIAMSFIELD	7
61490	WOODHULL	6
61529	ELMWOOD	5
61531	FARMINGTON	2
61544	LONDON MILLS	6
<b>Total Patients Visits from GSA</b>		<b>1406</b>
<b>Total Visits</b>		<b>1645</b>
<b>% of Patients from GSA</b>		<b>85%</b>

Attachment 25  
Section V. Service Specific Review Criteria

Appendix A



Phone (309) 647-5240  
210 W.  
Walnut Street  
Canton, IL 61520

October 10, 2024

Re: Graham Medical Group Center for Ambulatory Surgery

To Whom it May Concern,

I am a physician and a member of the medical staff of Graham Hospital Association. It is my intention to refer patients to Graham Medical Group Center for Ambulatory Surgery, which is the proposed project of this Certificate of Need application.

This letter includes a summary of patients I currently treat from the geographical service area (GSA). 88% of the patients I care for live within the GSA. In FY 2024, I made 135 referrals to surgery for patients within the GSA. When these patients need surgery, they are asked to travel significant distance to receive care at Graham Hospital or are referred out to providers that are not within the market due to lack of options.

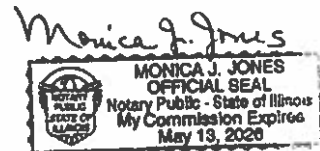
The vast majority of patients who were referred to surgery from the GSA in FY 2024 would have been referred to the Graham Medical Group Center for Ambulatory Surgery had it been an option. I intend to continue to refer at the same cadence during the first two years after the ASC is operational.

By signing below, I verify that the patient referrals indicated in this letter have not been used to support another pending or approved Certificate of Need Application for these services.

I also verify that the information provided in this letter and attached to this letter is true and correct to the best of my knowledge.

Sincerely,

  
Mark Deyoung, M.D.





**Attachment 25**  
**Section V. Service Specific Review Criteria**

**Appendix A**



Phone (309) 647-5240  
 210 W.  
 Walnut Street  
 Canton, IL 61520

Patient Referrals to Surgery within GSA	
FY 2024 Mark Deyoung, M.D.	
Specialty	Count of referrals
Dermatology	9
ENT	17
General Surgery	55
Ophthalmology	8
Orthopedic Surgery	17
Pain Medicine	5
Podiatrist	9
Urology	11
Vascular Surgery	4
<b>Total</b>	<b>135</b>

FY 2024 Deyoung Patients from GSA		
Patient Zip Code	Patient City	Total Visits
61401	GALESBURG	607
61410	ABINGDON	144
61414	ALTONA	5
61428	DAHINDA	16
61430	EAST GALESBURG	20
61434	GALVA	1
61436	GILSON	32
61439	HENDERSON	16
61448	KNOXVILLE	277
61488	WATAGA	2
61458	MAQUON	17
61467	ONEIDA	15
61472	RIO	16
61473	ROSEVILLE	4
61485	VICTORIA	5
61488	WATAGA	23
61489	WILLIAMSFIELD	8
61490	WOODHULL	1
61529	ELMWOOD	1
61531	FARMINGTON	2
61544	LONDON MILLS	2
61572	YATES CITY	1
<b>Total Patients Visits from GSA</b>		<b>1215</b>
<b>Total Visits</b>		<b>1374</b>
<b>% of Patients from GSA</b>		<b>88%</b>

Attachment 25  
Section V. Service Specific Review Criteria

Appendix A



Phone (309) 647-5240  
210 W.  
Walnut Street  
Canton, IL 61520

October 10, 2024

Re: Graham Medical Group Center for Ambulatory Surgery

To Whom it May Concern,

I am a physician specializing in obstetrics & gynecology and a member of the medical staff of Graham Hospital Association. It is my intention to refer and treat patients to Graham Medical Group Center for Ambulatory Surgery, which is the proposed project of this Certificate of Need application.

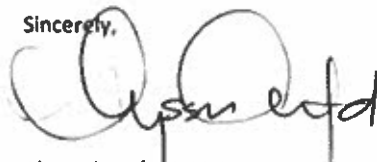
This letter includes a summary of patients I currently treat from the geographical service area (GSA). In Fiscal Year 2024, I performed 41 surgical procedures for patients who reside in the market. When these patients need surgery, they are asked to travel significant distance to receive care at Graham Hospital or are referred out to providers that are not within the market due to lack of options.

The vast majority of patients who were referred to surgery from the GSA in FY 2024 would have been referred to the Graham Medical Group Center for Ambulatory Surgery had it been an option. I intend to continue to refer at the same cadence during the first two years after the ASC is operational.

By signing below, I verify that the patient referrals indicated in this letter have not been used to support another pending or approved Certificate of Need Application for these services.

I also verify that the information provided in this letter and attached to this letter is true and correct to the best of my knowledge.

Sincerely,

  
Alyssa Crawford, M.D.





CA

**Attachment 25**  
**Section V. Service Specific Review Criteria**

**Appendix A**



Phone (309) 647-5240  
210 W.  
Walnut Street  
Canton, IL 61520

<b>FY2024 Alyssa Crawford, M.D.</b>	
<b>Patient Procedures within GSA</b>	
<b>Patient Zip Code</b>	<b>Patient Volumes</b>
61401	22
61410	2
61434	1
61436	1
61448	3
61467	1
61474	1
61489	1
61529	1
61531	6
61544	2
<b>Total</b>	<b>41</b>

95

Attachment 25  
Section V. Service Specific Review Criteria

Appendix A



Phone (309) 647-5240  
210 W.  
Walnut Street  
Canton, IL 61520

October 10, 2024

Re: Graham Medical Group Center for Ambulatory Surgery

To Whom it May Concern,

I am a physician specializing in Otorhinolaryngology and a member of the medical staff of Graham Hospital Association. It is my intention to refer and treat patients to Graham Medical Group Center for Ambulatory Surgery, which is the proposed project of this Certificate of Need application.


This letter includes a summary of patients I currently treat from the geographical service area (GSA). In Fiscal Year 2024, I performed 68 surgical procedures for patients who reside in the market. When these patients need surgery, they are asked to travel significant distance to receive care at Graham Hospital or are referred out to providers that are not within the market due to lack of options.

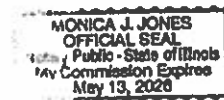
In addition to providing surgical services in the area at the ASTC, Graham Health System intends to hold clinic in the adjacent Graham Medical Group Center for Ambulatory Care. The region does not currently have an ENT specialist providing routine care. It is my expectations that these surgical volumes will increase significantly when the clinic schedule opens in FY 2025.

By signing below, I verify that the patient referrals indicated in this letter have not been used to support another pending or approved Certificate of Need Application for these services.

I also verify that the information provided in this letter and attached to this letter is true and correct to the best of my knowledge.

Sincerely,

  
Gary Shaw, M.D.





96

**Attachment 25**  
**Section V. Service Specific Review Criteria**

**Appendix A**



Phone (309) 647-5240  
210 W.  
Walnut Street  
Canton, IL 61520

<b>FY2024 Gary Shaw, M.D.</b>	
<b>Patient Procedures within GSA</b>	
<b>Patient Zip Code</b>	<b>Patient Volumes</b>
61401	23
61410	3
61414	1
61428	1
61436	1
61448	2
61467	1
61488	1
61529	8
61531	22
61544	3
61572	2
<b>Grand Total</b>	<b>68</b>

Attachment 25  
Section V. Service Specific Review Criteria

Appendix A



Phone (309) 647-6240  
210 W.  
Walnut Street  
Canton, IL 61520

October 10, 2024

Re: Graham Medical Group Center for Ambulatory Surgery

To Whom it May Concern,

I am a physician specializing in orthopedics and a member of the medical staff of Graham Hospital Association. It is my intention to refer and treat patients to Graham Medical Group Center for Ambulatory Surgery, which is the proposed project of this Certificate of Need application.

This letter includes a summary of patients I currently treat from the geographical service area (GSA). In Fiscal Year 2024, I performed 39 surgical procedures for patients who reside in the market. When these patients need surgery, they are asked to travel significant distance to receive care at Graham Hospital or are referred out to providers that are not within the market due to lack of options.

The vast majority of patients who were referred to surgery from the GSA in FY 2024 would have been referred to the Graham Medical Group Center for Ambulatory Surgery had it been an option. I intend to continue to refer at the same cadence during the first two years after the ASC is operational.

By signing below, I verify that the patient referrals indicated in this letter have not been used to support another pending or approved Certificate of Need Application for these services.

I also verify that the information provided in this letter and attached to this letter is true and correct to the best of my knowledge.

Sincerely,

A handwritten signature in black ink, appearing to read 'BB', written over a horizontal line.

Brett Barnhart, M.D.



A handwritten signature in black ink that reads 'Monica J. Jones'.

**Attachment 25**  
**Section V. Service Specific Review Criteria**

**Appendix A**



Phone (309) 647-5240  
210 W.  
Walnut Street  
Canton, IL 61520

<b>FY2024 Brett Barnhart, M.D.</b>	
<b>Patient Procedures within GSA</b>	
<b>Patient Zip Code</b>	<b>Patient Volumes</b>
61401	10
61436	1
61448	2
61458	1
61529	6
61531	15
61544	1
61572	3
<b>Total</b>	<b>39</b>

99

Attachment 25  
Section V. Service Specific Review Criteria

Appendix A



Phone (309) 647-5240  
210 W  
Walnut Street  
Canton, IL 61520

October 10, 2024

Re: Graham Medical Group Center for Ambulatory Surgery

To Whom it May Concern,

I am a vascular surgeon and a member of the medical staff of Graham Hospital Association. It is my intention to refer and treat patients to Graham Medical Group Center for Ambulatory Surgery, which is the proposed project of this Certificate of Need application.

This letter includes a summary of patients I currently treat from the geographical service area (GSA). In Fiscal Year 2024, I performed 11 surgical procedures for patients who reside in the market. When these patients need surgery, they are asked to travel significant distance to receive care at Graham Hospital or are referred out to providers that are not within the market due to lack of options.

In addition to providing surgical services in the area at the ASTC, I intend to hold clinic in the adjacent Graham Medical Group Center for Ambulatory Care. The region does not currently have a vascular surgeon providing routine care. It is my expectations that these surgical volumes will increase significantly when the clinic schedule opens in FY 2025.

By signing below, I verify that the patient referrals indicated in this letter have not been used to support another pending or approved Certificate of Need Application for these services.

I also verify that the information provided in this letter and attached to this letter is true and correct to the best of my knowledge.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andy Chlou'.

Andy Chlou, M.D.



A handwritten signature in black ink, appearing to read 'Monica J. Jones'.



**Attachment 25**  
**Section V. Service Specific Review Criteria**

**Appendix A**



Phone (309) 647-5240  
210 W.  
Walnut Street  
Canton, IL 61520

<b>FY2024 Andy Chlou, M.D.</b>	
<b>Patient Procedures within GSA</b>	
<b>Patient Zip Code</b>	<b>Patient Volumes</b>
61401	6
61436	2
61529	2
61531	1
<b>Total</b>	<b>11</b>

101

Attachment 25  
Section V. Service Specific Review Criteria

Appendix A



Phone (309) 647-5240  
210 W.  
Walnut Street  
Canton, IL 61520

October 10, 2024

Re: Graham Medical Group Center for Ambulatory Surgery

To Whom it May Concern,

I am a podiatrist and a member of the medical staff of Graham Hospital Association. It is my intention to refer and treat patients to Graham Medical Group Center for Ambulatory Surgery, which is the proposed project of this Certificate of Need application.

This letter includes a summary of patients I currently treat from the geographical service area (GSA). In Fiscal Year 2024, I performed 20 surgical procedures for patients who reside in the market. When these patients need surgery, they are asked to travel significant distance to receive care at Graham Hospital or are referred out to providers that are not within the market due to lack of options.

The vast majority of patients who were referred to surgery from the GSA in FY 2024 would have been referred to the Graham Medical Group Center for Ambulatory Surgery had it been an option. I intend to continue to refer at the same cadence during the first two years after the ASC is operational.

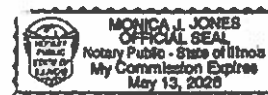
By signing below, I verify that the patient referrals indicated in this letter have not been used to support another pending or approved Certificate of Need Application for these services.

I also verify that the information provided in this letter and attached to this letter is true and correct to the best of my knowledge.

Sincerely,

A handwritten signature in black ink that reads 'Jake Ruff'.

Jake Ruff, DPM



A handwritten signature in black ink that reads 'Monica J. Jones'.

**Attachment 25**  
**Section V. Service Specific Review Criteria**

**Appendix A**



Phone (309) 647-5240  
210 W.  
Walnut Street  
Canton, IL 61520

<b>FY 2024 Jake Ruff, DPM</b>	
<b>Patient Procedures within GSA</b>	
<b>Patient Zip Code</b>	<b>Patient Volumes</b>
61401	4
61410	1
61448	1
61529	5
61531	6
61544	2
61572	1
<b>Total</b>	<b>20</b>

Attachment 25  
Section V. Service Specific Review Criteria

Appendix B



Phone (309) 647-5240  
210 W.  
Walnut Street  
Canton, IL 61520

October 10, 2024

Re: Graham Medical Group Center for Ambulatory Surgery

To Whom it May Concern,

I am a physician and a member of the medical staff of Graham Hospital Association. It is my intention to assume the role of Medical Director for the proposed Graham Medical Group Center for Ambulatory Surgery in Galesburg IL (HSA 2).

This letter includes a summary of patients I currently treat from the geographical service area (GSA). In Fiscal Year 2024, I completed 213 surgeries for patients within the region. This represents 21% of my total cases for the period. Currently, my clinic practice is based in Canton, IL. With the proposed ASC, I will hold Clinic at the Graham Medical Group Center for Ambulatory Care, which will increase my referral rates for patients in the area. I expect my volume of patients from the region to grow significantly in the first two years the ASC is operational.

The vast majority of patients who were referred to surgery from the GSA in FY 2024 would have been referred to the Graham Medical Group Center for Ambulatory Surgery had it been an option. I intend to continue to refer and accept referrals in my specialty at the same cadence during the first two years after the ASC is operational.

By signing below, I verify that the patient referrals indicated in this letter have not been used to support another pending or approved Certificate of Need Application for these services.

I also verify that the information provided in this letter and attached to this letter is true and correct to the best of my knowledge.

Sincerely,

A handwritten signature in black ink, appearing to read "Rozana Dwyer".

Rozana Dwyer, M.D. FACS



A handwritten signature in black ink, appearing to read "Monica J. Jones".

**Attachment 25**  
**Section V. Service Specific Review Criteria**

**Appendix B**



Phone (309) 647-5240  
210 W.  
Walnut Street  
Canton, IL 61520

<b>FY 2024 Rozana Dwyer, M.D. FACS</b>	
<b>Patient Procedures within GSA</b>	
<b>Patient Zip Code</b>	<b>Patient Volumes</b>
61401	36
61410	7
61414	2
61428	5
61430	1
61434	1
61436	5
61448	11
61449	1
61458	5
61474	2
61485	3
61488	2
61489	9
61529	44
61531	55
61544	9
61572	15
<b>Total</b>	<b>213</b>

105

**Attachment 25**  
**Section V. Service Specific Review Criteria**

**Appendix B**

**ROZANA H. DWYER, MD**

**EDUCATION & CERTIFICATIONS**

American Board of Surgery Certification	December 2019-Present
Healogs/Wound Care & Hyperbaric Medicine Certification	August 2019-Present
University of Illinois College of Medicine at Peoria General Surgery Residency	July 2014-June 2019
Loyola University Chicago, Stritch School of Medicine M.D. Honors in Research	July 2010-May 2014
Loyola University Chicago B.S. Mathematics & Biology, Magna Cum Laude	August 2005-May 2009

**LEADERSHIP & WORK EXPERIENCE**

- Graham Health System  
General Surgeon  
Bread and Butter General Surgery, Upper & Lower Endoscopy, Robotic Surgery  
August 2019-Present
- Fulton & Mason County Wound Clinic  
Medical Director  
Administrative oversight of wound clinic and hyperbaric oxygen therapy  
August 2021-Present
- University of Illinois  
Department of Surgery, General division  
Clinical Assistant Professor of Surgery  
Clinical Clerkship Faculty for Rural Surgery Rotation  
August 2019-Present
- True Learn, Content Author General Surgery  
Content development for ABSITE general surgery board questions  
August 2015-Present
- Meddoctive, EPIC Super user  
Physician Support for newly adopted EPIC systems  
March 2014- July 2018
- Illinois Education Foundation, Inorganic & Organic Chemistry Tutor  
Tutored students from City Colleges of Chicago & developed study plans.  
October 2009- January 2012
- ExamCrackers, MCAT Prep Instructor  
Developed curricula for & taught Physics & Inorganic Chemistry subjects.  
October 2009 - August 2011
- Center for Science & Mathematics Education, Program Coordinator  
Coordinated multiple projects & professional developments with the High School  
Transformation Project for low-performing Chicago Public Schools.  
December 2007- August 2010
- Cambridge Education Services, ACT Math & Science Instructor  
Developed curricula & taught test taking skills & content for math & science subjects  
at Proviso East High School in Maywood, IL  
January 2010-May 2010

**PUBLICATIONS & SCHOLARLY ACTIVITY**

1. RH. Dwyer, MJ. Scheidt, JS. Marshall et al. Safety and efficacy of synchronous robotic surgery for colorectal cancer with liver metastases. *J Robotic Surg* 12, 603-606 (2018).
2. C.Hicks, R.Asfour, A.Pannuti, L.Miele. *An Integrative Approach to Biomarker Discovery in Breast Cancer*. *Cancer Informatics* 2011.10 185-204. July 25 2011.
3. WATS 906 STUDY Participant  
Investigator in Wide-area trans-epithelial sampling (WATS) vs standard Seattle Protocol for Barrett's Esophagus Surveillance and Management

**MEMBERSHIPS**

- American College of Surgeons, American Society of Breast Surgeons

**LANGUAGES**

- Arabic- speak with basic competence

**Attachment 25**  
**Section V. Service Specific Review Criteria**

**Appendix C**

CPT	Procedure	Graham Health System ASC Fee Schedule
10005	FNA BX W/US GDN 1ST LES	\$ 874.56
10061	DRAINAGE OF SKIN ABSCESS	\$ 769.34
11042	DEB SUBQ TISSUE 20 SQ CM/<	\$ 533.52
11043	DEB MUSC/FASCIA 20 SQ CM/<	\$ 957.90
11402	EXC TR-EXT B9 MARG 1.1-2 CM	\$ 462.66
11406	EXC TR-EXT B9 MARG > 4.0 CM	\$ 1,861.66
11423	EXC H-F-NK-SP B9+MARG 2.1-3	\$ 565.94
11450	REMOVAL SWEAT GLAND LESION	\$ 2,838.08
11644	EXC F/E/E/N/L MAL+MRG 3.1-4	\$ 1,921.06
11750	EXCISION NAIL PERM	\$ 407.48
11770	REMOVAL OF PILONIDAL LESION	\$ 2,688.34
11771	REMOVAL OF PILONIDAL LESION	\$ 3,220.36
14041	SKIN TISSUE REARRANGEMENT	\$ 3,387.80
14060	SKIN TISSUE REARRANGEMENT	\$ 3,192.70
19300	REMOVAL OF BREAST TISSUE	\$ 3,801.98
19301	PARTIAL MASTECTOMY	\$ 4,287.96
20240	BONE BIOPSY OPEN SUPERFICIAL	\$ 2,592.48
20610	DRAIN/INJ JOINT/BURSA W/O US	\$ 160.48
20680	REMOVAL OF IMPLANT DEEP	\$ 3,153.74
21325	OPEN TX NOSE FX UNCOMPLICATD	\$ 3,497.36
21552	EXC NECK LES SC 3 CM/>	\$ 3,222.50
23412	REPAIR ROTATOR CUFF CHRONIC	\$ 8,498.82
24075	EXC ARM/ELBOW LES SC < 3 CM	\$ 2,028.80
25000	INCISION OF TENDON SHEATH	\$ 2,328.36
25111	REMOVE WRIST TENDON LESION	\$ 2,289.38
25609	TREAT FX RADIAL 3+ FRAG	\$ 11,317.46
26055	INCISE FINGER TENDON SHEATH	\$ 2,219.76
26160	REMOVE TENDON SHEATH LESION	\$ 2,271.40
26608	TREAT METACARPAL FRACTURE	\$ 4,005.08
27265	TREAT HIP DISLOCATION	\$ 1,093.22
27340	REMOVAL OF KNEECAP BURSA	\$ 3,791.56
27570	FIXATION OF KNEE JOINT	\$ 1,945.28
27632	EXC LEG/ANKLE LES SC 3+ CM	\$ 3,139.30
27680	RELEASE OF LOWER LEG TENDON	\$ 3,876.60
28035	DECOMPRESSION OF TIBIA NERVE	\$ 2,505.96
28039	EXC FOOT/TOE TUM SC > 1.5 CM	\$ 2,985.92

**Attachment 25**  
**Section V. Service Specific Review Criteria**

**Appendix C**

CPT	Procedure	Graham Health System ASC Fee Schedule
28090	REMOVAL OF FOOT LESION	\$ 2,247.52
28122	PARTIAL REMOVAL OF FOOT BONE	\$ 3,907.40
28285	REPAIR OF HAMMERTOES	\$ 3,801.56
28291	CORRJ HALUX RIGDUS W/IMPLT	\$ 10,241.12
28292	COR HLX VLGS RSC PRX PHLX BS	\$ 3,998.44
28297	COR HLX VLGS JT ARTHRD	\$ 10,993.02
28485	TREAT METATARSAL FRACTURE	\$ 9,882.44
28820	AMPUTATION OF TOE	\$ 3,392.66
28825	PARTIAL AMPUTATION OF TOE	\$ 3,384.38
29877	KNEE ARTHROSCOPY/SURGERY	\$ 4,284.90
30140	REMOVAL OF TURBINATE BONES	\$ 2,992.12
30220	INSERT NASAL SEPTAL BUTTON	\$ 1,586.20
30520	REPAIR OF NASAL SEPTUM	\$ 3,951.48
31238	NSL/SINS NDSC SRG NSL HEMRRG	\$ 1,846.84
31242	NSL/SINUS NDSC RF ABLTJ PNN	\$ 7,268.40
31267	ENDOSCOPY MAXILLARY SINUS	\$ 5,131.46
31536	LARYNGOSCOPY W/BX & OP SCOPE	\$ 3,549.70
31540	LARYNGOSCOPY W/EXC OF TUMOR	\$ 3,611.72
31541	LARYNSCOP W/TUMR EXC + SCOPE	\$ 3,655.40
31571	LARYNGOSCOP W/VC INJ + SCOPE	\$ 3,627.12
31576	LARYNGOSCOPY WITH BIOPSY	\$ 1,750.96
31579	DIAGNOSTIC LARYNGOSCOPY	\$ 490.50
32555	ASPIRATE PLEURA W/ IMAGING	\$ 866.14
36475	ENDOVENOUS RF 1ST VEIN	\$ 3,657.46
36561	INSERT TUNNELED CV CATH	\$ 3,755.18
37766	PHLEB VEINS - EXTREM 20+	\$ 1,164.42
40806	INCISION OF LIP FOLD	\$ 233.16
42660	DILATION OF SALIVARY DUCT	\$ 304.28
42821	REMOVE TONSILS AND ADENOIDS	\$ 3,243.74
42826	REMOVAL OF TONSILS	\$ 3,146.20
42831	REMOVAL OF ADENOIDS	\$ 3,095.00
43195	ESOPHAGOSCOPY RIGID BALLOON	\$ 3,966.18
45334	SIGMOIDOSCOPY FOR BLEEDING	\$ 1,454.66
46250	HEMORRHOIDECTOMY	\$ 3,333.02
46922	EXCISION OF ANAL LESION(S)	\$ 2,973.44
47563	LAPARO CHOLECYSTECTOMY/GRAPH	\$ 6,882.26
49083	ABD PARACENTESIS W/IMAGING	\$ 1,147.74
49451	REPLACE DUOD/JEJ TUBE PERC	\$ 1,114.02
49592	RPR AA HRN 1ST < 3 NCR/STRN	\$ 6,391.00
49650	LAPARO HERNIA REPAIR INITIAL	\$ 6,294.44



**Attachment 25**  
**Section V. Service Specific Review Criteria**

**Appendix C**

CPT	Procedure	Graham Health System ASC Fee Schedule
51040	INCISE & DRAIN BLADDER	\$ 2,437.32
51705	CHANGE OF BLADDER TUBE	\$ 230.04
51715	ENDOSCOPIC INJECTION/IMPLANT	\$ 4,893.42
52000	CYSTOSCOPY	\$ 785.78
52005	CYSTOSCOPY & URETER CATHETER	\$ 2,122.30
52240	CYSTOSCOPY AND TREATMENT	\$ 5,715.72
52287	CYSTOSCOPY CHEMODENERVATION	\$ 2,194.06
52310	CYSTOSCOPY AND TREATMENT	\$ 2,158.94
52332	CYSTOSCOPY AND TREATMENT	\$ 3,558.58
52356	CYSTO/URETERO W/LITHOTRIPSY	\$ 5,762.42
53854	TRURL DSTRJ PRST8 TISS RF WV	\$ 3,619.28
54001	SLITTING OF PREPUCE	\$ 2,137.92
54057	LASER SURG PENIS LESION(S)	\$ 2,084.02
54100	BIOPSY OF PENIS	\$ 1,603.74
54530	REMOVAL OF TESTIS	\$ 4,255.50
54840	REMOVE EPIDIDYMIS LESION	\$ 2,499.34
55040	REMOVAL OF HYDROCELE	\$ 3,916.96
55250	REMOVAL OF SPERM DUCT(S)	\$ 2,312.54
55706	PROSTATE SATURATION SAMPLING	\$ 3,995.72
55874	TPRNL PLMT BIODEGRDABL MATRL	\$ 7,812.64
56605	BIOPSY OF VULVA/PERINEUM	\$ 228.06
57288	SLING	\$ 6,991.06
57522	CONIZATION OF CERVIX	\$ 3,682.64
58552	LAPARO-ASST VAG HYSTERECTOMY	\$ 11,061.26
58558	HYSTEROSCOPY BIOPSY	\$ 3,638.90
58562	HYSTEROSCOPY REMOVE FB	\$ 3,619.36
58563	HYSTEROSCOPY ABLATION	\$ 4,766.54
58661	LAPAROSCOPY REMOVE ADNEXA	\$ 6,729.84
59151	TREAT ECTOPIC PREGNANCY	\$ 7,023.94
59812	TREATMENT OF MISCARRIAGE	\$ 3,808.00
59820	CARE OF MISCARRIAGE	\$ 3,961.02
62323	NJX INTERLAMINAR LMBR/SAC	\$ 913.26
62362	IMPLANT SPINE INFUSION PUMP	\$ 28,851.72
62370	ANL SP INF PMP W/MDREPRG&FIL	\$ 208.80
63650	IMPLANT NEUROELECTRODES	\$ 10,718.40
63685	IMPLANT NEURORECEIVER	\$ 51,236.64
64490	INJ PARAVERT F JNT C/T 1 LEV	\$ 1,152.46
64590	INS/RPL PRPH SAC/GSTR NPG/R	\$ 35,386.60
64617	CHEMODENER MUSCLE LARYNX EMG	\$ 396.04
64635	DESTROY LUMB/SAC FACET JNT	\$ 2,173.29

**Attachment 25**  
**Section V. Service Specific Review Criteria**

**Appendix C**

CPT	Procedure	Graham Health System ASC Fee Schedule
64721	CARPAL TUNNEL SURGERY	\$ 2,667.78
67912	CORRECTION EYELID W/ IMPLANT	\$ 2,893.58
69610	REPAIR OF EARDRUM	\$ 1,002.60
G0260	Inj for sacroiliac jt anesth	\$ 717.38

## Attachment 33

### Cash & Securities

Audits for Graham Hospital Association's most recent audited fiscal year are included in the Appendix of this Attachment.

In addition, a resolution from the Graham Hospital Association Board of Trustees authorizing the use of up to \$4.0 million in Internally Designated Funds has been included for review.

Attachment 33

**RESOLUTION  
EXPRESSING OFFICIAL INTENT  
REGARDING CERTAIN CAPITAL EXPENDITURES  
TO BE REIMBURSED WITH PROCEEDS FROM INTERNALLY DESIGNATED FUNDS**

WHEREAS, the Graham Hospital Association, an Illinois not-for-profit corporation (the "Association"), desires to acquire, construct, renovate, remodel or equip an Ambulatory Surgery Center (the "Project"), and the expenditures relating to the Project (the "Expenditures") or will be paid on or after the adoption of this Resolution; and

WHEREAS, the Association reasonably expects to reimburse a portion of the Expenditures with the proceeds of an obligation;


NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Association that:

Section 1. The Association reasonably expects to reimburse a portion of the Expenditures with up to \$4.0 million of the Association's Internally Designated Funds, which as of the date of this resolution totals \$125.0 million.

Section 2. This Resolution shall be in full force and effect immediately upon its adoption.

Adopted this 28<sup>th</sup> day of October, 2024.

  
\_\_\_\_\_  
Robert G. Sennett  
President & CEO  
Graham Hospital Association

  
\_\_\_\_\_  
Janis Blout  
Secretary  
Graham Hospital Association  
Board of Trustees

On the 28<sup>th</sup> day of October 2024, the PRESIDENT & CEO OF GRAHAM HOSPITAL ASSOCIATION and the SECRETARY OF THE BOARD OF TRUSTEES OF GRAHAM HOSPITAL ASSOCIATION, previously known to me, personally appeared before me and affixed his/her signatures hereto, certifying thereby the above resolution was approved at the October 28, 2024 Graham Hospital Board of Trustees meeting.

  
\_\_\_\_\_  
Notary Public



Attachment 33

Graham Hospital Association's President & CEO, Robert G. Senneff has also provided certification that funds are available for use for this project.



Phone (309) 647-5240  
210 W. Walnut Street  
Canton, IL 61520  
[www.grahamhealthsystem.org](http://www.grahamhealthsystem.org)

Debra Savage  
Health Facilities and Services Review Board  
525 West Jefferson Street, Floor 2  
Springfield, IL 62761

Re: Graham Hospital Association's Ambulatory Surgery Center  
Administrative Code Section IX. 1120.140 – Economic Feasibility

Ms. Savage,

At its October 28, 2024 meeting, the Board of Trustees of Graham Hospital Association, approved the funding of up to \$4.0 million in cash and investments for construction and establishment of an Ambulatory Surgery Center.

The availability of these funds can be found on the Consolidated Balance Sheet of Graham Hospital Association for the Year ending June 30, 2023. The funds are part of the \$110.4 million of Internally Designated funds which appears on page six of the 2023 Graham Hospital Association audit.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Senneff', written over a horizontal line.

Robert G. Senneff  
President & CEO  
Graham Hospital Association  
[rsenneff@grahamhospital.org](mailto:rsenneff@grahamhospital.org)  
(309)647-5240

*Tammi J. Medus*  
Notary



## Attachment 33

### Debt Financing

The full Bond & Loan Agreement for the Graham Hospital Association Project is included in the Appendix of this Attachment. In addition, the Bond Closing Memorandum, Certificate and Receipt of the Purchaser and Bond Registrar's Certificate have been included in this Attachment for review.

### Bond Closing Memorandum

## Attachment 33

**Graham Hospital Association – Series 2024 Bond Issuance**  
 Closing Memorandum  
 May 15, 2024



Graham Hospital Association's Series 2024 Bond Issuance will close and fund on May 15, 2024. The City of Canton, Illinois will serve as the issuing authority. The City adopted the Bond Ordinance at their regularly scheduled meeting on May 7, 2024.

The par amount of the tax-exempt offering totals \$11,322,000. Proceeds will be used to fund capital projects at the hospital, support expansion efforts in Galesburg, IL (Knox County Resolution adopted on April 24, 2024), and pay costs of issuance. Commerce Bank (d/b/a Clayton Holdings, LLC) will purchase the bonds. The all-in tax-exempt rate for the bonds is 4.46% (detailed below).

Tax-Exempt Fixed Rate Option			Rates as of 5/10/2024			
Term	Tax Exempt Factor	Treasury Rate	Spread	All-in Tax Exempt Fixed Rate		
8.5 year	0.9	4.59%	-	0.91%	4.46%	

Following are the closing Sources & Uses, closing day disbursement schedule, and associated payment instructions:

Series 2024 Bonds Sources & Uses		Disbursement at Closing	
<b>Sources</b>		Bond Registrar Fee	3,000
Bond Proceeds for Project Uses	11,178,902	Municipal Advisor	84,915
Bond Proceeds for Closing Costs	143,098	Bond Counsel	35,000
<b>Total Uses</b>	<b>11,322,000</b>	Bank Counsel	17,900
<b>Uses</b>		Borrower's Counsel	500
PROJECT - MRI	687,556	BMO Counsel	1,500
PROJECT - CT	218,846	Misc. Closing Costs	283
PROJECT - Galesburg Building C - Phase 2 North	3,600,000	<b>Total Closing Disbursement</b>	<b>143,098</b>
PROJECT - Galesburg Building C - Phase 2 South	4,312,500		
PROJECT - GMG Seminary / 3rd Avenue Remodel	910,000		
PROJECT - GMG Seminary / Grove Remodel	550,000		
PROJECT - GMG Seminary / Fremont Remodel	900,000		
Bond Registrar Fee	3,000		
Municipal Advisor Fee	84,915		
Bond Counsel	35,000		
Bank Counsel	17,900		
Borrower's Counsel	500		
BMO Counsel (Intercreditor)	1,500		
Misc. Closing Costs	283		
<b>Total Uses</b>	<b>11,322,000</b>		

[www.viumcapital.com](http://www.viumcapital.com)

Certificate and Receipt of the Purchaser

115

## Attachment 33

### CERTIFICATE AND RECEIPT OF THE PURCHASER

City of Canton, Illinois  
Canton, Illinois

Graham Hospital Association  
Canton, Illinois

This certificate is delivered to you concurrently with the issuance of \$11,322,000 in maximum principal amount of the Health Care Facilities Revenue Bond, Series 2024 (Graham Hospital Association Project) (the "Series 2024 Bond") of the City of Canton, Fulton County, Illinois (the "Issuer") under and pursuant to a Bond and Loan Agreement, dated as of May 1, 2024 (the "Agreement"), among the Issuer, Graham Hospital Association, an Illinois not-for-profit corporation (the "Borrower"), and Clayton Holdings, LLC, a Missouri limited liability company ("Purchaser"). Reference is made to the Agreement for the definitions of certain terms used herein. In connection with such issuance and the execution by certain of you of the documentation required therefor, the Purchaser, hereby represents and warrants to each of you as follows:

1. The Agreement, the Continuing Covenant Agreement, dated as of May 1, 2024 (the "Covenant Agreement") between the Purchaser and the Borrower, and the Investor Letter of the Purchaser dated the date hereof (the "Investor Letter"), have been duly and validly executed and delivered on behalf of the Purchaser by the officer executing and delivering the same.
2. The officer referred to in paragraph 1 above was, on the dates of the acts described above, and is, on the date hereof, a duly qualified and acting officer of the Purchaser and duly authorized to execute and deliver the Agreement, the Covenant Agreement and the Investor Letter.
3. The Purchaser hereby accepts the duties and obligations imposed upon it by the Agreement.
4. The Purchaser hereby acknowledges receipt of one (1) fully registered Series 2024 Bond in the aggregate authorized principal amount of \$11,322,000 (by delivery of such Bond to the Bond Registrar to be held in safekeeping for the benefit of Purchaser).
5. The Purchaser is purchasing the Series 2024 Bond of the Issuer at par.
6. The Purchaser is the first buyer of the Series 2024 Bond and is buying the Series 2024 Bond as an investment for its own account with no present intention to resell the Series 2024 Bond.
7. The purchase price of the Series 2024 Bond was determined in an arm's-length negotiation between the Purchaser, a willing buyer, and the Borrower, a willing seller, based on the terms of the Agreement and the Covenant Agreement.



**Attachment 33**

IN WITNESS WHEREOF, this Certificate and Receipt is executed and delivered this 15th day of May, 2024.

**CLAYTON HOLDINGS, LLC**

By: \_\_\_\_\_

Its: \_\_\_\_\_

 JESS KANBERG  
VICE PRESIDENT

Signature Page to  
Certificate and Receipt of the Purchaser

**Attachment 33**

**Bond Registrar's Certificate**

STATE OF ILLINOIS            )  
                                          ) SS  
COUNTY OF COOK            )


**BOND REGISTRAR'S CERTIFICATE**

Zions Bancorporation, National Association, Chicago, Illinois (the "Bond Registrar"), hereby certifies that it is the bond registrar for the City of Canton, Fulton County, Illinois (the "City"), appointed for \$11,322,000 in maximum principal amount of the Health Care Facilities Revenue Bond, Series 2024 (Graham Hospital Association Project) (the "Bond"), of the City, under and pursuant to the provisions of a Bond and Loan Agreement, dated as of May 1, 2024 (the "Agreement"), among the City, Graham Hospital Association, an Illinois not-for-profit corporation (the "Borrower"), and Clayton Holdings, LLC, a Missouri limited liability company ("Purchaser").

The Bond Registrar hereby further certifies and agrees as follows:

1. The Bond Registrar has heretofore and does hereby accept the duties as bond registrar so imposed by the Agreement.
2. Pursuant to a proper authorization and direction from the City dated this date, the Bond Registrar has authenticated as of this date and delivered to the Purchaser, the Bond in the principal amount as hereinabove set forth, dated May 15, 2024, and due on the dates and in the amounts and bearing interest at the rates percent per annum as set forth in the Agreement.
3. Each of the persons named below is an authorized agent of the Bond Registrar; one or more of such persons, in accordance with the provisions of the Agreement, are duly authorized and empowered to authenticate and did authenticate on the date hereof the Bond issued under the Agreement; and the signature appearing after the name of each such person as follows is a true and correct specimen of each such person's genuine signature:

Attachment 33

NAME	OFFICE	SIGNATURE
<u>Robert Cotelli</u>	<u>Vice President</u>	<u></u>

4. The Bond Registrar has full power and authority under the applicable laws of the United States of America and the State of Illinois to act as bond registrar for the Bond in the manner contemplated by the Agreement; it has taken all necessary corporate action by its properly authorized officers, employees or agents to accept said offices and duties; and the undersigned are duly qualified and acting officers of the Bond Registrar as indicated by the titles set under their names and are authorized by the Bond Registrar to execute and attest this certificate.

5. The Bond Registrar acknowledges receipt of an executed copy of the Agreement.

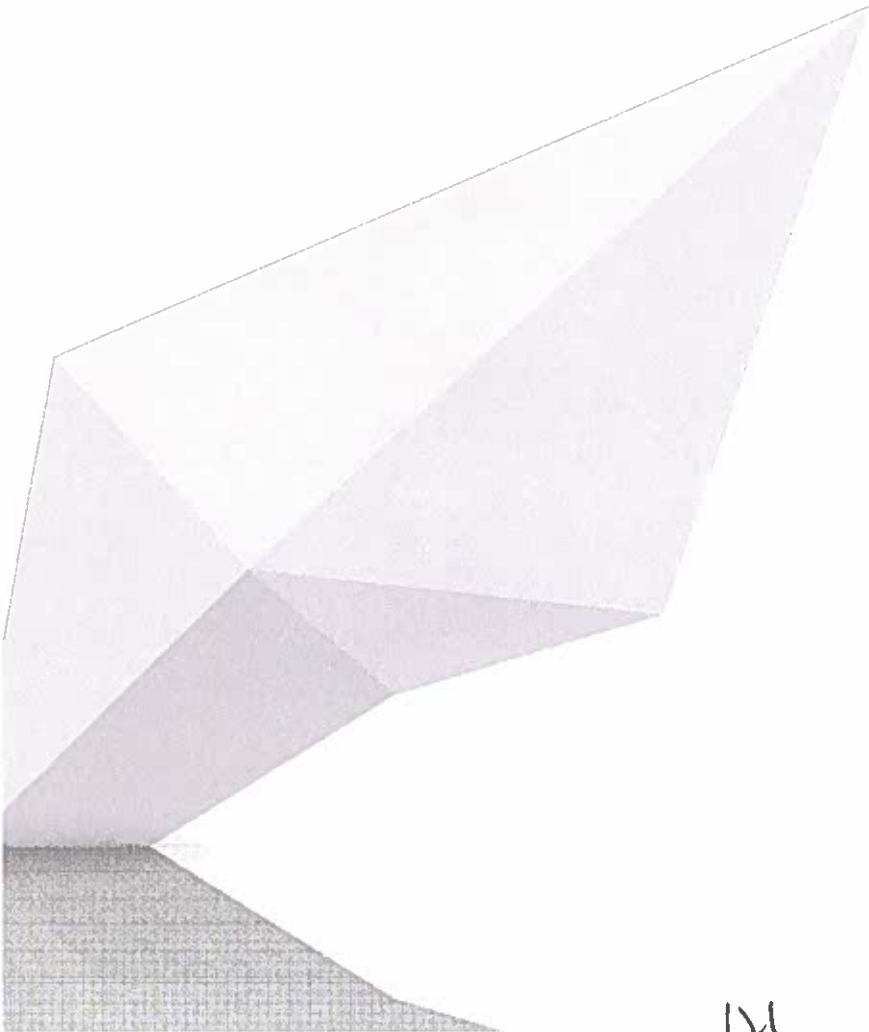
## Appendix-Attachment 33

- FY 2022 Audited Financials
- FY 2023 Audited Financials
- Bond Agreement

# Graham Hospital Association

Financial Statements and Supplementary Information

Years Ended June 30, 2022 and 2021



121

**Graham Hospital Association**  
Years Ended June 30, 2022 and 2021

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**Table of Contents**

Independent Auditor's Report.....1

**Financial Statements**

    Balance Sheets.....3

    Statements of Operations.....5

    Statements of Changes in Net Assets.....6

    Statements of Cash Flows.....7

    Notes to Financial Statements.....9

**Compliance**

    Independent Auditor's Report on Internal Control Over Financial Reporting and  
    on Compliance and Other Matters.....37

### ***Auditor's Responsibilities for the Audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2022, on our consideration of the Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hospital's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hospital's internal control over financial reporting and compliance.

*Wipfli LLP*

Wipfli LLP

Eau Claire, Wisconsin  
September 21, 2022

## **Independent Auditor's Report**

Board of Trustees  
Graham Hospital Association  
Canton, Illinois

### ***Report on the Audit of the financial statements***

#### ***Opinion***

We have audited the accompanying financial statements of Graham Hospital Association (the "Hospital"), which comprise the balance sheets as of June 30, 2022 and 2021, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of June 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are required to be independent of the Hospital and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the financial statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital's ability to continue as a going concern for one year after the date the financial statements are available to be issued.



## Graham Hospital Association Balance Sheets

<i>June 30,</i>	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 8,216,200	\$ 11,718,191
Patient accounts receivable - Net	11,953,658	10,513,760
Other receivables	3,039,002	2,813,458
Inventories	1,937,817	2,124,075
Prepaid expenses and other	1,758,665	1,344,714
<b>Total current assets</b>	<b>26,905,342</b>	<b>28,514,198</b>
Assets limited as to use:		
Internally designated	103,582,979	116,599,510
Self-insurance funds held by trustee	1,740,526	2,405,823
Deferred compensation plans assets	1,176,349	1,166,855
<b>Total assets limited as to use</b>	<b>106,499,854</b>	<b>120,172,188</b>
Beneficial interests in trusts and Foundation	8,813,444	10,250,315
Property and equipment - Net	87,069,377	85,895,287
Other assets	3,303,239	3,160,374
<b>Total assets</b>	<b>\$ 232,591,256</b>	<b>\$ 247,992,362</b>

## Graham Hospital Association Balance Sheets (Continued)

<i>June 30,</i>	<b>2022</b>	<b>2021</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Current maturities of long-term debt and capital lease obligation	\$ 2,285,451	\$ 2,164,671
Accounts payable	4,864,391	7,467,862
Accrued salaries and other expenses	6,074,854	5,039,160
Deferred revenue	128,490	-
Estimated amounts due to third-party payors	3,891,721	4,428,480
<b>Total current liabilities</b>	<b>17,244,907</b>	<b>19,100,173</b>
<b>Long-term liabilities:</b>		
Long-term debt and capital lease obligation - Less current maturities	54,853,540	57,146,617
Estimated self-insurance costs - Net of current portion	3,054,666	2,814,387
Deferred compensation plans liabilities	1,176,349	1,166,855
Interest rate swap liabilities	1,487,101	3,493,232
Other	266,162	266,162
<b>Total long-term liabilities</b>	<b>60,837,818</b>	<b>64,887,253</b>
<b>Total liabilities</b>	<b>78,082,725</b>	<b>83,987,426</b>
<b>Net assets:</b>		
Without donor restrictions	145,695,087	153,754,621
With donor restrictions	8,813,444	10,250,315
<b>Total net assets</b>	<b>154,508,531</b>	<b>164,004,936</b>
<b>Total liabilities and net assets</b>	<b>\$ 232,591,256</b>	<b>\$ 247,992,362</b>

See accompanying notes to financial statements.

## Graham Hospital Association Statements of Operations

Years Ended June 30,	2022	2021
<b>Revenue:</b>		
Net patient service revenue	\$ 93,018,619	\$ 82,056,144
Other operating revenue	11,971,147	16,788,088
<b>Total revenue</b>	<b>104,989,766</b>	<b>98,844,232</b>
<b>Expenses:</b>		
Salaries and wages	42,952,447	37,100,214
Employee benefits	11,761,383	10,852,093
Purchased services and professional fees	18,288,823	20,575,869
Supplies and other	21,273,282	19,609,791
Depreciation and amortization	5,971,109	5,819,941
Interest	1,583,760	1,446,067
<b>Total expenses</b>	<b>101,830,804</b>	<b>95,403,975</b>
<b>Income from operations</b>	<b>3,158,962</b>	<b>3,440,257</b>
<b>Nonoperating gains and losses:</b>		
Interest and dividend income and net realized gains on sale of investments	6,089,380	839,746
Change in net unrealized gains (losses) on trading securities	(19,796,661)	22,668,384
Change in fair value of interest rate swap agreements	2,006,131	1,402,023
Donations and bequests	42,360	31,906
Loss on disposal of property and equipment	(6,837)	(137,684)
<b>Total nonoperating gains and losses - Net</b>	<b>(11,665,627)</b>	<b>24,804,375</b>
<b>Revenue in excess (deficiency) of expenses</b>	<b>(8,506,665)</b>	<b>28,244,632</b>
<b>Net assets released from restrictions used for purchases of property and equipment</b>	<b>447,131</b>	<b>419,719</b>
<b>Increase (decrease) in net assets without donor restrictions</b>	<b>\$ (8,059,534)</b>	<b>\$ 28,664,351</b>

See accompanying notes to financial statements.

## Graham Hospital Association Statements of Changes in Net Assets

<i>Years Ended June 30,</i>	<b>2022</b>	<b>2021</b>
<b>Net assets without donor restrictions:</b>		
Revenue in excess (deficiency) of expenses	\$ (8,506,665)	\$ 28,244,632
Net assets released from restrictions used for purchases of property and equipment	447,131	419,719
<b>Increase (decrease) in net assets without donor restrictions</b>	<b>(8,059,534)</b>	<b>28,664,351</b>
<b>Net assets with donor restrictions:</b>		
Net assets released from restrictions	(447,131)	(419,719)
Change in interest in net assets of Foundation	35,921	144,953
Change in beneficial interest in perpetual trusts	(1,025,661)	1,964,960
<b>Increase (decrease) in net assets with donor restrictions</b>	<b>(1,436,871)</b>	<b>1,690,194</b>
<b>Increase (decrease) in net assets</b>	<b>(9,496,405)</b>	<b>30,354,545</b>
<b>Net assets, beginning of year</b>	<b>164,004,936</b>	<b>133,650,391</b>
<b>Net assets, end of year</b>	<b>\$ 154,508,531</b>	<b>\$ 164,004,936</b>

See accompanying notes to financial statements.

## Graham Hospital Association Statements of Cash Flows

Years Ended June 30,	2022	2021
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (9,496,405)	\$ 30,354,545
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Change in net unrealized (gains) losses on trading securities	19,796,661	(22,668,384)
Net realized gains on investments	(3,492,650)	1,410,677
Change in fair value of interest rate swap agreements	(2,006,131)	(1,402,023)
Undistributed change in interest in net assets of Foundation	(35,921)	(144,953)
Undistributed change in beneficial interest in trusts	1,025,661	(1,964,960)
Depreciation	5,971,109	5,819,941
Amortization	23,265	23,265
Loss on disposal of property and equipment	6,837	137,684
Changes in operating assets and liabilities:		
Patient and other accounts receivable - Net	(1,665,442)	(1,353,119)
Inventories, prepaid expenses, and other	(370,557)	(167,276)
Estimated amounts due to third-party payors	(536,759)	2,584,143
Accounts payable, accrued expenses, and other liabilities	1,523,225	(9,523,186)
Total adjustments	20,239,298	(27,248,191)
Net cash provided by operating activities	10,742,893	3,106,354
Cash flows from investing activities:		
Increase in assets limited as to use	(2,631,677)	2,585,189
Purchase of property and equipment - Net	(9,864,776)	(13,319,135)
Distributions from Hospital's interest in Foundation and trusts	447,131	419,719
Net cash used in investing activities	(12,049,322)	(10,314,227)
Cash flows from financing activities - Principal payments on long-term debt and capital lease obligations	(2,195,562)	(1,837,661)
Net decrease in cash and cash equivalents	(3,501,991)	(9,045,534)
Cash and cash equivalents, beginning of year	11,718,191	20,763,725
Cash and cash equivalents, end of year	\$ 8,216,200	\$ 11,718,191

## Graham Hospital Association Statements of Cash Flows (Continued)

<i>Years Ended June 30,</i>	<b>2022</b>	<b>2021</b>
Supplemental cash flow information:		
Cash payments for interest - Net of capitalized interest	\$ 1,560,495	\$ 1,422,802
Property and equipment additions included in accounts payable at year-end	973,918	3,686,657

See accompanying notes to financial statements.

# Graham Hospital Association

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies**

#### **Principal Business Activity**

Graham Hospital Association (the "Hospital") is located in Canton, Illinois and primarily earns revenues by providing inpatient, outpatient, extended care, and physician services to patients in Fulton, Mason, and Peoria Counties in Illinois. The Hospital also operates Graham Medical Group, Graham Home Medical Equipment, Graham Hospital School of Nursing, and Graham Wellness Center in the same geographic area, which are departments of Graham Hospital Association.

#### **Financial Statement Presentation**

The Hospital follows accounting standards set by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The ASC is the single source of authoritative accounting principles generally accepted in the United States (GAAP) to be applied to nongovernmental entities.

#### **Use of Estimates in Preparation of Financial Statements**

The preparation of the accompanying financial statements in conformity with GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

#### **Cash Equivalents**

The Hospital considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents, excluding amounts whose use is limited or restricted.

#### **Investments, Assets Limited as to Use, and Investment Income**

Investments, including those investments categorized as assets limited as to use in the accompanying balance sheets, are measured at fair value or an approximation of fair value in the accompanying balance sheets, other than the investments in unconsolidated affiliates included in assets limited as to use. Investments in unconsolidated affiliates are accounted for on the cost method of accounting.

Assets limited as to use consist of investments designated by the Board of Trustees for future capital improvements and other purposes, self-insurance funds held for future claims payments, and funds set aside under deferred compensation plans. The funds designated by the Board of Trustees remain under the control of the Board of Trustees and may at the Board of Trustees' discretion subsequently be used for other purposes.

All investment income (including realized and unrealized gains and losses, interest, and dividends) is reported as nonoperating income and is included in revenue in excess of expenses unless the income is restricted by donor or law. Realized gains or losses are determined by specific identification.

# Graham Hospital Association

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Hospital measures fair value of its financial instruments using a three-tier hierarchy that prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

#### **Patient Accounts Receivable and Credit Policy**

Patient accounts receivable is reported at the amount that reflects the consideration to which the Hospital expects to be entitled, in exchange for providing patient care services. Patient accounts receivable are recorded in the accompanying balance sheets net of contractual adjustments and implicit price concessions which reflects management's estimate of the transaction price. The Hospital estimates the transaction price based on negotiated contractual agreements, historical experience, and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions and is recorded through a reduction of gross revenue and a credit to patient accounts receivable. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change.

The Hospital does not have a policy to charge interest on past due accounts.

#### **Inventories**

Inventories consist primarily of pharmaceuticals and medical supplies and are valued at the lower of average cost or net realizable value.



# Graham Hospital Association

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Property, Equipment, and Depreciation

Property and equipment acquisitions are recorded at cost or, if donated, at fair value at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Estimated useful lives range from 3 to 25 years for equipment and 2 to 40 years for land improvements, buildings, and buildings service equipment.

Gifts of long-lived assets such as land, buildings, or equipment are reported as support without donor restrictions and are excluded from revenue in excess of expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

The Hospital periodically evaluates whether events and circumstances have occurred that may affect the carrying value of property and equipment. If such events or circumstances indicate the carrying value may not be recoverable, impairment is determined by comparing the carrying value with the estimated future net undiscounted cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future net cash flows be less than the carrying value, the Hospital would recognize an impairment loss. During 2022 and 2021, the Hospital determined that no evaluations of recoverability were necessary.

#### Asset Retirement Obligation

Management annually assesses its existing properties to determine if there is a need to recognize a liability for a conditional asset retirement, specifically as it relates to its legal obligation to perform asset retirement activities, such as asbestos removal, on its existing properties. An asset retirement obligation represents the obligation to dispose of assets that are legally required to be removed at a future date. This obligation is recorded at the net present value using a risk-free interest rate and an inflationary rate. The asset retirement obligation is included in other long-term liabilities in the accompanying balance sheets related to known required removals of hazardous materials from facilities in the future.

#### Interest in Net Assets of Foundation

Accounting guidance establishes standards of financial accounting and reporting for transactions in which an entity makes contributions to another entity or an entity that accepts contributions from a donor and agrees to use those assets on behalf of or transfer those assets and the return on those assets to another entity. The Hospital and Graham Hospital Foundation Incorporated (the "Foundation") are financially interrelated organizations, and accordingly the Hospital recognizes its interest in the net assets of the Foundation and adjusts that interest for its share of the change in the net assets of the Foundation.

# Graham Hospital Association

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Deferred Compensation**

The Hospital maintains nonqualified deferred compensation plans for key management staff, physicians, and certain mid-level practitioners. The plans allow these employees to make an annual election to defer a portion of their salary into investment options consisting of mutual funds. The Hospital retains title to and beneficial ownership of all assets in the nonqualified plans. The value of these assets at retirement, termination, or on the employees' respective vesting date, is paid to employees. These investments are classified in the accompanying balance sheets as assets limited as to use, with a corresponding long-term liability.

#### **Net Assets**

Net assets without donor restrictions consist of investments and other amounts that are available for use in carrying out the mission of the Hospital that are not subject to donor-imposed stipulations and include those expendable resources which have been designated for special use by the Board of Trustees. Net assets with donor restrictions are those whose use by the Hospital has been limited by donors to a specific time period, purpose, or have been restricted by donors to be maintained by the Hospital in perpetuity. Earnings on net assets with donor restricted endowment funds are recorded as net assets with donor restrictions until appropriated by the Hospital's Board of Trustees.

#### **Revenue in Excess of Expenses**

The statements of operations and changes in net assets include the classification revenue in excess of expenses which is considered the operating indicator. Changes in net assets, which are excluded from the operating indicator, include permanent transfer of assets to and from affiliates for other than goods and services, and contributions of long-lived assets including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets.

#### **Net Patient Service Revenue**

Patient service revenue is reported at the amount that reflects the consideration to which the Hospital expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Hospital bills the patients and third-party payors several days after the services are performed and/or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

# Graham Hospital Association

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Net Patient Service Revenue (Continued)

Performance obligations are determined based on the nature of the services provided. Revenue from performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. Generally, the Hospital has few patients which have performance obligations which are satisfied over time. The majority of the patient care services provided in or by the hospital, clinics, skilled nursing facility, and durable medical equipment providers have a performance obligation which is satisfied as the patient simultaneously receives and consumes the benefits provided as the services are performed. In the case of these services described, the recognition of the performance obligation over time yields the same result as recognition of the obligation at a point in time. The Hospital believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

Because the Hospital's performance obligations relate to contracts with a duration of less than one year, the Hospital has elected to apply the optional exemption and therefore is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

The Hospital uses a portfolio approach to account for categories of patient contracts as a collective group rather than recognizing revenue on an individual contract basis. The Hospital used the following factors to develop portfolios: major payor classes, type of service (e.g., inpatient, outpatient, emergency, clinic), and geographic location. Using historical collection trends and other analysis, the Hospital evaluated the accuracy of its estimate and determined that recognizing revenue by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach was used.

The nature, amount, timing, and uncertainty of revenue and cash flows are affected by several factors that the Hospital considers in its recognition of revenue. Following are some of the factors considered:

- Payors (for example, Medicare, Medicaid, managed care, other insurances, patients, etc.) have different reimbursement/payment methodologies
- Length of the patient's service/episode of care
- Geography of the service location
- Organization's line of business that provided the service (for example, hospital, clinic, long-term care, etc.)

# Graham Hospital Association

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Net Patient Service Revenue (Continued)

The Hospital determines the transaction price, which involves significant estimates and judgment, based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Hospital's policy, and implicit price concessions provided to patients. The Hospital determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policy, and historical experience. The Hospital determines its estimate of implicit price concessions based on its historical collection experience for each patient portfolio based on payor class and service type.

The Hospital has agreements with third-party payors that provide for reimbursement to the Hospital at amounts that vary from its established rates. A summary of the basis of reimbursement with major third-party payors follows:

#### Hospital Services:

- **Medicare:** Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. The Medicare program has designated the Hospital as a sole community hospital for Medicare reimbursement purposes. This designation provides for the potential for increases in the payments the Hospital receives for inpatient services provided to Medicare beneficiaries. Outpatient services are paid under a series of fee schedules. Outpatient payments are also increased by a predetermined annual percentage for certain outpatient services under sole community hospital designation. The Hospital is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary.
- **Medicaid:** Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates. Under the State of Illinois Medicaid Hospital Assessment Program (Program), the Hospital receives additional Medicaid reimbursement from the State and pays a related assessment. The Hospital's additional reimbursement for the periods ended June 30, 2022 and 2021, has been recorded in the accompanying financial statements as an increase to net patient service revenue.
- **Other:** The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

# Graham Hospital Association

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Net Patient Service Revenue (Continued)

##### Clinic Services:

Certain physician and professional services rendered to Medicare and Medicaid beneficiaries qualify for reimbursement as Medicare-approved rural health clinic services. Qualifying services are reimbursed based on a cost reimbursement methodology for Medicare and prospectively determined rates for Medicaid, which are updated annually. All other physician and professional services rendered to Medicare and Medicaid beneficiaries are paid based on prospectively determined fee schedules.

##### Long-Term Care Services:

- Medicare: Medicare pays for Part A services based on a predetermined rate per patient day, which varies depending upon the patient's level of care and the types of services provided. Medicare pays for Part B services based on predetermined fee schedules.
- Medicaid: A significant portion of the Hospital's long-term care (nursing home) services were provided to aged and disabled patients who are beneficiaries of the Illinois Public Aid program. Illinois Public Aid reimburses the Hospital on a prospectively determined rate per diem. The rate is determined on a cost-related basis subject to certain limitations as prescribed by the State of Illinois and adjusted based on the average acuity of the patients in the facility. The State of Illinois updates and makes adjustments to the Medicaid rates based on average patient acuity as reported by each facility in the previous 90-day period.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. Because of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Hospital's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have on the Hospital.

The Centers for Medicare and Medicaid Services (CMS) uses recovery audit contractors (RACs) to search for potentially inaccurate Medicare payments that may have been made to health care providers and were not detected through existing CMS program integrity efforts. Once the RAC identifies a claim it believes is inaccurate, the RAC makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment. The Hospital has not been notified by the RAC of any potential significant reimbursement adjustments. In addition, contracts the Hospital has with commercial payors also provide for retroactive audit and review of claims.

# Graham Hospital Association

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Net Patient Service Revenue (Continued)**

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Hospital's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Hospital also provides services to uninsured patients and offers those uninsured patients a discount, either by policy or law, from standard charges. The Hospital estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to net patient service revenue in the period of the change.

Consistent with the Hospital's mission, care is provided to patients regardless of their ability to pay. Therefore, the Hospital has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Hospital expects to collect based on its collection history with those patients. The Hospital's policy provides for approximately 72% discounts from established charges to uninsured patients. The discount percentage remained consistent in 2022 or 2021.

For uninsured patients who do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy).

The promised amount of consideration from patients and third-party payors has not been adjusted for the effects of a significant financing component due to the Hospital's expectation that the period between the time the service is provided to a patient and the time the patient or a third-party payor pays for that service will be one year or less. However, the Hospital does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

All incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that the Hospital otherwise would have recognized is one year or less in duration.

# Graham Hospital Association

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Charity Care

The Hospital provides care to patients who meet criteria under its charity care policy without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as net patient service revenue.

The estimated cost of providing care to patients under the Hospital's charity care policy is calculated by multiplying the ratio of cost to gross charges for the Hospital times the gross uncompensated charges associated with providing charity care.

#### Donor-Restricted Contributions

Contributions are considered to be available for general use unless specifically restricted by the donor.

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as net asset with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the accompanying statements of operations and changes in net assets as net assets released from restrictions.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions.

#### Interest Rate Swap Agreements

An interest rate swap is used to manage risk related to interest rate movements. The interest rate risk management strategy is to stabilize cash flow requirements by maintaining the interest rate swap to convert a portion of variable rate debt to a fixed rate. The Hospital has adopted the fair value option of accounting for its interest rate swap agreement. The interest rate swap agreement is reported at fair value in the accompanying balance sheets. Under the fair value option, changes in fair value are recorded as nonoperating income in the accompanying statements of operations.

#### Deferred Financing Costs

Costs related to the issuance of long-term debt are amortized over the life of the related debt using the straight-line method.

#### Advertising Costs

Advertising costs are expensed as incurred.

# Graham Hospital Association

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Income Taxes**

The Hospital is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Hospital is also exempt from state income taxes on related income. The Hospital is also engaged, to a limited extent, in certain activities subject to taxation as unrelated business income (UBI). Income taxes on UBI are not significant.

#### **Real Estate Taxes**

The State of Illinois previously enacted legislation that clarifies when hospitals are eligible to receive exemption from property tax requirements. As part of the legislation, hospitals, including the Hospital, must submit to the State of Illinois annual property tax exemption applications, which include information on the amount of benefits provided to low-income, charity care, and Illinois Public Aid (Medicaid) beneficiaries. As of June 30, 2022, the majority of the real estate of the Hospital has been granted property tax exemption by the State of Illinois, other than a portion of its medical office buildings which are not included in the hospital property tax legislation.

#### **Subsequent Events**

Subsequent events have been evaluated through September 21, 2022, which is the date the financial statements were available to be issued.

#### **New Accounting Pronouncement**

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The objective of this ASU is to assist organizations in recognizing the right to use of an asset and its related liability or obligation when there is a contract in place which includes the right to control or direct the use of an identifiable asset. This ASU also includes provisions where the majority of leases that have lease terms greater than one year are to be recorded as capital leases on the balance sheet, whereas in the past, these leases may have been recorded as either capital leases or operating leases. This ASU is effective for the Hospital's year ending June 30, 2023.



# Graham Hospital Association

## Notes to Financial Statements

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### Note 2: COVID-19

Starting in March 2020, the nation in general, and healthcare-related entities specifically, have been faced with a global pandemic. As healthcare entities prepared for the crisis, operational changes were made to delay routine visits and elective procedures and reevaluate the entire care delivery model to care for patient needs, specifically those affected by COVID-19. The complete financial impact on the economy in general and healthcare-related entities specifically is undeterminable at this time; however, it was noted and is anticipated by the Hospital that both operational performance and cash flows for healthcare-related entities have been and will be impacted in fiscal years 2022 and 2021, as well as future periods until the pandemic ends.

The federal and state governments, as well as other agencies, have been assisting many healthcare organizations to prevent significant financial constraints by providing supplemental payment programs in the forms of distributions which are intended to help in offsetting lost revenues as well as the cost of staffing, supplies, and equipment from treating patients impacted by or preparing for the pandemic's healthcare needs. Through June 30, 2022, the Hospital received approximately \$18,008,000 in funding since 2020 from these programs. During the years ended June 30, 2022 and 2021, the Hospital has recognized approximately \$4,955,000 and \$10,008,000, respectively, as other operating revenue in the accompanying statements of operations. The Hospital also had previously recognized approximately \$2,900,000 in funding as other operating revenue during the prior year ended June 30, 2020. Any remaining funds at the end of each year which were received but not expended and are available for use in subsequent periods are included in deferred revenue in the accompanying balance sheets. A significant portion of these funds were received in the form of provider relief funds from the U.S. Department of Health and Human Services ("HHS") Coronavirus Aid, Relief, and Economic Security ("CARES") and American Recovery Plan ("ARP") Acts, as well as from the State of Illinois.

These funds are subject to various financial and compliance guidelines for intended uses as published by the federal and state governments. Management is continuing to monitor compliance with the terms and conditions of these grants as new guidance and clarification is released from HHS, the State of Illinois, and other agencies. If the Hospital is unable to attest to or comply with current or future terms and conditions as more information becomes available, the Hospital's ability to retain some or all of the distributions received may be impacted.

# Graham Hospital Association

## Notes to Financial Statements

### Note 3: Available Resources and Liquidity

The Hospital does not have a formal liquidity policy but generally strives to maintain financial assets in liquid form such as cash and cash equivalents for at least approximately one to three months of operating expenses. Other funds, included in assets limited as to use in the accompanying balance sheets, are considered available for operational or capital needs, except for investments with restrictive redemption requirements. Occasionally, the Board of Trustees designates a portion of operating surplus to be appropriated at its discretion for future operational initiatives and capital expenditures. These funds, at the discretion of the Board of Trustees, could be released immediately or sold and redeemed prior to their maturity and are not considered available under the Hospital's general liquidity management. At June 30, 2022 and 2021, the balance of these funds was \$103,582,979 and \$116,599,510, respectively.

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled debt service payments, and capital items, were as follows at June 30:

	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 8,216,200	\$ 11,718,191
Patient accounts receivable - Net	11,953,658	10,513,760
Other receivables	3,039,002	2,813,458
<b>Total financial assets and liquidity resources</b>	<b>\$ 23,208,860</b>	<b>\$ 25,045,409</b>

# Graham Hospital Association

## Notes to Financial Statements

### Note 4: Assets Limited as to Use

Assets limited as to use consisted of the following at June 30:

	<b>2022</b>	<b>2021</b>
<b>Board designated for capital improvements and debt service requirements:</b>		
Money market funds	\$ 379,059	\$ 576,548
Certificates of deposit	1,152,208	1,150,678
Mutual funds	81,319,115	90,826,025
Municipal bonds	129,090	869,031
U.S. agency obligations	5,003,375	7,746,570
Corporate obligations	3,465,534	14,834,302
Hedge fund	10,967,498	-
Investment in unconsolidated affiliate	1,060,958	479,296
Accrued interest receivable	106,142	117,060
<b>Total designated by Board of Trustees for future capital improvements</b>	<b>103,582,979</b>	<b>116,599,510</b>
<b>Held by trustee self-insurance fund:</b>		
Money market funds	261,887	110,602
Certificates of deposit	774,902	877,314
Municipal bonds	98,387	100,783
U.S. agency obligations	89,021	196,138
Corporate obligations	32,182	100,810
Marketable equity securities - Common stock	325,159	398,885
Mutual Funds	157,519	618,815
Accrued interest receivable	1,469	2,476
<b>Total held by trustee self-insurance fund</b>	<b>1,740,526</b>	<b>2,405,823</b>
<b>Deferred compensation plans assets :</b>		
Mutual funds	1,176,349	1,166,855
<b>Total assets limited as to use</b>	<b>\$ 106,499,854</b>	<b>\$ 120,172,188</b>

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

# Graham Hospital Association

## Notes to Financial Statements

### Note 4: Assets Limited as to Use (Continued)

Investments in unconsolidated affiliates include investments by the Hospital into two private equity companies. The Hospital made initial direct investments in 2021 and in turn obtained shares of common stock of two specific start-up companies. At June 30, 2021, the Hospital has remaining unfunded commitments of \$1,630,727 which represent additional investments in cash to be made into these companies. The additional investments are anticipated to be made in 2022. There were no cash distributions or dividends received by the Hospital from the initial investments in these entities in 2021.

Investment income (loss) consisted of the following for the years ended June 30:

	2022	2021
Interest and dividend income - Net of investment fees	\$ 2,596,730	\$ 2,250,423
Net realized gains (losses) on sales of investments	3,492,650	(1,410,677)
Net unrealized gains (losses) on investments	(19,796,661)	22,668,384
<b>Total investment income (loss)</b>	<b>\$ (13,707,281)</b>	<b>\$ 23,508,130</b>

### Note 5: Fair Value Measurements

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

Money market funds are valued using a net asset value (NAV) of \$1.00. Quoted prices from active markets are used to determine the fair value of investments in equity securities, which are primarily invested in common stock. Mutual funds held by the Hospital are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. The funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Hospital are deemed to be actively traded. Fixed income securities including corporate bonds, local government bonds, foreign bonds, and U.S. Government and agency securities are primarily valued using quotes from pricing vendors for identical or similar assets based on recent trading activity and other observable market data.

The interest rate swaps' fair values are based on estimates by third-party valuation services, which use a discounted cash flow analysis using observable market-based inputs, including forward interest rate curves.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Hospital's valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value or NAV of certain financial instruments could result in a different fair value measurement or reported NAV at the reporting date.

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# Graham Hospital Association

## Notes to Financial Statements

### Note 5: Fair Value Measurements (Continued)

The following tables set forth by level, within the fair value hierarchy, the Hospital's assets and liabilities measured at fair value and NAV on a recurring basis as of June 30:

	2022				Total at Fair Fair Value
	Fair Value Measurements Using				
	Level 1	Level 2	Level 3	NAV	
<b>Assets:</b>					
Money market funds	\$ 640,945	\$ -	\$ -	\$ -	\$ 640,945
Marketable equity securities - Common stock	325,159	-	-	-	325,159
Mutual funds:					-
Fixed income	20,419,774	-	-	-	20,419,774
Equities	62,223,715	-	-	-	62,223,715
Fixed income securities:					-
Corporate obligations	-	3,497,716	-	-	3,497,716
Municipal bonds	-	227,477	-	-	227,477
U.S. agency obligations	-	5,092,396	-	-	5,092,396
Hedge fund	-	-	-	10,967,498	10,967,498
<b>Total assets measured at fair value and NAV</b>	<b>\$ 83,609,593</b>	<b>\$ 8,817,589</b>	<b>\$ -</b>	<b>\$ 10,967,498</b>	<b>\$ 103,394,680</b>
<b>Liabilities - Interest rate swap agreements</b>					
	\$ -	\$ (1,487,101)	\$ -	\$ -	\$ (1,487,101)

## Graham Hospital Association

### Notes to Financial Statements

#### Note 5: Fair Value Measurements (Continued)

	2021			Total at Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
<b>Assets:</b>				
Money market funds	\$ 687,150	\$ -	\$ -	\$ 687,150
Marketable equity securities - Common stock	398,885	-	-	398,885
<b>Mutual funds:</b>				
Fixed income	16,207,454	-	-	16,207,454
Equities	76,404,241	-	-	76,404,241
<b>Fixed income securities:</b>				
Corporate obligations	-	14,935,112	-	14,935,112
Municipal bonds	-	969,814	-	969,814
U.S. agency obligations	-	7,942,708	-	7,942,708
<b>Total assets measured at fair value</b>	<b>\$ 93,697,730</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 117,545,364</b>
<b>Liabilities - Interest rate swap agreements</b>	<b>\$ -</b>	<b>\$ (3,493,232)</b>	<b>\$ -</b>	<b>\$ (3,493,232)</b>

The assets included in the fair value measurements table above at both June 30, 2022 and 2021, include all assets included in assets limited as to use as described in Note 4, with the exception of certificates of deposit, accrued interest receivable, and investment in unconsolidated affiliate which are excluded from the fair value measurement table.

Alternative investments recorded at NAV include investments in a hedge fund, which are actively managed investment vehicles that derive the majority of their returns from factors other than directional flow of the markets in which they invest. Investment strategies include high-yield credit, distressed debt, merger, arbitrage, relative value, and long-short equity strategies. The fair value of the investments in this category have been estimated using the NAV per share of the investments. Investments in this category carry "lockup" restrictions that do not allow investors to seek redemption in the first year after acquisition. Following the initial lockup period, liquidity is generally available monthly, quarterly, semi-annually, or annually following a redemption request. The investments in this category have semi-annual liquidity. The derivative or hedge investment contracts do not qualify for hedge accounting and are recorded at NAV which is an approximation of fair value. Changes in fair value are reported as a component of unrealized gains or losses on investments as a part of nonoperating gains and losses in the accompanying statements of operations. During the year ended June 30, 2022, the unrealized losses on the hedge fund were approximately \$33,000.

# Graham Hospital Association

## Notes to Financial Statements

### Note 5: Fair Value Measurements (Continued)

At June 30, 2022, alternative investments recorded at NAV consisted of the following:

	Fair Value	Unfunded Commitment	Redemption Frequency (if Currently Eligible)	Redemption Note Period
Hedge funds	\$ 10,967,498	\$ -	Semi-annually	95 days

### Note 6: Beneficial Interests in Trusts and Foundation

A summary of the Hospital's beneficial interest in trusts and Foundation as of June 30 is as follows:

	2022	2021
Beneficial interest in trusts	\$ 8,163,403	\$ 9,636,195
Interest in net assets of Foundation	650,041	614,120
<b>Totals</b>	<b>\$ 8,813,444</b>	<b>\$ 10,250,315</b>

#### Beneficial Interest in Trusts

The Hospital is the beneficiary under two perpetual trusts administered by unrelated third parties. The beneficial interest of these trusts is included in the Hospital's financial statements as net assets with donor restrictions. Beneficial interest in perpetual trusts includes investments in cash and debt and equity securities that are held in perpetuity. Distributions are made in accordance with individual trust documents and are included in investment return as described below. The carrying value of the beneficial interest in perpetual trusts is estimated at either the Hospital's beneficial interest percentage of the fair value of the trusts' assets as of the balance sheet date or at the estimated net present value of estimated future cash receipts expected to be received from the trusts. The estimated value is \$8,163,403 and \$9,636,195, which represents the fair value of the trust assets as of June 30, 2022 and 2021, respectively. The distributed income of the Hospital's beneficial interest in trusts for 2022 and 2021 was \$447,131 and \$419,719, respectively, and is included in net assets with donor restrictions in the accompanying statements of changes in net assets.

# Graham Hospital Association

## Notes to Financial Statements

### Note 6: Beneficial Interests in Trusts and Foundation (Continued)

#### Interest in Net Assets of Foundation

A summary of the internal financial information for the Foundation for the years ended June 30 is as follows:

	Unaudited	
	2022	2021
Assets	\$ 650,041	\$ 621,417
Liabilities	\$ -	\$ 7,297
Net assets	\$ 650,041	\$ 614,120
Changes in net assets before contributions to the Hospital	\$ 35,921	\$ 144,954
Less - Contributions to the Hospital	-	-
Increase in net assets	35,921	144,954
Net assets at beginning	614,120	469,166
Net assets at end	\$ 650,041	\$ 614,120

### Note 7: Property and Equipment

Property and equipment by majority categories consisted of the following at June 30:

	2022	2021
Land and land improvements	\$ 6,392,453	\$ 6,251,668
Buildings	101,009,218	87,883,482
Buildings service equipment	13,155,219	11,062,098
Equipment	39,022,898	38,579,386
Total property and equipment	159,579,788	143,776,634
Less - Accumulated depreciation	75,636,737	71,687,252
Net depreciated value	83,943,051	72,089,382
Construction in progress	3,126,326	13,805,905
Property and equipment - Net	\$ 87,069,377	\$ 85,895,287



# Graham Hospital Association

## Notes to Financial Statements

### Note 7: Property and Equipment (Continued)

At June 30, 2022, construction in progress primarily consists of costs related to a building renovation to the Intensive Care Unit ("ICU") and the purchase and renovation of two clinic buildings in neighboring communities. At June 30, 2022 commitments related to the completion of these projects totaled approximately \$5,905,000. These projects are being funded from operating cash reserves of the Hospital.

The cost of equipment under a capital lease obligation, which is included in equipment, was \$1,715,092 at both June 30, 2022, and 2021, and the related accumulated amortization was \$1,000,470 and \$600,282 at June 30, 2022, and 2021, respectively.

### Note 8: Long-Term Debt

Long-term debt consisted of the following at June 30:

	2022	2021
Revenue bonds, Series 2015 (A)	\$ 40,200,000	\$ 41,690,000
Revenue bonds, Series 2020 (B)	16,670,000	17,000,000
Capital lease obligation (C)	842,192	1,217,754
<b>Totals</b>	<b>57,712,192</b>	<b>59,907,754</b>
Less:		
Current maturities	2,285,451	2,164,671
Debt issuance costs	573,201	596,466
<b>Subtotals</b>	<b>\$ 54,853,540</b>	<b>\$ 57,146,617</b>

(A) Long-term debt consists of adjustable rate healthcare facilities revenue bonds ("Series 2015 Bonds") issued November 4, 2015. The Series 2015 Bonds allowed for borrowings of up to \$47,680,000. The variable interest rate is adjusted weekly and is payable monthly. The Hospital has also entered into interest rate swap agreements for portions of the Series 2015 Bonds as described in Note 9. Principal is payable in annual installments on the Series 2015 Bonds through 2045, and the Series 2015 Bonds are secured by facilities of the Hospital.

The City of Canton, Illinois, issued the Series 2015 Bonds on behalf of the Hospital. The proceeds of the Series 2015 Bonds were loaned to the Hospital under a trust indenture and loan agreement dated November 1, 2015, to provide for the expansion and renovation of the Hospital's facilities and to refinance a previous bond issue. On August 29, 2019, the Series 2015 Bonds were restructured to include a fixed 2% interest rate for the next six years.

The 2015 Bonds require the Hospital to comply with certain restrictive covenants, including minimum insurance coverage, restrictions on the incurrence of additional indebtedness, and maintenance of certain leverage, liquidity and debt service ratios.

149

# Graham Hospital Association

## Notes to Financial Statements

### Note 8: Long-Term Debt (Continued)

(B) Long-term debt consists of adjustable rate healthcare facilities revenue bonds ("Series 2020 Bonds") issued June 18, 2020. The Series 2020 Bonds allowed for borrowings of up to \$17,000,000. The variable interest rate is adjusted weekly and is payable monthly. Principal is payable in annual installments on the Series 2020 Bonds through 2045, and the Series 2020 Bonds are secured by facilities of the Hospital.

The 2020 Bonds require the Hospital to comply with certain restrictive covenants, including minimum insurance coverage, restrictions on the incurrence of additional indebtedness, and maintenance of certain leverage, liquidity and debt service ratios.

(C) Capital lease obligation which was utilized to finance and obtain surgery equipment with imputed interest rate of 3.5%, payable in monthly installments of \$34,980, including principal and interest.

Scheduled payments of principal on the long-term debt and capital lease obligation at June 30, 2022, including current maturities, are summarized as follows:

	Bonds Payable	Capital Lease Obligation
2023	\$ 1,890,000	\$ 419,759
2024	1,970,000	419,759
2025	2,045,000	40,175
2026	2,130,000	-
2027	2,215,000	-
Thereafter	46,620,000	-
<b>Total</b>	<b><u>\$ 56,870,000</u></b>	<b>879,693</b>
Less - Amount representing interest on capital lease obligation		<u>37,501</u>
		<b><u>\$ 842,192</u></b>

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# Graham Hospital Association

## Notes to Financial Statements

### Note 9: Interest Rate Swap Agreements

The Hospital maintains an interest-rate risk-management strategy that uses interest rate swap derivative instruments to minimize significant, unanticipated earnings fluctuations caused by interest-rate volatility. The Hospital's specific goal is to lower (where possible) the cost of its borrowed funds.

The Hospital previously entered into two interest rate swap agreements to reduce the impact of changes in interest rates on its Series 2015 bonds, which are variable interest rate bonds. The interest rate swaps are utilized to manage interest rate exposure over the period of the interest rate swaps. The changes in the fair value of these swap agreements are included in nonoperating gains and losses in the accompanying statements of operations for the years ended June 30, 2022 and 2021, as the swaps were determined by management to not be highly effective in managing the risk of interest rate fluctuations. The interest settlements received by the Hospital or paid to the counterparty are included as a component of interest expense.

As of June 30, 2022 and 2021, the fair value of the interest rate swap agreements are recorded within other long-term liabilities on the balance sheets.

The interest rate swap agreements are summarized below as of June 30, 2022 and 2021:

Notional Amount	Termination Date	June 30, 2022		Fair Value of Swap (Liability)		
		Fixed Rate	Variable Rate	2022	2021	
\$10,580,000	(A)	12/1/2031	3.44%	1.01%	\$ (600,541)	\$ (1,364,502)
\$13,460,000	(B)	6/1/2034	3.00%	1.01%	(886,560)	(2,128,730)
Total					\$ (1,487,101)	\$ (3,493,232)

(A) Effective January 15, 2007, the Hospital is a party to an interest rate swap agreement with an original notional amount of \$15,900,000. Under this arrangement, the Hospital pays a fixed rate of 3.44 percent and the counterparty pays a floating rate equal to 67 percent of the one-month LIBOR (one-month LIBOR is 1.79 percent and 0.10 percent as of June 30, 2022 and 2021, respectively), both of which are applied to the current notional principal amount.

(B) Effective July 20, 2009, the Hospital is a party to an interest rate swap agreement with an original notional amount of \$16,000,000. Under this arrangement, the Hospital pays a fixed rate of 3.00 percent and the counterparty pays a floating rate equal to 67 percent of the one-month LIBOR (one-month LIBOR is 1.79 percent and 0.10 percent as of June 30, 2022 and 2021, respectively), both of which are applied to the current notional principal amount.

The net settlements recorded for derivative instruments in the Hospital's statements of operations increased interest expense for the years ended June 30, 2022 and 2021, by approximately \$637,000 and \$678,000, respectively.

# Graham Hospital Association

## Notes to Financial Statements

### Note 10: Operating Leases

The Hospital has entered into lease agreements for office building space with unrelated parties to utilize space within the Hospital's facilities.

Approximate minimum future lease payments under noncancelable lease agreements consisted of the following at June 30, 2022:

2023	\$	129,000
2024		127,000
2025		115,000
2026		110,000
2027		110,000
Thereafter		157,000
<b>Total</b>	<b>\$</b>	<b>748,000</b>

Operating lease revenue totaled approximately \$383,000 and \$374,000 for the years ended June 30, 2022 and 2021, respectively, and is included in other operating revenue in the accompanying statements of operations.

### Note 11: Net Assets with Donor Restrictions

Net assets with donor restrictions include assets set aside in accordance with donor restrictions as to time or use which are solely held by the Foundation or held in the beneficial interest in trusts and totaled \$8,813,444 and \$10,250,315 as of June 30, 2022 and 2021, respectively.

The breakdown of net assets with donor restrictions noted above is as follows at June 30:

	2022	2021
Subject to expenditure for specific purpose:		
Funds held by foundation for scholarships and hospital programs	\$ 519,641	\$ 533,720
Maintained in perpetuity with income expendable for:		
Funds held by foundation for scholarships	130,400	80,400
Beneficial interest in trusts for hospital programs and equipment purchases	8,163,403	9,636,195
<b>Total</b>	<b>\$ 8,813,444</b>	<b>\$ 10,250,315</b>

The Hospital's endowments consist of eight donor-restricted funds, which were established to provide investment income for scholarships for students in the Hospital's School of Nursing, as well as, the Hospital's interest in two beneficial trusts.

# Graham Hospital Association

## Notes to Financial Statements

### Note 11: Net Assets with Donor Restrictions (Continued)

The Board of Trustees of the Hospital has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the Illinois state legislature, as requiring the Hospital and Foundation, who holds the scholarship funds, to preserve the fair value of the donor's original gift, as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Hospital classifies as net assets with donor restrictions (a) the original value of the donor's gifts to the permanent endowment, (b) the original value of a donor's subsequent gifts to the permanently restricted endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is required to be held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Board of Trustees in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Hospital has adopted investment and spending policies for endowment assets that attempt to provide a dependable method of funding programs supported by its endowments while seeking to preserve the principal of the endowment assets. Under the Hospital's and Foundation's investment policies, as approved by the Boards of Trustees, the endowment assets are invested in a manner to protect principal and achieve a fixed annual rate of return and ensure that any risk assumed is commensurate with the given investment vehicle and the Hospital's objectives. There were no deficiencies from unfavorable market conditions of the endowment investments at June 30, 2022 and 2021.

Endowments that are donor-restricted consisted of the following at June 30:

	2022	2021
Original donor-restricted amounts required to be retained by donor	\$ 130,400	\$ 80,400
Portion of donor-restricted funds subject to appropriations	91,959	138,490
Hospital's interest in assets held in beneficial trusts	8,163,403	9,636,195
<b>Total</b>	<b>\$ 8,385,762</b>	<b>\$ 9,855,085</b>

### Note 12: Net Patient Service Revenue

The composition of net patient service revenue by major lines of business, based on the geographic region the Hospital operates in as outlined in Note 1, for the years ended June 30 are as follows:

	2022	2021
Service lines:		
Hospital services	\$ 71,482,946	\$ 65,563,007
Clinic services	18,861,019	13,489,309
Long-term care services (extended care)	1,365,395	1,554,694
Home medical equipment services	1,309,259	1,449,134
<b>Totals</b>	<b>\$ 93,018,619</b>	<b>\$ 82,056,144</b>

153

# Graham Hospital Association

## Notes to Financial Statements

**Note 12: Net Patient Service Revenue** (Continued)

Net patient service revenue by payor consisted of the following for the year ended June 30:

	2022	2021
Medicare and Medicare Advantage plans	\$ 37,917,561	\$ 33,342,491
Medicaid and Medicaid HMO plans	17,709,407	15,592,411
Other third-party payors	35,579,353	31,488,394
Uninsured patients	1,812,298	1,632,848
Totals	\$ 93,018,619	\$ 82,056,144

**Note 13: Patient Financial Assistance**

The Hospital provides health care services and other financial support through various programs that are designed, among other matters, to enhance the health of the community, including the health of low-income patients. Consistent with the mission of the Hospital, care is provided to patients regardless of their ability to pay, including providing services to those persons who cannot afford health insurance because of inadequate resources or to those who are underinsured.

The Hospital has a financial assistance policy which is generally based on federal poverty guidelines, and applications are completed by patients and/or their families. Patients who meet the criteria for financial assistance are provided care without charge or at a reduced rate. The Hospital is also required to provide additional discounts to uninsured hospital patients under the Hospital Uninsured Patient Discount Act as required by Illinois state law.

The estimated cost of providing care to patients under the Hospital's financial assistance policy and program aggregated approximately \$1,333,000 and \$1,231,000 in 2022 and 2021, respectively.

Other benefits for the community also include unpaid costs of treating the elderly, health screenings, community education through seminars and classes, and other health-related services.

# Graham Hospital Association

## Notes to Financial Statements

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### Note 14: Malpractice Insurance

Through September 30, 2018, the Hospital is self-insured for the first \$500,000 per occurrence and \$1,500,000 in aggregate of medical malpractice losses. The Hospital purchases insurance coverage above the self-insurance limits. Losses from asserted and unasserted claims identified under the Hospital's incident reporting system are accrued based on estimates that incorporate the Hospital's past experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors. The Hospital utilizes an actuary in order to estimate its professional and general liability. The undiscounted liability amounts as of June 30, 2022 and 2021, were \$2,406,275 and \$2,110,625, respectively, for claims covered under the self-insurance program. The Hospital has also recorded estimated insurance recoverable receivables of \$1,741,628 and \$1,055,313 as of June 30, 2022 and 2021, respectively, for claims exceeding the policy's deductible. The liabilities related to this plan are included in long-term liabilities and receivables are included in other receivables in the accompanying balance sheets.

Effective October 1, 2018, the Hospital discontinued its self-insured program for professional liability insurance and has purchased commercially insured professional liability insurance coverages through the Illinois Provider Trust (IPT). The Hospital's professional liability insurance for claim losses of less than \$20,000,000 per claim and \$10,000,000 per year covers professional liability claims reported during a policy year subsequent to October 1, 2018 ("claims-made" coverage). The professional liability insurance policy is renewable annually and has been renewed by the insurance carrier for the annual period extending to January 1, 2023.

Under a claims-made policy, the risk for claims and incidents not asserted within the policy period remains with the Hospital. Although there exists the possibility of claims arising from services provided to patients through June 30, 2022, which have not yet been asserted, the Hospital has not been given notice of any such possible claims, and accordingly no provision has been made for them other than the provisions noted above under the self-insured insurance program.

### Note 15: Self-Funded Insurance

The Hospital has a self-funded health plan, which provide benefits to employees, retirees, and their dependents. Healthcare costs are expensed as incurred. Health expenses are based upon claims paid, reinsurance premiums, administration fees, and unpaid claims at year-end. The Hospital buys reinsurance to cover catastrophic individual claims over \$150,000.

Self-funded health plan expense for the years ended June 30, 2022 and 2021, was approximately \$6,154,000 and \$6,004,000, respectively, which includes stop-loss insurance expense and recoveries and insurance premiums paid by employees to the Hospital. An estimated amount for claims outstanding is included in accrued salaries and other expenses in the accompanying balance sheets of approximately \$599,000 and \$682,000 at June 30, 2022 and 2021, respectively.

# Graham Hospital Association

## Notes to Financial Statements

### Note 16: Retirement Plan

The Hospital has a defined-contribution thrift and savings 401(k) plan available to substantially all employees. The Hospital matches 50 percent of the amount employees elect to contribute to the plan up to 6 percent of covered wages. Thrift and savings plan expense was approximately \$920,000 and \$849,000 for the years ended June 30, 2022 and 2021, respectively.

### Note 17: Workers' Compensation Insurance

The Hospital participates with other providers of health care services in the Illinois Compensation Trust, a risk pool which currently operates common risk management and insurance programs for its members. The Hospital pays annual premiums to the risk pool for its employee injuries insurance coverage. The risk pool's governing agreements specify that the risk pool will be self-sustaining through member premiums and will re-insure through commercial carriers for claims in excess of specified stop-loss amounts. If, however, the risk pool's loss experience is worse than anticipated, the members may be required to make additional payments. The Hospital has not been required to make additional material contributions in any of the three preceding years. At June 30, 2022 and 2021, the Hospital has recorded an estimated liability for outstanding claims and additional charges from the risk pool based on actuary analysis and management's assumptions of \$648,391 and \$703,762, respectively. These amounts are included in long-term liabilities in the accompanying balance sheets. As of June 30, 2022, the Hospital also has a letter of credit for employee injuries insurance coverage of \$350,000. No draws have been made on the letter of credit in 2022.

### Note 18: Functional Expenses

The Hospital provides general health care services to residents within its geographic location. The accompanying statements of operations present certain expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis. Employee benefits are allocated based on factors of either salary expense or actual employee expense. Overhead costs that include things such as professional services, supplies, office expenses, information technology, insurance, and other similar expenses are allocated on a variety of factors including revenues and departmental expense. Costs related to building and equipment usage include depreciation and interest and are allocated on a square footage or direct assignment basis. Expenses related to providing these services for the years ended June 30, 2022 and 2021, are as follows:

	2022			2021		
	Healthcare Services	General Administrative	Total	Healthcare Services	General Administrative	Total
Salaries and wages	\$ 34,016,413	\$ 8,936,034	\$ 42,952,447	\$ 29,358,189	\$ 7,742,025	\$ 37,100,214
Employee benefits	9,263,402	2,497,981	11,761,383	8,511,275	2,340,818	10,852,093
Purchased services and professional fees	17,938,126	350,697	18,288,823	20,383,817	192,052	20,575,869
Supplies and other	13,979,096	7,294,186	21,273,282	13,149,165	6,460,626	19,609,791
Depreciation	5,306,746	664,363	5,971,109	5,172,397	647,544	5,819,941
Interest	1,407,546	176,214	1,583,760	1,285,173	160,894	1,446,067
	<b>\$ 81,911,329</b>	<b>\$ 19,919,475</b>	<b>\$ 101,830,804</b>	<b>\$ 77,860,016</b>	<b>\$ 17,543,959</b>	<b>\$ 95,403,975</b>



# Graham Hospital Association

## Notes to Financial Statements

### Note 19: Concentration of Credit Risk

Financial instruments that subject the Hospital to possible credit risk consist principally of accounts receivable, cash deposits in excess of insured limits, and investments of surplus operating funds.

Patient accounts receivable consist of amounts due from patients, their insurers, or governmental agencies (primarily Medicare and Medicaid) for health care provided to the patients and residents. The majority of the Hospital's patients are from Canton, Illinois, and the surrounding area.

The mix of accounts receivable from patients and third-party payors is as follows at June 30:

	2022	2021
Medicare and Medicare Advantage plans	42 %	34 %
Medicaid and Medicaid managed care plans	19 %	27 %
Other third-party payors	23 %	24 %
Uninsured patients	16 %	15 %
<b>Totals</b>	<b>100 %</b>	<b>100 %</b>

The Hospital maintains depository relationships with area financial institutions that are Federal Deposit Insurance Corporation (FDIC) insured institutions. Depository accounts at these institutions are insured by the FDIC up to \$250,000. Operating cash needs often require that amounts on deposit exceed FDIC limits. At June 30, 2022, the amount of the Hospital's bank balances in excess of FDIC limits was approximately \$8,118,000. In addition, other investments held by financial institutions are uninsured.

### Note 20: Reclassifications

Certain reclassifications have been made to the 2021 financial statements to conform with the classification used in 2022.

## **Compliance**

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## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Trustees  
Graham Hospital Association  
Canton, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Graham Hospital Association, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Graham Hospital Association's basic financial statements, and have issued our report thereon dated September 21, 2022.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Graham Hospital Association's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Graham Hospital Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Graham Hospital Association's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is reasonable possibility that a material misstatement of the Graham Hospital Association's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Graham Hospital Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Graham Hospital Association's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Graham Hospital Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wipfli LLP*

Wipfli LLP

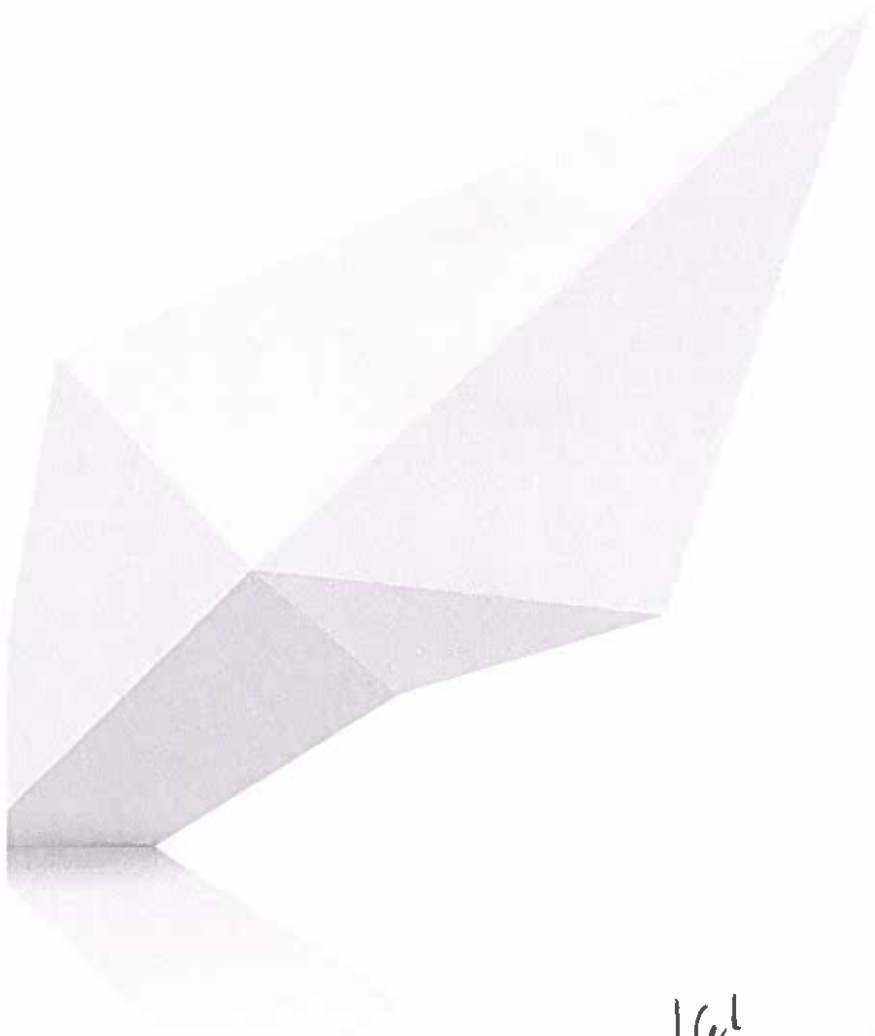
Eau Claire, Wisconsin  
September 21, 2022

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# Graham Hospital Association

Financial Statements and Supplementary Information

Years Ended June 30, 2023 and 2022



161

# Graham Hospital Association

Years Ended June 30, 2023 and 2022

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## Table of Contents

Independent Auditor's Report.....	1
<b>Financial Statements</b>	
Balance Sheets.....	4
Statements of Operations.....	6
Statements of Changes in Net Assets.....	7
Statements of Cash Flows.....	8
Notes to Financial Statements.....	10
<b>Compliance</b>	
Financial Responsibility Supplemental Schedule required by the U.S. Department of Education.....	41
Schedule of Expenditures of Federal Awards.....	42
Notes to Schedule of Expenditures of Federal Awards.....	43
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	44
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	46
Schedule of Findings and Questioned Costs.....	49

## Independent Auditor's Report

Board of Trustees  
Graham Hospital Association  
Canton, Illinois

### *Report on the Audit of the financial statements*

#### *Opinion*

We have audited the accompanying financial statements of Graham Hospital Association (the "Hospital"), which comprise the balance sheets as of June 30, 2023 and 2022, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of June 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are required to be independent of the Hospital and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the financial statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying financial responsibility supplemental schedule required by the U.S. Department of Education and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all materiality respects in relation to the financial statements as a whole.

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***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2023, on our consideration of the Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hospital's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hospital's internal control over financial reporting and compliance.

*Wipfli LLP*

Wipfli LLP  
Eau Claire, Wisconsin  
September 20, 2023

# Graham Hospital Association

## Balance Sheets

<i>June 30,</i>	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,858,700	\$ 8,216,200
Patient accounts receivable - Net	12,488,554	11,953,658
Other receivables	3,880,996	3,039,002
Inventories	2,132,951	1,937,817
Prepaid expenses and other	1,720,833	1,758,665
<b>Total current assets</b>	<b>24,082,034</b>	<b>26,905,342</b>
Assets limited as to use:		
Internally designated	110,423,877	103,582,979
Held under bond indenture agreement	11,353,382	-
Self-insurance funds held by trustee	1,777,056	1,740,526
Deferred compensation plans assets	1,611,428	1,176,349
<b>Total assets limited as to use</b>	<b>125,165,743</b>	<b>106,499,854</b>
<b>Beneficial interests in trusts and Foundation</b>	<b>9,061,490</b>	<b>8,813,444</b>
<b>Property and equipment - Net</b>	<b>99,190,912</b>	<b>87,069,377</b>
<b>Other assets</b>	<b>3,702,980</b>	<b>3,303,239</b>
<b>Total assets</b>	<b>\$ 261,203,159</b>	<b>\$ 232,591,256</b>

## Graham Hospital Association Balance Sheets (Continued)

<i>June 30,</i>	<b>2023</b>	<b>2022</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Current portion of long-term debt	\$ 2,379,516	\$ 2,285,451
Accounts payable	4,477,516	4,864,391
Accrued salaries and other expenses	7,857,114	6,074,854
Deferred revenue	-	128,490
Estimated amounts due to third-party payors	5,599,330	3,891,721
<b>Total current liabilities</b>	<b>20,313,476</b>	<b>17,244,907</b>
<b>Long-term liabilities:</b>		
Long-term debt - Less current portion	64,421,523	54,853,540
Estimated self-insurance costs - Net of current portion	4,177,145	3,054,666
Deferred compensation plans liabilities	1,611,428	1,176,349
Interest rate swap liabilities	519,305	1,487,101
Other	266,162	266,162
<b>Total long-term liabilities</b>	<b>70,995,563</b>	<b>60,837,818</b>
<b>Total liabilities</b>	<b>91,309,039</b>	<b>78,082,725</b>
<b>Net assets:</b>		
Without donor restrictions	160,832,630	145,695,087
With donor restrictions	9,061,490	8,813,444
<b>Total net assets</b>	<b>169,894,120</b>	<b>154,508,531</b>
<b>Total liabilities and net assets</b>	<b>\$ 261,203,159</b>	<b>\$ 232,591,256</b>

See accompanying notes to financial statements.

167

## Graham Hospital Association Statements of Operations

Years Ended June 30,	2023	2022
<b>Revenue:</b>		
Net patient service revenue	\$ 103,846,242	\$ 93,018,619
Other operating revenue	9,658,433	11,971,147
<b>Total revenue</b>	<b>113,504,675</b>	<b>104,989,766</b>
<b>Expenses:</b>		
Salaries and wages	49,894,707	42,952,447
Employee benefits	13,162,716	11,761,383
Purchased services and professional fees	19,517,045	18,288,823
Supplies and other	22,556,960	21,273,282
Depreciation and amortization	4,979,373	5,971,109
Interest	2,157,040	1,583,760
<b>Total expenses</b>	<b>112,267,841</b>	<b>101,830,804</b>
<b>Income from operations</b>	<b>1,236,834</b>	<b>3,158,962</b>
<b>Nonoperating gains and losses:</b>		
Interest and dividend income and net realized gains on sale of investments	3,720,905	6,089,380
Change in net unrealized gains (losses) on trading securities	5,965,301	(19,796,661)
Change in fair value of interest rate swap agreements	967,796	2,006,131
Donations and bequests	89,434	42,360
Gain (loss) on disposal of property and equipment	31,975	(6,837)
<b>Total nonoperating gains and losses - Net</b>	<b>10,775,411</b>	<b>(11,665,627)</b>
Revenue in excess (deficiency) of expenses	12,012,245	(8,506,665)
Contribution of property	2,675,000	-
Net assets released from restrictions used for purchases of property and equipment	450,298	447,131
<b>Increase (decrease) in net assets without donor restrictions</b>	<b>\$ 15,137,543</b>	<b>\$ (8,059,534)</b>

See accompanying notes to financial statements.

## Graham Hospital Association Statements of Changes in Net Assets

<i>Years Ended June 30,</i>	<b>2023</b>	<b>2022</b>
<b>Net assets without donor restrictions:</b>		
Revenue in excess (deficiency) of expenses	\$ 12,012,245	\$ (8,506,665)
Contribution of property	2,675,000	-
Net assets released from restrictions used for purchases of property and equipment	450,298	447,131
<b>Increase (decrease) in net assets without donor restrictions</b>	<b>15,137,543</b>	<b>(8,059,534)</b>
<b>Net assets with donor restrictions:</b>		
Net assets released from restrictions	(450,298)	(447,131)
Change in interest in net assets of Foundation	120,574	35,921
Change in beneficial interest in perpetual trusts	577,770	(1,025,661)
<b>Increase (decrease) in net assets with donor restrictions</b>	<b>248,046</b>	<b>(1,436,871)</b>
<b>Increase (decrease) in net assets</b>	<b>15,385,589</b>	<b>(9,496,405)</b>
<b>Net assets, beginning of year</b>	<b>154,508,531</b>	<b>164,004,936</b>
<b>Net assets, end of year</b>	<b>\$ 169,894,120</b>	<b>\$ 154,508,531</b>

See accompanying notes to financial statements.

## Graham Hospital Association

### Statements of Cash Flows

Years Ended June 30,	2023	2022
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 15,385,589	\$ (9,496,405)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Change in net unrealized (gains) losses on trading securities	(5,965,301)	19,796,661
Net realized gains on investments	(1,371,949)	(3,492,650)
Change in fair value of interest rate swap agreements	(967,796)	(2,006,131)
Undistributed change in interest in net assets of Foundation	(120,574)	(35,921)
Undistributed change in beneficial interest in trusts	(577,770)	1,025,661
Depreciation	4,979,373	5,971,109
Amortization	23,265	23,265
Loss on disposal of property and equipment	(31,975)	6,837
Contribution of property	(2,675,000)	-
Changes in operating assets and liabilities:		
Patient and other accounts receivable - Net	(1,376,890)	(1,665,442)
Inventories, prepaid expenses, and other	(557,044)	(370,557)
Estimated amounts due to third-party payors	1,707,609	(536,759)
Accounts payable, accrued expenses, and other liabilities	3,632,232	1,523,225
Total adjustments	(3,301,820)	20,239,298
Net cash provided by operating activities	12,083,769	10,742,893
Cash flows from investing activities:		
Increase in assets limited as to use	(11,328,640)	(2,631,677)
Purchase of property and equipment - Net	(15,201,710)	(9,864,776)
Distributions from Hospital's interest in trusts and Foundation	450,298	447,131
Net cash used in investing activities	(26,080,052)	(12,049,322)
Cash flows from financing activities:		
Principal payments on long-term debt	(2,286,604)	(2,195,562)
Proceeds received on issuance of long-term debt	12,107,347	-
Payment of bond issuance costs	(181,960)	-
Net cash provided by (used in) financing activities	9,638,783	(2,195,562)
Net decrease in cash and cash equivalents	(4,357,500)	(3,501,991)
Cash and cash equivalents, beginning of year	8,216,200	11,718,191
Cash and cash equivalents, end of year	\$ 3,858,700	\$ 8,216,200

# Graham Hospital Association

## Statements of Cash Flows (Continued)

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<i>Years Ended June 30,</i>	<b>2023</b>	<b>2022</b>
<b>Supplemental cash flow information:</b>		
Cash payments for interest - Net of capitalized interest	\$ 2,133,775	\$ 1,560,495
Property and equipment additions included in accounts payable at year-end	166,142	973,918

See accompanying notes to financial statements.

171

# Graham Hospital Association

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### Principal Business Activity

Graham Hospital Association (the "Hospital") is located in Canton, Illinois and primarily earns revenues by providing inpatient, outpatient, extended care, and physician services to patients in Fulton, Knox, Mason, McDonough, and Peoria Counties in Illinois. The Hospital also operates Graham Medical Group, Graham Home Medical Equipment, Graham Hospital School of Nursing, and Graham Wellness Center in the same geographic area, which are departments of Graham Hospital Association.

#### Financial Statement Presentation

The Hospital follows accounting standards set by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The ASC is the single source of authoritative accounting principles generally accepted in the United States (GAAP) to be applied to nongovernmental entities.

#### Use of Estimates in Preparation of Financial Statements

The preparation of the accompanying financial statements in conformity with GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

#### Cash Equivalents

The Hospital considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents, excluding amounts whose use is limited or restricted.

#### Investments, Assets Limited as to Use, and Investment Income

Investments, including those investments categorized as assets limited as to use in the accompanying balance sheets, are measured at fair value or an approximation of fair value in the accompanying balance sheets, other than the investments in unconsolidated affiliates included in assets limited as to use. Investments in unconsolidated affiliates are accounted for on the cost method of accounting.

Assets limited as to use consist of investments designated by the Board of Trustees for future capital improvements and other purposes, funds to be used for future construction projects which are held by bond trustees under the terms of indenture agreements, self-insurance funds held for future claims payments, and funds set aside under deferred compensation plans. The funds designated by the Board of Trustees remain under the control of the Board of Trustees and may at the Board of Trustees' discretion subsequently be used for other purposes.

All investment income (including realized and unrealized gains and losses, interest, and dividends) is reported as nonoperating income and is included in revenue in excess of expenses unless the income is restricted by donor or law. Realized gains or losses are determined by specific identification.



# Graham Hospital Association

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Hospital measures fair value of its financial instruments using a three-tier hierarchy that prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

#### **Patient Accounts Receivable and Credit Policy**

Patient accounts receivable is reported at the amount that reflects the consideration to which the Hospital expects to be entitled, in exchange for providing patient care services. Patient accounts receivable are recorded in the accompanying balance sheets net of contractual adjustments and implicit price concessions which reflects management's estimate of the transaction price. The Hospital estimates the transaction price based on negotiated contractual agreements, historical experience, and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions and is recorded through a reduction of gross revenue and a credit to patient accounts receivable. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change.

The Hospital does not have a policy to charge interest on past due accounts.

#### **Inventories**

Inventories consist primarily of pharmaceuticals and medical supplies and are valued at the lower of average cost or net realizable value.

# Graham Hospital Association

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Property, Equipment, and Depreciation

Property and equipment acquisitions are recorded at cost or, if donated, at fair value at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Estimated useful lives range from 3 to 16 years for equipment and 2 to 80 years for land improvements, buildings, and buildings service equipment. Property and equipment under finance lease obligations are amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the property and equipment. Such amortization is included with depreciation expense in the accompanying statements of operations.

Gifts of long-lived assets such as land, buildings, or equipment are reported as support without donor restrictions and are excluded from revenue in excess of expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

The Hospital periodically evaluates whether events and circumstances have occurred that may affect the carrying value of property and equipment. If such events or circumstances indicate the carrying value may not be recoverable, impairment is determined by comparing the carrying value with the estimated future net undiscounted cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future net cash flows be less than the carrying value, the Hospital would recognize an impairment loss. During 2023 and 2022, the Hospital determined that no evaluations of recoverability were necessary.

#### Asset Retirement Obligation

Management annually assesses its existing properties to determine if there is a need to recognize a liability for a conditional asset retirement, specifically as it relates to its legal obligation to perform asset retirement activities, such as asbestos removal, on its existing properties. An asset retirement obligation represents the obligation to dispose of assets that are legally required to be removed at a future date. This obligation is recorded at the net present value using a risk-free interest rate and an inflationary rate. The asset retirement obligation is included in other long-term liabilities in the accompanying balance sheets related to known required removals of hazardous materials from facilities in the future.

# Graham Hospital Association

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Interest in Net Assets of Foundation**

Accounting guidance establishes standards of financial accounting and reporting for transactions in which an entity makes contributions to another entity or an entity that accepts contributions from a donor and agrees to use those assets on behalf of or transfer those assets and the return on those assets to another entity. The Hospital and Graham Hospital Foundation Incorporated (the "Foundation") are financially interrelated organizations, and accordingly the Hospital recognizes its interest in the net assets of the Foundation and adjusts that interest for its share of the change in the net assets of the Foundation.

#### **Deferred Compensation**

The Hospital maintains nonqualified deferred compensation plans for key management staff, physicians, and certain mid-level practitioners. The plans allow these employees to make an annual election to defer a portion of their salary into investment options consisting of mutual funds. The Hospital retains title to and beneficial ownership of all assets in the nonqualified plans. The value of these assets at retirement, termination, or on the employees' respective vesting date, is paid to employees. These investments are classified in the accompanying balance sheets as assets limited as to use, with a corresponding long-term liability.

#### **Net Assets**

Net assets without donor restrictions consist of investments and other amounts that are available for use in carrying out the mission of the Hospital that are not subject to donor-imposed stipulations and include those expendable resources which have been designated for special use by the Board of Trustees. Net assets with donor restrictions are those whose use by the Hospital has been limited by donors to a specific time period, purpose, or have been restricted by donors to be maintained by the Hospital in perpetuity. Earnings on net assets with donor restricted endowment funds are recorded as net assets with donor restrictions until appropriated by the Hospital's Board of Trustees.

#### **Revenue in Excess of Expenses**

The statements of operations and changes in net assets include the classification revenue in excess of expenses which is considered the operating indicator. Changes in net assets, which are excluded from the operating indicator, include permanent transfer of assets to and from affiliates for other than goods and services, and contributions of long-lived assets including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets.

# Graham Hospital Association

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Net Patient Service Revenue

Patient service revenue is reported at the amount that reflects the consideration to which the Hospital expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Hospital bills the patients and third-party payors several days after the services are performed and/or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided. Revenue from performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. Generally, the Hospital has few patients which have performance obligations which are satisfied over time. The majority of the patient care services provided in or by the hospital, clinics, skilled nursing facility, and durable medical equipment providers have a performance obligation which is satisfied as the patient simultaneously receives and consumes the benefits provided as the services are performed. In the case of these services described, the recognition of the performance obligation over time yields the same result as recognition of the obligation at a point in time. The Hospital believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

Because the Hospital's performance obligations relate to contracts with a duration of less than one year, the Hospital has elected to apply the optional exemption and therefore is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

The Hospital uses a portfolio approach to account for categories of patient contracts as a collective group rather than recognizing revenue on an individual contract basis. The Hospital used the following factors to develop portfolios: major payor classes, type of service (e.g., inpatient, outpatient, emergency, clinic), and geographic location. Using historical collection trends and other analysis, the Hospital evaluated the accuracy of its estimate and determined that recognizing revenue by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach was used.

# Graham Hospital Association

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Net Patient Service Revenue (Continued)

The nature, amount, timing, and uncertainty of revenue and cash flows are affected by several factors that the Hospital considers in its recognition of revenue. Following are some of the factors considered:

- Payors (for example, Medicare, Medicaid, managed care, other insurances, patients, etc.) have different reimbursement/payment methodologies
- Length of the patient's service/episode of care
- Geography of the service location
- Organization's line of business that provided the service (for example, hospital, clinic, long-term care, etc.)

The Hospital determines the transaction price, which involves significant estimates and judgment, based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Hospital's policy, and implicit price concessions provided to patients. The Hospital determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policy, and historical experience. The Hospital determines its estimate of implicit price concessions based on its historical collection experience for each patient portfolio based on payor class and service type.

The Hospital has agreements with third-party payors that provide for reimbursement to the Hospital at amounts that vary from its established rates. A summary of the basis of reimbursement with major third-party payors follows:

#### Hospital Services:

- Medicare: Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. The Medicare program has designated the Hospital as a sole community hospital for Medicare reimbursement purposes. This designation provides for the potential for increases in the payments the Hospital receives for inpatient services provided to Medicare beneficiaries. Outpatient services are paid under a series of fee schedules. Outpatient payments are also increased by a predetermined annual percentage for certain outpatient services under sole community hospital designation. The Hospital is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary.
- Medicaid: Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates. Under the State of Illinois Medicaid Hospital Assessment Program (Program), the Hospital receives additional Medicaid reimbursement from the State and pays a related assessment. The Hospital's additional reimbursement for the periods ended June 30, 2023 and 2022, has

# Graham Hospital Association

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Net Patient Service Revenue (Continued)

been recorded in the accompanying financial statements as an increase to net patient service revenue.

- Other: The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

#### Clinic Services:

Certain physician and professional services rendered to Medicare and Medicaid beneficiaries qualify for reimbursement as Medicare-approved rural health clinic services. Qualifying services are reimbursed based on a cost reimbursement methodology for Medicare and prospectively determined rates for Medicaid, which are updated annually. All other physician and professional services rendered to Medicare and Medicaid beneficiaries are paid based on prospectively determined fee schedules.

#### Long-Term Care Services:

- Medicare: Medicare pays for Part A services based on a predetermined rate per patient day, which varies depending upon the patient's level of care and the types of services provided. Medicare pays for Part B services based on predetermined fee schedules.
- Medicaid: A significant portion of the Hospital's long-term care (nursing home) services were provided to aged and disabled patients who are beneficiaries of the Illinois Public Aid program. Illinois Public Aid reimburses the Hospital on a prospectively determined rate per diem. The rate is determined on a cost-related basis subject to certain limitations as prescribed by the State of Illinois and adjusted based on the average acuity of the patients in the facility. The State of Illinois updates and makes adjustments to the Medicaid rates based on average patient acuity as reported by each facility in the previous 90-day period.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. Because of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Hospital's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have on the Hospital.

# Graham Hospital Association

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Net Patient Service Revenue (Continued)**

The Centers for Medicare and Medicaid Services (CMS) uses recovery audit contractors (RACs) to search for potentially inaccurate Medicare payments that may have been made to health care providers and were not detected through existing CMS program integrity efforts. Once the RAC identifies a claim it believes is inaccurate, the RAC makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment. The Hospital has not been notified by the RAC of any potential significant reimbursement adjustments. In addition, contracts the Hospital has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Hospital's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Hospital also provides services to uninsured patients and offers those uninsured patients a discount, either by policy or law, from standard charges. The Hospital estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to net patient service revenue in the period of the change.

Consistent with the Hospital's mission, care is provided to patients regardless of their ability to pay. Therefore, the Hospital has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Hospital expects to collect based on its collection history with those patients. The Hospital's policy provides for discounts of approximately 70% and 72% from established charges to uninsured patients in 2023 and 2022, respectively. There were no changes to the Hospital's discount or uninsured patient policies in 2023 or 2022.

For uninsured patients who do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy).

# Graham Hospital Association

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Net Patient Service Revenue (Continued)**

The promised amount of consideration from patients and third-party payors has not been adjusted for the effects of a significant financing component due to the Hospital's expectation that the period between the time the service is provided to a patient and the time the patient or a third-party payor pays for that service will be one year or less. However, the Hospital does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

All incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that the Hospital otherwise would have recognized is one year or less in duration.

#### **Charity Care**

The Hospital provides care to patients who meet criteria under its charity care policy without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as net patient service revenue.

The estimated cost of providing care to patients under the Hospital's charity care policy is calculated by multiplying the ratio of cost to gross charges for the Hospital times the gross uncompensated charges associated with providing charity care.

#### **Donor-Restricted Contributions**

Contributions are considered to be available for general use unless specifically restricted by the donor.

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as net asset with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the accompanying statements of operations and changes in net assets as net assets released from restrictions.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions.



# Graham Hospital Association

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Interest Rate Swap Agreements

An interest rate swap is used to manage risk related to interest rate movements. The interest rate risk management strategy is to stabilize cash flow requirements by maintaining the interest rate swap to convert a portion of variable rate debt to a fixed rate. The Hospital has adopted the fair value option of accounting for its interest rate swap agreement. The interest rate swap agreement is reported at fair value in the accompanying balance sheets. Under the fair value option, changes in fair value are recorded as nonoperating income in the accompanying statements of operations.

#### Deferred Financing Costs

Costs related to the issuance of long-term debt are amortized over the life of the related debt using the straight-line method.

#### Advertising Costs

Advertising costs are expensed as incurred.

#### Income Taxes

The Hospital is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Hospital is also exempt from state income taxes on related income. The Hospital is also engaged, to a limited extent, in certain activities subject to taxation as unrelated business income (UBI). Income taxes on UBI are not significant.

#### Real Estate Taxes

The State of Illinois previously enacted legislation that clarifies when hospitals are eligible to receive exemption from property tax requirements. As part of the legislation, hospitals, including the Hospital, must submit to the State of Illinois annual property tax exemption applications, which include information on the amount of benefits provided to low-income, charity care, and Illinois Public Aid (Medicaid) beneficiaries. As of June 30, 2023, the majority of the real estate of the Hospital has been granted property tax exemption by the State of Illinois, other than a portion of its medical office buildings which are not included in the hospital property tax legislation.

# Graham Hospital Association

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Subsequent Events

Subsequent events have been evaluated through September 20, 2023, which is the date the financial statements were available to be issued.

#### New Accounting Pronouncement

In February 2016, FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases* (Topic 842). This ASU modifies lease accounting to increase transparency and comparability by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing information. The most significant change for lessees will be the recognition of both a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term for those leases classified as operating leases under current GAAP. Certain accounting policy elections are permitted for leases with terms of 12 months or less. FASB ASC Topic 842, *Leases*, supersedes current lease requirements in FASB ASC Topic 840, *Leases*. The Hospital has elected to adopt and apply this accounting pronouncement effective July 1, 2022, utilizing the modified retrospective approach. The Hospital elected to utilize practical expedients made available, including the package of practical expedients not to reassess whether a contract is or contains a lease, the lease classification, and initial direct costs for any existing leases. Adoption of this standard did not have a material impact on the results of operations reported in the accompanying statements of operations, and had no impact on accompanying statements of cash flows.

# Graham Hospital Association

## Notes to Financial Statements

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### Note 2: COVID-19

Starting in March 2020, the nation in general, and healthcare-related entities specifically, have been faced with a global pandemic. As healthcare entities prepared for the crisis, operational changes were made to delay routine visits and elective procedures and reevaluate the entire care delivery model to care for patient needs, specifically those affected by COVID-19. These operational changes continued and adjustments were made in operations and business plans throughout the pandemic. The declared public health emergency ended in May 2023 related to the COVID-19 pandemic, and even with this ending the complete financial impact on the economy in general and healthcare-related entities specifically still remains undeterminable at this time. Management of the Hospital continues to note that both operational performance and cash flows for healthcare-related entities have been and will continue to be impacted into the future even though the declared public health emergency period and pandemic have ended.

The federal and state governments, as well as other agencies, assisted many healthcare organizations to prevent significant financial constraints by providing supplemental payment programs in the forms of distributions which are intended to help in offsetting lost revenues as well as the cost of staffing, supplies, and equipment from treating patients impacted by or preparing for the pandemic's healthcare needs. Through June 30, 2023, the Hospital received approximately \$18,008,000 in funding since 2020 from these programs. During the years ended June 30, 2023 and 2022, the Hospital has recognized approximately \$145,000 and \$4,955,000, respectively, as other operating revenue in the accompanying statements of operations. The Hospital also had previously recognized approximately \$12,908,000 in funding as other operating revenue collectively during the prior years ended June 30, 2021 and 2020. Any remaining funds in any year which were received but not expended and were available for use in a subsequent period were included in deferred revenue in the accompanying balance sheets. A significant portion of these funds were received in the form of provider relief funds from the U.S. Department of Health and Human Services ("HHS") Coronavirus Aid, Relief, and Economic Security ("CARES") and American Recovery Plan ("ARP") Acts, as well as from the State of Illinois.

These funds are subject to various financial and compliance guidelines for intended uses as published by the federal and state governments. Management is continuing to monitor compliance with the terms and conditions of these grants as new guidance and clarification is released from HHS, the State of Illinois, and other agencies. If the Hospital is unable to attest to or comply with current or future terms and conditions as more information becomes available, the Hospital's ability to retain some or all of the distributions received may be impacted.

# Graham Hospital Association

## Notes to Financial Statements

### Note 3: Available Resources and Liquidity

The Hospital does not have a formal liquidity policy but generally strives to maintain financial assets in liquid form such as cash and cash equivalents for at least approximately one to three months of operating expenses. Other funds, included in assets limited as to use in the accompanying balance sheets, are considered available for operational or capital needs, except for investments with restrictive redemption requirements. Occasionally, the Board of Trustees designates a portion of operating surplus to be appropriated at its discretion for future operational initiatives and capital expenditures. These funds, at the discretion of the Board of Trustees, could be released immediately or sold and redeemed prior to their maturity and are not considered available under the Hospital's general liquidity management. At June 30, 2023 and 2022, the balance of these funds was \$110,423,877 and \$103,582,979, respectively.

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled debt service payments, and capital items, were as follows at June 30:

	<b>2023</b>	<b>2022</b>
<b>Financial assets:</b>		
Cash and cash equivalents	\$ 3,858,700	\$ 8,216,200
Patient accounts receivable - Net	12,488,554	11,953,658
Other receivables	3,880,996	3,039,002
<b>Total financial assets and liquidity resources</b>	<b>\$ 20,228,250</b>	<b>\$ 23,208,860</b>

Patient accounts receivable - net becomes available as an available resource to the Hospital generally as operating cash as it is billed and collected based on the policies and procedures described in Note 1, and its opening balance at July 1, 2021 was \$10,513,760.

# Graham Hospital Association

## Notes to Financial Statements

### Note 4: Assets Limited as to Use

Assets limited as to use consisted of the following at June 30:

	2023	2022
<b>Board designated for capital improvements and debt service requirements:</b>		
Money market funds	\$ 1,884,398	\$ 379,059
Certificates of deposit	1,164,966	1,152,208
Mutual funds	67,031,290	81,319,115
Municipal bonds	719,383	129,090
U.S. agency obligations	8,547,377	5,003,375
Corporate obligations	17,786,741	3,465,534
Hedge fund	11,492,744	10,967,498
Investments in unconsolidated affiliates	1,539,638	1,060,958
Accrued interest receivable	257,340	106,142
<b>Total designated by Board of Trustees for future capital improvements</b>	<b>110,423,877</b>	<b>103,582,979</b>
<b>Held under bond indenture agreements:</b>		
Money market funds	11,353,382	-
<b>Held by trustee self-insurance fund:</b>		
Money market funds	246,427	261,887
Certificates of deposit	870,242	774,902
Municipal bonds	171,217	98,387
U.S. agency obligations	-	89,021
Corporate obligations	31,929	32,182
Marketable equity securities - Common stock	347,920	325,159
Mutual Funds	102,918	157,519
Accrued interest receivable	6,403	1,469
<b>Total held by trustee self-insurance fund</b>	<b>1,777,056</b>	<b>1,740,526</b>
<b>Deferred compensation plans assets :</b>		
Mutual funds	1,611,428	1,176,349
<b>Total assets limited as to use</b>	<b>\$ 125,165,743</b>	<b>\$ 106,499,854</b>

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

155

# Graham Hospital Association

## Notes to Financial Statements

### Note 4: Assets Limited as to Use (Continued)

Investments in unconsolidated affiliates include investments by the Hospital into three private equity companies. The Hospital made initial direct investments in 2022 and 2023 and in turn obtained shares of common stock of three specific start-up companies. At June 30, 2023, the Hospital has remaining unfunded commitments of \$1,382,984 which represent additional investments in cash to be made into these companies. The additional investments are anticipated to be made in 2024. There were no cash distributions or dividends received by the Hospital from the initial investments in these entities in 2023.

Investment income (loss) consisted of the following for the years ended June 30:

	2023	2022
Interest and dividend income - Net of investment fees	\$ 2,348,956	\$ 2,596,730
Net realized gains on sales of investments	1,371,949	3,492,650
Net unrealized gains (losses) on investments	5,965,301	(19,796,661)
<b>Total investment income (loss)</b>	<b>\$ 9,686,206</b>	<b>\$ (13,707,281)</b>

### Note 5: Fair Value Measurements

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

Money market funds are valued using a net asset value ("NAV") of \$1.00. Quoted prices from active markets are used to determine the fair value of investments in equity securities, which are primarily invested in common stock. Mutual funds held by the Hospital are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. The funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Hospital are deemed to be actively traded. Fixed income securities including corporate bonds, local government bonds, foreign bonds, and U.S. Government and agency securities are primarily valued using quotes from pricing vendors for identical or similar assets based on recent trading activity and other observable market data.

The interest rate swaps' fair values are based on estimates by third-party valuation services, which use a discounted cash flow analysis using observable market-based inputs, including forward interest rate curves.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Hospital's valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value or NAV of certain financial instruments could result in a different fair value measurement or reported NAV at the reporting date.

# Graham Hospital Association

## Notes to Financial Statements

### Note 5: Fair Value Measurements (Continued)

The following tables set forth by level, within the fair value hierarchy, the Hospital's assets and liabilities measured at fair value and NAV on a recurring basis as of June 30:

	2023				Total at Fair Fair Value
	Fair Value Measurements Using				
	Level 1	Level 2	Level 3	NAV	
<b>Assets:</b>					
Money market funds	\$ -	\$ 13,484,207	\$ -	\$ -	-
Marketable equity securities - Common stock	347,920	-	-	-	347,920
Mutual funds:					-
Fixed income	1,459,506	-	-	-	1,459,506
Equities	67,286,130	-	-	-	67,286,130
Fixed income securities:					-
Corporate obligations	-	17,786,741	-	-	17,786,741
Municipal bonds	-	890,600	-	-	890,600
U.S. agency obligations	-	8,547,377	-	-	8,547,377
Hedge fund	-	-	-	11,492,744	11,492,744
<hr/>					
Total assets measured at fair value and NAV	\$ 69,093,556	\$ 40,708,925	\$ -	\$ 11,492,744	\$ 107,811,018
<hr/>					
Liabilities - Interest rate swap agreements	\$ -	\$ (519,305)	\$ -	\$ -	\$ (519,305)

# Graham Hospital Association

## Notes to Financial Statements

### Note 5: Fair Value Measurements (Continued)

	2022				NAV	Total at Fair Fair Value
	Fair Value Measurements Using					
	Level 1	Level 2	Level 3			
<b>Assets:</b>						
Money market funds	\$ -	\$ 640,945	\$ -	\$ -	\$ -	\$ 640,945
Marketable equity securities - Common stock	325,159	-	-	-	-	325,159
Mutual funds:						-
Fixed income	20,419,774	-	-	-	-	20,419,774
Equities	62,223,715	-	-	-	-	62,223,715
Fixed income securities:						-
Corporate obligations	-	3,497,716	-	-	-	3,497,716
Municipal bonds	-	227,477	-	-	-	227,477
U.S. agency obligations	-	5,092,396	-	-	-	5,092,396
Hedge fund	-	-	-	10,967,498	-	10,967,498
<b>Total assets measured at fair value</b>	<b>\$ 82,968,648</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 92,427,182</b>
<b>Liabilities - Interest rate swap agreements</b>	<b>\$ -</b>	<b>\$ (1,487,101)</b>	<b>\$ -</b>	<b>\$ (1,487,101)</b>	<b>\$ -</b>	<b>-</b>

The assets included in the fair value measurements table above at both June 30, 2023 and 2022, include all assets included in assets limited as to use as described in Note 4, with the exception of certificates of deposit, accrued interest receivable, and investments in unconsolidated affiliates which are excluded from the fair value measurement table.

Alternative investments recorded at NAV include investments in a hedge fund, which are actively managed investment vehicles that derive the majority of their returns from factors other than directional flow of the markets in which they invest. Investment strategies include high-yield credit, distressed debt, merger, arbitrage, relative value, and long-short equity strategies. The fair value of the investments in this category have been estimated using the NAV per share of the investments. Investments in this category carry "lockup" restrictions that do not allow investors to seek redemption in the first year after acquisition. Following the initial lockup period, liquidity is generally available monthly, quarterly, semi-annually, or annually following a redemption request. The investments in this category have semi-annual liquidity. The derivative or hedge investment contracts do not qualify for hedge accounting and are recorded at NAV which is an approximation of fair value. Changes in fair value are reported as a component of unrealized gains or losses on investments as a part of nonoperating gains and losses in the accompanying statements of operations. During the years ended June 30, 2023 and 2022, the unrealized gains (losses) on the hedge fund were approximately \$493,000 and (\$33,000), respectively.



# Graham Hospital Association

## Notes to Financial Statements

### Note 5: Fair Value Measurements (Continued)

At June 30, 2023, alternative investments recorded at NAV consisted of the following:

	Fair Value	Unfunded Commitment	Redemption Frequency (if Currently Eligible)	Redemption Note Period
Hedge funds	\$ 11,492,744	\$ -	Semi-annually	95 days

### Note 6: Beneficial Interests in Trusts and Foundation

A summary of the Hospital's beneficial interest in trusts and Foundation as of June 30 is as follows:

	2023	2022
Beneficial interest in trusts	\$ 8,290,875	\$ 8,163,403
Interest in net assets of Foundation	770,615	650,041
<b>Totals</b>	<b>\$ 9,061,490</b>	<b>\$ 8,813,444</b>

#### Beneficial Interest in Trusts

The Hospital is the beneficiary under two perpetual trusts administered by unrelated third parties. The beneficial interest of these trusts is included in the Hospital's financial statements as net assets with donor restrictions. Beneficial interest in perpetual trusts includes investments in cash and debt and equity securities that are held in perpetuity. Distributions are made in accordance with individual trust documents and are included in investment return as described below. The carrying value of the beneficial interest in perpetual trusts is estimated at either the Hospital's beneficial interest percentage of the fair value of the trusts' assets as of the balance sheet date or at the estimated net present value of estimated future cash receipts expected to be received from the trusts. The estimated value is \$8,290,875 and \$8,163,403, which represents the fair value of the trust assets as of June 30, 2023 and 2022, respectively. The distributed income of the Hospital's beneficial interest in trusts for 2023 and 2022 was \$450,298 and \$447,131, respectively, and is included in net assets with donor restrictions in the accompanying statements of changes in net assets.

# Graham Hospital Association

## Notes to Financial Statements

### Note 6: Beneficial Interests in Trusts and Foundation (Continued)

#### Interest in Net Assets of Foundation

A summary of the internal financial information for the Foundation for the years ended June 30 is as follows:

	Unaudited	
	2023	2022
Assets	\$ 772,554	\$ 650,041
Liabilities	\$ 1,939	\$ -
Net assets	\$ 770,615	\$ 650,041
Changes in net assets before contributions to the Hospital	\$ 120,574	\$ 35,921
Less - Contributions to the Hospital	-	-
Increase in net assets	120,574	35,921
Net assets at beginning	650,041	614,120
Net assets at end	\$ 770,615	\$ 650,041

### Note 7: Property and Equipment

Property and equipment by majority categories consisted of the following at June 30:

	2023	2022
Land and land improvements	\$ 12,277,953	\$ 6,392,453
Buildings	105,193,320	101,009,218
Buildings service equipment	13,021,187	13,155,219
Equipment	41,139,388	39,022,898
Total property and equipment	171,631,848	159,579,788
Less - Accumulated depreciation	79,070,834	75,636,737
Net depreciated value	92,561,014	83,943,051
Construction in progress	6,629,898	3,126,326
Property and equipment - Net	\$ 99,190,912	\$ 87,069,377

# Graham Hospital Association

## Notes to Financial Statements

### Note 7: Property and Equipment (Continued)

At June 30, 2023, construction in progress primarily consists of costs related to a building renovation to purchase and renovate three clinic buildings in neighboring communities. At June 30, 2023 commitments related to the completion of these projects totaled approximately \$8,600,000. These projects are being funded from operating cash reserves of the Hospital and long-term debt which was issued in 2023. See Note 8 for additional information on long-term debt.

The cost of equipment under a finance lease obligation, which is included in equipment, was \$1,715,092 at both June 30, 2023, and 2022, and the related accumulated amortization was \$1,343,489 and \$1,000,470 at June 30, 2023, and 2022, respectively. Annual amortization expense, which is included in depreciation and amortization in the accompanying statements of operations was \$343,019 and \$400,188 during the years ended June 30, 2023 and 2022, respectively.

### Note 8: Long-Term Debt

Long-term debt consisted of the following at June 30:

	2023	2022
Revenue bonds, Series 2015 (A)	\$ 38,650,000	\$ 40,200,000
Revenue bonds, Series 2020 (B)	16,330,000	16,670,000
Revenue bonds, Series 2023 (C)	12,107,347	-
Finance lease obligation (D)	445,588	842,192
<b>Totals</b>	<b>67,532,935</b>	<b>57,712,192</b>
Less:		
Current maturities	2,379,516	2,285,451
Debt issuance costs	731,896	573,201
<b>Subtotals</b>	<b>\$ 64,421,523</b>	<b>\$ 54,853,540</b>

(A) Long-term debt consists of adjustable rate healthcare facilities revenue bonds ("Series 2015 Bonds") issued November 4, 2015. The Series 2015 Bonds allowed for borrowings of up to \$47,680,000. The variable interest rate is adjusted weekly and is payable monthly. The Hospital has also entered into interest rate swap agreements for portions of the Series 2015 Bonds as described in Note 9. Principal is payable in annual installments on the Series 2015 Bonds through 2045, and the Series 2015 Bonds are secured by facilities of the Hospital.

The City of Canton, Illinois, issued the Series 2015 Bonds on behalf of the Hospital. The proceeds of the Series 2015 Bonds were loaned to the Hospital under a trust indenture and loan agreement dated November 1, 2015, to provide for the expansion and renovation of the Hospital's facilities and to refinance a previous bond issue. On August 29, 2019, the Series 2015 Bonds were restructured to include a fixed 2% interest rate for the next six years.

# Graham Hospital Association

## Notes to Financial Statements

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### Note 8: Long-Term Debt (Continued)

The 2015 Bonds require the Hospital to comply with certain restrictive covenants, including minimum insurance coverage, restrictions on the incurrence of additional indebtedness, and maintenance of certain leverage, liquidity and debt service ratios.

- (B) Long-term debt consists of adjustable rate healthcare facilities revenue bonds ("Series 2020 Bonds") issued June 18, 2020. The Series 2020 Bonds allowed for borrowings of up to \$17,000,000. The variable interest rate is adjusted weekly and is payable monthly. Principal is payable in annual installments on the Series 2020 Bonds through 2045, and the Series 2020 Bonds are secured by facilities of the Hospital.

The 2020 Bonds require the Hospital to comply with certain restrictive covenants, including minimum insurance coverage, restrictions on the incurrence of additional indebtedness, and maintenance of certain leverage, liquidity and debt service ratios.

- (C) Long-term debt consists of adjustable rate healthcare facilities revenue bonds ("Series 2023 Bonds") issued June 21, 2023. The Series 2023 Bonds allowed for borrowings of up to \$12,000,000, and remaining unexpended amounts are included in assets limited as to use in the accompanying balance sheets at June 30, 2023. The fixed interest rate is 3.78% and interest is payable monthly. Principal is also payable in monthly installments on the Series 2023 Bonds through 2054, and the Series 2023 Bonds are secured by facilities of the hospital.

The 2023 Bonds require the Hospital to comply with certain restrictive covenants, including minimum insurance coverage, restrictions on the incurrence of additional indebtedness, and maintenance of certain leverage, liquidity, and debt service ratios.

- (D) Finance lease obligation which was utilized to finance and obtain surgery equipment with imputed interest rate of 3.50%, payable in monthly installments of \$34,980, including principal and interest, through July 2024. The weighted average remaining lease term of the finance lease obligation at June 30, 2023, was approximately 1.08.

# Graham Hospital Association

## Notes to Financial Statements

### Note 8: Long-Term Debt (Continued)

Scheduled payments of principal on the long-term debt and finance lease obligation at June 30, 2023, including current maturities, are summarized as follows:

	<b>Bonds Payable</b>	<b>Finance Lease Obligation</b>
2024	\$ 1,970,000	\$ 419,759
2025	2,185,000	37,873
2026	2,370,000	-
2027	2,455,000	-
2028	2,545,000	-
Thereafter	55,562,347	-
Total	<u>\$ 67,087,347</u>	457,632
Less - Amount representing interest on finance lease obligation		<u>12,044</u>
Principal remaining on finance lease obligation		<u>\$ 445,588</u>

# Graham Hospital Association

## Notes to Financial Statements

### Note 9: Interest Rate Swap Agreements

The Hospital maintains an interest-rate risk-management strategy that uses interest rate swap derivative instruments to minimize significant, unanticipated earnings fluctuations caused by interest-rate volatility. The Hospital's specific goal is to lower (where possible) the cost of its borrowed funds.

The Hospital previously entered into two interest rate swap agreements to reduce the impact of changes in interest rates on its Series 2015 and 2020 bonds, which are variable interest rate bonds. The interest rate swaps are utilized to manage interest rate exposure over the period of the interest rate swaps. The changes in the fair value of these swap agreements are included in nonoperating gains and losses in the accompanying statements of operations for the years ended June 30, 2023 and 2022, as the swaps were determined by management to not be highly effective in managing the risk of interest rate fluctuations. The interest settlements received by the Hospital or paid to the counterparty are included as a component of interest expense.

As of June 30, 2023 and 2022, the fair value of the interest rate swap agreements are recorded within other long-term liabilities on the balance sheets.

The interest rate swap agreements are summarized below as of June 30, 2023 and 2022:

Notional Amount	Termination Date	June 30, 2023		Fair Value of Swap (Liability)	
		Fixed Rate	Variable Rate	2023	2022
\$10,580,000 (A)	12/1/2031	3.44%	4.54%	\$ (240,299)	\$ (600,541)
\$13,460,000 (B)	6/1/2034	3.00%	6.32%	(279,006)	(886,560)
Total				\$ (519,305)	\$ (1,487,101)

- (A) Effective January 15, 2007, the Hospital is a party to an interest rate swap agreement with an original notional amount of \$15,900,000. Under this arrangement, the Hospital pays a fixed rate of 3.44% and the counterparty pays a floating rate which is agreed upon based on the terms of the swap agreement. The floating variable interest rate was 4.54% and 1.79% as of June 30, 2023 and 2022, respectively), both of which are applied to the current notional principal amount.
- (B) Effective July 20, 2009, the Hospital is a party to an interest rate swap agreement with an original notional amount of \$16,000,000. Under this arrangement, the Hospital pays a fixed rate of 3.00% and the counterparty pays a floating rate which is agreed upon based on the terms of the swap agreement. The floating variable interest rate was 6.32% and 1.79% as of June 30, 2023 and 2022, respectively), both of which are applied to the current notional principal amount.

The net settlements recorded for derivative instruments in the Hospital's statements of operations decreased interest expense for the year ended June 30, 2023, by approximately \$1,038,000 and increased interest expense for the year ended June 30, 2022 by approximately \$637,000.

# Graham Hospital Association

## Notes to Financial Statements

### Note 10: Operating Leases

The Hospital has entered into lease agreements for medical office and clinical building space with unrelated parties to utilize space within the Hospital's facilities.

Approximate minimum future lease payments under noncancelable lease agreements consisted of the following at June 30, 2023:

2024	\$	127,000
2025		115,000
2026		110,000
2027		110,000
2028		110,000
Thereafter		46,000
<b>Total</b>	<b>\$</b>	<b>618,000</b>

Operating lease revenue totaled approximately \$424,000 and \$383,000 for the years ended June 30, 2023 and 2022, respectively, and is included in other operating revenue in the accompanying statements of operations. Property and equipment which is utilized by the lessors under the various operating lease agreements is included within property and equipment - net in the accompanying balance sheets.

### Note 11: Net Assets with Donor Restrictions

Net assets with donor restrictions include assets set aside in accordance with donor restrictions as to time or use which are solely held by the Foundation or held in the beneficial interest in trusts and totaled \$9,061,490 and \$8,813,444 as of June 30, 2023 and 2022, respectively.

The breakdown of net assets with donor restrictions noted above is as follows at June 30:

	2023	2022
Subject to expenditure for specific purpose:		
Funds held by foundation for scholarships and hospital programs	\$ 640,215	\$ 519,641
Maintained in perpetuity with income expendable for:		
Funds held by Foundation for scholarships	130,400	130,400
Beneficial interest in trusts for hospital programs and equipment purchases	8,290,875	8,163,403
<b>Total</b>	<b>\$ 9,061,490</b>	<b>\$ 8,813,444</b>

The Hospital's endowments consist of eight donor-restricted funds, which were established to provide investment income for scholarships for students in the Hospital's School of Nursing, as well as, the Hospital's interest in two beneficial trusts.

# Graham Hospital Association

## Notes to Financial Statements

### Note 11: Net Assets with Donor Restrictions (Continued)

The Board of Trustees of the Hospital has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the Illinois state legislature, as requiring the Hospital and Foundation, who holds the scholarship funds, to preserve the fair value of the donor's original gift, as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Hospital classifies as net assets with donor restrictions (a) the original value of the donor's gifts to the permanent endowment, (b) the original value of a donor's subsequent gifts to the permanently restricted endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is required to be held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Board of Trustees in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Hospital has adopted investment and spending policies for endowment assets that attempt to provide a dependable method of funding programs supported by its endowments while seeking to preserve the principal of the endowment assets. Under the Hospital's and Foundation's investment policies, as approved by the Boards of Trustees, the endowment assets are invested in a manner to protect principal and achieve a fixed annual rate of return and ensure that any risk assumed is commensurate with the given investment vehicle and the Hospital's objectives. There were no deficiencies from unfavorable market conditions of the endowment investments at June 30, 2023 and 2022.

Endowments that are donor-restricted consisted of the following at June 30:

	2023	2022
Original donor-restricted amounts required to be retained by donor	\$ 130,400	\$ 130,400
Portion of donor-restricted funds subject to appropriations	111,119	91,959
Hospital's interest in assets held in beneficial trusts	8,290,875	8,163,403
<b>Total</b>	<b>\$ 8,532,394</b>	<b>\$ 8,385,762</b>

### Note 12: Net Patient Service Revenue

The composition of net patient service revenue by major lines of business, based on the geographic region the Hospital operates in as outlined in Note 1, for the years ended June 30 are as follows:

	2023	2022
Service lines:		
Hospital services	\$ 77,305,683	\$ 71,482,946
Clinic services	22,819,593	18,861,019
Long-term care services (extended care)	2,290,259	1,365,395
Home medical equipment services	1,430,707	1,309,259
<b>Totals</b>	<b>\$ 103,846,242</b>	<b>\$ 93,018,619</b>

196



# Graham Hospital Association

## Notes to Financial Statements

**Note 12: Net Patient Service Revenue** (Continued)

Net patient service revenue by payor consisted of the following for the year ended June 30:

	<b>2023</b>	<b>2022</b>
Medicare and Medicare Advantage plans	\$ 38,105,855	\$ 37,917,561
Medicaid and Medicaid HMO plans	19,574,565	17,709,407
Other third-party payors	44,548,498	35,579,353
Uninsured patients	1,617,324	1,812,298
Totals	\$ 103,846,242	\$ 93,018,619

**Note 13: Patient Financial Assistance**

The Hospital provides health care services and other financial support through various programs that are designed, among other matters, to enhance the health of the community, including the health of low-income patients. Consistent with the mission of the Hospital, care is provided to patients regardless of their ability to pay, including providing services to those persons who cannot afford health insurance because of inadequate resources or to those who are underinsured.

The Hospital has a financial assistance policy which is generally based on federal poverty guidelines, and applications are completed by patients and/or their families. Patients who meet the criteria for financial assistance are provided care without charge or at a reduced rate. The Hospital is also required to provide additional discounts to uninsured hospital patients under the Hospital Uninsured Patient Discount Act as required by Illinois state law.

The estimated cost of providing care to patients under the Hospital's financial assistance policy and program aggregated approximately \$1,160,000 and \$1,333,000 in 2023 and 2022, respectively.

Other benefits for the community also include unpaid costs of treating the elderly, health screenings, community education through seminars and classes, and other health-related services.

# Graham Hospital Association

## Notes to Financial Statements

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### Note 14: Malpractice Insurance

Through September 30, 2018, the Hospital is self-insured for the first \$500,000 per occurrence and \$1,500,000 in aggregate of medical malpractice losses. The Hospital purchases insurance coverage above the self-insurance limits. Losses from asserted and unasserted claims identified under the Hospital's incident reporting system are accrued based on estimates that incorporate the Hospital's past experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors. The Hospital utilizes an actuary in order to estimate its professional and general liability. The undiscounted liability amounts as of June 30, 2023 and 2022, were \$3,163,483 and \$2,406,275, respectively, for claims covered under the self-insurance program. The Hospital has also recorded estimated insurance recoverable receivables of \$2,246,746 and \$1,741,628 as of June 30, 2023 and 2022, respectively, for claims exceeding the policy's deductible. The liabilities related to this plan are included in long-term liabilities and receivables are included in other receivables in the accompanying balance sheets.

Effective October 1, 2018, the Hospital discontinued its self-insured program for professional liability insurance and has purchased commercially insured professional liability insurance coverages through the Illinois Provider Trust (IPT). The Hospital's professional liability insurance for claim losses of less than \$20,000,000 per claim and \$10,000,000 per year covers professional liability claims reported during a policy year subsequent to October 1, 2018 ("claims-made" coverage). The professional liability insurance policy is renewable annually and has been renewed by the insurance carrier for the annual period extending to January 1, 2024.

Under a claims-made policy, the risk for claims and incidents not asserted within the policy period remains with the Hospital. Although there exists the possibility of claims arising from services provided to patients through June 30, 2023, which have not yet been asserted, the Hospital has not been given notice of any such possible claims, and accordingly no provision has been made for them other than the provisions noted above under the self-insured insurance program.

### Note 15: Self-Funded Insurance

The Hospital has a self-funded health plan, which provide benefits to employees, retirees, and their dependents. Healthcare costs are expensed as incurred. Health expenses are based upon claims paid, reinsurance premiums, administration fees, and unpaid claims at year-end. The Hospital buys reinsurance to cover catastrophic individual claims over \$190,000.

Self-funded health plan expense for the years ended June 30, 2023 and 2022, was approximately \$6,640,000 and \$6,154,000, respectively, which includes stop-loss insurance expense and recoveries and insurance premiums paid by employees to the Hospital. An estimated amount for claims outstanding is included in accrued salaries and other expenses in the accompanying balance sheets of approximately \$656,000 and \$599,000 at June 30, 2023 and 2022, respectively.

# Graham Hospital Association

## Notes to Financial Statements

### Note 16: Retirement Plan

The Hospital has a defined-contribution thrift and savings 401(k) plan available to substantially all employees. The Hospital matches 50 percent of the amount employees elect to contribute to the plan up to 6 percent of covered wages. Thrift and savings plan expense was approximately \$1,035,000 and \$920,000 for the years ended June 30, 2023 and 2022, respectively.

### Note 17: Workers' Compensation Insurance

The Hospital participates with other providers of health care services in the Illinois Compensation Trust, a risk pool which currently operates common risk management and insurance programs for its members. The Hospital pays annual premiums to the risk pool for its employee injuries insurance coverage. The risk pool's governing agreements specify that the risk pool will be self-sustaining through member premiums and will re-insure through commercial carriers for claims in excess of specified stop-loss amounts. If, however, the risk pool's loss experience is worse than anticipated, the members may be required to make additional payments. The Hospital has not been required to make additional material contributions in any of the three preceding years. At June 30, 2023 and 2022, the Hospital has recorded an estimated liability for outstanding claims and additional charges from the risk pool based on actuary analysis and management's assumptions of \$1,013,662 and \$648,391, respectively. These amounts are included in long-term liabilities in the accompanying balance sheets. As of June 30, 2023, the Hospital also has a letter of credit for employee injuries insurance coverage of \$350,000. No draws have been made on the letter of credit in 2023.

### Note 18: Functional Expenses

The Hospital provides general health care services to residents within its geographic location. The accompanying statements of operations present certain expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis. Employee benefits are allocated based on factors of either salary expense or actual employee expense. Overhead costs that include things such as professional services, supplies, office expenses, information technology, insurance, and other similar expenses are allocated on a variety of factors including revenues and departmental expense. Costs related to building and equipment usage include depreciation and interest and are allocated on a square footage or direct assignment basis. Expenses related to providing these services for the years ended June 30, 2023 and 2022, are as follows:

	2023			2022		
	Healthcare Services	General Administrative	Total	Healthcare Services	General Administrative	Total
Salaries and wages	\$ 39,378,439	\$ 10,516,268	\$ 49,894,707	\$ 34,016,413	\$ 8,936,034	\$ 42,952,447
Employee benefits	10,175,267	2,987,449	13,162,716	9,263,402	2,497,981	11,761,383
Purchased services and professional fees	19,269,149	247,896	19,517,045	17,938,126	350,697	18,288,823
Supplies and other	15,170,874	7,386,086	22,556,960	13,979,096	7,294,186	21,273,282
Depreciation	4,424,031	555,342	4,979,373	5,306,746	664,363	5,971,109
Interest	1,916,469	240,571	2,157,040	1,407,546	176,214	1,583,760
	\$ 90,334,229	\$ 21,933,612	\$ 112,267,841	\$ 81,911,329	\$ 19,919,475	\$ 101,830,804

# Graham Hospital Association

## Notes to Financial Statements

### Note 19: Concentration of Credit Risk

Financial instruments that subject the Hospital to possible credit risk consist principally of accounts receivable, cash deposits in excess of insured limits, and investments of surplus operating funds.

Patient accounts receivable consist of amounts due from patients, their insurers, or governmental agencies (primarily Medicare and Medicaid) for health care provided to the patients and residents. The majority of the Hospital's patients are from Canton, Illinois, and the surrounding area.

The mix of accounts receivable from patients and third-party payors is as follows at June 30:

	2023	2022
Medicare and Medicare Advantage plans	37 %	42 %
Medicaid and Medicaid managed care plans	21 %	19 %
Other third-party payors	26 %	23 %
Uninsured patients	16 %	16 %
<b>Totals</b>	<b>100 %</b>	<b>100 %</b>

The Hospital maintains depository relationships with area financial institutions that are Federal Deposit Insurance Corporation (FDIC) insured institutions. Depository accounts at these institutions are insured by the FDIC up to \$250,000. Operating cash needs often require that amounts on deposit exceed FDIC limits. At June 30, 2023, the amount of the Hospital's bank balances in excess of FDIC limits was approximately \$3,700,000. In addition, other investments held by financial institutions are uninsured.

### Note 20: Reclassifications

Certain reclassifications have been made to the 2022 financial statements to conform with the classification used in 2023.

# Graham Hospital Association

## Notes to Financial Statements

### Note 21: U.S. Department of Education Financial Responsibility Ratio Information

The following information is required by the U.S. Department of Education for the years ended June 30:

	2023	2022
Net assets with temporary donor restrictions	\$ 640,215	\$ 519,641
Property and equipment - Net	\$ 99,190,912	\$ 87,069,377
Long-term debt obtained for long-term purposes:		
Long-term debt	\$ 67,087,347	\$ 56,870,000
Finance lease liabilities	445,588	842,192
Total long-term debt obtained for long-term purposes	\$ 67,532,935	\$ 57,712,192
Expenses and losses without donor restrictions:		
Operating expenses	\$ 112,267,841	\$ 101,830,804
Unallocated investment loss - Net	-	13,707,281
Other	-	6,837
Total expenses and losses without donor restrictions	\$ 112,267,841	\$ 115,544,922
Revenue without donor restrictions:		
Total operating revenue	\$ 113,504,675	\$ 104,989,766
Contributions available for current activities	89,434	42,360
Unallocated investment return - Net	9,686,206	-
Change in fair value of interest rate swap agreements	967,796	2,006,131
Contribution of property	2,675,000	-
Net assets released from restrictions	450,298	447,131
Other	31,975	-
Total revenue without donor restrictions	\$ 127,405,384	\$ 107,485,388

There were no right of use assets to disclose separately from property and equipment - net in the above information as of June 30, 2023 and 2022.

The Hospital does not have any material related party transactions to report for 2023 and 2022. As described in Note 6, there were no contributions from the Foundation to the Hospital in 2023 or 2022.

## **Compliance**

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**Graham Hospital Association**  
**Financial Responsibility Supplemental Schedule**  
**required by the U.S. Department of Education**

Year Ended June 30, 2023

Ratio Element	Reference to Financial Statements and/or Notes	2023
<b>Primary Reserve Ratio</b>		
Expendable Net Assets		
Net assets without donor restrictions	Balance Sheets \$	160,832,630
Net assets with donor restrictions	Note 21: U.S. Department of Education Financial Responsibility Ratio Information	640,215
Endowments with donor restrictions	Note 11: Net Assets with Donor Restrictions	8,421,275
Property and equipment - Net	Note 21: U.S. Department of Education Financial Responsibility Ratio Information	99,190,912
Total Expenses and Losses		
Total expenses and losses without donor restrictions	Note 21: U.S. Department of Education Financial Responsibility Ratio Information	112,267,841
<b>Equity Ratio</b>		
Modified Net Assets		
Net assets with and without donor restrictions	Balance Sheets	169,894,120
Modified Assets		
Total assets	Balance Sheets	261,203,159
<b>Net Income Ratio</b>		
Change in net assets without donor restrictions	Statements of Changes in Net Assets	157,137,543
Total revenue and gains without donor restrictions	Note 21: U.S. Department of Education Financial Responsibility Ratio Information	127,405,384

See Independent Auditor's Report.

# Graham Hospital Association

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Grantor/Program Title	Contract Number	Entity Passed Through	Federal Assistance Listing Number	Grantor's Time Period	Federal Expenditures
U.S. Department of Health and Human Services:					
COVID 19 - Provider Relief Fund and American Rescue Plan Act Rural Distribution	N/A	Direct	93.498	July 1, 2021 - December 31, 2022	\$ 4,476,901
U.S. Department of Education:					
Education Stabilization Fund	N/A	Direct	84.425F	July 1, 2022 - June 30, 2023	13,168
Student Aid Cluster:					
Federal Direct Student Loans	N/A	Direct	84.268	July 1, 2022 - June 30, 2023	156,466
Federal Pell Grant Program	N/A	Direct	84.063	July 1, 2022 - June 30, 2023	142,108
Federal Work Study Program	N/A	Direct	84.033	July 1, 2022 - June 30, 2023	8,223
Total Student Aid Cluster					306,797
Total U.S. Department of Education					319,965
U.S. Federal Communications Commission:					
USAC - Rural Health Care	N/A	Direct	32.005	July 1, 2022 - June 30, 2023	33,542
U.S. Department of the Treasury:					
LTC Worker Support Program	ARPA230241	State of Illinois Department of Healthcare and Family Services	21.027	July 1, 2022 - June 30, 2023	109,607
Total federal awards expended					\$ 4,940,015

204



**Graham Hospital Association**  
**Notes to Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2023

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**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of Graham Hospital Association. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the schedule presents only a selected portion of the operations of Graham Hospital Association, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Graham Hospital Association.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Provider Relief Funding (PRF) is not subject to cost principles requirements contained in the Uniform Guidance. Expenditures reported on the Schedule for PRF are based on the PRF period of availability, terms and conditions of the PRF program.

**Note 3: Indirect Cost**

Graham Hospital Association has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 4: Subrecipients**

Graham Hospital Association passed no federal awards through to sub-recipients.

## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Trustees  
Graham Hospital Association  
Canton, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Graham Hospital Association (the "Hospital"), as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Graham Hospital Association's basic financial statements, and have issued our report thereon dated September 20, 2023.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Hospital's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hospital's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is reasonable possibility that a material misstatement of the Hospital's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Hospital's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hospital's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hospital's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wipfli LLP*

Wipfli LLP  
Eau Claire, Wisconsin  
September 20, 2023

## **Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Trustees  
Graham Hospital Association  
Canton, Illinois

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited the Hospital's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended June 30, 2023. The Hospital's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Hospital complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

#### ***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Hospital and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Hospital's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Hospital's federal program.

### ***Auditor's Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Hospital's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Hospital's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Hospital's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Hospital's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Report on Internal Control Over Compliance***

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over-compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Wipfli LLP*

Wipfli LLP  
Eau Claire, Wisconsin  
September 20, 2023

# Graham Hospital Association

## Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? \_\_\_\_\_ yes        X   no

Significant deficiency(ies) identified ? \_\_\_\_\_ yes        X   none reported

Noncompliance material to the financial statements? \_\_\_\_\_ yes        X   no

#### Federal Awards

Internal control over compliance:

Material weakness identified? \_\_\_\_\_ yes        X   no

Significant deficiency(ies) identified ? \_\_\_\_\_ yes        X   none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance [2 CFR 200.516(a)]? \_\_\_\_\_ yes        X   no

#### Identification of major federal programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
93.498	COIVD-19 - Provider Relief Fund and American Rescue Plan Act Rural Distribution

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as a low-risk auditee? \_\_\_\_\_ yes        X   no

**Graham Hospital Association**  
**Schedule of Findings and Questioned Costs (Continued)**  
Year Ended June 30, 2023

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**Section II - Financial Statement Findings**

None.

**Section III – Federal Award Findings**

None.



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BOND AND LOAN AGREEMENT

Dated as of May 1, 2024

among

CITY OF CANTON, FULTON COUNTY, ILLINOIS

GRAHAM HOSPITAL ASSOCIATION

and

CLAYTON HOLDINGS, LLC

---

\$11,322,000

MAXIMUM PRINCIPAL AMOUNT

CITY OF CANTON, FULTON COUNTY, ILLINOIS

HEALTH CARE FACILITIES REVENUE BOND, SERIES 2024

(GRAHAM HOSPITAL ASSOCIATION PROJECT)

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The rights of the City of Canton, Fulton County, Illinois, hereunder, other than Unassigned Rights (as defined herein), have been assigned to the Purchaser (as defined herein).

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## BOND AND LOAN AGREEMENT

### Table of Contents

<u>Section</u>	<u>Heading</u>	<u>Page</u>
ARTICLE I.	Definitions.....	1
ARTICLE II.	Representations and Warranties.....	9
Section 2.1.	Representations and Warranties of Issuer.....	9
Section 2.2.	Representations and Warranties of the Borrower.....	10
Section 2.3.	Representations and Warranties of the Purchaser.....	14
ARTICLE III.	Issuance and Sale of Bond; Issuer Covenants.....	14
Section 3.1.	Agreement to Issue and Sell Bond; Designation; Application of Bond Proceeds.....	14
Section 3.2.	Issuance of Bond; Form; Dating; Conditions Precedent.....	16
Section 3.3.	Principal of and Interest on the Bond.....	16
Section 3.4.	Tender.....	19
Section 3.5.	Redemption.....	21
Section 3.6.	Execution; Limited Obligation.....	22
Section 3.7.	Bond Register.....	23
Section 3.8.	Mutilated, Lost, Stolen or Destroyed Bond.....	24
Section 3.9.	Cancellation of Bond.....	24
Section 3.10.	Temporary Bond.....	24
Section 3.11.	Payment of Bond.....	24
Section 3.12.	Further Assurances.....	24
Section 3.13.	Tax Exemption.....	24
Section 3.14.	Performance of Covenants; Issuer.....	25
Section 3.15.	Fees, Charges and Expenses of the Bond Registrar and the Issuer.....	25
ARTICLE IV.	Repayment.....	26
Section 4.1.	Loan Repayment.....	26
Section 4.2.	Prepayments.....	26
Section 4.3.	Obligations of Borrower Unconditional.....	26
ARTICLE V.	Borrower Covenants.....	27
Section 5.1.	Financing Statements.....	27
Section 5.2.	Borrower's Obligation with Respect to Exclusion of Interest Paid on the Bond.....	27
Section 5.3.	Maintenance of Corporate Existence and Tax Status.....	28
Section 5.4.	Required Reporting.....	29
Section 5.5.	Taxes, Charges and Assessments.....	29
Section 5.6.	Compliance with Laws; Taxes and Assessments.....	29
Section 5.7.	Permitted Contests.....	29
Section 5.8.	Maintenance of Project.....	30

Section 5.9.	Covenants to Purchaser.....	30
Section 5.10.	Use of the Project.....	30
Section 5.11.	Application of Certain Gifts.....	31
Section 5.12.	Reserved.....	31
Section 5.13.	Completion Certificate.....	31
ARTICLE VI.	Limited Obligation; No Recourse to Issuer; Indemnification.....	32
Section 6.1.	Limited Obligation; No Recourse.....	32
Section 6.2.	Indemnification.....	33
Section 6.3.	Default by the Issuer; Limited Liability.....	34
ARTICLE VII.	Assignment and Transfer.....	35
Section 7.1.	Assignment by Borrower.....	35
Section 7.2.	Assignment by Issuer.....	35
Section 7.3.	Transfer of Bond.....	35
ARTICLE VIII.	Events of Defaults and Remedies.....	35
Section 8.1.	Events of Default.....	35
Section 8.2.	Acceleration.....	37
Section 8.3.	Other Remedies.....	37
Section 8.4.	Waiver of Past Defaults.....	38
Section 8.5.	Purchaser May File Proofs of Claim.....	38
Section 8.6.	Attorneys' Fees and Expenses.....	38
Section 8.7.	No Remedy Exclusive.....	38
ARTICLE IX.	Miscellaneous.....	38
Section 9.1.	Notices.....	38
Section 9.2.	Binding Effect.....	39
Section 9.3.	Severability.....	39
Section 9.4.	Amendments.....	39
Section 9.5.	Governing Law.....	39
Section 9.6.	Captions; References to Sections.....	40
Section 9.7.	Complete Agreement.....	40
Section 9.8.	Term of this Agreement; Discharge.....	40
Section 9.9.	Counterparts.....	40
Section 9.10.	Payments/Actions Due on Non-Business Days.....	40
Section 9.11.	No Warranty by Issuer or Purchaser.....	40
Section 9.12.	Covenant Agreement.....	41
Schedule I	— Principal Payments.....	S-1
Exhibit A-1	— Form of Variable Bank Purchase Rate Bond.....	A-1-1
Exhibit A-2	— Form of Fixed Bank Purchase Rate Bond.....	A-2-1
Exhibit B	— Form of Investor Letter.....	B-1
Exhibit C	— Project Description.....	C-1
Exhibit D	— Form of Certificate and Request for Supplemental Advance.....	D-1

This Bond and Loan Agreement dated as of May 1, 2024 (this “Agreement”), among the CITY OF CANTON, FULTON COUNTY, ILLINOIS, a municipality incorporated and existing under the provisions of the laws of the State of Illinois, operating under the provisions of the Illinois Municipal Code, as amended (the “Issuer”), CLAYTON HOLDINGS, LLC, a Missouri limited liability company, as the initial Purchaser, as hereinafter defined (the “Purchaser”), and GRAHAM HOSPITAL ASSOCIATION, an Illinois not for profit corporation (the “Borrower”).

WHEREAS, the Issuer, by virtue of the Constitution and laws of the State of Illinois, including the Industrial Building Revenue Bond Act, 50 ILCS 445/1 *et seq.*, as supplemented and amended, including the Illinois Bond Replacement Act, the Registered Bond Act, the Bond Authorization Act and the Local Government Debt Reform Act (collectively, the “Act”), is authorized to issue its revenue bonds to finance the cost of the Project, as hereinafter defined; and

WHEREAS, pursuant to the provisions of the Act, the Issuer may issue revenue bonds to provide funds for the making of loans to assist in providing financing for industrial projects, and for the purpose of refunding any such obligations previously issued; and

WHEREAS, the Issuer proposes to issue its Health Care Facilities Revenue Bond, Series 2024 (Graham Hospital Association Project) in the maximum principal amount of \$11,322,000 (the “Bond”) for the benefit of the Borrower. The Bond will be sold to the initial Purchaser, pursuant to Section 3.1 of this Agreement, and the total amount of money to be paid by the initial Purchaser, in exchange for the Bond (the “Bond Proceeds”) will be loaned by the Issuer to the Borrower as described in this Agreement; and

WHEREAS, the Borrower desires to use the Bond Proceeds, together with certain other moneys, to (a) finance, refinance or reimburse the Borrower for the costs of the acquisition, construction, remodeling and equipping of certain health facilities constituting industrial projects under the Act described in *Exhibit C* hereto (the “Project”) and (b) finance or reimburse the Borrower for certain of the costs incurred in connection with the issuance of the Bond, all as permitted under the Act; and

WHEREAS, payment of principal of, premium, if any, and interest on the Bond will be the special, limited obligation of the Issuer payable solely from payments to be made by the Borrower and available for such purpose as described in this Agreement;

The Issuer, the Borrower and the Purchaser hereby agree as follows:

## ARTICLE I.

### DEFINITIONS

For all purposes of this Agreement, unless the context clearly requires otherwise, the following terms shall have the following meanings.

“*Advance*” means the Initial Advance and any Supplemental Advance.

“*Act*” means, collectively, the Industrial Building Revenue Bond Act, 50 ILCS 445/1 *et seq.*, as supplemented and amended, including the Illinois Bond Replacement Act, the Registered Bond Act, the Bond Authorization Act and the Local Government Debt Reform Act.

“*Agreement*” means this Bond and Loan Agreement, as amended or supplemented from time to time in accordance with its terms.

“*Applicable Factor*” means a percentage equal to 1 minus the then current Maximum Federal Corporate Tax Rate (defined below). As of the Closing Date, the Applicable Factor is 79%.

“*Applicable Margin*” means:

- (a) During the Initial Period, 115 basis points (1.15%); and
- (b) during any subsequent Interest Period, 115 basis points (1.15%) or, if applicable, the Applicable Margin determined by the Purchaser in accordance with Section 3.3(c) hereof.

“*Authorized Denomination*” means, with respect to the Bond, \$150,000 and any integral multiple of \$1,000 in excess thereof.

“*Authorized Officer*” means, with respect to the Borrower, the Chief Executive Officer or Chief Financial Officer of the Borrower or any other officer of the Borrower designated by the Borrower to act on behalf of the Borrower.

“*Bank Purchase Mode*” shall mean the Mode in which the Bonds bear interest at the Bank Purchase Rate.

“*Bank Purchase Rate*” means either a Fixed Bank Purchase Rate or a Variable Bank Purchase Rate.

“*Bond*” means the \$11,322,000 City of Canton, Fulton County, Illinois Health Care Facilities Revenue Bond, Series 2024 (Graham Hospital Association Project), issued pursuant to this Agreement.

“*Bond Counsel*” means the firm of Ice Miller LLP, or any other law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, acceptable to the Issuer and the Purchaser.

“*Bond Proceeds*” means the total amount of money to be paid by the initial Purchaser in exchange for the Bond, which money will be applied in accordance with this Agreement.

“*Bond Registrar*” means Zions Bancorporation, National Association.

“*Bondholder*” has the meaning set forth in the Covenant Agreement.

“*Borrower*” means Graham Hospital Association, an Illinois not for profit corporation, and its successors and assigns, and any surviving, resulting or transferee entity as provided in Section 5.3 of this Agreement.

“*Borrower Agreements*” is defined in Section 2.2(a) hereof.

“*Business Day*” means a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in New York, New York, Chicago, Illinois or the State are authorized by law to close, (b) a day on which the New York Stock Exchange or the Federal Reserve Bank is closed or (c) a day on which the principal office of the Purchaser is closed.

“*Closing Date*” means May 15, 2024, the date of the issuance and delivery of the Bond to the initial Purchaser.

“*CME Term SOFR Reference Rate*” means the SOFR based forward-looking one-month CME Term SOFR Reference Rate administered by CME Group Benchmark Administration Limited (“*CBA*”).

“*Code*” means the Internal Revenue Code of 1986, as amended. Each citation to a Section of the Code shall include the Treasury regulations applicable to such Section.

“*Completion Certificate*” means the certificate delivered by the Borrower to the Issuer and the Purchaser pursuant to Section 5.13 hereof.

“*Costs of Issuance*” means (a) any reasonable costs incurred by the Borrower in connection with the issuance of the Bond, including, but not limited to, any legal and accounting fees and expenses, title, survey, recording and financing statement fees and expenses, financial consultants’ fees, financing charges, printing and engraving costs and any other fees relating to the preparation of any documents necessary for the issuance of the Bond; (b) any fees and reasonable expenses of the Issuer, the Purchaser and any Bond Registrar and the reasonable fees and expenses of their counsel incurred in connection with the issuance of the Bond; and (c) any other fees and expenses incurred in connection with the issuance of the Bond.

“*Costs of the Project*” means any costs incurred with respect to the Project that are consistent with the Tax Agreement and that will not cause any of the representations or certifications contained in the Tax Agreement to be untrue or result in a violation of any covenant in this Agreement or the Tax Agreement.

“*Covenant Agreement*” means the Continuing Covenant Agreement dated as of May 1, 2024, between the Borrower and the Purchaser, as supplemented or amended from time to time, or any similar agreement between the Borrower and the then current Purchaser.

“*Cumulative Outstanding Principal Amount*” means the sum of the Initial Advance and all Supplemental Advances, less the principal amount of the Bond redeemed pursuant to Section 3.5 hereof, as reflected in the records maintained by the Bond Registrar and on *Schedule II* to the Bond, as provided in Section 3.1(D) hereof; *provided, however*, that the Cumulative Outstanding Principal Amount of the Bond shall not exceed the Maximum Principal Amount of the Bond.

“*Date of Advance*” means has the meaning set forth in Section 3.1(C)(ii) hereof.

“*Default*” means any event or condition, which, with notice, the passage of time or any combination of the foregoing, would constitute an Event of Default.

“*Default Rate*” means the rate of interest equal to the rate of interest then in effect for the Bonds plus four percent (4.00%); provided however, that in no event shall the Default Rate exceed the Maximum Rate.

“*Determination of Taxability*” means and shall be deemed to have occurred on the first to occur of the following:

(i) the date when the Borrower files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) the date when the Bondholder or any former Bondholder notifies the Issuer and the Borrower that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the Borrower of such notification from the Bondholder or any former Bondholder, the Borrower shall deliver to the Bondholder and any former Bondholder a ruling or determination letter issued to or on behalf of the Issuer or the Borrower by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) the date when the Issuer or the Borrower shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Borrower, or upon any review or audit of the Borrower or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) the date when the Borrower shall receive notice from the Bondholder or any former Bondholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Bondholder or such former Bondholder the interest on the Bond due to the occurrence of an Event of Taxability;

*provided, however*, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the Borrower has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; and *provided further, however*, that upon demand from the Bondholder or former Bondholder, the Issuer shall promptly reimburse, but solely from payments made by the Borrower, such Bondholder or former Bondholder for any payments,

including any taxes, interest, penalties or other charges, such Bondholder (or former Bondholder) shall be obligated to make as a result of the Determination of Taxability.

“*Electronic Notice*” means notice transmitted through electronic mail (“e-mail”).

“*Event of Default*” is defined in Section 8.1 of this Agreement.

“*Event of Taxability*” means a (i) change in Laws or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Borrower, or the failure to take any action by the Borrower, or the making by the Borrower of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Bond) which has the effect of causing interest paid or payable on the Bond to become includable, in whole or in part, in the gross income of the Bondholder or any former Bondholder for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the Bond to become includable, in whole or in part, in the gross income of the Bondholder or any former Bondholder for federal income tax purposes with respect to the Bond.

“*Final Draw Date*” means the earliest of (i) November 15, 2025, or (ii) the date on which the Purchaser has honored Advances in an amount equal to the Maximum Principal Amount of the Bond.

“*Fixed Bank Purchase Rate*” means an interest rate per annum, to be established on the commencement date of each Interest Period (and remain in effect during such Interest Period), by calculation of the Purchaser, which interest rate shall be equal to the product of (A) the Applicable Factor, multiplied by (B) the sum of (x) the Treasury Rate, plus (y) the Applicable Margin.

“*Governmental Authority*” means any federal, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity (including any zoning authority, the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority), or any arbitrator with authority to bind a party at law.

“*Government Securities Business Day*” means each business day on which the SOFR is published.

“*Initial Advance*” means the advance made by the initial Purchaser, to the Borrower of \$143,098 under the Bond on the Closing Date pursuant to this Agreement.

“*Initial Period*” means the period from the Closing Date to (but not including) the first Purchase Date, which is November 1, 2032.



“*Interest Payment Date*” means (i) the first Business Day of each calendar month, commencing July 1, 2024, and (ii) any date on which all or a portion of the Bond is redeemed.

“*Interest Period*” means, initially, the Initial Period, and thereafter, the period from each Purchase Date to but not including the subsequent Purchase Date or the Maturity Date, as applicable, during which period the Bond bears interest at the rate established in accordance with Section 3.3(b) hereof (subject to redemption or prepayment (by acceleration or otherwise)). No Interest Period may be less than one year in duration unless the Bond matures in less than one year and the Interest Period ends on the Maturity Date.

“*Interest Rate Reset Date*” means, during any period in which the Bond is in the Bank Purchase Mode and accrues interest at a Variable Bank Purchase Rate, the first Business Day of each calendar month.

“*Investor Letter*” means a letter from the Purchaser substantially in the form attached hereto as *Exhibit B*, and, in the case of Clayton Holdings, LLC, as the initial Purchaser, “*Investor Letter*” means the Letter of the Purchaser in the form attached hereto as *Exhibit B* that was delivered to Issuer concurrently with the issuance of the Bond.

“*Laws*” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“*Maturity Date*” means April 1, 2054.

“*Maximum Federal Corporate Tax Rate*” means, for any day, the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect as of such day (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Purchaser, the maximum statutory rate of federal income taxation which could apply to the Purchaser as of such day).

“*Maximum Principal Amount of the Bond*” means \$11,322,000.

“*Maximum Rate*” means the highest rate of interest permitted by applicable law.

“*Opinion of Bond Counsel*” means an opinion of Ice Miller LLP, Chicago, Illinois, or of any other firm of nationally recognized municipal bond attorneys acceptable to the Issuer and the Purchaser.

“*Opinion of Counsel*” means a written opinion of counsel who is (i) of high reputation and expertise as determined by the Issuer, and (ii) acceptable to the Purchaser or the Issuer, as the case may be, and who may be counsel to the Issuer or the Borrower.

The term “*outstanding*” when used with reference to the Bond, or “*Bond outstanding*” means the Bond, which has been authenticated and delivered to the Purchaser under this Agreement, except the following:

(a) any portion of the Bond canceled or delivered to the Bond Registrar for cancellation;

(b) any portion of the Bond in lieu of which others have been authenticated under Section 3.7 (relating to registration and exchange of a Bond) or Section 3.8 (relating to a mutilated, lost, stolen or destroyed Bond);

(c) any portion of the Bond provision for payment of which has been made via creation of an irrevocable escrow pursuant to Section 9.8 hereof; and

(d) The Bond, to the extent that principal payments have been made thereon.

“*Ordinance*” means the bond ordinance adopted by the Issuer approving the issuance and sale of the Bond(s).

“*Person*” means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

“*Project*” means the hospital facilities of the Borrower, the costs of the acquisition, construction, renovation and equipping of which are to be financed, refinanced or reimbursed with proceeds of the Bond, as more fully described in *Exhibit C* hereto (which *Exhibit C* may be amended, supplemented or restated from time to time).

“*Property*” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

“*Purchase Date*” means (i) November 1, 2032, and (ii) any subsequent purchase date selected by the Borrower and the Purchaser, on which date the Bond will be subject to mandatory tender at the end of the related Interest Period, as contemplated by Section 3.4 hereof.

“*Purchaser*” means the registered owner or owners of the Bond and initially means Clayton Holdings, LLC, and its successors and assigns; *provided, however*, that, for purposes of Section 8.2 through Section 8.5 hereof, the term “*Purchaser*” shall mean the owners of a majority in the aggregate principal amount of the Bond then outstanding.

“*Rebate Fund*” means the fund by that name created under the Tax Agreement.

“*Redemption Price Payment Date*” means a date on which the redemption price of all or a portion of the Bond is paid upon the redemption thereof in accordance herewith.

“*Request for Advance*” means an executed Borrower Request for a Supplemental Advance substantially in the form of *Exhibit D* attached hereto.

“*Unassigned Rights*” means the rights of the Issuer under this Agreement (i) to the payment of certain fees, costs and expenses, and interest thereon; (ii) to exemption from certain fees, costs and expense; (iii) to be released, indemnified, held harmless and defended; (iv) to withhold consent of sales, transfers and other dispositions (other than sales, transfers and other dispositions of the Bond made in compliance with the terms hereof and the terms of the Covenant Agreement); (v) to exemption from individual and corporate liability; (vi) to receive notice, reports, opinions, financial information and statements and the like; (vii) to approve and to withhold approval or consent of matters requiring the approval or consent of the Issuer; (viii) to exercise certain remedies; (ix) to execute and deliver supplements and amendments to this Agreement; and (x) to enter into other agreements.

“*Unremarketed Bond*” means a Bond which, on the applicable Purchase Date, has not been redeemed, repaid or successfully remarketed to another Person other than the Purchaser.

“*Variable Bank Purchase Rate*” means the per annum interest rate borne by the Bond equal to the product of (A) the Applicable Factor multiplied by (B) the sum of (x) the SOFR Index for each SOFR Interest Period, plus (y) the Applicable Margin. The Variable Bank Purchase Rate shall be rounded up to the fifth decimal place.

## ARTICLE II.

### REPRESENTATIONS AND WARRANTIES

*Section 2.1. Representations and Warranties of Issuer.* The Issuer makes the following representations and covenants as the basis for its undertakings herein contained:

(a) The Issuer, a municipality duly organized and validly existing under the Constitution and laws of the State, and by virtue of the Constitution and laws of the State and the Act, is authorized to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder, and has been duly authorized to execute and deliver this Agreement and the Tax Agreement.

(b) It is the Issuer’s understanding, based upon certain representations of the Borrower, that the issuance and sale of the Bond and the lending of the proceeds of the Bond to the Borrower (which proceeds, together with certain other moneys, will be applied for the benefit of the Borrower) is to provide a portion of the moneys required to finance, refinance or reimburse the Borrower for the Costs of the Project and the Costs of Issuance.

(c) The Issuer covenants that it has not and will not pledge or assign its interest in this Agreement, or the revenues and income derived pursuant to this Agreement, excepting Unassigned Rights, other than to the Purchaser.

(d) To the best knowledge of the Issuer, neither the Issuer’s execution and delivery of this Agreement, its consummation of the transactions contemplated on its part hereby, nor the Issuer’s fulfillment of or compliance with the terms and conditions of this Agreement conflicts with or results in a breach of the terms, conditions or provisions of any material restriction, agreement or instrument to which the Issuer is a party, or by which it or any of its property is bound, or constitutes a default under any of the foregoing.

“*SOFR*” means the secured overnight financing rate as published by the Federal Reserve Bank of New York, or a successor administrator of the secured overnight financing rate.

“*SOFR Index*” means for any applicable period, the rate per annum equal to the CME Term SOFR Reference Rate two Government Securities Business Days prior to the commencement of such SOFR Interest Period; provided that if such rate is not published on such determination date then the rate will be the SOFR Index on the first Government Securities Business Day immediately prior thereto on which the SOFR Index is published. For the purpose of this Agreement, the SOFR Index shall not be less than zero percent (0.00%).

“*SOFR Interest Period*” means each period commencing on an Interest Rate Reset Date and ending on the day occurring immediately prior to the next Interest Rate Reset Date; *provided, however*, that no SOFR Interest Period may end later than the Maturity Date.

“*State*” means the State of Illinois.

“*Supplemental Advance*” means any additional advance of Bond Proceeds subsequent to the Initial Advance made pursuant to Section 3.1(C) of this Agreement; *provided* that (i) the aggregate amount of the Initial Advance and all Supplemental Advances shall not exceed the Maximum Principal Amount of the Bond and (ii) a request by the Borrower may not occur more frequently than once every calendar month.

“*Tax Agreement*” means the Tax Representation Certificate between the Issuer and the Borrower, dated the Closing Date, as amended from time to time.

“*Taxable Rate Factor*” means the quotient of (i) one divided by (ii) one minus the Maximum Federal Corporate Tax Rate currently in effect, rounded upward to the second decimal place.

“*Tax-Exempt Organization*” means an entity organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxes under Section 501(a) of the Code, and which is not a “private foundation” within the meaning of Section 509(a) of the Code, or corresponding provisions of federal income tax laws from time to time in effect.

“*Taxable Rate*” means a rate of interest per annum equal to the product of (i) the interest rate on the Bond and (ii) the applicable Taxable Rate Factor.

“*Treasury Rate*” means: (i) for the Initial Period, 4.49%, and (ii) for any subsequent Interest Period, the weekly average yield of U.S. government securities adjusted to a Treasury constant maturity reported by the Federal Reserve Board (“*FRB*”) in statistical release H.15 (the “*H.15 Release*”), or other publication, for the number of years most closely approximate (rounded up) to the number of years in such Interest Period, as reported as of the Thursday most recently preceding the commencement date of such Interest Period. If the Treasury Rate is no longer available or is clearly erroneous, the Treasury Rate for any Purchase Period shall be based upon a replacement index selected by the Purchaser, that in the Purchaser’s good faith opinion most closely approximates the Treasury Rate that is no longer available or is erroneous. The H.15 Release is currently available at <https://www.federalreserve.gov/releases/h15/>.

(e) To the best knowledge of the Issuer, no member of the Issuer or officer, agent or employee thereof is, in his or her own name or in the name of a nominee, an officer, director or holder of an ownership interest of more than 7-1/2% in any person, association, trust, corporation, partnership or other entity which is, in its own name or in the name of a nominee, a party to any contract or agreement upon which the member or officer, agent or employee may be called upon to act or vote in connection with the financing of the Project.

(f) To provide funds to loan to the Borrower for the purposes described in (b) above, the Issuer has authorized its Bond in the principal amount of \$11,322,000 to be issued under and secured by this Agreement, pursuant to which the Issuer's rights and interests in this Agreement, and revenue and income will be pledged and assigned as security for payment of the principal, purchase price, premium, if any, and interest on the Bond.

(g) There is no litigation or proceeding pending as to which the Issuer has received actual notice, or to the knowledge of the Issuer threatened, against the Issuer, or to the knowledge of the Issuer affecting it, which would adversely affect the validity of this Agreement or the Bond or the ability of the Issuer to comply with its obligations under this Agreement or the Bond.

(h) The Issuer will not purchase the Bond.

(i) The Issuer shall have no responsibility for the preparation, filing or recording of any instrument, document or financing statement or for the maintenance of any security interest intended to be perfected thereby. The Issuer will execute such instruments as may be necessary in connection with such filing or recording.

*Section 2.2. Representations and Warranties of the Borrower.* The Borrower represents and warrants as follows:

(a) The Borrower is a not for profit corporation duly incorporated under the laws of the State, is in good standing and duly authorized to conduct its business in the State. The Borrower is duly authorized and has full power under all applicable laws and its articles of incorporation and Bylaws to create, issue, enter into, execute and deliver, as the case may be, this Agreement, the Covenant Agreement and the Tax Agreement (collectively, the "Borrower Agreements").

(b) The execution and delivery of the Borrower Agreements on the Borrower's part have been duly authorized by all necessary corporate action, and neither the Borrower's execution and delivery of the Borrower Agreements, the Borrower's consummation of the transactions contemplated on its part thereby, nor the Borrower's fulfillment of or compliance with the terms and conditions thereof, conflicts with or results in a material breach of the Articles of Incorporation or Bylaws of the Borrower or any material agreement or instrument to which the Borrower is now a party or by which it is bound (except for any such breaches for which the Borrower has obtained a waiver or a required consent), or constitutes a material default (or would constitute a material default with due notice or the passage of time or both) under any of the foregoing.

(c) The Borrower intends to use, and will use, the Project in such a manner as to maintain the status of the Project as health care facilities, for at least the duration of this Agreement. The Borrower is duly authorized and has, or will receive prior to operation of its facilities, all necessary licenses and permits to occupy and operate its facilities under the laws, rulings, regulations and ordinances of the State and the departments, agencies and political subdivisions thereof, and the Borrower has obtained all requisite approvals of federal, state, regional and local governmental bodies relating to the acquisition, construction, equipping and operation of its facilities. The Borrower's facilities are in all material respects in compliance with all applicable federal, state and local zoning, subdivision, environmental, pollution control and other laws, rules, regulations, codes and ordinances.

(d) No litigation, proceedings or investigations are pending or, to the knowledge of the Borrower, threatened against the Borrower seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of the Borrower Agreements or which would in any manner challenge or adversely affect the corporate existence or powers of the Borrower to enter into and carry out the transactions described in or contemplated by or the execution, delivery, validity or performance by the Borrower of the Borrower Agreements. In addition, except as disclosed in writing to the Issuer and the Purchaser, no litigation, proceedings or investigations are pending or, to the knowledge of the Borrower, threatened in writing against the Borrower, except litigation, proceedings or investigations involving claims for which the probable ultimate recoveries and the estimated costs and expenses of defense, in the commercially reasonable opinion of management of the Borrower (i) will be entirely within the applicable insurance policy limits (subject to applicable deductibles) or are not in excess of the total of the available assets held under applicable self-insurance programs or (ii) will not have a material adverse effect on the operations or condition, financial or otherwise, of the Borrower.

(e) The Borrower is a Tax-Exempt Organization. The Borrower has received a determination letter of the Internal Revenue Service to the foregoing effect, which letter is in full force and effect, and will maintain its status as such an organization as long as the Bond is Outstanding. The Borrower is not a "private foundation" as defined in Section 509(a) of the Code. The Borrower has not declared and has not been determined to have any "unrelated business taxable income" (as defined in Section 512 of the Code) in an amount which could have a material adverse effect on the Borrower's status as a Tax-Exempt Organization or which, if such income were subject to federal income taxation, would have a material adverse effect on the condition, financial or otherwise, of the Borrower.

(f) The audited financial statements of the Borrower as of June 30, 2022 and 2023 and for the years then ended, prepared and certified by independent certified public accountants, correctly and fairly present the financial condition of the Borrower as of said dates and the results of the operations of the Borrower for each of such periods, all in accordance with generally accepted accounting principles consistently applied except as stated in the notes thereto, and there has been no material adverse change in the condition, financial or otherwise, of the Borrower since June 30, 2023.

(g) The information used in the preparation of the financial statements referred to in paragraph (f) above, the Borrower Agreements and any other written statement furnished by the Borrower to the Issuer or the Purchaser do not contain any untrue statement of a material fact or

omit to state a material fact necessary to make the statements contained therein or herein not misleading. There is no fact which the Borrower has not disclosed to the Issuer and the Purchaser in writing which materially adversely affects or, so far as the Borrower can now foresee, will materially adversely affect the financial condition or results of operations of the Borrower, the Borrower's status as a Tax-Exempt Organization, the ability of the Borrower to own and operate the Project or the Borrower's ability to make payments under this Agreement when and as the same become due and payable.

(h) Compliance by the Borrower with the provisions of the Borrower Agreements will not involve, to the extent applicable, any prohibited transaction within the meaning of the Employee Retirement Income Security Act of 1974, as amended (herein sometimes referred to as "ERISA"), or Section 4975 of the Code. No "employee pension benefit plans", that are subject to Title IV of ERISA (herein sometimes referred to as "Plans"), maintained by the Borrower, nor any trust created thereunder, have incurred any "accumulated funding deficiency" as defined in Section 302 of ERISA, to the extent applicable and the present value of all benefits vested under all Plans, if any, did not exceed, as of the last annual valuation date, the value of the assets of the Plans allocable to such vested benefits.

(i) With respect to the construction of the Project with proceeds of the Bond, the Borrower has complied with and will comply with the Illinois Prevailing Wage Act, 820 ILCS 130/1 to 130/12, to the extent required by the Act and other applicable laws.

(j) The Borrower has filed or caused to be filed all tax returns required by law to be filed and has paid or caused to be paid all taxes, assessments and other governmental charges levied upon or in respect of any of its properties, assets or franchises, other than taxes the validity or amount of which are being contested in good faith by the Borrower by appropriate proceedings and for which the Borrower shall have set aside on its books adequate reserves in accordance with generally accepted accounting principles. The charges, accruals and reserves on the books of the Borrower in respect of taxes for all fiscal periods are adequate, and there is no unpaid assessment for additional taxes for any fiscal period or any basis therefor.

(k) No authorization, consent, license, exemption or filing or registration with any court or Governmental Authority is or will be necessary to the valid execution, delivery or performance by the Borrower of any of the Borrower Agreements to which it is a party.

(l) The Borrower has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a material adverse effect on the financial condition, facilities, business or operations of the Borrower.

(m) The Borrower is not in default under the terms of any covenant, indenture or agreement of or affecting the Borrower or any of its facilities, which default would have a material adverse effect on the financial condition, facilities, business or operations of the Borrower.

(n) Neither the business nor the facilities of the Borrower are currently affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance), materially and adversely affecting the business, facilities or operations of the Borrower.

(o) No Event of Default has occurred and is continuing.

(p) The Borrower hereby makes to the Purchaser and to the Issuer the same representations and warranties as are set forth by it in each of the Borrower Agreements, as executed by the Borrower on the Closing Date, to which it is a party, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated herein by reference for the benefit of the Purchaser and the Issuer with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety and were made as of the date hereof. No amendment to such representations and warranties or defined terms made pursuant to any Borrower Agreement shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the prior written consent of the Purchaser and the Issuer.

(q) The Borrower will use the proceeds of the Bond, together with certain other moneys, solely to finance, refinance or reimburse the Borrower for the Costs of the Project and the Costs of Issuance.

(r) The Borrower is not in violation of any laws, regulations, rules statutes or orders relating to terrorism or money laundering ("Anti-Terrorism Laws"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"), and the Patriot Act. In addition, the Borrower is none of the following:

(i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a Person with which the Purchaser is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; or

(iv) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order.

(s) The Borrower does not (i) conduct any business or engage in making or receiving any contribution of funds, or to the best of its knowledge, goods or services to or for the benefit of any Person described in subsection (r)(ii) above, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.



(t) This Agreement and the other Borrower Agreements are the legal, valid and binding obligations of the Borrower, enforceable in accordance with their respective terms (subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of credits' rights generally from time to time in effect and to applicable legal principles and procedural requirements if equitable and other specific remedies are sought).

(u) No amounts shall be disbursed to the Borrower or disbursed at the direction of the Borrower except to pay or to reimburse the Borrower for the Costs of the Project or except as otherwise permitted herein.

(v) The acquisition, construction, renovation and equipping of the Project will provide additional industrial facilities within the boundaries of the State and the Issuer which will assist in the creation and preservation of jobs. The undertaking of the financing of the Project and the loan of the proceeds of the Bond has constituted an inducement to the Borrower to construct and equip and operate the Project in the Canton, Illinois, and Galesburg, Illinois.

*Section 2.3. Representations and Warranties of the Purchaser.* The Purchaser represents, warrants and acknowledges that the representations of the Purchaser set forth in the Investor Letter are true and correct and are incorporated by reference herein.

### ARTICLE III.

#### ISSUANCE AND SALE OF BOND; ISSUER COVENANTS

*Section 3.1. Agreement to Issue and Sell Bond; Designation; Application of Bond Proceeds.* (A) *Issuance and Sale of Bond.* In order to finance, refinance or reimburse the Borrower for certain of the Costs of the Project and the Costs of Issuance, there is hereby authorized and created one series of Bonds designated "City of Canton, Fulton County, Illinois Health Care Facilities Revenue Bond, Series 2024 (Graham Hospital Association Project)." The Bond, as issued on the Closing Date, shall be issued in a Cumulative Outstanding Principal Amount equal to the amount of the Initial Advance. The total principal amount of the Bond that may be issued pursuant to this Agreement and the total principal amount of the Advances that may be made under the Bond are hereby expressly limited to the Maximum Principal Amount of the Bond.

The Purchaser agrees that it will purchase the Bond on the Closing Date from the Issuer, upon the terms and conditions set forth herein and in the Covenant Agreement, at a purchase price of 100% of the Initial Advance.

(B) *Initial Advance.* The Issuer and the Borrower hereby direct the Purchaser to apply the proceeds of the Initial Advance received from the sale of the Bond as follows:

(i) the amount of \$143,098 shall be used to pay Costs of Issuance.

(C) *Supplemental Advances.*

(i) On any Interest Payment Date on or prior to the Final Draw Date, so long

as there is no Event of Default which has occurred and is continuing hereunder and the other conditions precedent set forth in this subsection (C) are satisfied, the Borrower may request a Supplemental Advance from the Purchaser by delivering a Request for Advance to the Purchaser and the Bond Registrar in accordance with clause (ii) of this subsection (C) and the Issuer will loan the related Bond Proceeds to the Borrower pursuant to the terms of this Agreement to finance the Costs of the Project; *provided, however*, that (a) such Supplemental Advance shall be in an amount equal to an Authorized Denomination (other than the final Supplemental Advance which may be in an amount less than an Authorized Denomination), (b) the principal amount of such Supplemental Advance, together with the Initial Advance and all previous Supplemental Advances, shall not exceed the Maximum Principal Amount of the Bond, (c) the conditions precedent to such Supplemental Advance set forth in this subsection (C) have been satisfied and (d) the conditions precedent to such Supplemental Advance set forth in the Covenant Agreement have been satisfied. Upon the satisfaction of all such conditions precedent, the Purchaser shall transfer the Bond Proceeds related to such Supplemental Advance to or at the direction of the Borrower and shall promptly provide Electronic Notice thereof to the Borrower and the Bond Registrar.

(ii) The Borrower shall give written notice to the Purchaser and the Bond Registrar in the form of a Request for Advance no later 1:00 p.m. (Chicago time) on a Business Day which is not less than five (5) Business Days prior to the date on which the related Supplemental Advance is to be made, which date of funding of a Supplemental Advance, in each case, shall be an Interest Payment Date (a "*Date of Advance*"). If the Purchaser and the Bond Registrar receive a Request for Advance after 1:00 p.m. (Chicago time) on a Business Day, such Request for Advance shall be deemed to have been received on the following Business Day. Requests for Advances shall be delivered to the Purchaser and the Bond Registrar in the form of *Exhibit D* hereto by Electronic Notice for receipt of Requests for Advances.

(iii) Each Supplemental Advance shall increase the Cumulative Outstanding Principal Amount of the Bond by the amount of such Supplemental Advance.

(iv) Interest on each Supplemental Advance shall begin to accrue upon payment by the Purchaser of the Supplemental Advance to the Borrower.

(D) *Record of Cumulative Outstanding Principal Amount of the Bond.* Schedule II to the Bond shall be the official record of the Cumulative Outstanding Principal Amount of the Bond. Upon the making of the Initial Advance and upon the Bond Registrar's receipt of Electronic Notice from the Purchaser of the making of a Supplemental Advance, the Bond Registrar shall record the Cumulative Outstanding Principal Amount of the Bond on *Schedule II* to the Bond and shall authenticate *Schedule II*, and the Cumulative Outstanding Principal Amount of the Bond shall be increased as shown on *Schedule II*. On each date upon which a portion of the Cumulative Outstanding Principal Amount of the Bond is redeemed pursuant to Section 3.5 hereof, the Bond Registrar shall record the principal amount so redeemed on *Schedule II* to the Bond and shall authenticate *Schedule II*, and the Cumulative Outstanding Principal Amount of the Bond shall be reduced as shown on *Schedule II*. Upon each increase or reduction in the Cumulative Outstanding Principal Amount of the Bond, the Bond Registrar will

provide, upon request, a copy of the revised and authenticated *Schedule II* to the Borrower and the Purchaser.

*Section 3.2. Issuance of Bond; Form; Dating; Conditions Precedent.* The total principal amount of the Bond that may be outstanding shall not exceed \$11,322,000. The Bond shall be substantially in the form of *Exhibit A-1* to this Agreement if the Bond bears interest at the Variable Bank Purchase Rate or substantially in the form of *Exhibit A-2* to this Agreement if the Bond bears interest at the Fixed Bank Purchase Rate. The Bond shall be dated the Closing Date, shall mature, shall be subject to redemption as provided herein, and subject to prior payments of principal installments, on the Maturity Date and shall be subject to mandatory tender as provided herein. The Bond shall be issued as a single fully registered Bond in a principal amount not in excess of the Maximum Principal Amount of the Bond. The Bond may have notations, legends or endorsements required by law or usage. The Bond will be numbered as determined by the Bond Registrar.

Upon the execution and delivery of this Agreement and the following documents, the Issuer will execute the Bond and deliver the Bond to the Purchaser:

(a) A copy, duly certified by the Issuer, of the Ordinance adopted and approved by the Issuer authorizing (i) the execution and delivery of this Agreement and the Tax Agreement and (ii) the issuance, execution and sale of the Bond;

(b) A copy, duly certified by the Secretary or an Assistant Secretary of the Borrower, of the resolutions adopted by the Board of Trustees of the Borrower or the Executive Committee of the Board of Trustees authorizing the execution and delivery of the Borrower Agreements and approving the issuance and sale of the Bond;

(c) Executed counterparts of the Borrower Agreements and the executed Investor Letter;

(d) An opinion of counsel for the Borrower in form and substance satisfactory to the Issuer, the Purchaser and Bond Counsel;

(e) An opinion of counsel for the Issuer in form and substance satisfactory to the Purchaser, the Borrower and Bond Counsel;

(f) An opinion of Bond Counsel in form and substance satisfactory to the Purchaser, the Issuer and the Borrower; and

(g) Such further documents, certificates and opinions as may be required by the provisions of the Ordinance, this Agreement, the Covenant Agreement, the other Borrower Agreements or the closing agenda prepared by Bond Counsel in connection with the issuance and delivery of the Bond, the satisfaction of such requirements to be conclusively evidenced by the delivery of the Bond by the Issuer to the Purchaser and by the delivery of the opinion of Bond Counsel referred to in paragraph (f) of this Section 3.2.

*Section 3.3. Principal of and Interest on the Bond.*

(a) *Principal.* Principal of the Bond shall be payable on the first Business Day of each calendar month and in the amounts set forth as mandatory sinking fund redemption payments in *Schedule I* hereto and on the Maturity Date, subject to any optional redemption, mandatory tender (including on the Purchase Date) or other prepayment of the Bond (including, without limitation, any acceleration of the Bond) as provided herein. Principal shall be paid by wire transfer on each date on which principal is due and payable to each owner to the wire transfer account number or at the address, as the case may be, shown on the registration books maintained by the Bond Registrar.

(b) *Interest.* Subject to the provisions of Section 3.3(c), (d), (e), (f), (g) and (h) hereof, the Bond shall bear interest at either the Variable Bank Purchase Rate or a Fixed Bank Purchase Rate established pursuant to Section 3.3(c) hereof from the Closing Date to and including the earliest of the day preceding (i) its redemption date, (ii) its prepayment date (by acceleration, mandatory tender or otherwise) and (iii) the Purchase Date. Interest on the Bond shall be payable on each Interest Payment Date. Interest shall be paid by wire transfer on each Interest Payment Date to each owner to the wire transfer account number or at the address, as the case may be, shown on the registration books maintained by the Bond Registrar. Initially, the Bond will bear interest at the Fixed Bank Purchase Rate from the Closing Date to and including the initial Purchase Date.

In the event the Borrower requests the Purchaser to hold the Bond for any additional Interest Period beyond the Interest Period, the Borrower's written notice given pursuant to Section 3.4(a) below, may request that the Bank Purchase Mode for such additional Interest Period be either the Variable Bank Purchase Rate or the Fixed Bank Purchase Rate.

The initial Fixed Bank Purchase Rate shall be established by the Purchaser on the Closing Date and shall be effective for the period commencing on the Closing Date through and including the initial Purchase Date.

Interest on the Bond shall be computed on the basis of a 360-day year for the actual number of days elapsed. Notwithstanding anything in this Agreement to the contrary, at no time shall the interest rate on the Bond exceed the Maximum Rate.

The amount of interest due on the Bond on an Interest Payment Date shall be determined by the Purchaser and communicated to the Borrower by Electronic Notice or other written notice no later than noon, Chicago time, on the third Business Day prior to each Interest Payment Date (such communication to set forth the amount of interest due at the then applicable Bank Purchase Rate).

(c) *Rate Reset on Purchase Date.* In connection with a Purchase Date, the Bond may be retained by the then existing Purchaser, remarketed to a new Purchaser or purchased by the Borrower, as described in Section 3.4 hereof.

If the Bond will be retained by the then existing Purchaser or remarketed to a new Purchaser on a Purchase Date, then on or before noon, Chicago time, on each Purchase Date, the interest rate on the Bond will be established for the next succeeding Interest Period and shall be the lowest rate of interest which will, in the reasonable judgment of the then existing Purchaser

(if the Bond is to be retained by the then existing Purchaser) or the new Purchaser (if the Bond is to be remarketed to a new Purchaser), permit such Purchaser to buy the Bond at par, plus accrued interest (if any), on such Purchase Date taking into account such factors as the existing Purchaser or the new Purchaser deems relevant. To effect such new interest rate, (A) the Purchaser shall select a new Purchase Date, and (B) the definitions of Applicable Factor, Applicable Margin, Bank Purchase Rate, Fixed Bank Purchase Rate, Variable Bank Purchase Rate, Taxable Rate, SOFR Index, SOFR Interest Period, Default Rate, Interest Period and Purchase Date, as applicable (together with any other necessary definitions or provisions) contained herein may be adjusted as needed so that the new interest rate borne by the Bond commencing on such Purchase Date is the lowest rate of interest which will, in the reasonable judgment of the then existing Purchaser or the new Purchaser, as applicable, permit such Purchaser to buy the Bond at par, plus accrued interest (if any), on such Purchase Date. Prior to the effectiveness of any such new interest rate and such adjustments, there shall be delivered to the Issuer, the Borrower and the then existing Purchaser (if the Bond is to be retained by the then existing Purchaser) or the new Purchaser (if the Bond is to be remarketed to a new Purchaser) an Opinion of Bond Counsel to the effect that such new interest rate and such adjustments will not adversely affect the exclusion of interest on the Bond from gross income for federal income tax purposes.

If on a Purchase Date the Bond is neither retained by the then existing Purchaser pursuant to Section 3.4(a) hereof nor remarketed to one or more new Purchasers pursuant to Section 3.4(c) hereof, but is purchased by the Borrower pursuant to Section 3.4(b) hereof and not canceled, the Bond shall continue to bear interest at the interest rate borne by the Bond for the immediately preceding Interest Period. If the Bond is later remarketed on a date subsequent to such Purchase Date, on or before noon, Chicago time, on the date such Bond is to be remarketed, a new interest rate on the Bond shall be established, which will be effective until the next succeeding Purchase Date or the Maturity Date, as applicable (subject to redemption or prepayment (by acceleration or otherwise)), and such new interest rate shall be the lowest rate of interest which will, in the reasonable judgment of the new Purchaser or Purchasers, as applicable, permit such Purchaser or Purchasers to buy the Bond at par, plus accrued interest (if any), on such date of remarketing. To effect such new interest rate, the definitions of Applicable Factor, Applicable Margin, Bank Purchase Rate, Fixed Bank Purchase Rate, Variable Bank Purchase Rate, Taxable Rate, SOFR Index, SOFR Interest Period, Default Rate, Interest Period and Purchase Date, as applicable (together with any other necessary definitions or provisions) contained herein may be adjusted as needed to reflect the new interest rate borne by the Bond commencing on such date of remarketing. Prior to the effectiveness of any such new interest rate, adjustments and remarketing, there shall be delivered to the Issuer, the Borrower and the new Purchaser or Purchasers an Opinion of Bond Counsel to the effect that such new interest rate, such adjustments and such remarketing will not adversely affect the exclusion of interest on the Bond from gross income for federal income tax purposes.

(d) *Default Rate.* In case any Event of Default occurs hereunder and is continuing, the Bond shall bear interest at a rate equal to Default Rate (as defined in Article I hereof).

(e) *Determination of Taxability.* If a Determination of Taxability has occurred, the Bond shall bear interest at the Taxable Rate from and after the Event of Taxability that gave occasion to such Determination of Taxability or such earlier period of time from which interest thereon has been so determined to be taxable.

(f) *Adjustment for Change in Corporate Tax Rate.* So long as no Determination of Taxability has occurred, the applicable interest rate on the Bond shall automatically adjust in accordance with any change in the Maximum Federal Corporate Tax Rate occurring pursuant to an amendment of the Code, as in effect on the Closing Date, so that the new interest rate on the Bond will be equal to:

$$\frac{A \times (1 - \text{NMFCTR})}{0.79}$$

where “A” refers to the interest rate applicable to the Bonds immediately prior to such change in the Maximum Federal Corporate Tax Rate, and “NMFCTR” refers to the new Maximum Federal Corporate Tax Rate expressed as a two-digit decimal. Such interest rate change shall be retroactive to the date of occurrence giving rise thereto.

(g) *Change in Tax Laws.* In the event of a change in the federal tax laws, regulations or interpretation of federal tax laws that shall have the effect of reducing the after-tax economic yield (i.e., the tax equivalent yield) on the Bond, the Purchaser shall have the right to change the applicable interest rate of the Bond to an interest rate by which the Purchaser will realize an after-tax economic yield equal to the after-tax economic yield prior to any such change. Such interest rate change shall be retroactive to the date of the occurrence giving rise thereto. In the event the Purchaser asserts its right to make any adjustment pursuant to this provision, the Purchaser shall furnish to the Issuer and the Borrower a statement setting forth the additional amount or amounts to be paid to the Purchaser hereunder which statement shall set forth the assumptions and methodology to support such assertion. The Purchaser’s statement shall be conclusive in the absence of manifest error. In determining such amount, the Purchaser may use any reasonable averaging and attribution methods and it shall be conclusively assumed that the Purchaser is subject to taxation at the marginal corporate tax rate imposed on the highest level of income. Within 90 days after the Borrower’s receipt of a written statement under this paragraph, and upon payment by the Borrower of any additional amounts set forth in such statement, the Issuer (upon written direction from the Borrower) may optionally redeem the Bond in whole, but not in part, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, without the assessment of any yield maintenance or prepayment premium otherwise required under this Agreement. No change to the interest rate for the Bond shall be made pursuant to this paragraph unless on or prior to the effective date of such change the Purchaser and the Borrower (at the Borrower’s expense) provide to the Issuer an Opinion of Bond Counsel to the effect that such change will not adversely affect the excludability of the interest on the Bond from gross income for federal income tax purposes

(h) *Unremarketed Bond.* Notwithstanding anything herein to the contrary, any Unremarketed Bond shall bear interest at the Default Rate. A Bond shall cease to be an Unremarketed Bond only if such Unremarketed Bond is remarketed and transferred or such Unremarketed Bond is redeemed in full.

#### *Section 3.4. Tender.*

(a) *Tender on Purchase Date.* Subject to the provisions of the following paragraph, the Bond is subject to mandatory tender for purchase on the Purchase Date. The purchase price

shall be 100% of the outstanding principal amount thereof plus accrued interest to the Purchase Date. The Bond shall bear interest on and after each Purchase Date at the rate established in accordance with the requirements of Section 3.3(c) or (d) hereof, including the requirement for the delivery of an Opinion of Bond Counsel to the effect that the establishment of such rate will not adversely affect the exclusion of interest on the Bond from gross income for federal income tax purposes.

The Borrower may, by written notice to the Purchaser, not sooner than 180 days but no later than ninety (90) days prior to the Purchase Date, request that the Purchaser continue holding the Bond following such Purchase Date. If the Borrower so requests, the Purchaser will make reasonable efforts to respond to such request within thirty (30) days after receipt of all information necessary, in the Purchaser's reasonable judgment, to permit the Purchaser to make an informed credit decision. The Purchaser may, in its sole and absolute discretion, decide to accept or reject any such request, and no consent shall become effective unless the Purchaser shall have consented thereto in writing; *provided, however*, that the failure of the Purchaser to respond to such a request to extend the Purchase Date within such thirty (30) day period shall be deemed an election by the Purchaser not to continue holding the Bond following such Purchase Date. In its sole and absolute discretion, the Purchaser may propose the length of the new Interest Period (including the new Purchase Date) and the interest rate to be effective during such new Interest Period, including the Applicable Factor, the Applicable Margin and any other conditions precedent to its decision to continue to hold the Bond. In the event the Purchaser determines that it will not make such proposal, the Bond shall be subject to mandatory tender pursuant to this Section. If the Purchaser does make such proposal, the Borrower may, in its sole and absolute discretion, decide to approve, reject or renegotiate any such proposal, and no approval of the Borrower with respect thereto shall become effective unless in writing. In the event the Borrower rejects such proposal or fails to definitively respond to such proposal on or before thirty (30) days prior to the related Purchase Date, the Borrower shall be deemed to have rejected or failed to approve such proposal and the Bond shall be subject to mandatory tender pursuant to this Section.

The agreement by the Purchaser to continue to hold the Bond shall be conditioned upon the preparation, execution and delivery of documentation in form and substance satisfactory in all respects to the Purchaser.

If the Purchaser agrees to hold the Bond during the new Interest Period, the interest rate to be borne by the Bond shall be established by the Purchaser in accordance with Section 3.3(c) and there shall be delivered to the Issuer, the Borrower and the Purchaser an Opinion of Bond Counsel to the effect that the establishment of such rate will not adversely affect the exclusion of interest on the Bond from gross income for federal income tax purposes.

(b) *Obligation to Purchase.* In the event of any tender, the Borrower shall purchase the Bond in whole at a purchase price of 100% of the principal amount thereof plus accrued interest to the Purchase Date. Upon the purchase of the Bond, the Bond shall thereafter be registered in the name of the Borrower or such other person or entity as the Borrower shall designate, subject to the requirements set forth in paragraph (c) below, or, at the direction of the Borrower, shall be canceled by the Bond Registrar. No such purchase of the Bond shall be

deemed to be an extinguishment of the debt represented by the Bond unless the Bond is canceled following such purchase.

(c) *Remarketing.* It is expressly acknowledged by the parties hereto that, in the event the Bond is tendered for purchase on a Purchase Date, the Borrower may seek to remarket such tendered Bond to one or more new Purchasers and may apply any proceeds thereof to the payment of the purchase price of such tendered Bond; *provided, however,* that the Bond may only be remarketed if (i) the interest rate to be borne by the Bond is established in accordance with Section 3.3(c) hereof, (ii) there is delivered to the Issuer, the Borrower and each new Purchaser an Opinion of Bond Counsel to the effect that the remarketing of the Bond to each new Purchaser will not adversely affect the exclusion of interest on the Bond from gross income for federal income tax purposes, (iii) each new Purchaser makes the representations set forth in Section 2.3 hereof and executes and delivers an Investor Letter, (iv) the Borrower complies with (A) all applicable rules and procedures of the Issuer and (B) all applicable state and federal securities and other laws in connection with such remarketing and (v) the Purchaser shall have received (A) 100% of the principal amount of such tendered Bond to be remarketed, plus accrued interest thereon, and (B) payment and satisfaction in full has been made of all Obligations (as defined in the Covenant Agreement) under the Covenant Agreement.

*Section 3.5. Redemption.*

(a) *Optional Redemption.* The Bond shall be subject to optional redemption prior to maturity, at the direction of the Borrower, in whole or in part (*provided* that the Bond may not be redeemed in part if the principal amount remaining outstanding after such partial redemption would not be an Authorized Denomination), on any date on or after November 1, 2025, selected by the Borrower, upon not less than 10 days' prior written notice to the Issuer, the Bond Registrar, and the Purchaser (or such shorter time as agreed to by the Issuer and the Purchaser), at a redemption price described in the schedule below:

<b>Optional Redemption Date</b>	<b>Redemption Price</b>
November 1, 2025 thru October 31, 2026	103% of the par value thereof plus accrued interest
November 1, 2026 thru October 31, 2029	102% of the par value thereof plus accrued interest
November 1, 2029 thru October 31, 2032	101% of the par value thereof plus accrued interest
November 1, 2032 and thereafter	100% of the par value thereof plus accrued interest

Upon surrender of the Bond optionally redeemed in part, the Bond Registrar shall record the principal amount so redeemed on *Schedule II* to the Bond and shall authenticate *Schedule II*, and the Cumulative Outstanding Principal Amount of the Bond shall be reduced as shown on



*Schedule II.* Notwithstanding anything in this Agreement to the contrary, at no time shall the unredeemed portion of the Bond be in a principal amount less than \$100,000. Partial redemption payments shall be allocated as credits to the mandatory sinking fund redemption payments referenced in *Schedule I* hereto in inverse order of maturity.

(b) *Mandatory Sinking Fund Redemption.* The Bond is subject to mandatory sinking fund redemption in accordance with the schedule set forth in *Schedule I* attached hereto. Upon the mandatory sinking fund redemption of the Bond, the Bond Registrar, upon confirmation that the sinking fund redemption payment has been received by the Purchaser, shall record the principal amount so redeemed on *Schedule II* to the Bond and shall authenticate *Schedule II*, and the Cumulative Outstanding Principal Amount of the Bond shall be reduced as shown on *Schedule II*.

(c) *Unremarketed Bonds.* Unremarketed Bonds are subject to special mandatory redemption on the Purchase Date at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest thereon at the Default Rate to but not including the date of such redemption.

*Section 3.6. Execution; Limited Obligation.* The Bond shall be executed on behalf of the Issuer with the manual or facsimile signature of its Mayor (or other authorized officer of the Issuer) and shall have impressed or imprinted thereon the official seal of the Issuer or a facsimile thereof and shall be attested by the manual or facsimile signature of the City Clerk. All authorized facsimile signatures shall have the same force and effect as if manually signed. In case any official whose signature or facsimile of whose signature shall appear on the Bond shall cease to be such official before the delivery of the Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery. The Bond may be signed on behalf of the Issuer by such persons who, at the time of the execution of such Bond, are duly authorized or hold the appropriate office of the Issuer, although on the date of the Bond such persons were not so authorized or did not hold such offices.

The Bond, together with all principal and interest thereon and premium, if any, with respect thereto, are special, limited obligations of the Issuer secured by this Agreement and shall always be payable solely from amounts payable by the Borrower under this Agreement and shall always be a valid claim of the owner thereof only against the revenues and income derived from this Agreement, which revenues and income shall be used for no other purpose than to pay the principal installments of, premium, if any, and interest on the Bond, except as may be otherwise expressly authorized in this Agreement.

The Bond and the obligation to pay principal and interest thereon and any premium with respect thereto do not now and shall never constitute an indebtedness or an obligation of the Issuer, within the purview of any constitutional or statutory limitation or provision or a charge against the general credit or the taxing powers of the Issuer, but shall be payable solely from the revenues and income derived from this Agreement. No owner of the Bond shall have the right to compel the exercise of the taxing power of the Issuer to pay any principal installment of, redemption premium, if any, or interest on the Bond.

Notwithstanding any provision or obligation to the contrary set forth herein, no provision of this Agreement shall be construed so as to give rise to a pecuniary liability of the Issuer or to give rise to a charge upon the general credit of the Issuer, the liability of the Issuer hereunder shall be limited to its interest in the Project, this Agreement, the Bond and all other related documents and collateral and the lien of any judgment shall be restricted thereto. In the performance of the agreements of the Issuer herein contained, any obligation it may incur for the payment of money shall not be a debt of the Issuer, nor shall the Issuer be liable on any obligation so incurred. The Issuer does not assume general liability for the repayment of the bonds or for the costs, fees, penalties, taxes, interest, commissions, charges, insurance or any other payments recited herein, and shall be obligated to pay the same only out of the amounts payable by the Borrower hereunder. The Issuer shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Borrower if a default shall occur hereunder.

No recourse shall be had for the payment of the principal of, premium, if any, and interest on the Bond or for any claim based thereon or upon any obligation, covenant or agreement contained in this Agreement against any past, present or future member, officer, agent or employee of the Issuer, or any incorporator, member, officer, employee, director or trustee of any successor corporation, as such, either directly or through the Issuer or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, member, officer, employee, director, agent or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement and the issuance of the Bond.

*Section 3.7. Bond Register.* The Bond may be presented at the office of the Bond Registrar for registration, transfer and exchange. The Bond Registrar shall keep a register of the Bond and of its transfer and exchange.

The Bond may be transferred only on the register maintained by the Bond Registrar. Upon surrender for transfer of the Bond to the Bond Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the holder or the holder's attorney duly authorized in writing, the Bond Registrar will authenticate a new Bond in an equal total principal amount and registered in the name of the transferee.

The Issuer may treat the registered owner of the Bond as the absolute owner thereof for all purposes, whether or not the Bond shall be overdue, and shall not be bound by any notice to the contrary. All payments of or on account of the principal of and premium, if any, and the interest on the Bond as herein provided shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

The Bond Registrar shall require the payment by the Purchaser requesting exchange or transfer of any tax or other governmental charge required to be paid in respect of the exchange or transfer, but shall not impose any other charge.

*Section 3.8. Mutilated, Lost, Stolen or Destroyed Bond.* If the Bond is mutilated, lost, stolen or destroyed, the Bond Registrar will authenticate a new Bond of the same denomination if any mutilated Bond shall first be surrendered to the Bond Registrar, and if, in the case of any lost, stolen or destroyed Bond, there shall first be furnished to the Bond Registrar evidence of such loss, theft or destruction, together with a satisfactory indemnity to the Bond Registrar, the Issuer and the Borrower. If the Bond has matured, instead of issuing a duplicate Bond, the Bond Registrar may with the consent of the Borrower pay the Bond without requiring surrender of the Bond (except in the case of a mutilated Bond) and make such requirements as the Bond Registrar deems fit for its protection, including a lost instrument bond. The Issuer and the Bond Registrar may charge the Borrower their customary fees and reasonable expenses in this connection.

*Section 3.9. Cancellation of Bond.* Whenever the Bond is delivered to the Bond Registrar for cancellation (upon payment, redemption or otherwise), or for transfer or replacement pursuant to Section 3.7, 3.8 or 3.10, the Bond Registrar shall promptly cancel and destroy the Bond in accordance with its customary procedures and issue a certificate of destruction to the Borrower and the Issuer.

*Section 3.10. Temporary Bond.* Until a definitive Bond is ready for delivery, the Issuer may execute and the Bond Registrar shall authenticate a temporary Bond substantially in the form of the definitive Bond, with appropriate variations. The Issuer shall, without unreasonable delay, prepare and the Bond Registrar shall authenticate a definitive Bond in exchange for the temporary Bond. Such exchange shall be made by the Bond Registrar without charge to the Purchaser.

*Section 3.11. Payment of Bond.* Subject to the provisions of Section 7.2 hereof, the Issuer shall promptly pay the principal of, premium, if any, and interest on the Bond on the dates and in the manner provided in the Bond, but solely and only from payments to be made by the Borrower and available for such purpose hereunder, it being agreed and understood that the Bond and interest thereon shall be a limited obligation of the Issuer which are not in any way a general obligation of the Issuer nor payable in any manner from any other funds of the Issuer.

*Section 3.12. Further Assurances.* To the extent permitted by law and at the expense of the Borrower, the Issuer shall execute and deliver such further instruments, and do such further acts, as the Purchaser may reasonably require for the better assuring, assigning and confirming to the Purchaser the amounts assigned hereunder for the payment of the Bond.

*Section 3.13. Tax Exemption.* The Issuer covenants, to the extent within its control, to comply with all requirements that must be satisfied in order for the interest to be paid on the Bond to be excludible from gross income for purposes of federal income taxation. Toward that end, the Issuer shall comply with and take all actions expressly required of it by the Tax Agreement; *provided, further,* subject to the limitations on its liability as stated herein, and to the extent permitted by law, the Issuer covenants and agrees that it has not knowingly engaged and will not knowingly engage in any activities, and that it has not knowingly taken and will not knowingly take any action, which would result in the interest to be paid on the Bond to be includible in the gross income of the holder thereof for purposes of federal income taxation; *provided, however,* that the Issuer intends to comply with the foregoing undertakings solely

Issuer to perform any of its agreements, whether express or implied, or any duty, liability or obligation arising from or connected with this Agreement.

## ARTICLE V.

### BORROWER COVENANTS

*Section 5.1. Financing Statements.* The Borrower, at its own expense, shall take all necessary action to maintain and preserve all of the liens and security interests created by, and granted pursuant to, this Agreement so long as any principal of, premium, if any, or interest on the Bond remains unpaid. The Borrower shall, forthwith after the execution and delivery of this Agreement and thereafter from time to time, cause this Agreement, including any amendments thereof and supplements thereto, and any financing statements in respect thereof to be filed, registered and recorded in such manner and in such places as may be required by law in order to publish notice of and fully to perfect and protect such liens and security interests, and from time to time shall perform or cause to be performed any other act as provided by law and shall execute or cause to be executed any and all continuation statements and further instruments necessary for such publication, perfection and protection. Except to the extent it is exempt therefrom, the Borrower shall pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or State fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Agreement and such instruments of further assurance.

The Issuer shall have no responsibility for the preparation, filing or recording of any instrument, document or financing statement or for the maintenance of any security interest intended to be perfected thereby. The Issuer, to the extent permitted by law, at the expense of the Borrower, shall execute such instruments provided to it by the Borrower as may be reasonably necessary in connection with such filing or recording.

*Section 5.2. Borrower's Obligation with Respect to Exclusion of Interest Paid on the Bond.* (a) The Borrower will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bond) if taking or omitting to take such action would result in the revocation or modification of its status as an organization described in Section 501(c)(3) of the Code or would cause the interest on the Bond to be included in the gross income of the recipients thereof for federal income tax purposes. Toward that end, the Borrower covenants that it will comply with all provisions of the Tax Agreement. This provision shall control in case of conflict or ambiguity with any other provision of this Agreement.

(b) Neither the Borrower nor any person related to it within the meaning of 1.150-1(e) of the United States Treasury Regulations and Section 145(b)(3) of the Code, pursuant to an arrangement, formal or informal, shall purchase bonds of the Issuer (other than the Bond) in an amount related to the total amount payable by the Borrower under and secured by this Agreement.

*Section 5.3. Maintenance of Corporate Existence and Tax Status.* (a) Any dissolution, liquidation, disposition, consolidation or merger of the Borrower shall be subject to the following conditions:

(i) no Default or Event of Default exists hereunder and that no Default or Event of Default will be caused by the dissolution, liquidation, disposition, consolidation or merger;

(ii) the entity surviving the dissolution, liquidation, disposition, consolidation or merger assumes (or, if the surviving entity is the Borrower, affirms) in writing and without condition or qualification all of the obligations of the Borrower under each of the Borrower Agreements;

(iii) neither (A) the validity nor the enforceability of the Bond nor (B) any agreements to which the Borrower is a party is adversely affected by the dissolution, liquidation, disposition, consolidation or merger;

(iv) (A) the exclusion of the interest on the Bond from gross income for federal income tax purposes is not adversely affected by the dissolution, liquidation, disposition, consolidation or merger, (B) the provisions of the Act and this Agreement are complied with concerning the dissolution, liquidation, disposition, consolidation or merger, and (C) the provisions of the Borrower Agreements are complied with concerning the dissolution, liquidation, disposition, consolidation or merger;

(v) the Project continues to be as described herein;

(vi) any successor to the Borrower shall be qualified to do business in the State and shall continue to be qualified to do business in the State throughout the term hereof; and

(vii) the Issuer has executed a certificate acknowledging receipt and approval of all documents, information and materials required by this Section 5.3.

As of the effective date of the dissolution, liquidation, disposition, consolidation or merger, the Borrower (at its cost) shall furnish to the Issuer and the Purchaser (1) an Opinion of Bond Counsel, in form and substance satisfactory to such parties, as to item (iv) above; (2) an opinion of counsel (not objected to by the Issuer), in form and substance satisfactory to the Issuer, as to the legal, valid and binding nature of items (ii) and (iii) above; (3) a certificate of the Borrower, in form and substance satisfactory to the Issuer, as to items (i), (v) and (vi); and (4) a true and complete copy of the instrument of dissolution, liquidation, disposition, consolidation or merger.

(b) The Borrower agrees, subject to the provisions in subsection (a) above, that (i) it will at all times maintain its existence as a not for profit corporation organized under the laws of the State; (ii) it will not take any action or permit any action to be taken by others within its control which will alter, change or destroy its status as a not for profit corporation or its status as a Tax-Exempt Organization; and (iii) it will not fail to take any action within its control to preserve its status as a not for profit corporation or its status as a Tax-Exempt Organization.

The Borrower further covenants that none of its revenues, income or profits, whether realized or unrealized, will be distributed to any of its officers or trustees or inure to the benefit of any private person, association or corporation, other than for the lawful corporate purposes of the Borrower, including but not limited to the Borrower's ability to pay to any person employed by the Borrower a salary and otherwise to pay to any person, association or corporation the reasonable value of any service or product performed for or supplied to the Borrower by such person, association or corporation.

*Section 5.4. Required Reporting.* This Agreement shall require the Borrower to keep, or cause to be kept, proper books of records and accounts in which complete and accurate entries shall be made of all funds and accounts established by or pursuant to this Agreement, which shall at all reasonable times be subject to inspection by the Issuer.

*Section 5.5. Taxes, Charges and Assessments.* Subject to the provisions of Section 5.7 hereof, to the extent that the Borrower or its properties are or become liable to taxation, the Borrower covenants and agrees to pay or cause to be paid (when the same shall become due and payable) all lawful taxes, charges, assessments and other governmental levies against the Borrower or its properties. If under applicable law any such tax, charge, fee, rate, imposition or assessment may at the option of the taxpayer be paid in installments, the Borrower may exercise such option.

Nothing contained in this Section 5.5 shall be deemed to constitute an admission by either the Issuer or the Borrower that either the Issuer or the Borrower is liable for any tax, charge, fee, rate, imposition or assessment.

*Section 5.6. Compliance with Laws; Taxes and Assessments.* Subject to the provisions of Section 5.7 hereof, the Borrower will, through the term of this Agreement and at no expense to the Issuer or the Purchaser, promptly comply or cause compliance with all applicable laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Project or to the repair and alteration thereof, or to the use or manner of use of the Project, including, but not limited to, the Americans with Disabilities Act, Illinois Accessibility Code, all federal, State and local environmental, health and safety laws, rules, regulations and orders applicable to or pertaining to the Project, the Federal Worker Adjustment and Retraining Notification Act and, if applicable, the Illinois Prevailing Wage Act.

*Section 5.7. Permitted Contests.* The Borrower shall not be required to pay any tax, charge, fee, rate, assessment or imposition required to be paid under Section 5.5 hereof, or to comply with any law, ordinance, rule, order, decree, regulation or requirement referred to in Section 5.6 hereof, so long as the Borrower shall in good faith and at its cost and expense contest the amount or validity thereof, or take other appropriate action with respect thereto, in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent (i) the collection of or other realization upon the tax, fee, rate, assessment, imposition or charge, so contested, (ii) the sale, forfeiture or loss of its Property or any part thereof to satisfy the same or (iii) any materially adverse effect on the use, occupancy or condition of the Borrower's Property taken as a whole; *provided* that no such contest or action shall subject the Issuer to any liability unless the Borrower properly indemnifies the Issuer; and *provided, further*, that no such contest or action shall subject the Purchaser to any liability in any

case. While any such matters are pending, the Borrower shall have the right to pay, remove or cause to be discharged or marked exempt the tax, and assessment, imposition or charge being contested. Each such contest shall be promptly prosecuted to final conclusion or settlement, and the Borrower will pay, and save the Issuer and the Purchaser harmless against, all losses, judgments, decrees and costs (including attorneys' fees and expenses in connection therewith) and will, promptly after the final determination or settlement of such contest or action, pay and discharge the amounts which shall be levied, assessed or imposed or determined to be payable therein, together with all penalties, fines, interests, costs and expenses thereon or in connection therewith.

*Section 5.8. Maintenance of Project.* The Borrower covenants to preserve and keep the Project in good repair and order and will maintain the Project in a safe and sound condition, and from time to time will make all repairs, replacements, renewals and additions deemed necessary by the Borrower for the efficient functioning thereof; *provided, however*, that the foregoing shall not prevent the Borrower from selling, removing or demolishing the Project, or any portion thereof, not considered by the Borrower to be necessary or useful for the efficient conduct of its activities, so long as such act or acts are consistent with and not in violation of any terms, covenants or provisions of the Tax Agreement. The Borrower shall maintain reasonable amounts of insurance coverage with respect to the Project and shall pay all costs of such maintenance, repair and insurance.

*Section 5.9. Covenants to Purchaser.* The Borrower is making certain covenants for the benefit of the Purchaser (but not for the benefit of the Issuer or any other party), which covenants are, set forth in Covenant Agreement. Subject to the provisions of Section 2.2(p) and Section 9.12 hereof, the Borrower and the Purchaser may amend the Covenant Agreement without the consent of any other party; *provided, however*, the Borrower shall provide the Issuer with notice of any such amendment.

*Section 5.10. Use of the Project.* (a) The Borrower agrees that it will use the Project only in furtherance of the lawful corporate purposes of the Borrower.

(b) The Borrower further agrees that it will not use the Project or any part thereof (i) for sectarian instruction or study or as a place of devotional activities or religious worship or as a facility used primarily in connection with any part of the program of a school or department of divinity for any religious denomination or the training of ministers, priests, rabbis or other similar persons in the field of religion or (ii) in a manner which would violate the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America, including the decisions of the United States Supreme Court interpreting the same or any comparable provisions of the Constitution of the State, including the decisions of the Supreme Court of the State interpreting the same. Notwithstanding the termination of this Agreement, the Borrower agrees that it will continue to comply with the restriction stated in the preceding sentence on the sectarian use of the Project. To the extent required by law, the Borrower will permit the Issuer and the Purchaser to inspect the Project upon reasonable notice and during regular business hours solely in order to determine whether the Borrower has complied with the provisions of this paragraph and such right of inspection shall survive the termination of this Agreement.

(c) The Borrower further agrees that it will not use the Project, or permit the Project to be used, in such manner as would result in the loss of the exclusion from federal gross income of the Purchaser or any Bondholder or former Bondholder of the interest paid on the Bond otherwise afforded under Section 103(a) of the Code.

*Section 5.11. Application of Certain Gifts.* The Borrower hereby recognizes that it may receive from time to time gifts, grants, donations, bequests or other charitable contributions, regardless of the form or the source thereof, the proceeds of which when received by the Borrower are or will be restricted to, or are intended and segregated by the Borrower to be used for, payment of Costs of the Project (hereinafter referred to as "*Restricted Gifts*"). Subject to the provisions of the last two sentences of this Section, the Borrower hereby covenants and agrees that, if and when the Borrower receives any Restricted Gifts prior to the delivery of the Completion Certificate to the Issuer pursuant to this Agreement, the Borrower will transfer the Excess (as hereinafter defined), if any, as soon as practicable after such Excess becomes available to the Borrower for such purposes, to be used to pay Costs of the Project. The Borrower acknowledges that, the Excess is subject to the restrictions contained in the Tax Agreement with respect to amounts on deposit in any project fund, and such amount will constitute "Gross Proceeds" (as defined in the Tax Agreement). The Borrower further covenants and agrees that, if and when the Borrower receives any Restricted Gifts after delivery of the Completion Certificate, the Borrower will apply the Excess to the optional or mandatory redemption of the Bond in accordance with Section 3.5 hereof (the "*Redemption*"); *provided, however,* that, in connection with such Redemption, the Borrower may deposit the Excess into a separate, segregated account at a bank or trust company and invest such Excess at a rate not in excess of the Yield (as defined in the Tax Agreement) on the Bond until such time as the Bond may be redeemed in accordance with Section 3.5 hereof at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. The amount of any Restricted Gifts to be so transferred on any date to be used to pay the Costs of the Project prior to delivery of the Completion Certificate or to be so deposited into such separate, segregated account at a bank or trust company for the Redemption of Bonds after delivery of the Completion Certificate shall be equal to the excess, if any, of (a) the aggregate amount of Restricted Gifts received by the Borrower as of such date over (b) the aggregate amount of moneys not obtained through the issuance of the Bond which the Borrower has theretofore applied, or intends to apply based on then current estimates, to payment of Costs of the Project (the "*Excess*"). The proceeds of any such Restricted Gifts need not be so applied until the aggregate amount thereof held by the Borrower at any time and not previously so applied is at least \$100,000.

*Section 5.12. Reserved.*

*Section 5.13. Completion Certificate.* The Borrower will deliver to the Issuer and the Purchaser within 90 days after the completion of the Project (or the portion thereof which is being financed with the proceeds of the Bonds) a certificate of the Borrower certifying:

- (a) that the Project (or portion thereof) has been completed;
- (b) that the Project (or portion thereof) has been completed in accordance with the plans and specifications, the schedule, and the date of completion;



(c) if any item was added, deleted or substituted from the Project, the average reasonably expected economic life of the Project recalculated as follows:

(i) any item which was not originally listed in Exhibit C but for which was constituted proper Cost of the Project shall be included in Exhibit C and the Borrower shall specify the reasonably expected economic life to the Borrower of the additional item, the date on which such additional item was placed in service, and the original cost thereof;

(ii) any item which was originally listed on Exhibit C but which the Borrower subsequently deleted from the Project pursuant to an amendment to the Project Documents shall be deleted from the Project; and

(iii) all other items shall be assumed to have the economic life and the cost originally assigned to them on the Closing Date as reflected in the Tax Agreement;

(d) that the Project or portion thereof has been fully paid for and no claim or claims exist against the Issuer or the Borrower or against such Project out of which a lien based on furnishing labor or material exists or might, with the passage of time or the giving of notice, ripen; provided, however, there may be excepted from the foregoing statement any claim or claims out of which a lien exists or might, with the passage of time or the giving of notice, ripen in the event that the Borrower intends to contest such claim or claims, in which event such claim or claims shall be described; provided that sufficient funds are available to the Borrower through enumerated bank loans, including letters of credit, or state or federal grants (as certified by the Borrower) or other funds of the Borrower sufficient to make payment of the full amount which might in any event be payable in order to satisfy such claim or claims in which event such claim or claims shall be described.

## ARTICLE VI.

### LIMITED OBLIGATION; NO RECOURSE TO ISSUER; INDEMNIFICATION

*Section 6.1. Limited Obligation; No Recourse.* The obligations of the Issuer under this Agreement are special, limited obligations of the Issuer, payable solely out of the revenues and income derived under this Agreement and as otherwise provided under this Agreement or the Ordinance. The obligations of the Issuer hereunder shall not be deemed to constitute an indebtedness or an obligation of the Issuer, the State or any political subdivision thereof within the purview of any constitutional limitation or statutory provision, or a charge against the credit or general taxing powers, if any, of any of them. Neither the Issuer, the Mayor, City Clerk, City Treasurer, nor any alderman of the City Council, nor any member, director, officer, employee or agent of the Issuer nor any person executing the Bond shall be liable personally for the Bond or be subject to any personal liability or accountability by reason of the issuance of the Bond. No recourse shall be had for the payment of the principal of, premium, if any, and interest on any of the Bond or for any claim based thereon or upon any obligation, covenant or agreement contained in this Agreement against any past, present or future member, officer, agent or employee of the Issuer, or any incorporator, member, officer, employee, director or trustee of any successor corporation, as such, either directly or through the Issuer or any successor

corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, member, officer, employee, director, agent or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement and the issuance of the Bond.

*Section 6.2. Indemnification.* (a) The Borrower will pay, and will protect, indemnify and save the Issuer, the Mayor, City Clerk, City Treasurer, any alderman of the City Council, and its past, present and future members, officers, directors, employees, agents, successor, assigns and any other person, if any, who "controls" the Issuer, as that term is defined in Section 15 of the Securities Act of 1933, as amended (the Issuer and the other listed persons, collectively referred to as, the "Indemnified Persons"), harmless from and against any and all liabilities, losses, damages, taxes, penalties, costs and expenses (including attorneys' fees and expenses of the Issuer), causes of action, suits, proceedings, claims, demands, tax reviews, investigations and judgments of whatsoever kind and nature (including, but not limited to, those arising or resulting from any injury to or death of any person or damage to property) arising from or in any manner directly or indirectly growing out of or connected with (i) the use, financing, non-use, condition or occupancy of the Project, any repairs, construction, alterations, renovation, relocation, remodeling and equipping thereof or thereto or the condition thereof, including adjoining sidewalks, streets or alleys and any equipment or facilities at any time located on or connected with the Project or used in connection therewith but which are not the result of the gross negligence of the Issuer; (ii) a violation of any agreement, warranty, covenant or condition of the Borrower set forth in this Agreement or any related document; (iii) a violation of any contract, agreement or restriction by the Borrower relating to the Project; (iv) violation of any law, ordinance, rules, regulation or court order affecting the Project or the ownership, occupancy or use thereof or the Bond or use of the proceeds thereof; (v) a violation of any law, ordinance, rule, regulation or court order relating to the sale of the Bond; (vi) any statement or information concerning the Borrower, any of its officers and members, its operations or financial condition generally or the Project, contained in any document or supplement or amendment thereto furnished to the Issuer or the Purchaser, that is untrue or incorrect in any material respect, and any omission from such document of any statement or information which should be contained therein for the purpose for which the same is to be used or which is necessary to make the statements therein concerning the Borrower, any of its officers and members and the Project not misleading in any material respect, *provided* that such document or supplement or amendment has been approved by the Borrower; and (vii) the acceptance or administration of this Agreement, including without limitation the enforcement of any remedies under this Agreement or any related document.

In case any claim shall be made or any action shall be brought against one or more of the Indemnified Persons in respect of which indemnity can be sought against the Borrower pursuant to the preceding paragraph, the Indemnified Person seeking indemnity shall promptly notify the Borrower, in writing, and the Borrower shall promptly assume the defense thereof, including the employment of counsel chosen by the Borrower and approved by the Issuer (*provided* that such approval by the Issuer shall not be unreasonably withheld), the payment of all expenses and the right to negotiate and consent to settlement. If any Indemnified Person is advised in a written opinion of counsel that there may be legal defenses available to such Indemnified Person which are adverse to or in conflict with those available to the Borrower or that the legal defense of such Indemnified Person should be handled by separate counsel, the Borrower shall not have the right

to assume the defense of such Indemnified Person, but the Borrower shall be responsible for the reasonable fees and expenses of counsel retained by such Indemnified Person in assuming its own defense, and *provided* also that, if the Borrower shall have failed to assume the defense of such action or to retain counsel reasonably satisfactory to the Issuer within a reasonable time after notice of the commencement of such action, the reasonable fees and expenses of counsel retained by the Indemnified Person shall be paid by the Borrower. Notwithstanding the foregoing, any one or more of the Indemnified Persons shall have the right to employ separate counsel with respect to any such claim or in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be paid by such Indemnified Person unless the employment of such counsel has been specifically authorized by the Borrower or unless the provisions of the immediately preceding sentence are applicable. The Borrower shall not be liable for any settlement of any such action affected without the consent of the Borrower, but if settled with the consent of the Borrower or if there be a final judgment for the plaintiff in any such action with or without consent, the Borrower agrees to indemnify and hold harmless the Indemnified Person from and against any loss, liability or expense by reason of such settlement or judgment.

The Borrower shall also indemnify the Issuer and such Indemnified Persons for all reasonable costs and expenses, including reasonable counsel fees, incurred in (i) enforcing any obligation of the Borrower under this Agreement or any related document, (ii) taking any action requested by the Borrower, (iii) taking any action required by this Agreement or any related document, or (iv) taking any action considered necessary by the Issuer and which is authorized by this Agreement or any related document. If the Issuer is to take any action under this Agreement or any other instrument executed in connection herewith for the benefit of the Borrower, it will do so if and only if (i) the Issuer is a necessary party to any such action or proceeding, and (ii) the Issuer has received specific written direction from the Borrower, as required hereunder or under any other instrument executed in connection herewith, as to the action to be taken by the Issuer.

(b) All amounts payable to the Issuer under this Section 6.2 shall be deemed to be fees and expenses payable to the Issuer for the purposes of the provisions hereof. The Issuer and its members, officers, agents, employees and their successors and assigns shall not be liable to the Borrower or the Purchaser for any reason.

(c) Any provision of this Agreement or any other instrument or document executed and delivered in connection therewith to the contrary notwithstanding, the Issuer retains the right to (i) enforce any applicable federal or State law or regulation or Ordinance of the Issuer and (ii) enforce any rights accorded to the Issuer by federal or State law or policy or procedure of the Issuer, and nothing in this Agreement shall be construed as an express or implied waiver thereof.

The obligation of the Borrower under this Section 6.2 shall survive any assignment or termination of this Agreement.

*Section 6.3. Default by the Issuer; Limited Liability.* Notwithstanding any provision or obligation to the contrary set forth herein, no provision of this Agreement shall be construed so as to give rise to a pecuniary liability of the Issuer or to give rise to a charge upon the general credit of the Issuer, the liability of the Issuer hereunder shall be limited to its interest in the

Project, this Agreement and all other related documents and collateral and the lien of any judgment shall be restricted thereto. In the performance of the agreements of the Issuer herein contained, any obligation it may incur for the payment of money shall not be a debt of the Issuer, nor shall the Issuer be liable on any obligation so incurred. The Issuer does not assume general liability for the repayment of the Bond or for the costs, fees, penalties, taxes, interest, commissions, charges, insurance or any other payments recited herein, and shall be obligated to pay the same only out of the amounts payable by the Borrower hereunder. The Issuer shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Borrower if a default shall occur hereunder.

## ARTICLE VII.

### ASSIGNMENT AND TRANSFER

*Section 7.1. Assignment by Borrower.* The rights of the Borrower under this Agreement may be assigned to, and the obligations of the Borrower assumed by, another party in whole or in part, but only with the prior written consent of the Purchaser and the Issuer, the Issuer's consent not to be unreasonably withheld. No such assignment will be made, however, unless the Borrower causes there to be delivered to the Purchaser and the Issuer an Opinion of Bond Counsel to the effect that such assignment will not cause interest on the Bond to be includable in the gross income of the owners thereof for federal income tax purposes.

*Section 7.2. Assignment by Issuer.* As security for the payment of the Bond, the Issuer hereby assigns and pledges to the Purchaser all of its right, title and interest in and to this Agreement, including the right to receive payments hereunder (except pursuant to its Unassigned Rights, including, without limitation, the right to receive payment of expenses, fees, indemnification and the rights to make determinations and receive notices, as herein provided), and hereby directs the Borrower to make said payments directly to the Purchaser. The Borrower herewith assents to such assignment and pledge and will make payments directly to the Purchaser without withholding, defense or set off by reason of any dispute between the Borrower and the Issuer or Purchaser, and hereby agrees that its obligation to make payments hereunder and to perform its other agreements contained herein are absolute and unconditional.

*Section 7.3. Transfer of Bond.* The Bond may be transferred by the Purchaser in whole or in part subject to (a) compliance with the terms of the Investor Letter executed and delivered by the Purchaser on the Closing Date and Section 9.13(b) of the Covenant Agreement, (b) the execution and delivery by any new registered owner of a new Investor Letter and (c) any such new registered owner making the representations set forth in Section 2.3 hereof. If the Bond is transferred in part, the parties hereto acknowledge that it may be necessary to amend this Agreement and the form of the Bond to recognize that there are multiple registered owners and to affect the role of an agent or majority bondholder for such registered owners.

## ARTICLE VIII.

### EVENTS OF DEFAULTS AND REMEDIES

*Section 8.1. Events of Default.* An "Event of Default" is any of the following:

(a) There is a failure to make due and punctual payment of any interest on the Bond on the date on which the same is due.

(b) There is a failure to make due and punctual payment of principal of or premium, if any, on the Bond on the date on which the same is due, at maturity, upon acceleration, tender or redemption or otherwise.

(c) There is a failure to make the due and punctual payment of purchase price for the Bond on any Purchase Date on which the same is due.

(d) The Issuer fails to perform any of its agreements in this Agreement or the Bond (except a failure that results in an Event of Default under clause (a), (b) or (c) above) and to remedy such default within 30 days after the earlier to occur of (i) written notice thereof from the Purchaser or the Borrower to the Issuer or (ii) the date on which the Issuer has actual knowledge thereof, unless the nature of the default is such that it cannot be remedied within the thirty-day period and the Issuer has instituted corrective action within a period of time reasonably agreed to by the Purchaser and diligently pursues such action until the default is remedied.

(e) An "event of default" (as described in the Covenant Agreement) has occurred and is continuing under the Covenant Agreement (after the expiration of any applicable cure period).

(f) The Borrower fails to perform any of its agreements in this Agreement (except for a failure that results in an Event of Default under clause (a), (b) or (c) of this Section) and to remedy such default within 30 days after the earlier to occur of (i) written notice thereof from the Purchaser or the Issuer to the Borrower or (ii) the date on which the Borrower has actual knowledge thereof.

(g) The Borrower pursuant to or within the meaning of any Bankruptcy Law (as defined below) (i) commences a voluntary case, (ii) consents to the entry of an order for relief against it in an involuntary case, (iii) consents to the appointment of a Custodian (as defined below) for the Borrower, or any substantial part of its Property or (iv) makes a general assignment for the benefit of its creditors.

(h) A petition is filed with respect to the Borrower by a Person other than the Borrower under any Bankruptcy Law and is not dismissed within 60 days after such filing.

(i) A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against the Borrower in an involuntary case, (ii) appoints a Custodian for the Borrower or any substantial part of its Property or (iii) orders the winding up or liquidation of the Borrower.

(j) Any representation or warranty made by the Borrower herein or in any statement or certificate furnished to the Issuer or the Purchaser of the Bond in connection with the sale thereof or furnished by the Borrower pursuant hereto is found to have been untrue in any material respect as of the date of the issuance or making thereof.

(k) Default under any instrument under which there may be issued or by which there may be secured or evidenced any indebtedness of the Borrower if that default either (i) is caused by a failure to make any payment when due on such debt, after giving effect to any applicable grace periods or (ii) results in the acceleration, or would permit the acceleration of, of such debt prior to its express maturity.

(l) Any final judgment or judgments which are not paid in full by insurance, with written acknowledgement of such coverage having been provided by the provider of such insurance coverage to the Purchaser, shall be entered or filed against the Borrower or against any of its Property and remains unsatisfied, unvacated, unbonded or unstayed for a period of 30 days.

(m) An event of default occurs and is continuing under any Borrower Agreement and the Bond (after the expiration of any applicable cure period).

(n) An event of default occurs and is continuing under any other agreement under which the Purchaser or any of its subsidiaries, affiliates or successors loans money, directly or indirectly, via conventional loan or a municipal bond purchase or otherwise, to the Borrower, or under any agreement or instrument securing such a loan (after the expiration of any applicable cure period).

As used in this Section 8.1, the term "*Bankruptcy Law*" means Title 11 of the United States Code or any similar federal or State law for the relief of debtors, and the term "*Custodian*" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

*Section 8.2. Acceleration.* If any Event of Default occurs and is continuing, the Purchaser, by written notice to the Issuer and the Borrower (except for an Event of Default under Section 8.1(g), (h) or (i) hereof, for which a declaration can be made without any notice), may declare the principal of, premium if any, and accrued interest on the Bond to be due and payable immediately, and such principal, premium, if any, and interest shall thereupon become and be immediately due and payable.

The Purchaser may rescind an acceleration and its consequences if all existing Events of Default have been cured or waived, so long as such rescission does not conflict with any judgment or decree of a court of competent jurisdiction.

*Section 8.3. Other Remedies.* If an Event of Default occurs and is continuing, the Purchaser may pursue any available remedy by proceeding at law or in equity to collect the principal of, premium, if any, or interest on the Bond or to enforce the performance of any provision of the Bond or this Agreement; *provided, however,* that payments of principal of, premium, if any, or interest on the Bond are payable by the Issuer solely from payments to be made by the Borrower and available for such purpose as described hereunder.

A delay or omission by the Purchaser in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

*Section 8.4. Waiver of Past Defaults.* The Purchaser, by written notice to the Issuer and the Borrower, may waive an existing Event of Default and its consequences. If the Purchaser waives an Event of Default, it shall be deemed to no longer be continuing, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent to it.

*Section 8.5. Purchaser May File Proofs of Claim.* The Purchaser may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Purchaser allowed in any judicial proceedings relative to the Borrower, its creditors or its Property and, unless prohibited by law or applicable regulations, may vote on behalf of the holder in any election of a trustee in bankruptcy or other person performing similar functions.

*Section 8.6. Attorneys' Fees and Expenses.* If the Borrower should default under any provision of this Agreement and the Issuer or the Purchaser should employ attorneys or incur other expenses for the collection of the payments due under this Agreement, the Borrower shall, on demand, pay to the Issuer or the Purchaser, as the case may be, the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Issuer or the Purchaser, as the case may be.

*Section 8.7. No Remedy Exclusive.* No remedy herein conferred upon or reserved to the Issuer or the Purchaser is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, now or hereafter existing, at law or in equity or by statute. No delay or omission to exercise any right or power and accruing upon any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

## ARTICLE IX.

### MISCELLANEOUS

*Section 9.1. Notices.* Unless otherwise specifically provided herein, any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when the same is (a) deposited in the United States mail and sent by first class mail, postage prepaid, or (b) delivered, in each case to the parties at the addresses set forth below or at such other address as a party may designate by notice to the other parties:

If to the Issuer by first class mail:

City of Canton  
2 North Main Street  
Canton, Illinois 61520  
Attention: Mayor

With a copy to:

City of Canton  
2 North Main Street  
Canton, Illinois 61520  
Attention: City Attorney

If to the Borrower: Graham Hospital Association  
210 West Walnut Street  
Canton, Illinois 61520  
Attention: Robert G. Senneff, President &  
Chief Executive Officer  
Telephone: (309) 649-5175  
Email: rsenneff@grahamhospital.org

With a copy to: Graham Hospital Association  
210 West Walnut Street  
Canton, Illinois 61520  
Attention: Julie Reeder, Chief Financial  
Officer  
Telephone: (309) 649-5240  
Email: jreeder@grahamhospital.org

If to the Purchaser: Clayton Holdings, LLC  
1000 Walnut Street, BB17-5  
Kansas City, Missouri 64106  
Attention: Anna Jo Davis  
Telephone: (816) 234-8949  
Email: annajo.davis@commercebank.com

Any addressee may designate additional or different addresses for purposes of this Section.

*Section 9.2. Binding Effect.* This Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower, the Purchaser and their respective successors and assigns.

*Section 9.3. Severability.* If any provision of this Agreement shall be determined to be unenforceable at any time, that shall not affect any other provision of this Agreement or the enforceability of that provision at any other time.

*Section 9.4. Amendments.* Except as otherwise provided herein, after the issuance of the Bond, this Agreement may not be effectively amended or terminated without the written consent of the parties hereto.

*Section 9.5. Governing Law.* This Agreement shall be governed exclusively by and construed in accordance with the internal laws of the State applicable to contracts to be wholly performed therein.

TO THE EXTENT PERMITTED BY APPLICABLE LAWS, EACH OF THE PARTIES HERETO HEREBY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS.



*Section 9.6. Captions; References to Sections.* The captions in this Agreement are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Agreement. References to Articles and Sections are to the Articles and Sections of this Agreement, unless the context otherwise requires.

*Section 9.7. Complete Agreement.* This Agreement represents the entire agreement among the Issuer, the Purchaser and the Borrower with respect to its subject matter. Certain tax matters relating to the Bond and the use of the Project are set forth in the Tax Agreement. The Borrower has made certain additional covenants to the Purchaser as set forth in the Covenant Agreement.

*Section 9.8. Term of this Agreement; Discharge.* This Agreement shall be in full force and effect from the date hereof, and shall continue in effect until the payment in full of all principal of, premium, if any, and interest on the Bond; all fees, charges, indemnities and expenses of the Issuer, the Bond Registrar and the Purchaser have been fully paid or provision made for such payment (the payment of which fees, charges, indemnities and expenses shall be evidenced by a written certification of the Borrower that it has fully paid or provided for all such fees, charges, indemnities and expenses), and all other amounts due hereunder have been duly paid or provision made for such payment. The principal of, premium, if any, and interest on the Bond may be deemed paid in full in advance of the actual payment thereof if an irrevocable escrow is funded for such purpose in form and substance satisfactory to the Purchaser. All representations, certifications and covenants by the Borrower as to the indemnification of various parties and the payment of fees and expenses of the Issuer and the Bond Registrar as described in Section 3.15 hereof, and all matters affecting the tax-exempt status of the Bond shall survive the termination of this Agreement.

Upon the termination of this Agreement as aforesaid, all amounts on deposit in any funds or accounts created hereunder (if any) shall be paid in the following order: (a) to the Purchaser, to the extent any amounts remain owing to the Purchaser hereunder or under the Covenant Agreement, and shall be credited against any indebtedness evidenced by the Bond or the other Borrower Agreements; (b) to the Issuer, to the extent any amounts remain owing to the Issuer hereunder; and (c) to the Borrower.

*Section 9.9. Counterparts.* This Agreement may be executed in several counterparts, each one of which shall constitute an original and all of which collectively shall constitute but one instrument.

*Section 9.10. Payments/Actions Due on Non-Business Days.* If any date for the payment of principal of, premium, if any, or interest on the Bond, or the taking of any other action required or permitted to be taken hereunder, is not a Business Day, then such payment shall be due, or such action shall or may be taken, as the case may be, on the first Business Day thereafter.

*Section 9.11. No Warranty by Issuer or Purchaser.* THE BORROWER RECOGNIZES THAT THE ISSUER AND THE PURCHASER EACH HAS NOT MADE AN INSPECTION OF THE PROJECT OR OF ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, AND THE ISSUER AND THE PURCHASER EACH MAKES NO

WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE SAME OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, CONDITION, WORKMANSHIP, OR FITNESS, SUITABILITY OR USE FOR ANY PARTICULAR PURPOSE, CONDITION OR DURABILITY THEREOF. THE BORROWER FURTHER RECOGNIZES THAT THE ISSUER AND THE PURCHASER EACH HAS NO TITLE INTEREST TO ANY PART OF THE PROJECT AND THAT THE ISSUER AND THE PURCHASER EACH MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND AS TO THE BORROWER'S TITLE THERETO OR OWNERSHIP THEREOF OR OTHERWISE, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY THE BORROWER. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER PATENT OR LATENT, NEITHER THE ISSUER NOR THE PURCHASER SHALL HAVE ANY RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE ISSUER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OF THE STATE OR ANOTHER LAW NOW OR HEREAFTER IN EFFECT OR OTHERWISE.

*Section 9.12. Covenant Agreement.* The Issuer hereby acknowledges that it understands that the Purchaser and the Borrower are parties to the Covenant Agreement.

The Borrower hereby acknowledges that in the Tax Agreement it has covenanted that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the Bond Proceeds) if taking, permitting or omitting to take such action would cause the Bonds to be arbitrage bonds within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes.

In Witness Whereof, the Issuer, the Borrower and the Purchaser have caused this Bond and Loan Agreement to be executed in their respective corporate names as of the date first above written.

**CITY OF CANTON, FULTON COUNTY,  
ILLINOIS**

By: Kent A. McDowell  
Its: Mayor

[SEAL]

Attest:

By: Andrea J. Smith-Waters  
Its: City Clerk

**GRAHAM HOSPITAL ASSOCIATION, an  
Illinois not-for-profit corporation**

By: \_\_\_\_\_  
Its: President/Chief Executive Officer

**CLAYTON HOLDINGS, LLC**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

In Witness Whereof, the Issuer, the Borrower and the Purchaser have caused this Bond and Loan Agreement to be executed in their respective corporate names as of the date first above written.

**CITY OF CANTON, FULTON COUNTY,  
ILLINOIS**

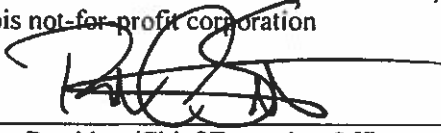
By: \_\_\_\_\_  
Its: Mayor

[SEAL]

Attest:

By: \_\_\_\_\_  
Its: City Clerk

**GRAHAM HOSPITAL ASSOCIATION, an  
Illinois not-for-profit corporation**

  
By: \_\_\_\_\_  
Its: President/Chief Executive Officer

**CLAYTON HOLDINGS, LLC**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

In Witness Whereof, the Issuer, the Borrower and the Purchaser have caused this Bond and Loan Agreement to be executed in their respective corporate names as of the date first above written.

**CITY OF CANTON, FULTON COUNTY,  
ILLINOIS**

By: \_\_\_\_\_  
Its: Mayor

[SEAL]

Attest:

By: \_\_\_\_\_  
Its: City Clerk

**GRAHAM HOSPITAL ASSOCIATION, an  
Illinois not-for-profit corporation**

By: \_\_\_\_\_  
Its: President/Chief Executive Officer

**CLAYTON HOLDINGS, LLC**

By:  \_\_\_\_\_  
Its: JESS SENBERG  
VICE PRESIDENT

Attachment 33

IN WITNESS WHEREOF, we hereunto affix our signatures and the seal of the Bond Registrar,  
this 15th day of May, 2024.

ZIONS BANCORPORATION, NATIONAL  
ASSOCIATION  
Chicago, Illinois

By [Signature]  
Its VICE PRESIDENT, ZIONS BANK DIVISION

Attest:

[Signature]  
Its Senior Vice President, Zions Bank Division

(SEAL OF BOND REGISTRAR)



[CERTIFICATE OF BOND REGISTRAR]

[Handwritten mark]

## Attachment 35

Financial Viability Ratios have been calculated for Graham Hospital Association and are included as page 2 of this Attachment.

As documented in the ratios provided on page 2 of this Attachment, Graham Hospital Association is in compliance with the following Financial Viability Ratios as described in 77 III. Administrative Code 1120.1130 (c) : Percent Debt to Total Capitalization, Projected Debt Service Coverage, Days Cash on Hand and Cushion Ratio.

Although Graham Hospital's Audited Financial statements indicate that our long-term investments are of sufficient size to meet the hospital's debt obligations and to ensure that Graham Hospital Association will not default, we have provided a variance for the two Financial Viability Ratios that fall short of the Administrative Code requirements. This variance can be found on page 3 of this Attachment.

**Attachment 35**

	2021	2022	2023
<b>Current Ratio</b>	1.49	1.56	1.19
Current Assets	\$ 28,514,198	\$ 26,905,342	\$ 24,082,034
Current Liabilities	\$ 19,100,173	\$ 17,244,907	\$ 20,313,476
<b>Net Margin Percentage</b>	3.5%	3.0%	1.1%
Net Income	\$ 3,440,257	\$ 3,158,962	\$ 1,236,834
Net Revenue	\$ 98,844,232	\$ 104,989,766	\$ 113,504,675
<b>Percent Debt to Total Capitalization</b>	27.8%	28.2%	29.6%
Aggregate Indebtedness	\$ 59,311,288	\$ 57,138,991	\$ 67,532,935
Unrestricted Net Assets plus Aggregate Debt	\$ 213,065,909	\$ 202,834,078	\$ 228,365,566
<b>Projected Debt Service Coverage</b>	3.60	7.33	2.90
Income Available for Debt Services	\$ 10,058,352	\$ 22,711,779	\$ 13,395,855
Debt Service Requirements	\$ 2,792,058	\$ 3,096,454	\$ 4,620,320
<b>Days Cash on Hand</b>	501.1	426.8	388.7
Cash & Investments	\$ 123,180,000	\$ 112,144,000	\$ 114,282,577
Average Daily Expense	\$ 245,841	\$ 262,753	\$ 293,981
<b>Cushion Ratio</b>	39.08	29.58	25.72
Cash & Investments	\$ 128,317,701	\$ 111,799,179	\$ 114,282,577
Principal Payments	\$ 1,837,661	\$ 2,195,562	\$ 2,286,604
Interest Expense	\$ 1,446,067	\$ 1,583,760	\$ 2,157,040

262



Attachment 35



Phone (309) 647-5240  
210 W. Walnut Street  
Canton, IL 61520  
[www.grahamhealthsystem.org](http://www.grahamhealthsystem.org)

Debra Savage  
Health Facilities and Services Review Board  
525 West Jefferson Street, Floor 2  
Springfield, IL 62761

Re: Graham Hospital Association's Ambulatory Surgery Center  
Administrative Code Section 77 III. 1120.130 – Financial Variance

Ms. Savage:

The undersigned, as an authorized representative of Graham Hospital Association, in accordance with Administrative Code 1120.130, attest that the organization is responsible for assuming all debt related to the proposed Ambulatory Surgery Center.

I also certify that we continually meet the covenants for our outstanding debt and provide quarterly compliance certificates validating that our ratios are in line with covenant requirements. A copy our most recent debt covenant compliance certificate, with our required ratios, is provided immediately following this variance certification.

Sincerely,

Robert G. Senneff  
President & CEO  
Graham Hospital Association  
[rsenneff@grahamhospital.org](mailto:rsenneff@grahamhospital.org)  
(309)647-5240

Tammi J. Medus  
Notary



## Attachment 35

### Graham Hospital Association

Compliance Calculations

For Continuing Covenant Agreement Dated November 1, 2015

Calculations as of June-24

A. Section 6.29(a) (Asset Maintenance)

1	Unrestricted and Temporarily Restricted Cash and	\$	125,525,938
2	Indebtedness of the Borrower	\$	76,474,224
3	Calculated Ratio		1.64
4	Ratio of Line A1 must be at least		1.00
5	Borrower in compliance (indicate yes or no)		YES

B. Section 6.29(b) (Debt Service Coverage Ratio)

1	Income Available for Debt Service	\$	8,546,151
2	Debt service Requirements for the four fiscal quarters of the	\$	4,762,089
3	Debt Service Coverage Ratio		1.79
4	Line B3 must be greater than:		1.25
5	Borrower in compliance (indicate yes or no)		YES

C. Section 6.29 (c)(Debt to Capitalization Ratio)

1	Aggregate Indebtedness	\$	76,474,224
2	Unrestricted Net Assets plus Aggregate Debt	\$	249,635,962
3	Debt to Capitalization Ratio		0.31
4	Ratio must not be greater than		0.50
5	Borrower in compliance (indicate yes or no)		YES

264

A. Reasonableness of Financing Arrangements



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Debra Savage  
Health Facilities and Services Review Board  
525 West Jefferson Street, Floor 2  
Springfield, IL 62761

Re: Graham Hospital Association's Ambulatory Surgery Center  
Administrative Code Section IX. 1120.140 – Economic Feasibility

Ms. Savage,

At its October 28, 2024 meeting, the Board of Trustees of Graham Hospital Association, approved the funding of up to \$4.0 million in cash and investments for construction and establishment of an Ambulatory Surgery Center.

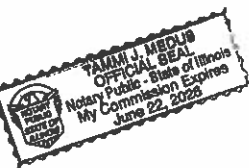
The availability of these funds can be found on the Consolidated Balance Sheet of Graham Hospital Association for the Year ending June 30, 2023. The funds are part of the \$110.4 million of Internally Designated funds which appears on page six of the 2023 Graham Hospital Association audit.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Senneff', written over a horizontal line.

Robert G. Senneff  
President & CEO  
Graham Hospital Association  
[rsenneff@grahamhospital.org](mailto:rsenneff@grahamhospital.org)  
(309)647-5240

*Tammi J. Medus*  
Notary



B. Conditions of Debt Financing

Debra Savage  
Health Facilities and Services Review Board  
525 West Jefferson Street, Floor 2  
Springfield, IL 62761

Re: Graham Hospital Association's Ambulatory Surgery Center  
Administrative Code Section IX. 1120.140 – Economic Feasibility

Ms. Savage:

The undersigned, as an authorized representative of Graham Hospital Association, in accordance with Administrative Code 1120.140 and the requirements of Section IX of the Certificate of Need Application, attest that the sources of funding for this project will be a combination of the following:

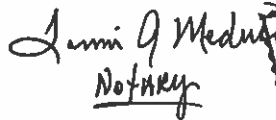
- Bond Proceeds
- Cash and Investments

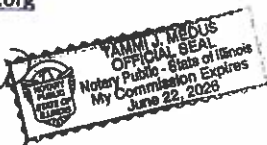
I also certify that the selected form of debt financing is at the lowest net cost available at 4.46%, allowing us to leave invested funds in the bank to continue to earn 6.0 % or more and grow our balance sheet to maintain ratios that meet our debt covenants.

Sincerely,



Robert G. Senneff  
President & CEO  
Graham Hospital Association  
[rsenneff@grahamhospital.org](mailto:rsenneff@grahamhospital.org)  
(309)647-5240

  
Notary



**Graham Hospital Association – Series 2024 Bond Issuance**  
 Closing Memorandum  
 May 15, 2024



Graham Hospital Association's Series 2024 Bond Issuance will close and fund on May 15, 2024. The City of Canton, Illinois will serve as the issuing authority. The City adopted the Bond Ordinance at their regularly scheduled meeting on May 7, 2024.

The par amount of the tax-exempt offering totals \$11,322,000. Proceeds will be used to fund capital projects at the hospital, support expansion efforts in Galesburg, IL (Knox County Resolution adopted on April 24, 2024), and pay costs of issuance. Commerce Bank (d/b/a Clayton Holdings, LLC) will purchase the bonds. The all-in tax-exempt rate for the bonds is 4.46% (detailed below).

Tax-Exempt Fixed Rate Option				Rates as of 5/10/2024		
Term	Tax Exempt Factor	Treasury Rate	Spread	All-In Tax Exempt Fixed Rate		
\$5 year	0.75	4.59%	0.91%	4.46%		

Following are the closing Sources & Uses, closing day disbursement schedule, and associated payment instructions:

Series 2024 Bonds Sources & Uses		Disbursement at Closing	
<b>Sources</b>		Bond Registrar Fee	3,000
Bond Proceeds for Project Uses	11,178,902	Municipal Advisor	84,915
Bond Proceeds for Closing Costs	143,098	Bond Counsel	35,000
<b>Total Uses</b>	<b>11,322,000</b>	Bank Counsel	17,900
<b>Uses</b>		Borrower's Counsel	500
PROJECT - MRI	687,556	BMO Counsel	1,500
PROJECT - CT	218,846	Misc. Closing Costs	283
PROJECT - Galesburg Building C - Phase 2 North	3,600,000	<b>Total Closing Disbursement</b>	<b>143,098</b>
PROJECT - Galesburg Building C - Phase 2 South	4,312,500		
PROJECT - GMG Seminary / 3rd Avenue Remodel	910,000		
PROJECT - GMG Seminary / Grove Remodel	550,000		
PROJECT - GMG Seminary / Fremont Remodel	900,000		
Bond Registrar Fee	3,000		
Municipal Advisor Fee	84,915		
Bond Counsel	35,000		
Bank Counsel	17,900		
Borrower's Counsel	500		
BMO Counsel (Intercreditor)	1,500		
Misc. Closing Costs	283		
<b>Total Uses</b>	<b>11,322,000</b>		

267

D. Projected Operating Costs per Case

**Graham Health System**  
ASC Operating Cost per Case

Operating Costs:	
Salaries	\$ 1,651,400
Benefits	\$ 412,850
Supplies	\$ 1,112,210
Total Cost	\$ 3,176,459
Cases	1,976
Cost per Case	\$ 1,607.52

E. Total Effect of the Project on Capital Costs

Graham anticipates that there will be minimal capital spend (i.e. \$5,000 or greater) when the ASTC reaches target utilization as all supplies and equipment will be new and under warranty.

**Attachment 36**

1. **The project’s material impact, if any, on the essential safety net services 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).

This project is for the establishment of a Non-Hospital Based Ambulatory Surgical Treatment Center (ATSC) which will be located in Galesburg, Illinois which is in Knox County.

The primary purpose of this project is to improve access to care and the healthcare and well-being of the project’s geographic service area (GSA) which consists of zip codes located within 17 miles of the proposed ASTC, as specified for health care facilities in Knox County in 77 Ill. Administrative Code 1100.510(d)(2).

A list of these zip codes is found in Attachments 12 and 25, along with the number of inpatients and observation patients at Graham Hospital Association during 2023. The patient origin data indicated that nearly 81% of patients reside in the GSA.

- A. Graham Health System’s Ambulatory Surgery Center is proposed to serve the same patient population as Graham Hospital Association, as indicated by provider referral letters for this facility, which can be found in Appendix A and discussed in Attachment 25. Additional provider referrals are included, from practitioners who performed surgery on patients that reside within the GSA.

This project will increase essential safety net services in the community because Graham’s Ambulatory Surgery Center is anticipated to have a similar payor mix to that of Graham Hospital Association.

Graham Hospital Association’s payor mix is shown below:

	Percent of Revenue
Medicare	25.4%
Medicaid	25.1%
Managed Care	47.6%
Self Pay	1.9%

The Graham Health System Ambulatory Surgery Center is expected to provide a similar percentage amount of charity care as Graham Hospital Association.

In 2023, the cost of charity care provided by Graham Hospital Association was 1.5% of its net revenue and the charges for charity care it provided was 3.4% of its net revenue.

## Attachment 36

- 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.**

As discussed in the previous section, there are no existing ASTC facilities within the GSA.

The approval of the Graham Health System Ambulatory Surgery Center will have no impact on the ability of another provider to cross-subsidize safety net services due to the population within the GSA.

It is anticipated that this project will improve safety net services within the GSA.

- 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.**

This item is not applicable because Graham Hospital Association is not proposing to discontinue any services or facilities.



**Charity Care Certification**



Phone (309) 647-5240  
210 W. Walnut Street  
Canton, IL 61520  
[www.grahamhealthsystem.org](http://www.grahamhealthsystem.org)

Debra Savage  
Health Facilities and Services Review Board  
525 West Jefferson Street, Floor 2  
Springfield, IL 62761

Ms. Savage:

Graham Hospital Association certifies that it provided the following amounts of charity care for the three most recent audited fiscal years prior to submission of this certificate of need application.

**Charity Care Patients Served**

	2023	2022	2021
Inpatient	10	7	10
Outpatient	518	315	421
<b>Total Patients</b>	<b>528</b>	<b>322</b>	<b>431</b>

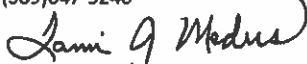
**Charity Care Cost**

	2023	2022	2021
Inpatient	\$ 314,353	\$ 422,730	\$ 726,634
Outpatient	\$ 1,211,633	\$ 1,316,901	\$ 2,263,631
<b>Total Cost</b>	<b>\$ 1,525,986</b>	<b>\$ 1,739,631</b>	<b>\$ 2,990,265</b>

The amounts of charity care have been calculated in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act and are consistent with the information reported each year to the Illinois Department of Public Health on the Annual Hospital Questionnaire and published in the Annual Hospital Profile regarding "Inpatients and Outpatients Served by Payor Source," "Inpatient and Outpatient Net Revenue by Payor Source," and "Total Charity Care Expense."

Sincerely,

  
Robert G. Senneff  
President & CEO  
Graham Hospital Association  
[rsenneff@grahamhospital.org](mailto:rsenneff@grahamhospital.org)  
(309)647-5240

  
Notary



271

**Medicaid Certification**



Phone (309) 647-5240  
210 W. Walnut Street  
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[www.grahamhealthsystem.org](http://www.grahamhealthsystem.org)

Debra Savage  
Health Facilities and Services Review Board  
525 West Jefferson Street, Floor 2  
Springfield, IL 62761

Ms. Savage:

Graham Hospital Association certifies that it provided the following amounts of care to Medicaid patients for the three most recent audited fiscal years prior to submission of this certificate of need application.

**Medicaid Patients Served**

	2023	2022	2021
Inpatient	580	655	588
Outpatient	62,734	57,275	56,712
<b>Total Patients</b>	<b>63,314</b>	<b>57,930</b>	<b>57,278</b>

**Medicaid Cost**

	2023	2022	2021
Inpatient	\$ 2,228,220	\$ 2,048,291	\$ 2,125,689
Outpatient	\$ 7,978,932	\$ 7,056,290	\$ 6,392,133
<b>Total Revenue</b>	<b>\$ 10,207,152</b>	<b>\$ 9,104,581</b>	<b>\$ 8,517,822</b>

The amounts of charity care have been calculated in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act and are consistent with the information reported each year to the Illinois Department of Public Health on the Annual Hospital Questionnaire and published in the Annual Hospital Profile regarding "Inpatients and Outpatients Served by Payor Source," "Inpatient and Outpatient Net Revenue by Payor Source," and "Total Charity Care Expense."

Sincerely,

Robert G. Senneff  
President & CEO  
Graham Hospital Association  
[rsenneff@grahamhospital.org](mailto:rsenneff@grahamhospital.org)  
(309)647-5240

*Tammi J. Medus*  
Notary



**Attachment 36**

1. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research and any other service.

The following has been provided in the Appendix of this Attachment as support of Graham Hospital Association's mission to provide charity care to our patients:

- A copy of Graham Hospital Association's 2023 Community Benefit plan.
- A copy of Graham Hospital Association's 2023 Schedule H. During 2023, Graham Hospital Association provided \$7.2 million dollars in net community benefit expense.
- A copy of Graham Hospital Association's Financial Assistance Policy.

<b>Safety Net Information per PA 96-0031</b>				
<b>CHARITY CARE</b>				
	2023	2022	2021	
Inpatient	10	7	10	
Outpatient	518	315	421	
<b>Total Patients</b>	<b>528</b>	<b>322</b>	<b>431</b>	
	2023	2022	2021	
Inpatient	\$ 314,353	\$ 422,730	\$ 726,634	
Outpatient	\$ 1,211,633	\$ 1,316,901	\$ 2,263,631	
<b>Total Cost</b>	<b>\$ 1,525,986</b>	<b>\$ 1,739,631</b>	<b>\$ 2,990,265</b>	
<b>MEDICAID</b>				
	2023	2022	2021	
Inpatient	580	655	566	
Outpatient	62,734	57,275	56,712	
<b>Total Patients</b>	<b>63,314</b>	<b>57,930</b>	<b>57,278</b>	
	2023	2022	2021	
Inpatient	\$ 2,228,220	\$ 2,048,291	\$ 2,125,689	
Outpatient	\$ 7,978,932	\$ 7,056,290	\$ 6,392,133	
<b>Total Revenue</b>	<b>\$ 10,207,152</b>	<b>\$ 9,104,581</b>	<b>\$ 8,517,822</b>	

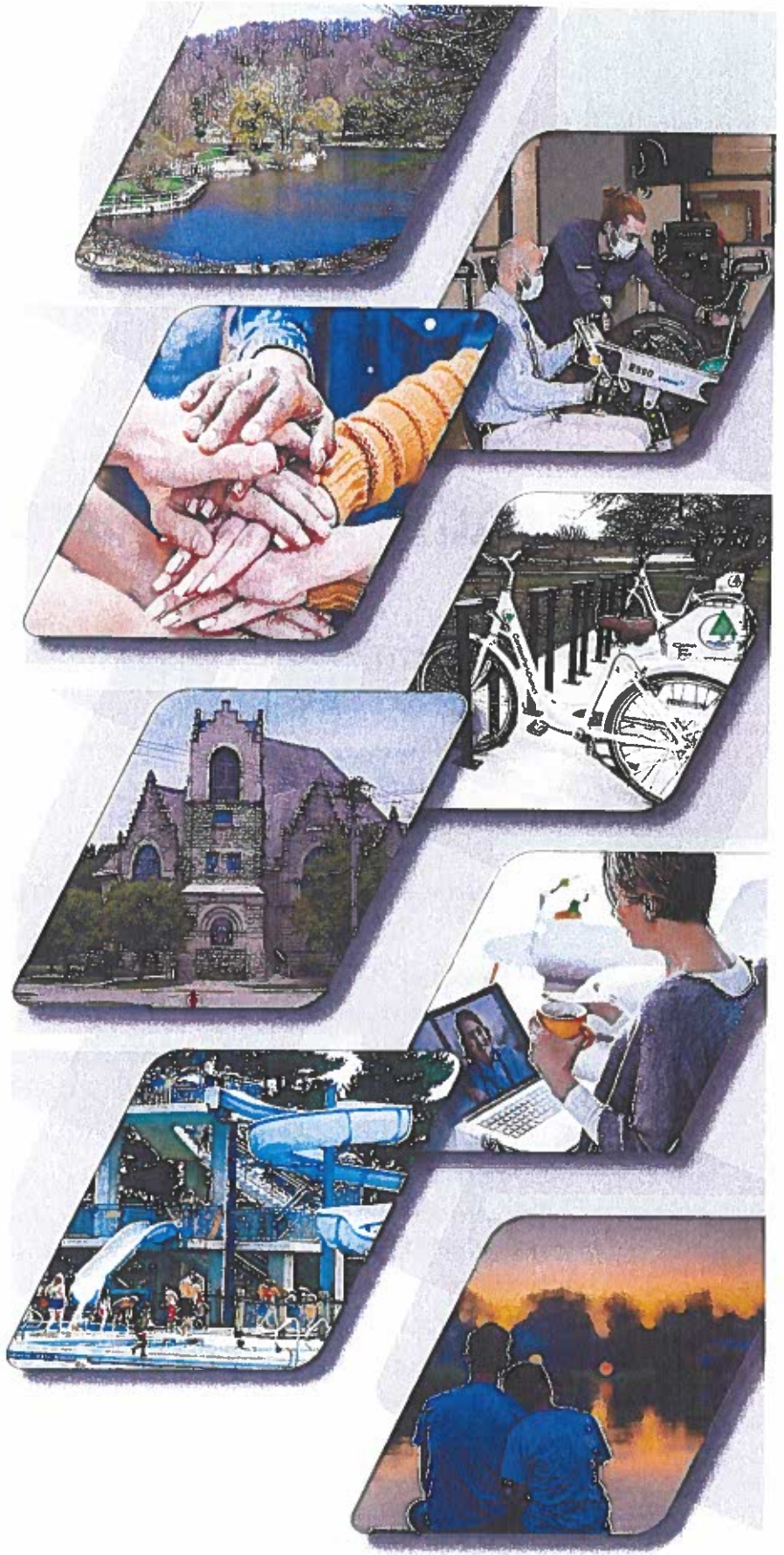
273

## Appendix-Attachment 36

- Community Health Needs Assessment
- FY 2023 Schedule H – Community Benefit
- Graham Hospital Association's Financial Assistance Policy

# 2022

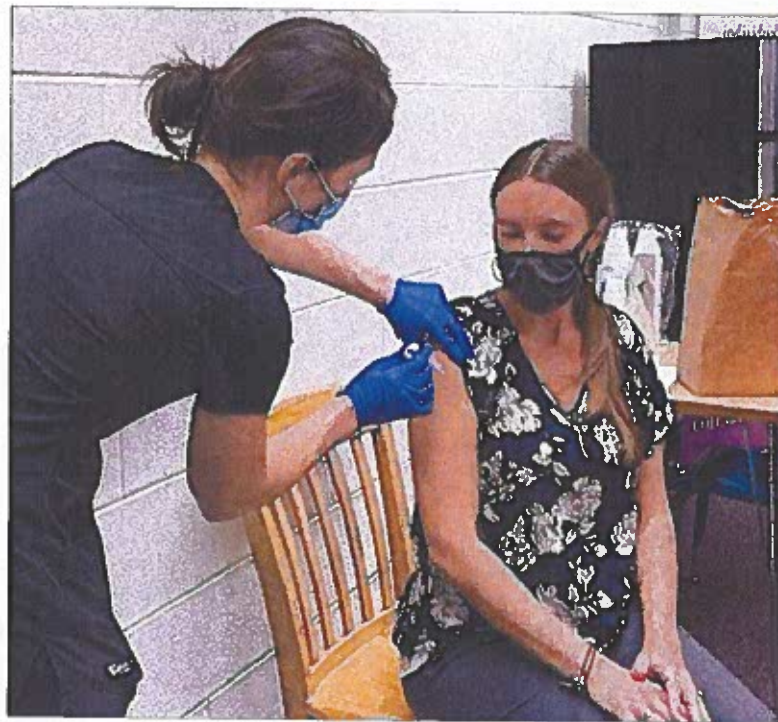
## Community Health Needs Assessment



# TABLE OF CONTENTS

<b>INTRODUCTION.....</b>	<b>5-7</b>
Executive Summary.....	7-11
Background.....	11-12
Graham Health System Services.....	14-16
Local Impact of COVID.....	16-17
<b>ESTABLISHING THE CHNA INFRASTRUCTURE AND PARTNERSHIPS.....</b>	<b>19</b>
<b>DATA COLLECTION.....</b>	<b>19-24</b>
Secondary Data.....	19-21
Primary Data.....	21-24
<b>DATA ANALYSIS.....</b>	<b>27-65</b>
Demographics.....	27-30
Social Determinants of Health.....	31-45
Health and Wellness Indicators.....	46-63
- Chronic Illness.....	52-58
- Substance Use.....	59-61
- Mental and Behavioral Health.....	62-63
Diversity and Minority Health Status.....	64
Emergency Preparedness.....	65

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**IDENTIFICATION AND PRIORITIZATION OF NEEDS.....67-68**

Process.....67

Description of the Community Health Needs Identified.....68

**RESOURCES AVAILABLE TO MEET PRIORITY HEALTH NEEDS.....71-72**

Hospital Resources.....71

Healthcare Partners or other Resources including Telemedicine.....71

Community Resources.....72

**DOCUMENTING AND COMMUNICATING RESULTS.....75**

**IMPLEMENTATION STRATEGY.....77-80**

Planning Process.....77

Implementation Strategy.....78-80

**REFERENCES AND APPENDIX.....83-84**







Early Childhood



Adolescents



Adults



Seniors

## INTRODUCTION

Graham Hospital was chartered in 1905. The hospital opened in 1909, in a facility gifted by the Graham family. The first surgery was performed in 1910 and by 1925, the hospital was looking at its first facility expansion.

A second expansion in 1959 increased the number of available beds to 135 and in 1968, the hospital was expanded to accommodate 213 beds. In 1977, a three-story expansion was built to house a new laboratory, surgery unit, and maternity suites as well as the addition of new mechanical spaces and linen quarters. In 2005, another addition was completed that now houses the Emergency Department and Administrative offices.

During the 21<sup>st</sup> Century, primary and specialist access has been expanded through the opening of new clinics in Canton, Farmington, Lewistown, Elmwood, and Williamsfield.

In 2022, an era in which there are very few independent community hospitals remaining, Graham Health System remains an independent health system serving patients throughout central and western Illinois, with operations in three counties: Fulton, Mason, and Peoria.

279



Today, Graham Hospital embraces the mission and values of the Graham Health System:



**MISSION STATEMENT**

To provide compassionate, quality health services, in a responsible and charitable manner, to the people and communities we serve.



*Innovation* – By innovation, we mean we continuously improve our operations and environment by actively encouraging creative solutions.



*Accountability* – By accountability, we mean we accept responsibility and follow through to completion.



*Communication* – By communication, we mean we openly share information in all directions in a timely manner.



*Compassion* – By compassion, we mean we exhibit empathy and care for others.



*Teamwork* – By teamwork, we mean working together cohesively to achieve our common goal.

## EXECUTIVE SUMMARY

Provisions in the Affordable Care Act (ACA) require charitable hospitals to conduct a Community Health Needs Assessment (CHNA). The CHNA is a systematic process involving the community to identify and analyze community health needs as well as community assets and resources in order to plan and act upon priority community health needs.

This assessment process results in a CHNA report which assists the hospital in planning, implementing, and evaluating hospital strategies and community benefit activities. This Community Health Needs Assessment was developed and conducted, in partnership with representatives from the community, by a consultant provided through the Illinois Critical Access Hospital Network (ICAHN).

ICAHN is a not-for-profit 501(c)(3) corporation established in 2003 for the purposes of sharing resources, education, promoting operational efficiencies, and improving healthcare services for member critical access and rural hospitals and their communities.

ICAHN, with 57 member hospitals, is an independent network governed by a nine-member board of directors, with standing and project development committees facilitating the overall activities of the network. ICAHN continually strives to strengthen the capacity and viability of its members and rural health providers.

This Community Health Needs Assessment will serve as a guide for planning and implementation of healthcare initiatives that will allow the hospital and its partners to best serve the emerging health needs of Canton and the surrounding area. The CHNA process was coordinated by the Executive Assistant.

Two focus groups met to discuss the state of overall health and wellness in the Graham Health System service area and to identify health concerns and needs in the delivery of healthcare and health services in order to improve wellness and reduce chronic illness for all residents. The focus groups included representation of healthcare providers, community leaders, community services providers, schools, a community college, faith-based organizations, local elected officials, public health and others. Several members of these groups provide services to underserved and unserved persons as all or part of their roles.

The findings of the focus groups were presented, along with secondary data analyzed by the consultant, to a third group for identification and prioritization of the significant health needs facing the community. The group consisted of representatives of public health, community leaders, healthcare providers, and community services providers.

## **IDENTIFICATION AND PRIORITIZATION > ADDRESSING THE NEED**

At the conclusion of their review and discussion, the identification and prioritization group advanced the following needs:



Availability of Mental Health and Substance Abuse Services



Improve Health Education and Health Services in Local Schools



Address Issues Related to Homelessness

1. The group first identified and prioritized availability of mental health services, including:
  - Increasing access to local treatment for mental health services of all types for youth and adults
  - Improving and increasing access to long-term mental healthcare outside the community, including care for substance use disorders
  - Providing community education about available local mental health services
  - Providing local access to a psychiatrist
2. The group next prioritized the need to improve health education and health services in some local schools that are not currently sufficiently staffed to fully meet these needs.
3. The third prioritized need was to address homelessness.

The results of the assessment process were then presented to senior staff at Graham Health System through a facilitated discussion for development of a plan to address the identified and prioritized needs.

## **ADDRESSING THE NEED > CREATING THE PLAN**

The group addressed the needs with the following strategies:

### **1. Availability of mental health services, including:**

- Increasing access to local treatment for mental health services of all types for youth and adults
- Improving and increasing access to long-term mental healthcare outside the community, including care for substance use disorders
- Providing community education about available local mental health services
- Providing local access to a psychiatrist
  - Graham Health System will add a mental health nurse practitioner to the professional staff at the clinic.
  - Graham Health System will collaborate with North Central Behavioral Health Systems to provide a full-time, in-house crisis worker at Graham Hospital in Canton.
  - Graham Health System will seek to expand contacts for out-of-the-area referrals for care for persons needing inpatient care for mental health and substance use disorders.
  - Graham Health System will explore telepsychiatry and tele-mental health counseling.
  - Graham Health System will collaborate with the Fulton County Health Department and local schools to address mental health needs for youth and community education about availability of local services for youth, adult, and family.

### **2. Improve health education and health services in some local schools that are not currently sufficiently staffed to fully meet these needs.**

- Graham Health System will collaborate with Canton Union School District to determine needs and develop solutions based on needs of the schools.

- Graham Health System will facilitate information-sharing opportunities for school nurses working throughout the service area.

### 3. Address homelessness

- Recognizing that this is a community-wide issue and beyond the resources and services of the hospital, Graham Health System will attempt to form and facilitate a community work-group of interested agencies, local governments, schools, businesses, and individuals to develop and implement strategies to explore the scope and address this issue.

## BACKGROUND

The Community Health Needs process is conducted every three years. In response to issues identified and prioritized and the implementation strategy developed to address them, Graham Health System has taken the following steps since the last CHNA.

### Priority #1:

**Due to the prevalence of obesity among youth and adults in the service area, the group identified and prioritized the need for nutrition education within the community and also, access to healthy foods.**

- Over the last three years, the Pritikin program continued to grow and provide nutrition education to enrolled patients.
- Graham Health System hired two dietitians to support patient nutritional education needs in both the outpatient and inpatient settings.
- The Wellness Coordinator is working on new strategies, post-pandemic, to expand the Community Wellness Program into new industries, including youth programs.
- The Community Bike Program was successfully created with two bike locations placed strategically in Canton. Further development of the program continues as additional bike locations are added and marketing gains momentum.

285

### Priority #2:

The prevalence of diabetes in the service area and the need for physical health and nutrition education for youth and adults and for access to reasonably priced insulin and other diabetes medications for the underinsured and uninsured were identified and prioritized.

- Over the last three years, the Pritikin program continued to grow and provide nutrition education to enrolled patients.
- Graham Health System hired two dietitians to support patient nutritional education needs in both the outpatient and inpatient settings.
- In 2020, Graham Medical Group opened a Diabetic Clinic to focus on the needs of its diabetic population. The clinic is currently directed by an APRN (Advanced Practice Registered Nurse) who holds a certification in diabetic education.
- In 2021, Graham Health System supported the education for an RN in the Wound Clinic to complete her CDCES (Certified Diabetic Care and Education Specialist) to offer enhanced support to diabetic patients.
- In 2021, Graham Health System invested in a new data management program to offer more real-time reporting for Quality measures specific to diabetic patients.

### Priority #3:

The third prioritized need was mental health including resources to address suicide, local access to mental health providers at all levels, local mental health support services, and local access to detoxification, rehabilitation, and recovery for persons facing substance use disorders.

- In 2021, the Graham Medical Group started an Integrated Behavioral Health Clinic to support the needs of its patients. The program focused on short-term, goal-based therapy.
- Moving forward, Graham Health System is working to enhance the program by having a PMHNP-led (Psychiatric Mental Health Nurse Practitioner) clinic to offer more options for support and healing.
- In 2022, Graham Health System partnered with North Central Behavioral Health Systems (NCBHS) to offer crisis intervention services in the Emergency Department and inpatient setting.



**Priority #4:**

The group next identified the need to address the number of local teen births.

- Accomplishments were severely constrained by the onset of COVID-19 in March of 2020. Graham Health System reallocated the vast majority of its financial and human resources to combat the epidemic. Graham Health System worked in concert with both the Canton Union School District and the Fulton County Health Department over an 18-20-month period on education, vaccine acquisition, adult and pediatric vaccine clinics, etc.

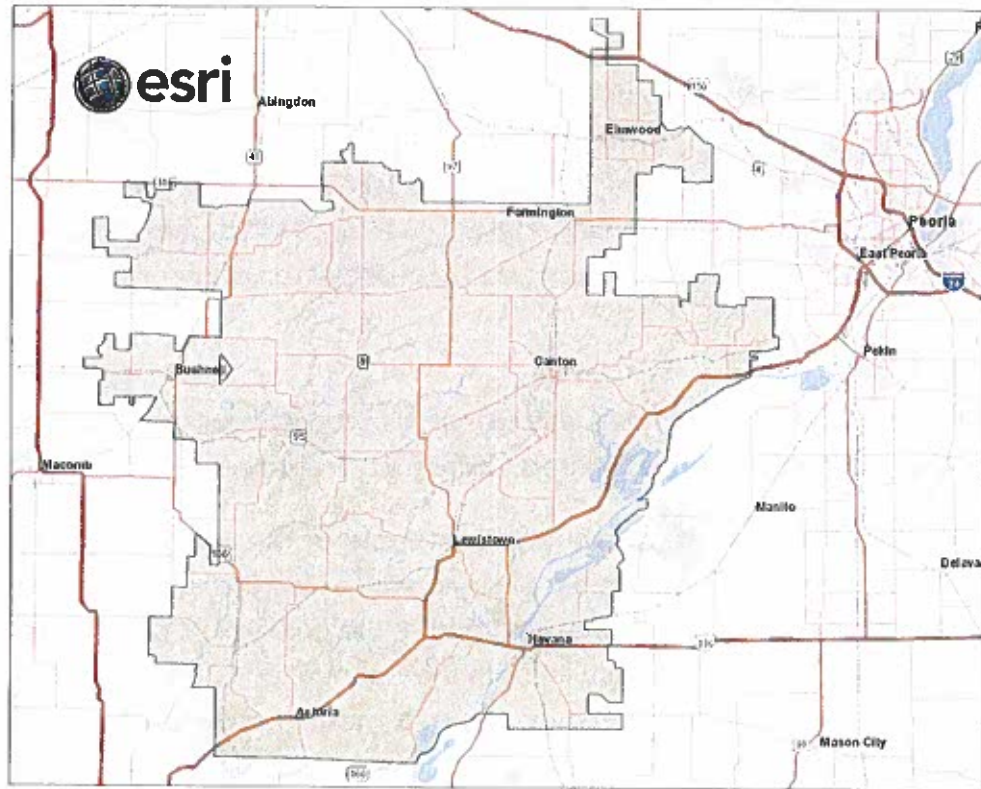
**Priority #5:**

The group's final identified need was to increase local access for dentists to serve underinsured and uninsured community members.

- Accomplishments were severely constrained by the onset of COVID-19 in March of 2020. Graham Health System reallocated the vast majority of its financial and human resources to combat the epidemic. Graham Health System worked in concert with both the Connections Clinic and the Fulton County Health Department over an 18-20-month period. Graham Health System increased its financial support for the Connections Clinic. The clinic has an account designated specifically for dental needs.



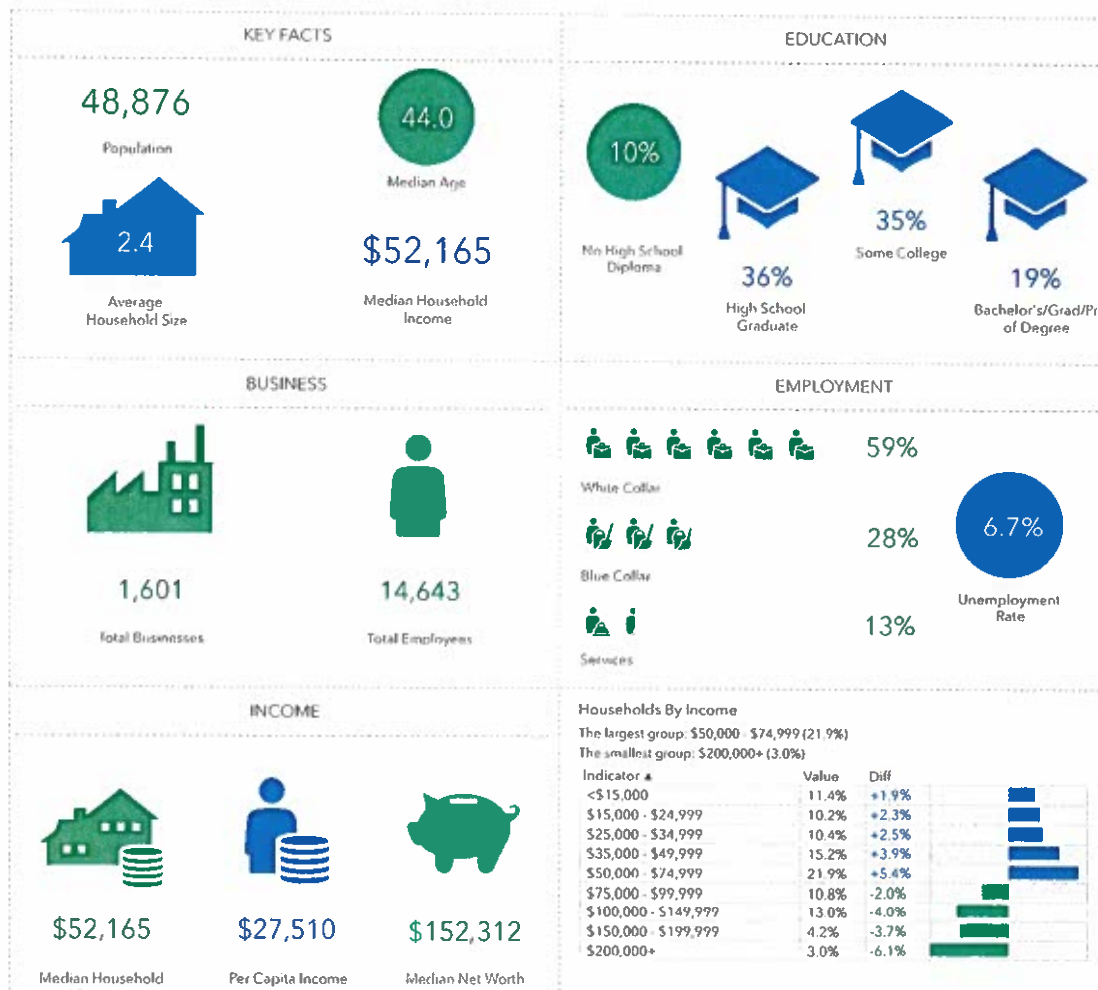
## AREA SERVED BY GRAHAM HEALTH SYSTEM



For the purpose of this CHNA, Graham Health System has defined its primary service area and populations as the general population within the geographic area in and surrounding Canton, defined in detail below. The hospital's patient population includes all who receive care without regard to insurance coverage or eligibility for assistance. Graham Health System's area of service is comprised of around 1,175 square miles, with a population of approximately 47,242 people and a population density of 92 people per square mile. The service area consists of rural communities, including:

Canton	Avon	Dunfermline	Cuba	Ipava
Bushnell	Banner	Bryant	Glasford	Saint David
Lewistown	Elmwood	Table Grove	Norris	London Mills
Fairview	Astoria	Farmington	Marietta	Vermont
Ellisville	Williamsfield	Havana	Smithfield	Liverpool

## Graham Health System Service Area – Key Facts



The infographic above highlights some of the key facts of that data and provides a snapshot of the population served by Graham Health System. The data on the following pages will take a deep dive into the demographics of Graham Health System's service area and will offer insight to both the commonality and complexity of the Graham Health System audience.

The average household size in the area, at 2.4, is lower than both Illinois (3.0) and the U.S. (2.5) overall average. Median age is 44 years, which is higher than Illinois and the U.S. benchmark. The highest level of education is high school graduate, followed by some college.

The area's unemployment rate of 6.7% is higher than statewide and national average. Also, as is the case in much of rural Illinois, median family household income in the service area is lower than the statewide average.

Of the 38,873 population of the service area, 3,195 or 8.22% are veterans of the U.S. Army, Navy, Air Force, Marine Corps, or the Coast Guard.

## LOCAL IMPACT OF COVID

### COVID-19 Confirmed Cases and Mortalities

The COVID-19 epidemic has overshadowed many local health functions since March 2020. It has dramatically impacted overall health of the communities and the delivery of healthcare and health-related services. The broad impact has been seen throughout the communities, changing the way people work, shop, learn, and communicate. This indicator reports incidence rate of confirmed COVID-19 cases per 100,000 population. Data for this indicator are updated daily and derived from the Johns Hopkins University data feed. In the service area, there have been 9,930 total confirmed cases of COVID-19.

The rate of confirmed cases is 28,498.45 per 100,000 population, which is greater than the state average of 23,879.57. The mortality rate related to COVID-19 in the service area of Graham Health System has generally exceeded the rate of the state of Illinois. Data are current as of 2/28/2022.

Report Area	Total Population	Total Confirmed Cases
Fulton County, IL	34,844	9,930
Knox County, IL	50,112	12,454
McDonough County, IL	29,955	7,113
Mason County, IL	13,565	3,868
Peoria County, IL	180,621	45,945
Schuyler County, IL	6,907	1,937
Warren County, IL	17,032	3,967
Illinois	12,741,080	3,031,048
United States	326,262,499	77,516,312

Confirmed  
COVID-19 Cases

*Note: This indicator is compared to the state average.  
Data Source: Johns Hopkins University. Accessed via ESRI.  
Additional data analysis by CARES. 2021. Source geography: County*

In the service area, there have been 124 total deaths among patients with confirmed cases of the coronavirus disease COVID-19. Data are current as of 3/3/2022.

Report Area	Total Population	Total Deaths
Fulton County, IL	34,844	124
Knox County, IL	50,112	207
McDonough County, IL	29,955	86
Mason County, IL	13,565	59
Peoria County, IL	180,621	501
Schuyler County, IL	6,907	17
Warren County, IL	17,032	80
Illinois	12,741,080	32,763
United States	326,262,499	931,115

COVID-19 Mortalities

*Note: This indicator is compared to the state average.  
Data Source: Johns Hopkins University. Accessed via ESRI.  
Additional data analysis by CARES. 2021. Source geography: County*

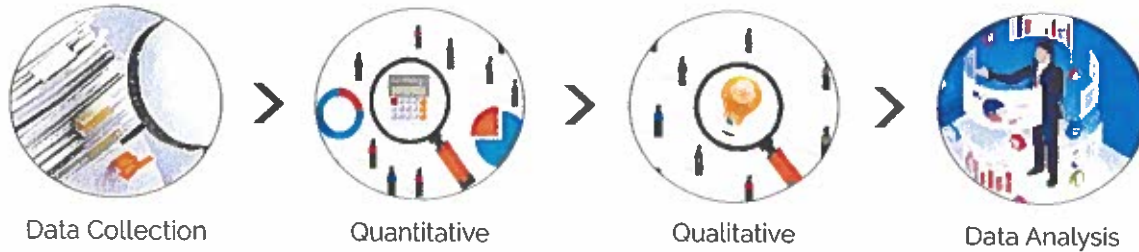
### COVID-19 Fully Vaccinated Adults

This indicator reports the percent of adults fully vaccinated for COVID-19. Data is updated daily from the CDC API. Vaccine hesitancy is the percent of the population estimated to be hesitant towards receiving a COVID-19 vaccine. The Vaccine Coverage Index is a score of how challenging vaccine roll-out may be in some communities compared to others, with values ranging from 0 (least challenging) to 1 (most challenging). Data are current as of 3/3/2022.

Report Area	Percent of Adults Fully Vaccinated	Estimated Percent of Adults Hesitant About Receiving COVID-19 Vaccination	Vaccine Coverage Index	Last Update
Fulton County, IL	64.8%	9.65%	0.46	03/02/2022
Knox County, IL	67.8%	8.94%	0.48	03/02/2022
McDonough County, IL	51.9%	9.65%	0.54	03/02/2022
Mason County, IL	62.8%	9.91%	0.20	03/02/2022
Peoria County, IL	71.1%	8.70%	0.25	03/02/2022
Schuyler County, IL	63.5%	9.91%	0.43	03/02/2022
Warren County, IL	58.0%	9.65%	0.38	03/02/2022
Illinois	74.8%	7.95%	0.37	03/02/2022

*Note: This indicator is compared to the state average. Data Source: Centers for Disease Control and Prevention and the National Center for Health Statistics, CDC GRASP, 2021.*





## ESTABLISHING THE CHNA INFRASTRUCTURE AND PARTNERSHIPS

### Data Collection

#### SECONDARY DATA

#### Description of Data Sources – Quantitative

Quantitative (secondary) data is collected from many resources including, but not restricted to, the following:

Source	Description
Behavioral Risk Factor Surveillance System	The BRFSS is the largest, continuously conducted telephone health survey in the world. It enables the Center for Disease Control and Prevention (CDC), state health departments, and other health agencies to monitor modifiable risk factors for chronic diseases and other leading causes of death.
SparkMap	SparkMap is an online mapping and reporting platform powered by the Center for Applied Research and Engagement Systems (CARES) at the University of Missouri.
US Census	National census data is collected by the US Census Bureau every 10 years.
Centers for Disease Control	Through the CDC's National Vital Statistics System, states collect and disseminate vital statistics as part of the US's oldest and most successful intergovernmental public health data sharing system.

Source	Description
County Health Rankings	Each year, the overall health of each county in all 50 states is assessed and ranked using the latest publicly available data through a collaboration of the Robert Wood Johnson Foundation and the University of Wisconsin Population Health Institute.
American Communities Survey	The American Community Survey (ACS), a product of the U.S. Census Bureau, helps local officials, community leaders, and businesses understand the changes taking place in their communities. It is the premier source for detailed population and housing information about our nation.
Illinois Department of Employment Security	The Illinois Department of Employment Security is the state's employment agency. It collects and analyzes employment information.
National Cancer Institute	The National Cancer Institute coordinates the National Cancer Program, which conducts and supports research, training, health information dissemination, and other programs with respect to the cause, diagnosis, prevention, and treatment of cancer, rehabilitation from cancer, and the continuing care of cancer patients, and the families of cancer patients.
Illinois Department of Public Health	The Illinois Department of Public Health is the state agency responsible for preventing and controlling disease and injury, regulating medical practitioners, and promoting sanitation.
HRSA	The Health Resources and Services Administration of the US Department of Health and Human Services develops health professional shortage criteria for the nation and uses that data to determine the location of Health Professional Shortage Areas and Medically Underserved Areas and Populations.
Local IPLANS	The Illinois Project for Local Assessment of Needs (IPLAN) is a community health assessment and planning process that is conducted every five years by local health jurisdictions in Illinois.
ESRI	ESRI (Environmental Systems Research Institute) is an international supplier of Geographic Information System (GIS) software, web GIS and geodatabase management applications. ESRI allows for specialized inquiries at the zip code, or other defined, level.
Illinois State Board of Education	The Illinois State Board of Education administers public education in the state of Illinois. Each year, it releases school "report cards" which analyze the makeup, needs, and performance of local schools.
USDA	USDA, among its many functions, collects and analyzes information related to nutrition and local production and food availability.



Secondary data is initially collected through the SparkMap and/or ESRI systems and then reviewed. Questions raised by the data reported from those sources are compared with other federal, state and local data sources in order to resolve or reconcile potential issues with reported data.

## PRIMARY DATA

Two focus groups were convened at Graham Health System on January 13, 2022. The first group included representation of healthcare providers, community leaders, community services providers, schools, faith-based organizations, local elected officials, law enforcement, public health, and others. Several members of this group provided services to underserved and unserved persons as all or part of their roles.

In response to a request to identify positive developments in health and healthcare in the service area of Graham Health System, the groups put forward the following:

### Focus Group One – Healthcare Providers and Community Leaders

- Graham Health System has been doing a great job working with the community for COVID vaccination
- Graham Health System has a new Surgery Department
- Graham Health System has established a scholarship program at Spoon River College to provide for education and training for healthcare employment in order to create a local resource for healthcare professionals
- Graham has expanded clinics and services to surrounding rural communities
- Graham Health System has recruited young physicians and surgeons
- Graham Health System invests in the community and area economic development in many ways
- Graham Health System has developed in-house wellness programs and expanded access to those programs and resources to other workplaces and the community
- Graham Health System has collaborated with local schools to address COVID issues impacting the schools

- Graham Health System's strength as a hospital provides confidence to the community and serves as an economic development asset
- Graham Health System has been aggressive in developing access to local specialists and specialty services through building and expanding partnerships and recruiting
- Graham Health System offers a local shuttle for free access to medical appointments and services at any healthcare facility across many counties

When asked to identify health needs in the community and the delivery of healthcare and healthcare services, whether related to Graham Health System or not:

- Explore collaborations or other approaches to provide nursing services in local schools
- Explore easier access to Graham Health System from the parking lot
- Address community perception that the billing process at Graham Health System leads to confusion and fear of inaccuracies
- Review staff training in view of COVID, staff shortages, and new employee numbers to be sure staff is knowledgeable about the building and department locations and conscious of the need to be courteous and helpful to persons seeking help or information
- Review inside signage at Graham Health System, especially directional signage
- Local access to a urologist
- Explore ways to improve public communication and education about COVID issues and other areas of public interest or concern about wellness and health from Graham Health System and others
- Improve communication between Graham Health System and ministers on intake information about faith identification of incoming patients
- Mental health
  - More counselors
  - Local services for treatment, recovery, and rehabilitation
  - Long-term mental health services
- Improved resources for persons in need (for any reason) including food and housing

- Access to affordable housing, residential rental properties, and building lots in Canton
- Explore ways to enhance relationships between Graham Health System and senior citizens
- Graham Health System needs to continue its leadership role in local economic and community development
- Explore re-establishing free clinics (vein clinics) when possible

The second group included medical professionals and partners including a pharmacist, a community wellness organization, a senior services organization, a care coordinator and others. The group reported the following recent positive developments:

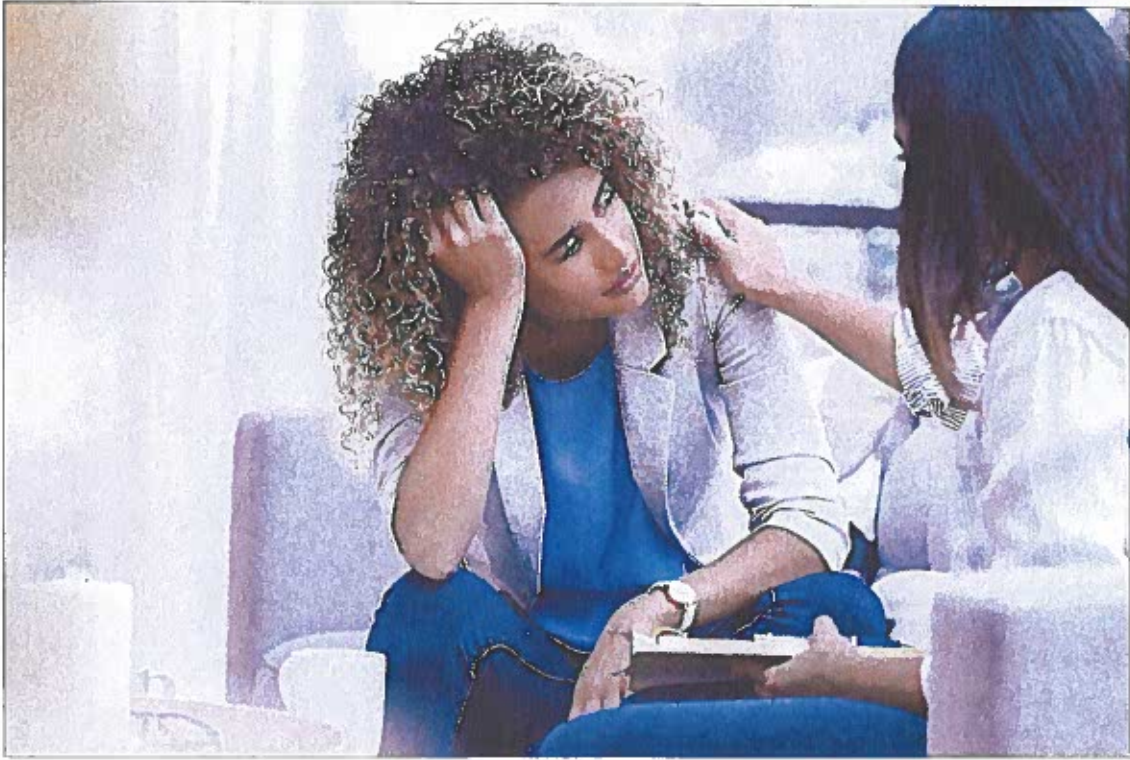
#### **Focus Group Two – Medical Professionals and Partners**

- Graham Health System is committed to, and acting on, community outreach for healthcare and related services
- There are new providers at Graham Health System including specialists, surgeons, and a family practitioner
- Technology, including telehealth and teleconference
- Pandemic funding has been helpful for senior service needs
- CCS has been able to help seniors understand and address Medicare expenses
- There is a new health-oriented restaurant in Canton
- Collaboration among agencies and Graham Health System on addressing community issues and service needs is very good
- The Champ program is helping to address diet issues for persons trying to return to work
- Fulton County Health Department has collaborated well with schools on issues related to teen pregnancy and sexually transmitted infections
- Faith-based organization, social service agencies, Fulton County Health Department, Graham Health System, and others collaborate to provide monthly community resource days

- Fulton County Health Department maintains an up-to-date services guide
- Graham Health System, Fulton County Health Department, community agencies, and others collaborate monthly to share and update information about events, services, and resource-sharing

The group then offered the following needs:

- Access to medication on evenings, nights, weekends, and holidays and for homebound persons
- Services for persons recovering at home under the age of 65
- Access to COVID vaccines for homebound persons
- Mental health
  - Counselors
  - Access to inpatient treatment
  - Transportation options for inpatient treatment
  - Assistance for anxiety, depression, isolation for all ages but especially assistance with anxiety for youth
- Local access to an endocrinologist
- Local cancer care rehabilitation
- Access to substance use disorder services beyond Graham Health System, especially for homeless persons and registered sex offenders
- Therapy for COVID patients ready for discharge
- Explore ways to provide more monoclonal antibody treatments per day
- Explore ways to improve access to out-of-town ambulance transfers, urgent and non-urgent
- Better access to affordable dental care
- Local access to dental specialists
- Access to COVID-related services for homebound persons and persons in rural areas with limited access to travel
- Address an emerging resistance to health screenings
- Programming and services for youth and adults facing depression







Age Group



Ethnicity



Race



Disability

## DATA ANALYSIS

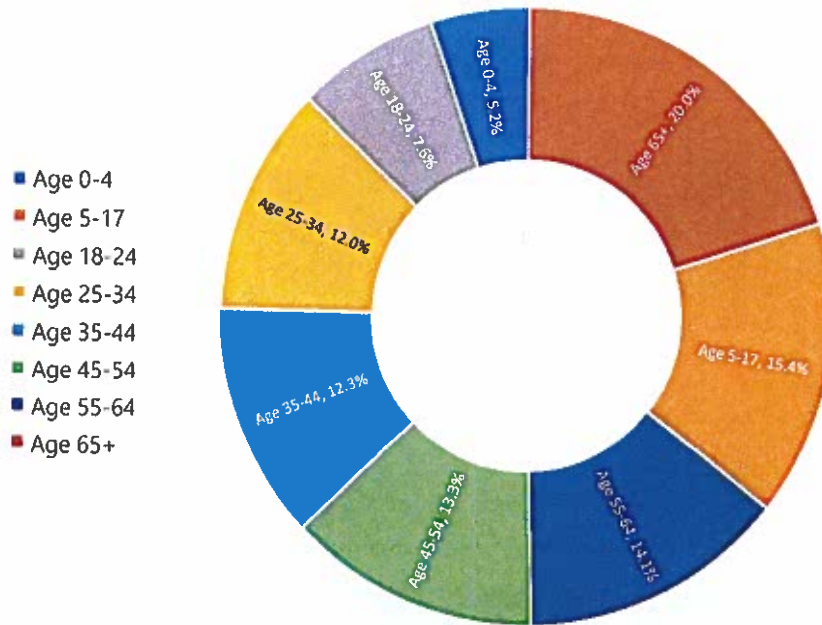
### DEMOGRAPHICS

#### Total Population by Age Group

Report Area	Age 0-4	Age 5-17	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
2022 Graham Hospital Service Area	2,557	7,554	3,715	5,861	6,049	6,530	6,917	9,809
Fulton County, IL	1,665	5,297	2,687	4,251	4,454	4,659	5,034	7,045
Knox County, IL	2,801	7,190	5,345	5,462	5,885	6,124	7,173	10,528
McDonough County, IL	1,361	3,862	7,032	3,576	2,826	2,968	3,620	5,234
Mason County, IL	701	2,116	941	1,403	1,601	1,792	2,062	3,005
Peoria County, IL	12,687	30,798	16,385	25,226	22,076	22,006	23,523	30,069
Schuyler County, IL	290	1,014	454	730	870	1,021	1,046	1,528
Warren County, IL	1,003	2,753	2,183	1,733	2,077	1,945	2,266	3,186
Illinois	767,193	2,124,333	1,192,806	1,770,290	1,644,531	1,672,220	1,656,724	1,942,534
United States	19,767,670	53,661,722	30,646,327	45,030,415	40,978,831	42,072,620	41,756,414	50,783,796

Data Source: US Census Bureau. American Community Survey. 2016-20. Source Geography: Tract

## Total Population by Age Groups, Graham Health System Service Area



## Total Population by Ethnicity

Report Area	Total Population	Hispanic or Latino Population	Hispanic or Latino Population, Percent	Non-Hispanic Population	Non-Hispanic Population, Percent
2022 Graham Hospital Service Area	48,992	1,124	2.29%	47,868	97.71%
Fulton County, IL	35,092	1,061	3.02%	34,031	96.98%
Knox County, IL	50,508	2,909	5.76%	47,599	94.24%
McDonough County, IL	30,479	844	2.77%	29,635	97.23%
Mason County, IL	13,621	153	1.12%	13,468	98.88%
Peoria County, IL	182,770	8,787	4.81%	173,983	95.19%
Schuyler County, IL	6,953	67	0.96%	6,886	99.04%
Warren County, IL	17,146	1,640	9.56%	15,506	90.44%
Illinois	12,770,631	2,186,387	17.12%	10,584,244	82.88%
United States	324,697,795	58,479,370	18.01%	266,218,425	81.99%

Data Source: US Census Bureau, American Community Survey, 2016-20. Source geography: Tract

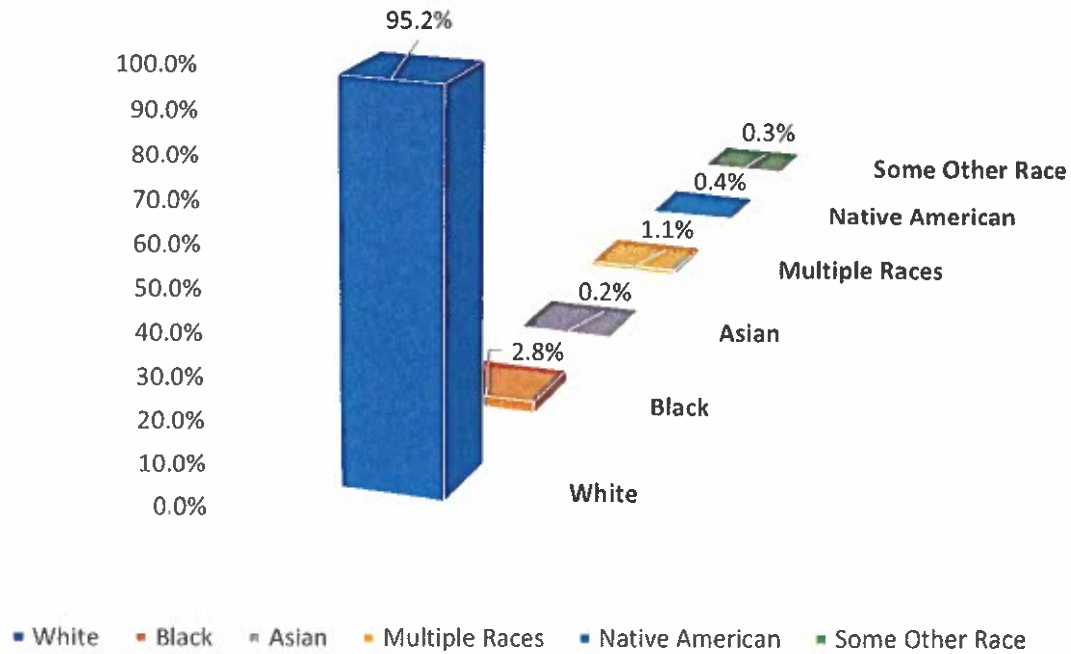


## Total Population by Race Alone

Report Area	White	Black	Asian	Native American / Alaska Native	Native Hawaiian / Pacific Islander	Some Other Race	Multiple Races
2022 Graham Hospital Service Area	46,637	1,387	87	174	21	130	556
Fullon County, IL	33,002	1,325	28	165	21	104	447
Knox County, IL	43,219	4,485	554	254	0	1,095	901
McDonough County, IL	27,372	1,442	653	33	0	159	820
Mason County, IL	13,214	103	24	22	0	46	212
Peoria County, IL	132,888	32,480	7,537	499	11	2,670	6,685
Schuyler County, IL	6,219	625	0	9	0	0	100
Warren County, IL	15,107	501	429	38	0	874	197
Illinois	9,134,903	1,813,590	698,524	33,460	4,477	757,231	328,446

Data Source: US Census Bureau. American Community Survey, 2016-20. Source geography: Tract

## Total Population by Race Alone, Graham Health System Service Area



303

## Population with any Disability

This indicator reports the percentage of the total civilian non-institutionalized population with a disability. The report area has a total population of 46,342 for whom disability status has been determined, of which 6,541 or 22.01% have any disability. This indicator is relevant because disabled individuals comprise a vulnerable population that requires targeted services and outreach by providers.

Report Area	Total Population (For Whom Disability Status Is Determined)	Population with a Disability	Population with a Disability, Percent
2022 Graham Hospital Service Area	46,342	6,541	14.11%
Fulton County, IL	32,562	4,673	14.35%
Knox County, IL	47,703	7,592	15.92%
McDonough County, IL	30,084	4,343	14.44%
Mason County, IL	13,415	2,258	16.83%
Peoria County, IL	180,546	21,396	11.85%
Schuyler County, IL	6,882	1,359	19.75%
Warren County, IL	16,952	2,259	13.33%
Illinois	12,591,483	1,388,097	11.02%
United States	319,706,872	40,335,099	12.62%

*Data Source: US Census Bureau, American Community Survey, 2016-20. Source geography: Tract*

## SOCIAL DETERMINANTS OF HEALTH

The data and discussion on the following pages will take a look into the social determinants in the Graham Health System service area and will offer insight into the complexity of circumstances that impact physical and mental wellness for the Graham Health System audience. The infographic on Page 33 provides a snapshot of the at-risk population served by Graham Health System.

The CDC describes social determinants of health as conditions in the places where people live, learn, work, and play that affect a wide range of health and quality of life risks and outcomes. Healthy People 2030 uses a place-based framework that outlines five key areas of SDoH:

- Healthcare access and quality, including:
  - Access to healthcare
  - Access to primary care
  - Health insurance coverage
  - Health literacy
- Education access and quality, including:
  - High school graduation
  - Enrollment in higher education
  - Educational attainment in general
  - Language and literacy
  - Early childhood education and development
- Social and community context – within which people live, learn work and play, including:
  - Civic participation
  - Civic cohesiveness
  - Discrimination
  - Conditions within the workplace
- Economic stability, including:
  - Income
  - Cost of living
  - Socioeconomic status
  - Poverty

- Employment
- Food security
- Housing stability
- Neighborhood and built environment, including:
  - Quality of housing
  - Access to transportation
  - Availability of healthy food
  - Air and water quality
  - Crime and violence

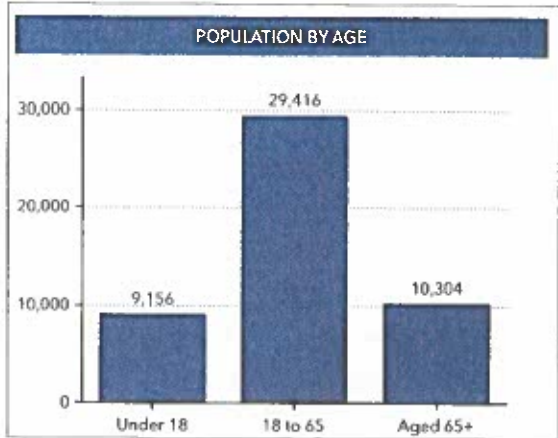
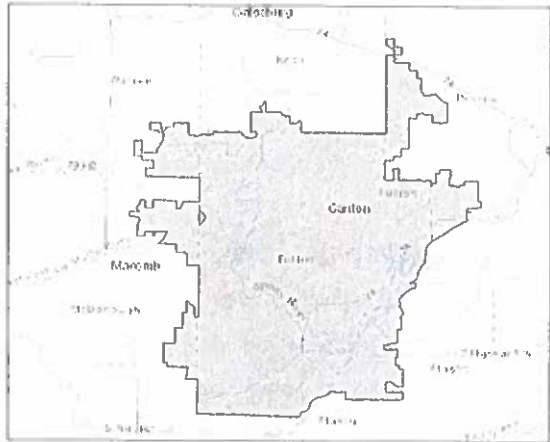
Some of the social determinant indicators reflected in the data include:

- 5,355 households with disability
- 2,706 households below the poverty level (14%)
- Median household income is \$52,165, which is lower than both Illinois

Economic and social insecurity often are associated with poor health. Poverty, unemployment, and lack of educational achievement affect access to care and a community's ability to engage in healthy behaviors. Without a network of support and a safe community, families cannot thrive. Ensuring access to social and economic resources provides a foundation for a healthy community.

# Graham Health System Service Area

## AT RISK POPULATION PROFILE Geography: County



<b>48,876</b> Population	<b>19,621</b> Households	<b>2.35</b> Avg Size Household	<b>44.0</b> Median Age	<b>\$52,165</b> Median Household Income	<b>\$98,669</b> Median Home Value	<b>67</b> Wealth Index	<b>271</b> Housing Affordability	<b>18</b> Diversity Index
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### AT RISK POPULATION

 <b>5,355</b> Households With Disability	 <b>10,987</b> Population 65+	 <b>1,100</b> Households Without Vehicle
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Language Spoken (ACS)	Age 5-17	18-64	Age 65+	Total
English Only	7,256	27,900	9,678	44,834
Spanish	62	777	53	892
Spanish & English Well	62	636	32	730
Spanish & English Not Well	0	79	22	101
Spanish & No English	0	61	0	61
Indo-European	84	266	67	417
Indo-European & English Well	84	240	67	391
Indo-European & English Not Well	0	26	0	26
Indo-European & No English	0	0	0	0
Asian-Pacific Island	29	33	13	75
Asian-Pacific Isl & English Well	29	32	13	74
Asian-Pacific Isl & English Not Well	0	1	0	1
Asian-Pacific Isl & No English	0	0	0	0
Other Language	6	19	0	25
Other Language & English Well	6	10	0	16
Other Language & English Not Well	0	9	0	9
Other Language & No English	0	0	0	0

### POVERTY AND LANGUAGE

 <b>14%</b> Households Below the Poverty Level	 <b>2,706</b> Households Below the Poverty Level	 <b>0</b> Pop 65+ Speak Spanish & No English
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### POPULATION AND BUSINESSES

 <b>42,784</b> Daytime Population	 <b>1,601</b> Total Businesses	 <b>14,643</b> Total Employees
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201

## Economic Stability – Income and Economics

Economic and social insecurity often are associated with poor health. Poverty, unemployment, and lack of educational achievement affect access to care and a community's ability to engage in healthy behaviors. Without a network of support and a safe community, families cannot thrive. Ensuring access to social and economic resources provides a foundation for a healthy community.

### Income – Median Household Income

This indicator reports median household income based on the latest 5-year American Community Survey estimates. This includes the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not. Because many households consist of only one person, average household income is usually less than average family income.

Report Area	Total Households	Average Household Income	Median Household Income
2022 Graham Hospital Service Area	19,525	\$66,797	No data
Fulton County, IL	13,940	\$67,814	\$51,643
Knox County, IL	20,680	\$58,636	\$44,129
McDonough County, IL	11,408	\$60,150	\$44,471
Mason County, IL	5,977	\$65,149	\$48,417
Peoria County, IL	73,253	\$77,258	\$55,842
Schuyler County, IL	2,775	\$63,290	\$52,357
Warren County, IL	6,862	\$63,814	\$50,310
Illinois	4,846,134	\$92,395	\$65,886
United States	120,756,048	\$88,607	\$62,843

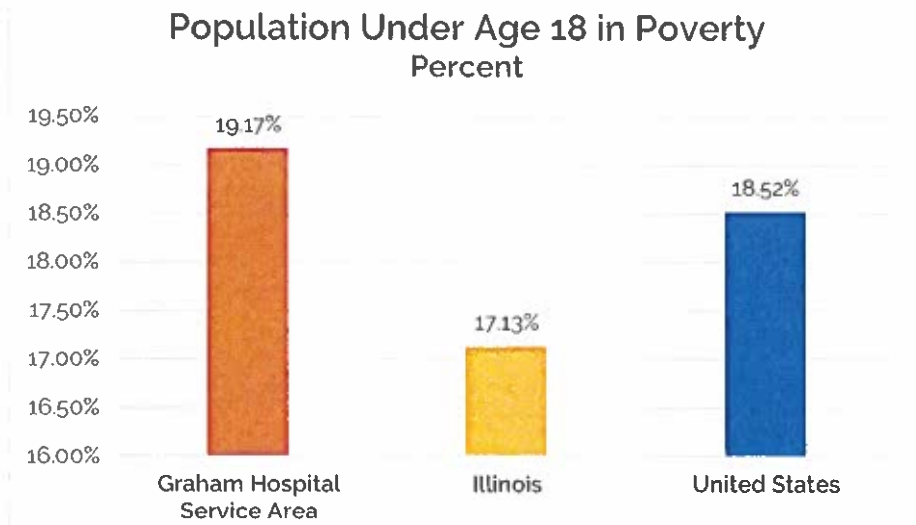
*Note: This indicator is compared to the state average.  
Data Source: US Census Bureau, American Community Survey, 2015-19. Source geography: Tract*

## Poverty – Children Below 100% FPL

In the service area, 19.17% or 1,910 children aged 0-17 are living in households with income below the Federal Poverty Level (FPL). This indicator is relevant because poverty creates barriers to access including health services, healthy food, and other necessities that contribute to poor health status.

Report Area	Total Population	Population Under Age 18	Population Under Age 18 in Poverty	Percent Population Under Age 18 in Poverty
2022 Graham Hospital Service Area	46,204	9,965	1,910	<b>19.17%</b>
Fulton County, IL	32,479	6,871	1,297	18.88%
Knox County, IL	46,294	9,821	2,474	25.19%
McDonough County, IL	27,017	5,068	818	16.14%
Mason County, IL	13,358	2,752	639	23.22%
Peoria County, IL	177,693	42,718	8,683	20.33%
Schuyler County, IL	6,798	1,220	141	11.56%
Warren County, IL	16,019	3,748	655	17.48%
Illinois	12,474,842	2,852,051	488,516	17.13%
United States	316,715,051	72,235,700	13,377,778	18.52%

*Note: This indicator is compared to the state average  
Data Source: US Census Bureau, American Community Survey, 2015-19. Source geography: Tract*



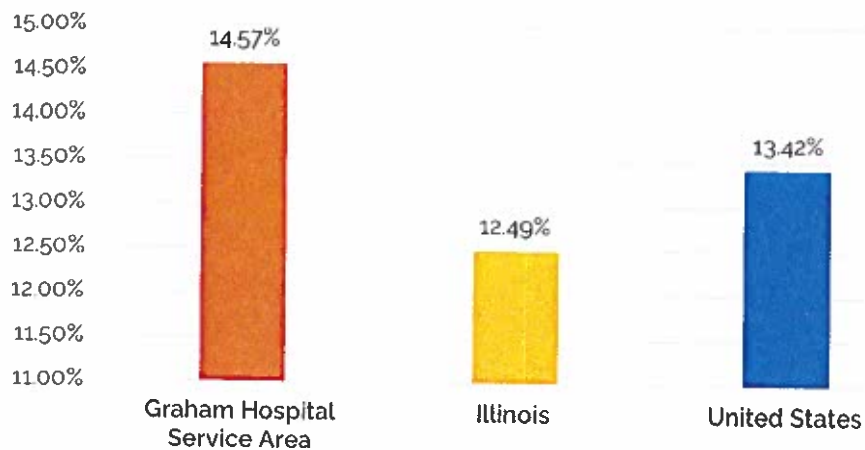
## Poverty – Population Below 100% FPL

Poverty is considered a key driver of health status. Within the service area, 14.57% or 6,712 individuals are living in households with income below the Federal Poverty Level (FPL). This indicator is relevant because poverty creates barriers to access including health services, health food, and other necessities that contribute to poor health status.

Report Area	Total Population	Population in Poverty	Population in Poverty, Percent
2022 Graham Hospital Service Area	46,204	6,712	<b>14.57%</b>
Fulton County, IL	32,479	4,769	14.68%
Knox County, IL	46,294	8,413	18.17%
McDonough County, IL	27,017	5,928	21.94%
Mason County, IL	13,358	1,911	14.31%
Peoria County, IL	177,693	27,783	15.64%
Schuyler County, IL	6,798	1,291	18.99%
Warren County, IL	16,019	2,066	12.90%
Illinois	12,474,842	1,557,873	12.49%
United States	316,715,051	42,510,843	13.42%

*Note: This indicator is compared to the state average.  
Data Source: US Census Bureau, American Community Survey, 2015-19. Source geography: Tract*

### Population in Poverty Below 100% FPL Percent



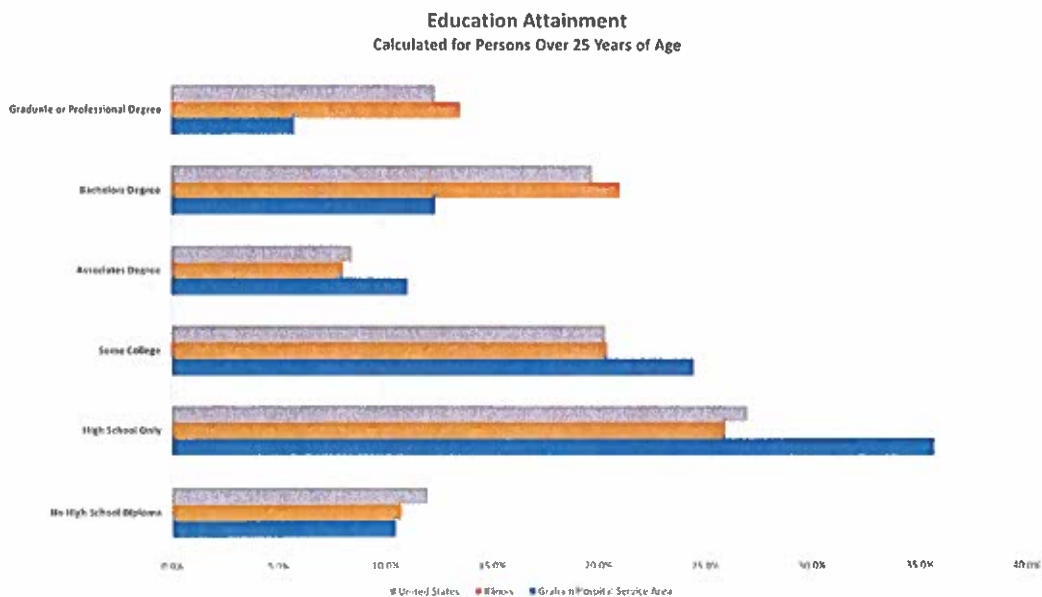


## Education Attainment – Associate's Level Degree or Higher

This category contains indicators that describe the education system and the educational outcomes of the service area populations. Education metrics can be used to describe variation in population access, proficiency, and attainment throughout the education system, from access to pre-kindergarten through advanced degree attainment. These indicators are important because education is closely tied to health outcomes and economic opportunity. For the selected area, 12.4% have at least a college bachelor's degree, while 35.7% stopped their formal education attainment after high school. This indicator is relevant because educational attainment has been linked to positive health outcomes.

Report Area	No High School Diploma	High School Only	Some College	Associates Degree	Bachelors Degree	Graduate or Professional Degree
2022 Graham Hospital Service Area	10.5%	35.7%	24.5%	11.1%	12.4%	5.8%
Fulton County, IL	11.35%	34.5%	25.3%	11.3%	11.8%	5.7%
Knox County, IL	10.94%	36.6%	23.0%	10.6%	12.5%	6.5%
McDonough County, IL	6.43%	31.2%	19.7%	10.5%	15.8%	16.4%
Mason County, IL	10.82%	42.8%	19.6%	10.7%	11.2%	4.9%
Peoria County, IL	9.08%	27.6%	23.1%	9.6%	18.6%	12.0%
Schuyler County, IL	10.59%	35.6%	22.5%	10.9%	13.7%	6.7%
Warren County, IL	13.35%	32.0%	23.0%	8.9%	15.6%	7.2%
Illinois	10.79%	26.0%	20.5%	8.1%	21.1%	13.6%
United States	12.00%	27.0%	20.4%	8.5%	19.8%	12.4%

*Note: This indicator is compared to the state average.  
Data Source: U.S. Census Bureau, American Community Survey, 2015-19. Source geography: County*



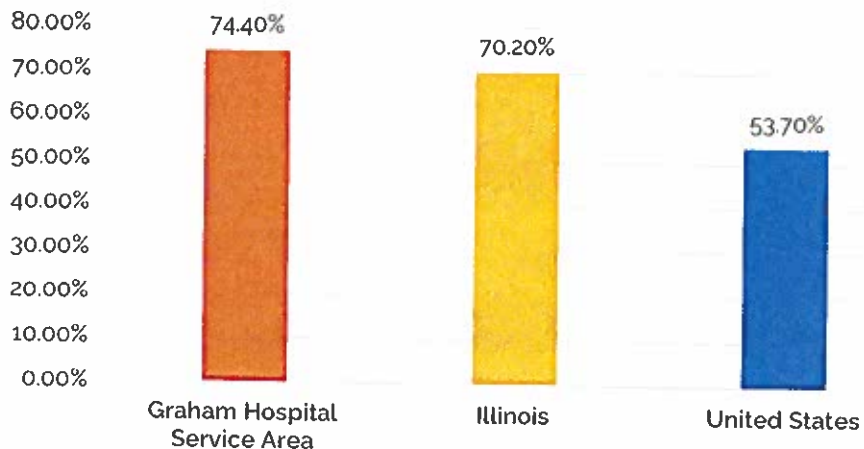
## Proficiency – Student Math Proficiency (4th Grade)

Information about student performance in the 4th grade math portion of the state-specific standardized tests are displayed in the table below. Of 537 students tested, 25.4% of 4th graders performed at or above the "proficient" level, and 74.4% tested below the "proficient" level, according to the latest data. Students in the report area tested worse than the statewide rate of 29.8%.

Report Area	Students with Valid Test Scores	Students Scoring 'Proficient' or Better, Percent	Students Scoring 'Not Proficient' or Worse, Percent
2022 Graham Hospital Service Area	537	25.4%	<b>74.4%</b>
Fulton County, IL	1,243	22.5%	77.5%
Knox County, IL	1,795	22.9%	77.1%
McDonough County, IL	976	14.9%	85.1%
Mason County, IL	466	19.7%	80.3%
Peoria County, IL	7,841	27.4%	72.6%
Schuyler County, IL	246	15.9%	84.1%
Warren County, IL	647	20.7%	79.3%
Illinois	545,489	29.8%	70.2%
United States	13,473,054	46.3%	53.7%

*Note: This indicator is compared to the state average. Data Source: U.S. Department of Education, EDData. Additional data analysis by CARES, 2018-19. Source geography: School District*

### Students Scoring 'Not Proficient' or Worse Percent



## Area Deprivation Index

This indicator reports the average (population weighted) Area Deprivation Index (ADI) for the selected area. The Area Deprivation Index ranks neighborhoods and communities relative to all neighborhoods across the nation (National Percentile) or relative to other neighborhoods within just one state (State Percentile). The ADI is calculated based on 17 measures related to four primary domains (education, income and employment, housing, and household characteristics). The overall scores are measured on a scale of 1 to 100 where 1 indicates the lowest level of deprivation (least disadvantaged) and 100 is the highest level of deprivation (most disadvantaged).

Report Area	Total Population	State Percentile	National Percentile
2022 Graham Hospital Service Area	48,677	83	78
Fulton County, IL	32,204	83	79
Knox County, IL	46,275	84	81
McDonough County, IL	26,604	84	80
Mason County, IL	13,621	87	83
Peoria County, IL	180,037	67	66
Schuyler County, IL	5,551	84	79
Warren County, IL	16,251	85	80
Illinois	12,550,547	No data	49
United States	320,934,417	No data	No data

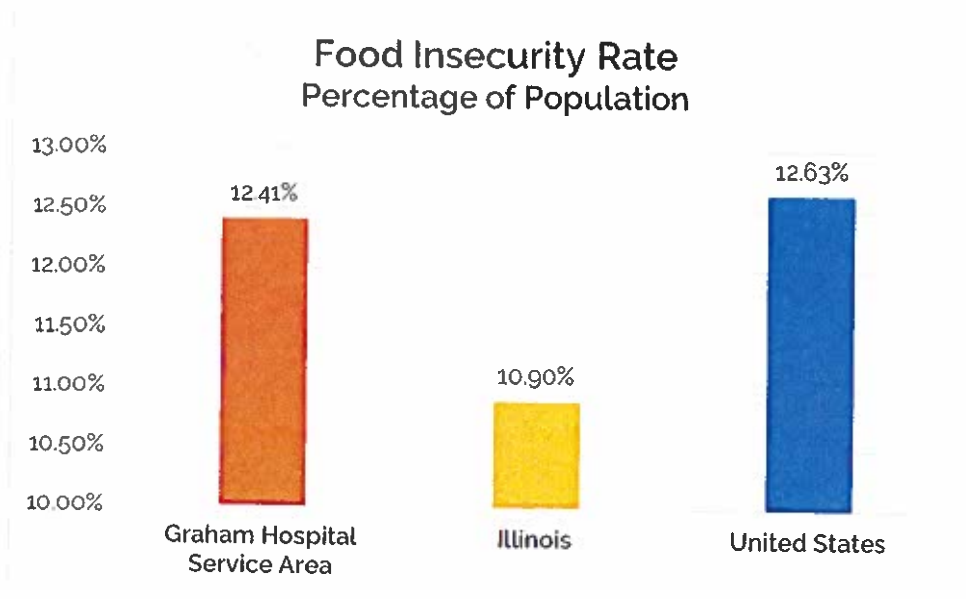
*Note: This indicator is compared to the state average. Data Source: University of Wisconsin-Madison School of Medicine and Public Health, Neighborhood Atlas, 2021. Source geography: Block Group*

## Other Social & Economic Factors – Food Insecurity Rate

Economic and social insecurity often are associated with poor health. Poverty, unemployment, and a lack of educational achievement affect access to care and a community's ability to engage in healthy behaviors. Without a network of support and a safe community, families cannot thrive. Ensuring access to social and economic resources provides a foundation for a healthy community. This indicator reports the estimated percentage of the population that experienced food insecurity at some point during the report year. Food insecurity is the household-level economic and social condition of limited or uncertain access to adequate food.

Report Area	Total Population	Food Insecure Population, Total	Food Insecurity Rate
2022 Graham Hospital Service Area	49,912	6,193	<b>12.41%</b>
Fulton County, IL	35,620	4,310	12.10%
Knox County, IL	51,567	6,910	13.40%
McDonough County, IL	31,538	4,510	14.30%
Mason County, IL	13,879	1,610	11.60%
Peoria County, IL	186,573	26,680	14.30%
Schuyler County, IL	7,154	930	13.00%
Warren County, IL	17,449	1,710	9.80%
Illinois	12,807,064	1,395,970	10.90%
United States	325,717,422	41,133,950	12.63%

*Note: This indicator is compared to the state average.  
Data Source: Feeding America, 2017. Source geography: County*



## Homeless Children & Youth

This indicator reports the number of homeless children and youth enrolled in the public school system during the school year 2019-2020. According to the data source definitions, homelessness is defined as lacking a fixed, regular, and adequate nighttime residence. Those who are homeless may be sharing the housing of other persons, living in motels, hotels, or camping grounds, in emergency transitional shelters, or may be unsheltered.

Data are aggregated to the report area level based on school district summaries where three or more homeless children are counted. In the service area, of all the 6,942 students enrolled during the school year 2019-2020, there were 227 or .5% homeless students, which is lower than the statewide rate of 2.6%. *Note: Data are available for 100.0% of school districts in the service area, representing 100.0% of the public school student population.*

Report Area	Total Students	Districts Reporting	Students in Reported Districts	Homeless Students	Homeless Students, Percent
2022 Graham Hospital Service Area	6,942	100.0%	93.4%	227	0.5%
Fulton County, IL	4,869	100.0%	100.0%	148	3.0%
Knox County, IL	6,345	88.9%	90.7%	92	1.4%
McDonough County, IL	3,424	100.0%	100.0%	104	3.0%
Mason County, IL	2,037	100.0%	100.0%	86	4.2%
Peoria County, IL	26,065	64.7%	91.3%	535	2.1%
Schuyler County, IL	947	100.0%	100.0%	20	2.1%
Warren County, IL	2,406	80.0%	88.7%	17	0.7%
Illinois	1,855,033	88.9%	97.5%	48,332	2.6%
United States	47,386,316	86.9%	97.5%	1,311,089	2.8%

*Note: This indicator is compared to the state average. Data Source: U.S. Department of Education, EDData. Additional data analysis by CARES, 2019-2020. Source geography: School District*

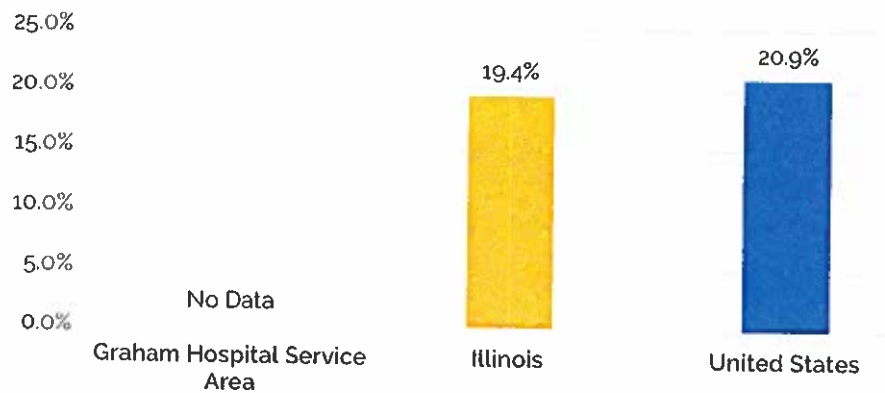
## Teen Births

This indicator reports the seven-year average number of births per 1,000 female population age 15-19. Data were from the National Center for Health Statistics - Natality Files (2013-2019) and are used for the 2021 County Health Rankings. In the service area, of the 6,686 total female population age 15-19, the teen birth rate is 30.4 per 1,000, which is greater than the state's teen birth rate of 19.4. *Note: Data are suppressed for counties with fewer than 10 teen births in the timeframe.*

Report Area	Female Population Age 15-19	Teen Births, Rate per 1,000 Female Population Age 15-19
Fulton County, IL	6,686	30.4
Knox County, IL	11,121	26.8
McDonough County, IL	11,299	8.2
Mason County, IL	2,919	29.1
Peoria County, IL	41,722	33.1
Schuyler County, IL	1,375	20.4
Warren County, IL	5,025	18.9
Illinois	5,783,508	19.4
United States	144,319,360	20.9

*Note: This indicator is compared to the state average. Data Source: Centers for Disease Control and Prevention, National Vital Statistics System. Accessed via County Health Rankings, 2013-2019. Source geography: County*

## Teen Births Rate per 1,000 Female Population Ages 15-19



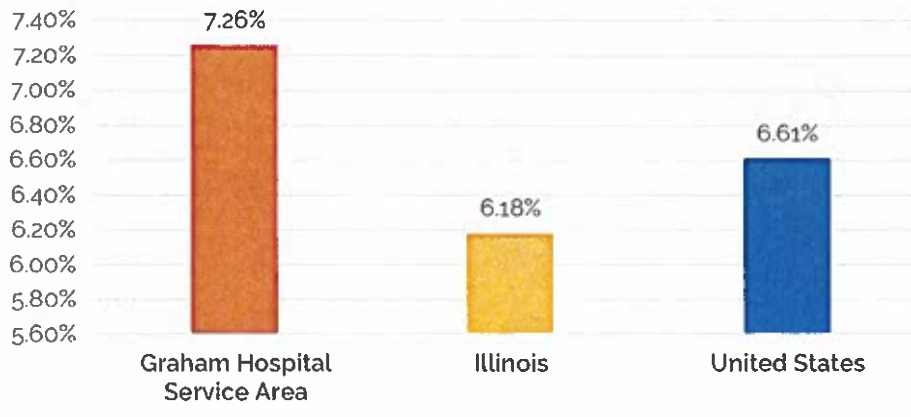
## Young People Not in School and Not Working

This indicator reports the percentage of youth age 16-19 who are not currently enrolled in school and who are not employed. The service area has a total population of 2,288 between the ages specified, of which 166 are not in school and not employed.

Report Area	Population Age 16-19	Population Age 16-19 Not in School and Not Employed	Population Age 16-19 Not in School and Not Employed, Percent
2022 Graham Hospital Service Area	2,288	166	<b>7.26%</b>
Fulton County, IL	1,593	145	9.10%
Knox County, IL	2,850	264	9.26%
McDonough County, IL	2,911	58	1.99%
Mason County, IL	615	27	4.39%
Peoria County, IL	9,222	714	7.74%
Schuyler County, IL	303	29	9.57%
Warren County, IL	1,303	22	1.69%
Illinois	668,335	41,315	6.18%
United States	17,025,696	1,124,551	6.61%

*Note: This indicator is compared to the state average. Data Source: U.S. Census Bureau, American Community Survey, 2016-2020. Source geography: Tract*

### Population Age 16-19 Not in School and Not Employed Percent



## Built Environment – Community Design (Park Access)

This indicator reports the percentage of population living within 1/2 mile of a park. This indicator is relevant because access to outdoor recreation encourages physical activity and other healthy behaviors.

Report Area	Total Population, 2013-17	Population Within 1/2 Mile of a Park	Percent Within 1/2 Mile of a Park
2022 Graham Hospital Service Area	50,053	9,180	<b>18%</b>
Fulton County, IL	35,733	7,146	20%
Knox County, IL	51,374	11,302	22%
McDonough County, IL	31,597	6,003	19%
Mason County, IL	13,904	2,780	20%
Peoria County, IL	186,145	53,982	29%
Schuyler County, IL	7,181	143	2%
Warren County, IL	17,429	5,577	32%
Illinois	12,854,526	7,584,170	59%
United States	321,004,407	148,896,178	46%

*Note: This indicator is compared to the state average. Data Source: Centers for Disease Control and Prevention, CDC - National Environmental Public Health Tracking Network, 2015. Source geography: Tract*





## Food Environment – Grocery Stores

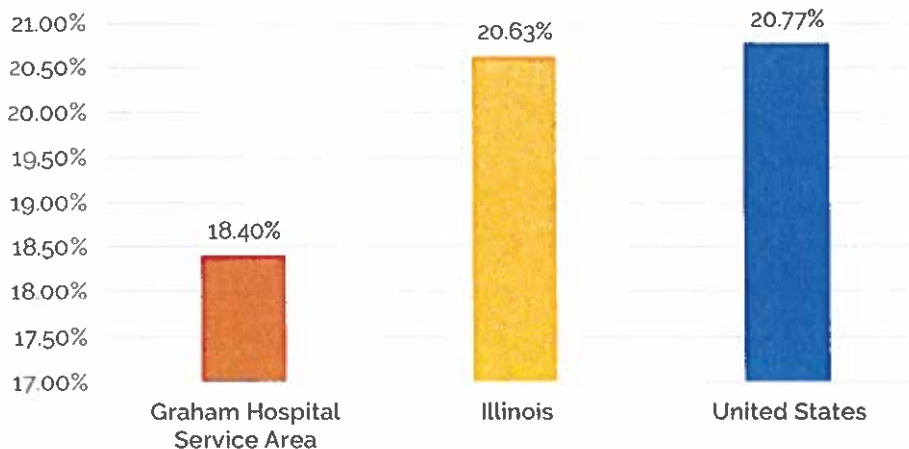
Healthy dietary behaviors are supported by access to healthy foods, and grocery stores are a major provider of these foods. There are 10 grocery establishments in the service area, a rate of 18.40 per 100,000 population.

Grocery stores are defined as supermarkets and smaller grocery stores primarily engaged in retailing a general line of food, such as canned and frozen foods; fresh fruits and vegetables; and fresh and prepared meats, fish, and poultry. Delicatessen-type establishments are also included. Convenience stores and large general merchandise stores that also retail food, such as supercenters and warehouse club stores, are excluded.

Report Area	Total Population (2010)	Number of Establishments	Establishments, Rate per 100,000 Population
2022 Graham Hospital Service Area	51,771	10	<b>18.40</b>
Fulton County, IL	37,069	6	16.19
Knox County, IL	52,919	10	18.90
McDonough County, IL	32,612	8	24.53
Mason County, IL	14,666	Suppressed	Suppressed
Peoria County, IL	186,494	46	24.67
Schuyler County, IL	7,544	Suppressed	Suppressed
Warren County, IL	17,707	5	28.24
Illinois	12,830,632	2,647	20.63
United States	308,745,538	64,132	20.77

Note: This indicator is compared to the state average. Data Source: U.S. Census Bureau, County Business Patterns, Additional data analysis by CARES, 2019. Source geography: County

### Grocery Store Establishments Rate per 100,000 Population



3/9

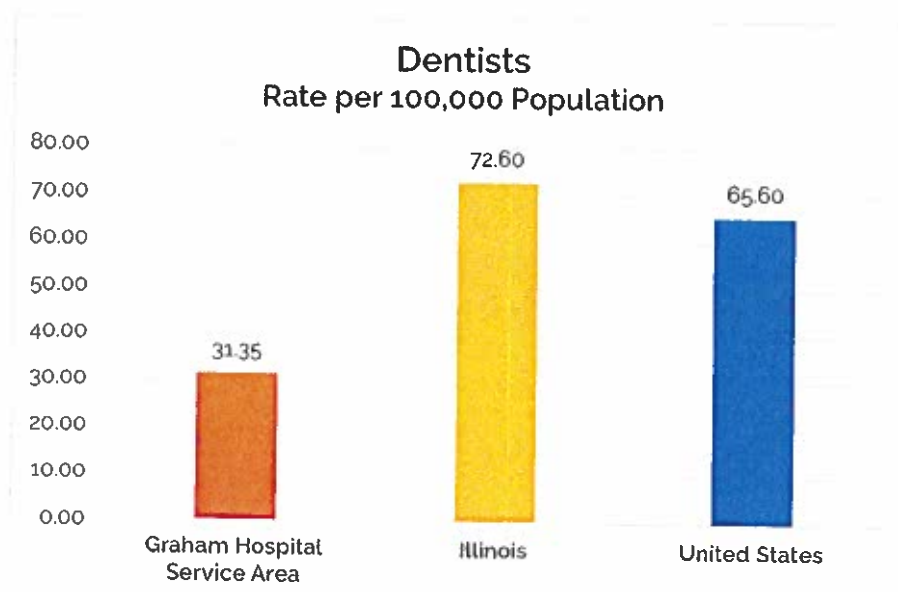
## HEALTH AND WELLNESS INDICATORS

### Access to Care – Dental Health

This indicator reports the number of dentists per 100,000 population. This indicator includes all dentists qualified as having a doctorate in dental surgery (D.D.S.) or dental medicine (D.M.D.), who are licensed by the state to practice dentistry and who are practicing within the scope of that license. Within the service area, there are 15 dentists. This represents 31.35 dentists per 100,000 total population.

Report Area	Total Population, 2015	Dentists, 2015	Dentists, Rate per 100,000 Population
2022 Graham Hospital Service Area	50,165	15	<b>31.35</b>
Fulton County, IL	35,699.00	7.00	19.61
Knox County, IL	51,441.00	18.00	34.99
McDonough County, IL	31,333.00	12.00	38.30
Mason County, IL	13,701.00	5.00	36.49
Peoria County, IL	186,221.00	142.00	76.25
Schuyler County, IL	7,032.00	1.00	14.22
Warren County, IL	17,527.00	6.00	34.23
Illinois	12,859,995.00	9,336.00	72.60
United States	321,418,820.00	210,832.00	65.60

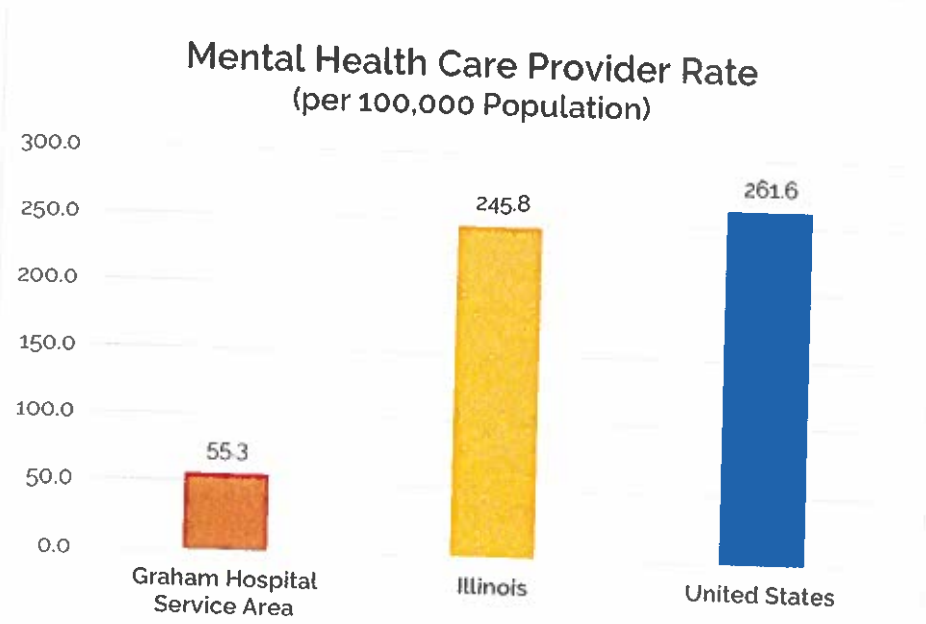
*Note: This indicator is compared to the state average. Data Source: U.S. Department of Health & Human Services, Health Resources and Services Administration, HRSA - Area Health Resource File. Accessed via County Health Rankings, 2017. Source geography: County*



## Access to Care – Mental Health

This indicator reports the number of mental health providers in the service area as a rate per 100,000 total area population. Mental health providers include psychiatrists, psychologists, clinical social workers, and counselors that specialize in mental healthcare. Data from the 2021 Centers for Medicare and Medicaid Services (CMS) National Provider Identifier (NPI) downloadable file are used in the 2021 County Health Rankings. Within the report area, there are 19 mental health providers with a CMS National Provider Identifier (NPI). This represents 55.3 providers per 100,000 total population. *Note: Data are suppressed for counties with population greater than 1,000 and 0 mental health providers.*

Report Area	Estimated Population	Number of Mental Health Providers	Ratio of Mental Health Providers to Population (1 Provider per x Persons)	Mental Health Care Provider Rate (Per 100,000 Population)
Fulton County, IL	34,340	19	1,807.4	55.3
Knox County, IL	49,699	91	546.1	183.1
McDonough County, IL	29,682	62	478.7	208.9
Mason County, IL	13,359	4	3,339.8	29.9
Peoria County, IL	179,179	449	399.1	250.6
Schuyler County, IL	6,768	6	1,128	88.7
Warren County, IL	16,844	3	5,614.7	17.8
Illinois	25,293,636	62,162	406.9	245.8
United States	655,362,202	1,714,472	382.3	261.6



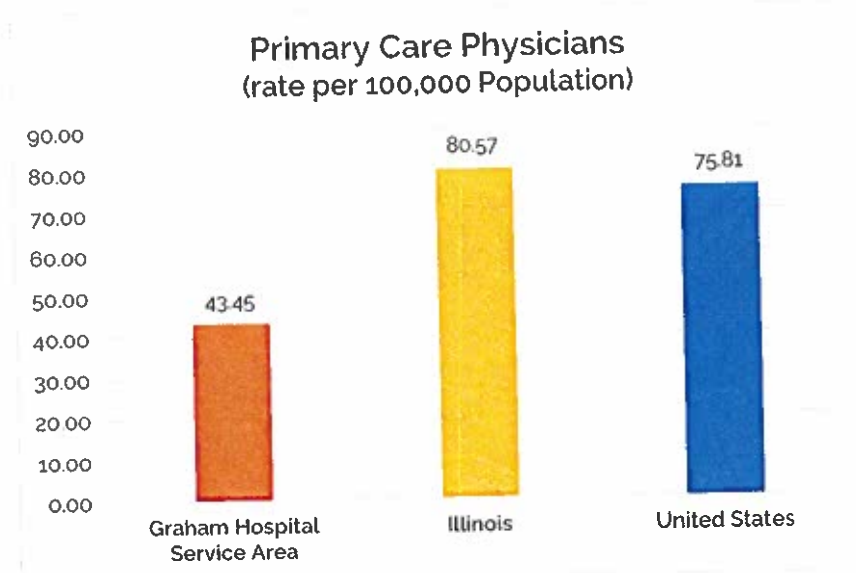
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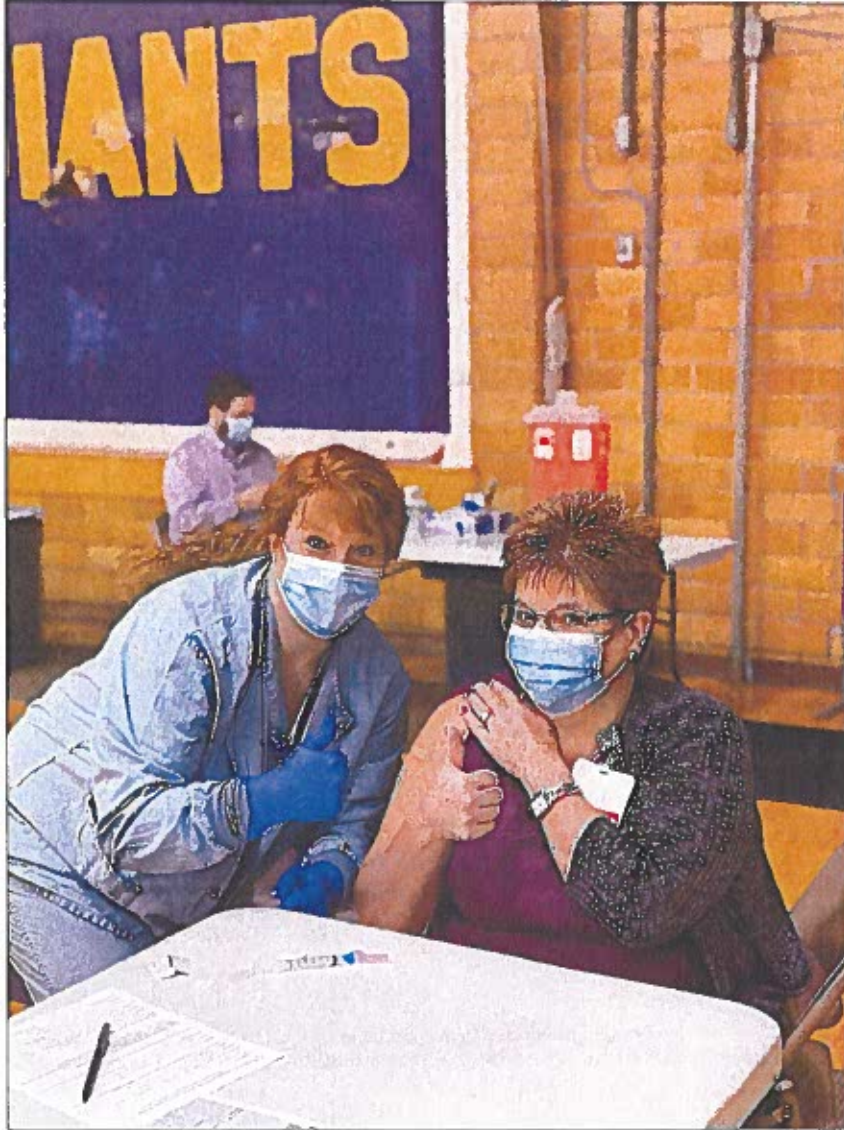
## Access to Care – Primary Care

This indicator reports the number of primary care physicians per 100,000 population. Doctors classified as "primary care physicians" by the AMA include: General Family Medicine MDs and Dos, General Practice MDs and DOs, General Internal Medicine MDs and General Pediatrics MDs. Physicians age 75 and over and physicians practicing subspecialties within the listed specialties are excluded. This indicator is relevant because a shortage of health professionals contributes to access and health status issues. Within the service area, there are 21 primary care physicians. This represents 43.45 providers per 100,000 total population.

Report Area	Total Population	Primary Care Physicians	Primary Care Physicians, Rate per 100,000 Population
2022 Graham Hospital Service Area	48,668	21	<b>43.45</b>
Fulton County, IL	34,844	12	34.44
Knox County, IL	50,112	26	51.88
McDonough County, IL	29,955	15	50.08
Mason County, IL	13,565	3	22.12
Peoria County, IL	180,621	222	122.91
Schuyler County, IL	6,907	2	28.96
Warren County, IL	17,032	7	41.10
Illinois	12,741,080	10,265	80.57
United States	327,167,434	248,034	75.81

*Note: This indicator is compared to the state average. Data Source: U.S. Department of Health & Human Services, Health Resources and Services Administration, HRSA - Area Health Resource File. Accessed via County Health Rankings, 2017. Source geography: County*





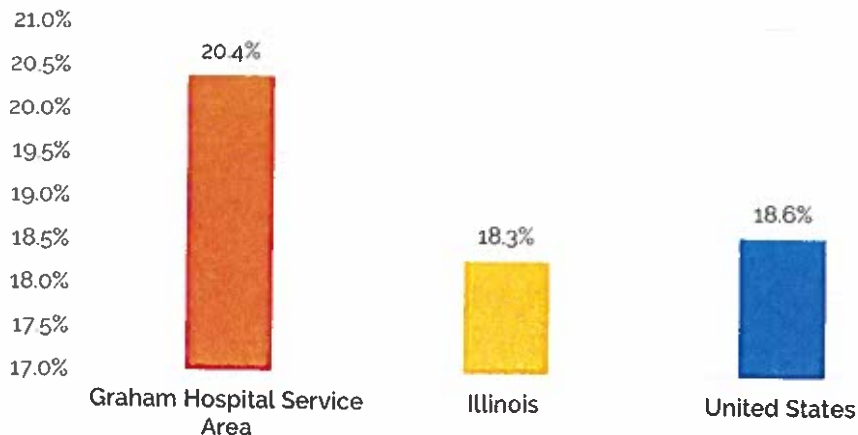
## Poor or Fair Health

This indicator reports the percentage of adults age 18 and older who self-report poor or fair health (age-adjusted to the 2000 standard). Data were from the 2019 Behavioral Risk Factor Surveillance System (BRFSS) annual survey and are used for the 2021 County Health Rankings. This indicator is relevant because it is a measure of general poor health status. Within the service area, the estimated prevalence of fair or poor health among adults aged 18 years and older was 20.4%. This value is based on the crude number of adults who self-report their general health status as "fair" or "poor."

Report Area	Total Population (2019)	Adults with Poor or Fair General Health (Crude)	Adults with Poor or Fair General Health (Age-Adjusted)
2022 Graham Hospital Service Area	51,772	20.4%	No data
Fulton County, IL	34,340	20.50%	19.00%
Knox County, IL	49,699	21.50%	20.10%
McDonough County, IL	29,682	17.50%	18.10%
Mason County, IL	13,359	21.10%	19.00%
Peoria County, IL	179,179	18.70%	17.90%
Schuyler County, IL	6,768	20.90%	18.70%
Warren County, IL	16,844	19.40%	18.60%
Illinois	12,671,821	18.31%	17.80%

*Note: This indicator is compared to the state average. Data Source: Centers for Disease Control and Prevention Behavioral Risk Factor Surveillance System. Accessed via the 500 Cities Data Portal, 2019. Source geography: Tract*

### Adults with Poor or Fair General Health (Percentage of Adults over Age 18)



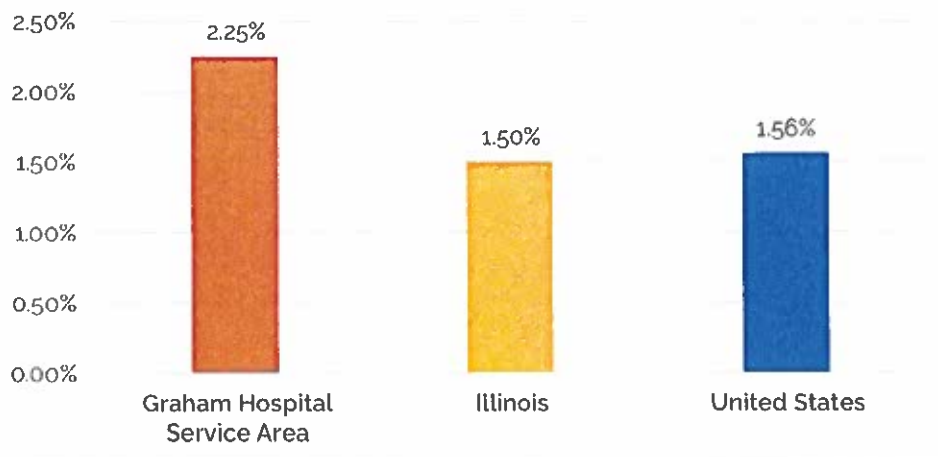
## Tobacco Expenditures

This indicator reports estimated expenditures for cigarettes as a percentage of total household expenditures. This indicator is relevant because tobacco use is linked to leading causes of death, such as cancer and cardiovascular disease. Expenditures data are suppressed for single counties and single-geography custom areas. Rank data are not available custom report areas or multi-county areas.

Report Area	State Rank	Z-Score (US)	Z-Score (Within-State)	Average Expenditures (USD)	Percentage of Food-At-Home Expenditures
2022 Graham Hospital Service Area	No data	0.91	1.2	\$7.10	<b>2.25%</b>
Fulton County, IL	93.00	1.89	2.96	Suppressed	Suppressed
Knox County, IL	79.00	1.59	2.52	Suppressed	Suppressed
McDonough County, IL	33.00	1.04	1.71	Suppressed	Suppressed
Mason County, IL	75.00	1.54	2.44	Suppressed	Suppressed
Peoria County, IL	17.00	0.61	1.09	Suppressed	Suppressed
Schuyler County, IL	59.00	1.36	2.19	Suppressed	Suppressed
Warren County, IL	42.00	1.21	1.97	Suppressed	Suppressed
Illinois	No data	-0.35	No data	\$807.79	1.50%
United States	No data	No data	No data	\$822.70	1.56%

*Note: This indicator is compared to the state average  
Data Source: Nielsen, Nielsen Site Reports, 2014. Source geography: Tract*

### Cigarette Expenditures as a Percent of Total Household Expenditures



## CHRONIC ILLNESS

### Health Outcomes

Measuring morbidity and mortality rates allows assessing linkages between social determinants of health and outcomes. By comparing, for example, the prevalence of certain chronic diseases to indicators in other categories (e.g., poor diet and exercise) with outcomes (e.g., high rates of obesity and diabetes), various causal relationships may emerge, allowing a better understanding of how certain community health needs may be addressed.

### Cancer Incidence – All Sites

This indicator reports the age-adjusted incidence rate (cases per 100,000 population per year) of cancer (all sites), adjusted to 2000 U.S. standard population age groups (under age 1, 1-4, 5-9, ..., 80-84, 85 and older). Within the service area, there were 338 new cases of cancer reported. This means there is a rate of 503.2 for every 100,000 total population.

Report Area	Estimated Total Population	New Cases (Annual Average)	Cancer Incidence Rate (Per 100,000 Population)
2022 Graham Hospital Service Area	67,173	338	<b>503.2</b>
Fulton County, IL	49,514	250	504.9
Knox County, IL	71,878	342	475.8
McDonough County, IL	36,012	177	491.5
Mason County, IL	20,829	107	513.7
Peoria County, IL	223,200	1,116	500.0
Schuyler County, IL	10,805	55	509.0
Warren County, IL	22,122	108	488.2
Illinois	14,903,598	69,570	466.8
United States	379,681,007	1,703,249	448.6

*Note: This indicator is compared to the state average.  
Data Source: State Cancer Profiles, 2014-18. Source geography: County*



## Top Five Most Commonly Diagnosed Cancers

The table below shows counts and age-adjusted incidence rates of the five most common newly diagnosed cancers by site for the 5-year period of 2014-2018.

Area Name	Cancer Site	New Cases (Annual Average)	Cancer Incidence Rate (Per 100,000 Population)
Fulton County, Illinois	1 - Lung & Bronchus (All Stages^), 2014-2018	40	75.4
Fulton County, Illinois	2 - Breast (All Stages^), 2014-2018	35	146.1
Fulton County, Illinois	3 - Colon & Rectum (All Stages^), 2014-2018	30	59.6
Fulton County, Illinois	4 - Prostate (All Stages^), 2014-2018	23	92.5
Fulton County, Illinois	5 - Bladder (All Stages^), 2014-2018	14	27.1
Knox County, Illinois	1 - Lung & Bronchus (All Stages^), 2014-2018	56	74.9
Knox County, Illinois	2 - Breast (All Stages^), 2014-2018	52	144.2
Knox County, Illinois	3 - Prostate (All Stages^), 2014-2018	34	92
Knox County, Illinois	4 - Colon & Rectum (All Stages^), 2014-2018	33	44.5
Knox County, Illinois	5 - Bladder (All Stages^), 2014-2018	19	24.5
McDonough County, Illinois	1 - Lung & Bronchus (All Stages^), 2014-2018	30	75.7
McDonough County, Illinois	2 - Breast (All Stages^), 2014-2018	25	144.6
McDonough County, Illinois	3 - Colon & Rectum (All Stages^), 2014-2018	20	54.5
McDonough County, Illinois	4 - Prostate (All Stages^), 2014-2018	20	108.1
McDonough County, Illinois	5 - Melanoma of the Skin (All Stages^), 2014-2018	9	24.4
Mason County, Illinois	1 - Lung & Bronchus (All Stages^), 2014-2018	22	100.2
Mason County, Illinois	2 - Colon & Rectum (All Stages^), 2014-2018	12	55.3
Mason County, Illinois	3 - Prostate (All Stages^), 2014-2018	12	110.7
Mason County, Illinois	4 - Breast (All Stages^), 2014-2018	11	120.7
Mason County, Illinois	5 - Melanoma of the Skin (All Stages^), 2014-2018	5	26.8
Peoria County, Illinois	1 - Lung & Bronchus (All Stages^), 2014-2018	196	84.7
Peoria County, Illinois	2 - Breast (All Stages^), 2014-2018	165	146
Peoria County, Illinois	3 - Prostate (All Stages^), 2014-2018	137	122.7
Peoria County, Illinois	4 - Colon & Rectum (All Stages^), 2014-2018	98	44.5
Peoria County, Illinois	5 - Melanoma of the Skin (All Stages^), 2014-2018	62	29
Schuyler County, Illinois	1 - Lung & Bronchus (All Stages^), 2014-2018	10	91.4
Schuyler County, Illinois	2 - Prostate (All Stages^), 2014-2018	7	120.7
Schuyler County, Illinois	3 - Breast (All Stages^), 2014-2018	6	106.1
Schuyler County, Illinois	4 - Colon & Rectum (All Stages^), 2014-2018	6	49.1
Schuyler County, Illinois	5 - Bladder (All Stages^), 2014-2018	3	28.2
Warren County, Illinois	1 - Lung & Bronchus (All Stages^), 2014-2018	17	69.8
Warren County, Illinois	2 - Breast (All Stages^), 2014-2018	14	142.3
Warren County, Illinois	3 - Colon & Rectum (All Stages^), 2014-2018	12	54.8
Warren County, Illinois	4 - Prostate (All Stages^), 2014-2018	8	66.8
Warren County, Illinois	5 - Melanoma of the Skin (All Stages^), 2014-2018	6	27
Illinois	1 - Breast (All Stages^), 2014-2018	10,389	133.7
Illinois	2 - Lung & Bronchus (All Stages^), 2014-2018	9,538	63
Illinois	3 - Prostate (All Stages^), 2014-2018	8,174	111.5
Illinois	4 - Colon & Rectum (All Stages^), 2014-2018	6,243	42.1
Illinois	5 - Melanoma of the Skin (All Stages^), 2014-2018	3,086	21.3

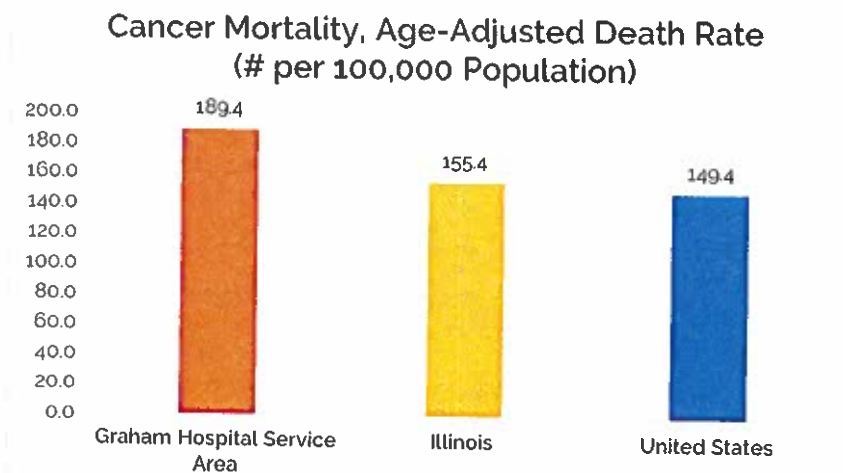
327

## Mortality – Cancer

This indicator reports the 2016-2020 five-year average rate of death due to malignant neoplasm (cancer) per 100,000 population. Figures are reported as crude rates, and as rates age-adjusted to year 2000 standard. Rates are summarized for service areas from county level data, only where data is available. This indicator is relevant because cancer is a leading cause of death in the United States. Within the service area, there are a total of 681 deaths due to cancer. This represents an age-adjusted death rate of 189.4 per every 100,000 total population. *Note: Data are suppressed for counties with fewer than 20 deaths in the timeframe.*

Report Area	Total Population, 2016-2020 Average	Five Year Total Deaths, 2016-2020 Total	Crude Death Rate (Per 100,000 Population)	Age-Adjusted Death Rate (Per 100,000 Population)
2022 Graham Hospital Service Area	48,739	681	279.4	<b>189.4</b>
Fulton County, IL	34,704	521	300.3	196.3
Knox County, IL	50,088	677	270.3	173.6
McDonough County, IL	30,150	312	207.0	163.3
Mason County, IL	13,464	251	372.9	226.9
Peoria County, IL	181,094	1,965	217.0	170.8
Schuyler County, IL	6,874	90	261.9	156.9
Warren County, IL	17,023	207	243.2	170.4
Illinois	12,720,799	120,341	189.2	155.4
United States	326,747,554	2,998,371	183.5	149.4

*Note: This indicator is compared to the state average. Data Source: Centers for Disease Control and Prevention, National Vital Statistics System. Accessed via CDC WONDER, 2016-2020. Source geography: County*

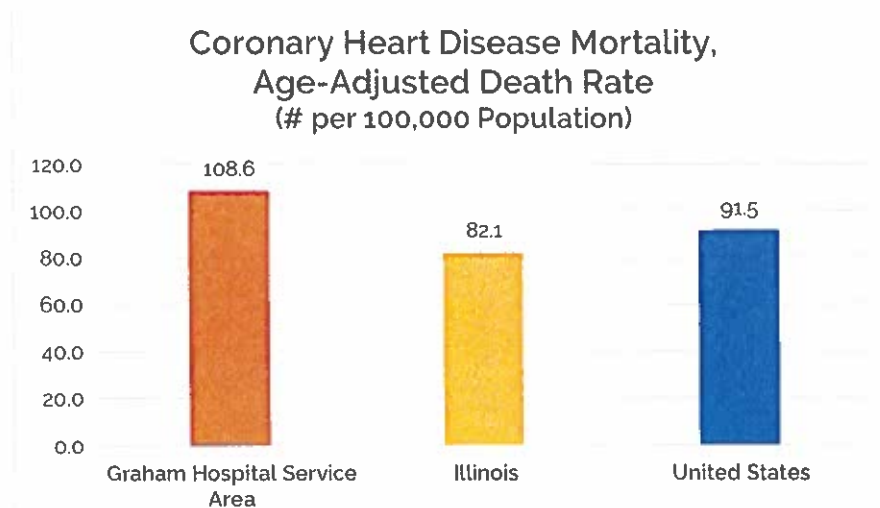


## Mortality – Coronary Heart Disease

This indicator reports the 2016-2020 five-year average rate of death due to coronary heart disease (ICD10 Codes I20-I25) per 100,000 population. Figures are reported as crude rates, and as rates age-adjusted to year 2000 standard. Rates are summarized for service areas from county level data, only where data is available. This indicator is relevant because coronary heart disease is a leading cause of death in the United States. Within the report area, there are a total of 405 deaths due to coronary heart disease. This represents an age-adjusted death rate of 108.6 per every 100,000 total population. *Note: Data are suppressed for counties with fewer than 20 deaths in the timeframe.*

Report Area	Total Population, 2016-2020 Average	Five Year Total Deaths, 2016-2020 Total	Crude Death Rate (Per 100,000 Population)	Age-Adjusted Death Rate (Per 100,000 Population)
2022 Graham Hospital Service Area	48,739	405	166.1	<b>108.6</b>
Fulton County, IL	34,704	312	179.8	113.5
Knox County, IL	50,088	474	189.3	115.9
McDonough County, IL	30,150	206	136.7	98.9
Mason County, IL	13,464	88	130.7	79.2
Peoria County, IL	181,094	1,053	116.3	90.6
Schuyler County, IL	6,874	58	168.8	109.6
Warren County, IL	17,023	192	225.6	151.7
Illinois	12,720,799	64,237	101.0	82.1
United States	326,747,554	1,838,830	112.5	91.5

*Note: This indicator is compared to the state average. Data Source: Centers for Disease Control and Prevention: National Vital Statistics System. Accessed via CDC WONDER: 2016-2020. Source geography: County*



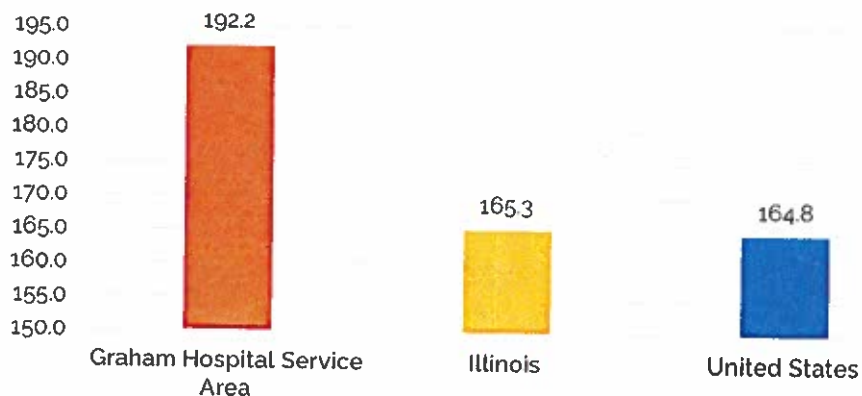
## Mortality – Heart Disease

This indicator reports the 2016-2020 five-year average rate of death due to heart disease (ICD10 Codes I00-109, I11, I13, I20-151) per 100,000 population. This indicator is relevant because heart disease is a leading cause of death in the United States. Within the report area, there are a total of 717 deaths due to heart disease. This represents an age-adjusted death rate of 192.2 per every 100,000 total population. *Note: Data are suppressed for counties with fewer than 20 deaths in the timeframe.*

Report Area	Total Population, 2016-2020 Average	Five Year Total Deaths, 2016-2020 Total	Crude Death Rate (Per 100,000 Population)	Age-Adjusted Death Rate (Per 100,000 Population)
2022 Graham Hospital Service Area	48,739	717	294.2	<b>192.2</b>
Fulton County, IL	34,704	544	313.5	197.2
Knox County, IL	50,088	829	331.0	200.6
McDonough County, IL	30,150	389	258.0	190.3
Mason County, IL	13,464	195	289.7	171.5
Peoria County, IL	181,094	2,002	221.1	170.7
Schuyler County, IL	6,874	111	322.9	196.8
Warren County, IL	17,023	289	339.5	231.3
Illinois	12,720,799	129,312	203.3	165.3
United States	326,747,554	3,294,101	201.6	164.8

*Note: This indicator is compared to the state average. Data Source: Centers for Disease Control and Prevention; National Vital Statistics System. Accessed via CDC WONDER: 2016-2020. Source geography: County*

### Mortality - Heart Disease, Age-Adjusted Death Rate (# per 100,000 Population)

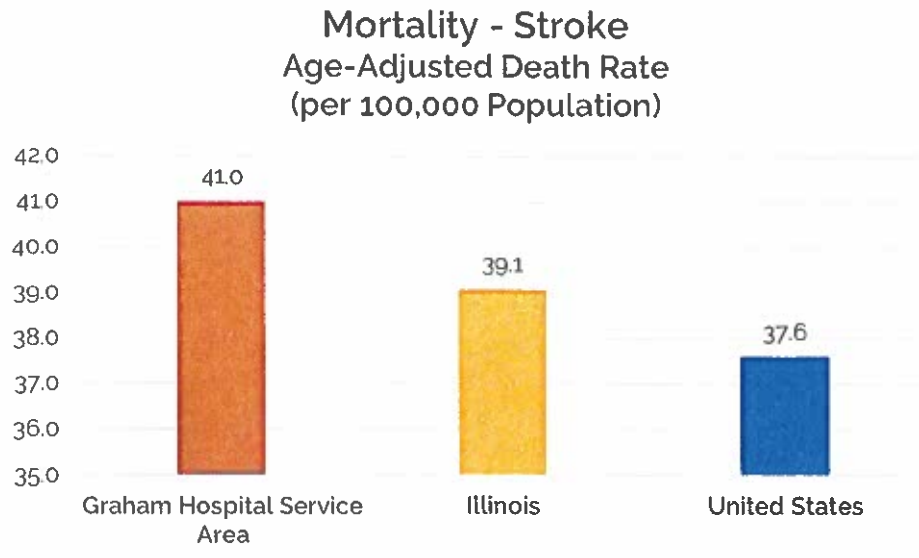


## Mortality – Stroke

This indicator reports the 2016-2020 five-year average rate of death due to cerebrovascular disease (stroke) per 100,000 population. Figures are reported as crude rates, and as rates age-adjusted to year 2000 standard. This indicator is relevant because stroke is a leading cause of death in the United States. Within the service area, there are a total of 158 deaths due to stroke. This represents an age-adjusted death rate of 41.0 per every 100,000 total population. *Note: Data are suppressed for counties with fewer than 20 deaths in the timeframe.*

Report Area	Total Population, 2016-2020 Average	Five Year Total Deaths, 2016-2020 Total	Crude Death Rate (Per 100,000 Population)	Age-Adjusted Death Rate (Per 100,000 Population)
2022 Graham Hospital Service Area	48,739	158	64.8	<b>41.0</b>
Fulton County, IL	34,704	115	66.3	39.8
Knox County, IL	50,088	161	64.3	38.7
McDonough County, IL	30,150	115	76.3	51.8
Mason County, IL	13,464	49	72.8	42.6
Peoria County, IL	181,094	493	54.5	41.3
Schuyler County, IL	6,874	44	128.0	72.6
Warren County, IL	17,023	49	57.6	38.7
Illinois	12,720,799	30,448	47.9	39.1

*Note: This indicator is compared to the state average. Data Source: Centers for Disease Control and Prevention; National Vital Statistics System. Accessed via CDC WONDER: 2016-2020. Source geography: County*



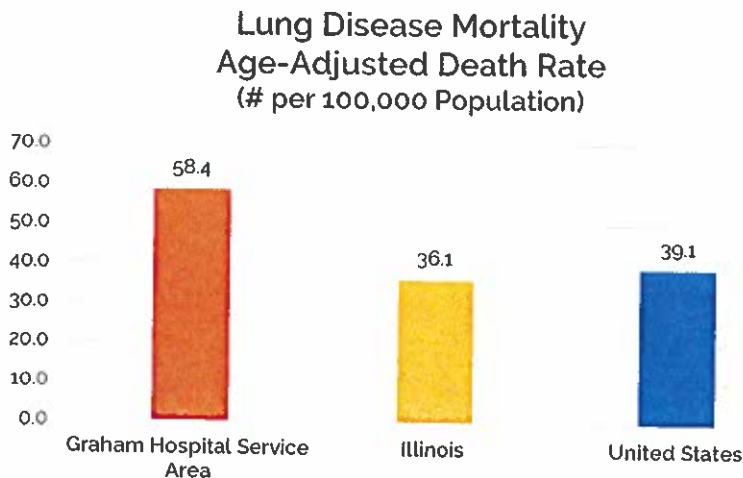
## Mortality – Lung Disease

This indicator reports the 2016-2020 five-year average rate of death due to chronic lower respiratory disease per 100,000 population. Figures are reported as crude rates, and as rates age-adjusted to year 2000 standard. Rates are summarized for service areas from county level data, only where data is available. This indicator is relevant because lung disease is a leading cause of death in the United States. Within the report area, there are a total of 221 deaths due to heart disease. This represents an age-adjusted death rate of 58.4 per every 100,000 total population.

*Note: Data are suppressed for counties with fewer than 20 deaths in the timeframe.*

Report Area	Total Population, 2016-2020 Average	Five Year Total Deaths, 2016-2020 Total	Crude Death Rate (Per 100,000 Population)	Age-Adjusted Death Rate (Per 100,000 Population)
2022 Graham Hospital Service Area	48,739	221	90.9	<b>58.4</b>
Fulton County, IL	34,704	173	99.7	62.0
Knox County, IL	50,088	298	119.0	73.1
McDonough County, IL	30,150	104	69.0	50.2
Mason County, IL	13,464	67	99.5	59.1
Peoria County, IL	181,094	531	58.6	45.0
Schuyler County, IL	6,874	31	90.2	52.6
Warren County, IL	17,023	79	92.8	63.5
Illinois	12,720,799	27,972	44.0	36.1
United States	326,747,554	783,919	48.0	39.1

*Note: This indicator is compared to the state average. Data Source: Centers for Disease Control and Prevention: National Vital Statistics System. Accessed via CDC WONDER: 2016-2020. Source geography: County*



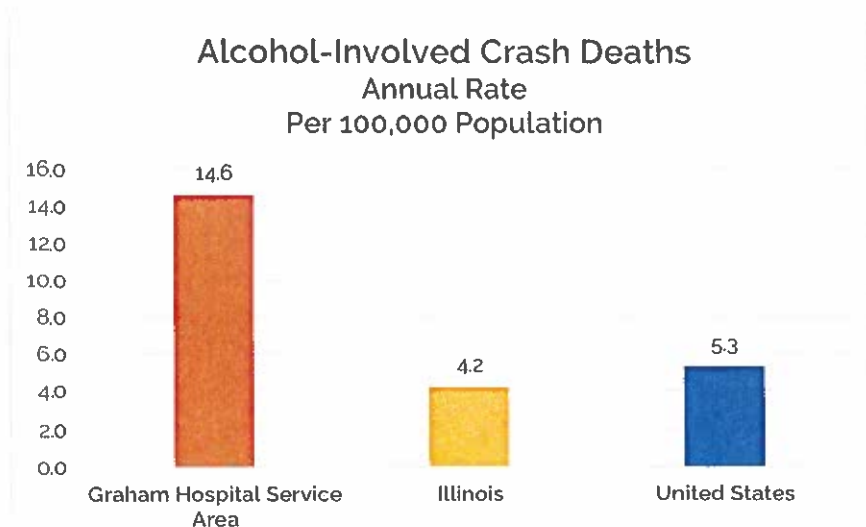
## SUBSTANCE USE

### Mortality – Motor Vehicle Crash (Alcohol-Involved)

Motor vehicle crash deaths are preventable and are a leading cause of death among young persons. This indicator reports the crude rate of persons killed in motor vehicle crashes involving alcohol as a rate per 100,000 population. Fatality counts are based on the location of the crash and not the decedent's residence. Within the service area, there are a total of 43 deaths due to motor vehicle crash. This represents an age-adjusted death rate of 14.6 per every 100,000 total population.

Report Area	Total Population (2010)	Alcohol-Involved Crash Deaths (2015-2019)	Alcohol-Involved Crash Deaths, Annual Rate per 100,000 Population
2022 Graham Hospital Service Area	294,058	43	<b>14.6</b>
Fulton County, IL	37,069	12	10.8
Knox County, IL	52,919	10	6.3
McDonough County, IL	32,612	3	3.1
Mason County, IL	14,666	2	4.5
Peoria County, IL	186,494	29	5.2
Schuyler County, IL	7,544	1	4.4
Warren County, IL	17,707	5	9.4
Illinois	12,830,632	1,618	4.2
United States	312,443,997	49,522	5.3

*Note: This indicator is compared to the state average. Data Source: U.S. Department of Transportation, National Highway Traffic Safety Administration, Fatality Analysis Reporting System, 2015-2019. Source geography: Address*



## Chronic Conditions – Adult

### *Chronic Obstructive Pulmonary Disease*

This indicator reports the percentage of adults age 18 and older who report ever having been told by a doctor, nurse, or other health professional that they had chronic obstructive pulmonary disease (COPD), emphysema, or chronic bronchitis. Within the service area, there were 8.9% of adults 18 and older who reported having chronic obstructive pulmonary disease of the total population.

Report Area	Total Population (2019)	Percentage of Adults Ever Diagnosed with Chronic Lower Respiratory Disease
2022 Graham Hospital Service Area	51,772	8.9%
Fulton County, IL	34,340	8.90%
Knox County, IL	49,699	9.10%
McDonough County, IL	29,682	7.40%
Mason County, IL	13,359	9.70%
Peoria County, IL	179,179	7.30%
Schuyler County, IL	6,768	9.30%
Warren County, IL	16,844	7.80%
Illinois	12,671,821	6.08%

### *Kidney Disease (Adult)*

This indicator reports the number and percentage of adults age 18 and older who report ever having been told by a doctor, nurse, or other health professional that they have kidney disease.

Report Area	Total Population (2019)	Percentage of Adults Ever Diagnosed with Kidney Disease
2022 Graham Hospital Service Area	51,772	3.3%
Fulton County, IL	34,340	3.40%
Knox County, IL	49,699	3.60%
McDonough County, IL	29,682	3.00%
Mason County, IL	13,359	3.50%
Peoria County, IL	179,179	3.20%
Schuyler County, IL	6,768	3.60%
Warren County, IL	16,844	3.20%
Illinois	12,671,821	2.89%
United States	328,239,523	3.10%



### Heart Disease (Adult)

This indicator reports the percentage of adults age 18 and older who report ever having been told by a doctor, nurse, or other health professional that they had angina or coronary heart disease. In the service area, there were 7.6% of adults 18 and older who reported having coronary heart disease of the total population.

Report Area	Total Population (2019)	Adults Ever Diagnosed with Coronary Heart Disease (Crude)	Adults Ever Diagnosed with Coronary Heart Disease (Age-Adjusted)
2022 Graham Hospital Service Area	51,772	7.6%	No data
Fulton County, IL	34,340	7.90%	6.10%
Knox County, IL	49,699	8.20%	6.30%
McDonough County, IL	29,682	6.60%	6.10%
Mason County, IL	13,359	8.60%	6.20%
Peoria County, IL	179,179	6.60%	5.60%
Schuyler County, IL	6,768	8.50%	6.20%
Warren County, IL	16,844	7.20%	5.80%
Illinois	12,671,821	5.73%	5.17%
United States	328,239,523	6.20%	5.40%

### High Blood Pressure (Adult)

This table presents the percentage of adults ever diagnosed with high blood pressure. Within the service area, there were 36.4% of adults 18 and older who reported having high blood pressure of the total population.

Report Area	Total Population (2019)	Percentage of Adults with High Blood Pressure
2022 Graham Hospital Service Area	51,772	36.4%
Fulton County, IL	34,340	37.10%
Knox County, IL	49,699	37.00%
McDonough County, IL	29,682	31.60%
Mason County, IL	13,359	38.90%
Peoria County, IL	179,179	34.60%
Schuyler County, IL	6,768	38.70%
Warren County, IL	16,844	33.80%
Illinois	12,671,821	31.2%
United States	328,239,523	32.6%

## MENTAL AND BEHAVIORAL HEALTH

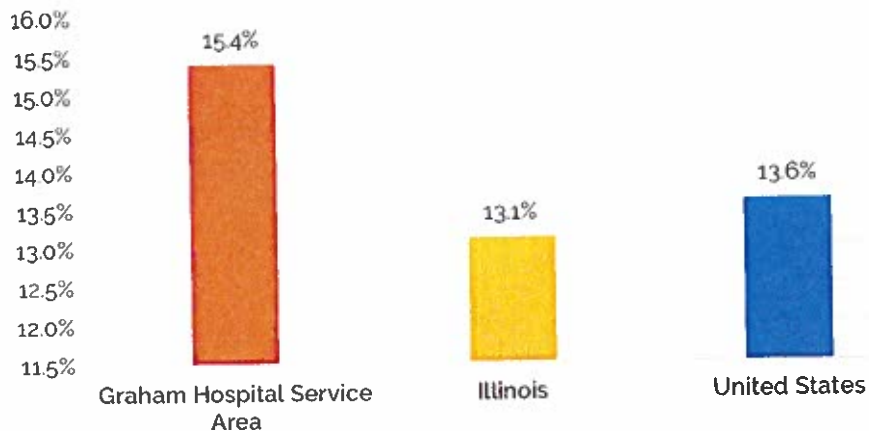
### Poor or Fair Mental Health

This indicator reports the percentage of adults age 18 and older who report 14 or more days during the past 30 days during which their mental health was not good. Data were from the 2019 Behavioral Risk Factor Surveillance System (BRFSS) annual survey. Within the report area, there were 15.4% of adults 18 and older who reported poor mental health in the past month of the total population.

Report Area	Total Population (2019)	Adults with Poor Mental Health (Crude)	Adults with Poor Mental Health (Age-Adjusted)
2022 Graham Hospital Service Area	51,772	15.4%	No data
Fulton County, IL	34,340	14.70%	15.70%
Knox County, IL	49,699	15.10%	16.10%
McDonough County, IL	29,682	15.90%	15.80%
Mason County, IL	13,359	15.00%	16.50%
Peoria County, IL	179,179	14.10%	14.60%
Schuyler County, IL	6,768	14.40%	15.80%
Warren County, IL	16,844	14.40%	15.00%
Illinois	12,671,821	13.13%	13.37%
United States	328,239,523	13.60%	13.90%

Note: This indicator is compared to the state average. Data Source: Centers for Disease Control and Prevention: Behavioral Risk Factor Surveillance System. Accessed via the 500 Cities Data Portal, 2019. Source geography: Tract

### Adults with Poor Mental Health (Percentage of Adults over Age 18)



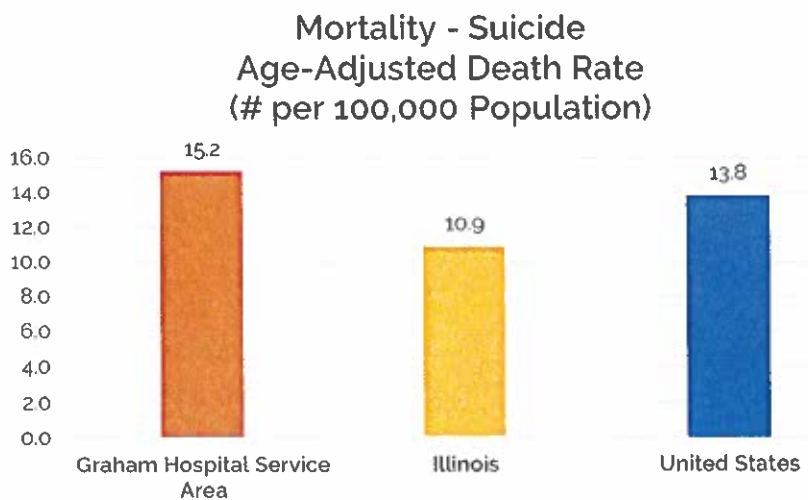
## Mortality – Suicide

This indicator reports the 2016-2020 five-year average rate of death due to intentional self-harm (suicide) per 100,000 population. Figures are reported as crude rates, and as rates age-adjusted to year 2000 standard. Rates are summarized for service areas from county level data, only where data is available. This indicator is relevant because suicide is an indicator of poor mental health. Within the service area, there are a total of 41 deaths due to suicide. This represents an age-adjusted death rate of 15.2 per every 100,000 total population.

*Note: Data are suppressed for counties with fewer than 20 deaths in the timeframe.*

Report Area	Total Population, 2016-2020 Average	Five Year Total Deaths, 2016-2020 Total	Crude Death Rate (Per 100,000 Population)	Age-Adjusted Death Rate (Per 100,000 Population)
2022 Graham Hospital Service Area	48,739	41	16.7	<b>15.2</b>
Fulton County, IL	34,704	30	17.3	15.2
Knox County, IL	50,088	36	14.4	14.3
McDonough County, IL	30,150	21	13.9	14.6
Mason County, IL	13,464	15	No data	No data
Peoria County, IL	181,094	137	15.1	15.2
Schuyler County, IL	6,874	No data	No data	No data
Warren County, IL	17,023	10	No data	No data
Illinois	12,720,799	7,178	11.3	10.9
United States	326,747,554	233,972	14.3	13.8

*Note: This indicator is compared to the state average. Data Source: Centers for Disease Control and Prevention: National Vital Statistics System. Accessed via CDC WONDER: 2016-2020. Source geography: County*



## DIVERSITY AND MINORITY HEALTH STATUS

### Population in Poverty Race Alone, Percent

This indicator reports the average (population weighted) Area Deprivation Index (ADI) for the selected area. The ADI ranks neighborhoods and communities relative to all neighborhoods across the nation (National Percentile) or relative to other neighborhoods within just one state (state percentile). The ADI is calculated based on 17 measures related to four primary domains (education; income and employment; housing; and household characteristics). The overall scores are measured on a scale of 1 to 100 where 1 indicates the lowest level of deprivation (least disadvantaged) and 100 is the highest level of deprivation (most disadvantaged). This indicator reports the percentage of population in poverty in the service area by race alone.

Report Area	White	Black or African American	Native American or Alaska Native	Asian	Native Hawaiian or Pacific Islander	Some Other Race	Multiple Race
Graham Hospital Service Area	14.53%	18.83%	0.00%	6.76%	0.00%	27.37%	14.52%
Fulton County, IL	14.68%	20.00%	0.00%	33.33%	0.00%	0.00%	19.61%
Knox County, IL	14.39%	61.67%	5.60%	17.32%	No data	39.31%	22.52%
McDonough County, IL	21.13%	49.83%	47.62%	33.44%	No data	72.90%	5.56%
Mason County, IL	13.59%	52.86%	50.00%	0.00%	No data	97.83%	26.26%
Peoria County, IL	10.61%	35.78%	6.41%	7.36%	0.00%	23.87%	24.48%
Schuyler County, IL	14.88%	51.40%	0.00%	No data	No data	No data	77.89%
Warren County, IL	12.70%	12.42%	0.00%	4.44%	No data	18.22%	24.23%
Illinois	9.41%	26.10%	16.40%	10.85%	12.62%	17.46%	15.95%
United States	11.15%	23.04%	24.86%	10.94%	17.51%	21.04%	16.66%

## EMERGENCY PREPAREDNESS

Graham Health System works with the US-HHS ASPR, the Illinois Department of Public Health, county health departments, the Illinois Emergency Management Agency, and other state, regional, and local partners to plan, exercise, and equip for emergency preparedness and to ensure the ability to address a wide range of potential emergencies, ranging from disasters of all causes to pandemics and terrorism. Graham Health System utilizes ambulance services from the Fulton County Emergency Medical Association and other surrounding areas.







Availability of Mental Health and Substance Abuse Services



Improve Health Education and Health Services in Local Schools



Address Issues Related to Homelessness

## IDENTIFICATION AND PRIORITIZATION OF NEEDS

### PROCESS

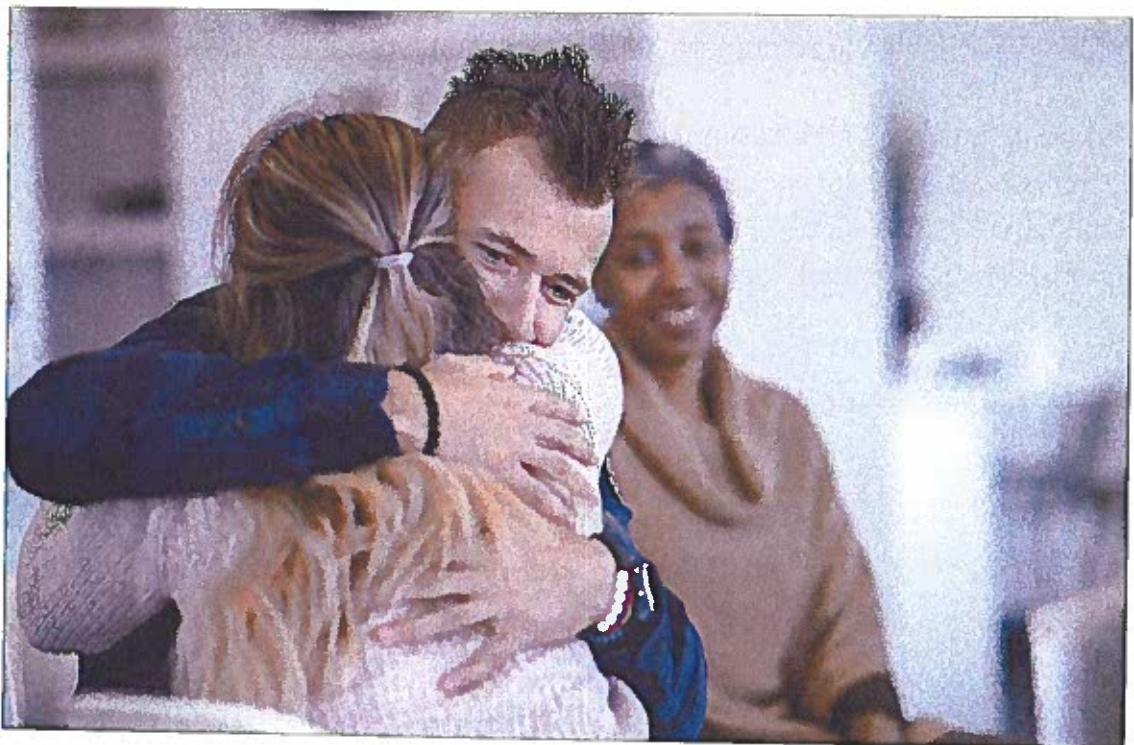
The findings of the focus groups were presented, along with secondary data, analyzed by the consultant, to a third group for identification and prioritization of the significant health needs facing the community. The group consisted of representatives of public health, community leaders, healthcare providers, law enforcement, faith-based organizations and community services providers.

The group reviewed notes from the focus groups and summaries of data reviewed by the consultant which included SparkMaps, ESRI, Illinois Department of Public Health, CDC, USDA, Illinois Department of Labor, HRSA, County Health Rankings and Roadmaps, National Cancer Institute and other resources.

## DESCRIPTION OF THE COMMUNITY HEALTH NEEDS IDENTIFIED

At the conclusion of their review and discussion, the identification and prioritization group advanced the following needs as being the significant community health needs facing the Graham Health System service area:

1. The group first identified and prioritized availability of mental health services, including:
  - Increasing access to local treatment for mental health services of all types for youth and adults
  - Improving and increasing access to long-term mental healthcare outside the community, including care for substance use disorders
  - Providing community education about available local mental health services
  - Providing local access to a psychiatrist
2. The group next prioritized the need to improve health education and health services in some local schools that are not currently sufficiently staffed to fully meet these needs.
3. The third prioritized need was to address homelessness.







343

344



## RESOURCES AVAILABLE TO MEET PRIORITY HEALTH NEEDS

### HOSPITAL RESOURCES

#### Services at Graham Health System

- Administration
- Nursing Administration
- Senior Administration
- Emergency Room
- Clinic
- Financial support as reasonable and appropriate

### HEALTHCARE PARTNERS OR OTHER RESOURCES, INCLUDING TELEMEDICINE

- North Central Behavioral Health Systems
- United Place Community Crisis Center
- Fulton County Health Department
- Tele-psychiatry
- Tele-mental health counseling

## COMMUNITY RESOURCES

- Schools
- Canton Union Schools
- Area school districts
- Fulton County Sheriff and other law enforcement agencies
- City of Canton and other local governments
- Faith-based organizations
- Fulton County Housing Authority









Documentation



Online Presence



Comments



Implementation

## DOCUMENTING AND COMMUNICATING RESULTS

This CHNA Report will be available to the community on the hospital's public website, [www.grahamhealthsystem.org](http://www.grahamhealthsystem.org). A hard copy may be reviewed at the hospital by inquiring at the information desk at the main entrance.

No written comments were received concerning the hospital facility's most recently conducted CHNA nor on the most recently adopted Implementation Strategy. A method for retaining written public comments and responses exists, but none were received.







Availability of Mental Health and Substance Abuse Services



Improve Health Education and Health Services in Local Schools



Address Issues Related to Homelessness

## IMPLEMENTATION STRATEGY

### PLANNING PROCESS

The results of the assessment process were presented to senior staff through a facilitated discussion for development of a plan to address the identified and prioritized needs on February 23, 2022.

The group reviewed the needs assessment process completed to that point and considered the prioritized significant needs and supporting documents. They recounted some of the steps taken to address previous Community Health Needs Assessments. They also considered internal and external resources potentially available to address the current prioritized needs.

The group then considered each of the prioritized needs. For each of the three prioritized needs, actions the hospital intends to take were identified, along with the anticipated impact of the actions, the resources the hospital intends to commit to the actions, and the external collaborators the hospital plans to cooperate with to address the need. The plan will be evaluated by periodic review of measurable outcome indicators in conjunction with annual review and reporting.

## IMPLEMENTATION STRATEGY

The group addressed the needs with the following strategies:

1. Availability of mental health services, including:

- Increasing access to local treatment for mental health services of all types for youth and adults
- Improving and increasing access to long-term mental healthcare outside the community, including care for substance use disorders
- Providing community education about available local mental health services
- Providing local access to a psychiatrist

*Actions the hospital intends to take to address the health need:*

- Graham Health System will add a mental health nurse practitioner to the professional staff at the clinic
- Graham Health System will collaborate with North Central Behavioral Health Systems to provide a full-time, in-house crisis worker at Graham Health System
- Graham Health System will seek to expand contacts for out-of-the-area referrals for care for persons needing inpatient care for mental health and substance use disorders
- Graham Health System will explore hiring an outpatient Advanced Practice Provider
- Graham Health System will explore tele-psychiatry and tele-mental health counseling
- Graham Health System will collaborate with the Fulton County Health Department and local schools to address mental health needs for youth and community education about availability of local services for youth, adult, and family

*Anticipated impacts of these actions:*

Graham Hospital anticipates that completing the anticipated hiring of specialized staff along with provider and community collaborations will address, head on, many of the prioritized needs in a relatively short time. The hospital is also optimistic that tele-services could prove to be a reasonable and effective tool to assist in addressing the needs.

*Programs and resources the hospital plans to commit to address health need:*

- Senior Administration
- Emergency Room
- Clinic
- Financial support as reasonable and appropriate

*Planned collaboration between the hospital and other facilities:*

- Fulton County Health Department
- Schools
- North Central Behavioral Health Systems
- Unity Place Community Crisis Center

**2. Improve health education and health services in some local schools that are not currently sufficiently staffed to fully meet these needs.**

*Actions the hospital intends to take to address the health need:*

- Graham Health System will collaborate with Canton Union School District to determine needs and develop solutions based on needs of the schools
- Graham Health System will facilitate information-sharing opportunities for school nurses working throughout the service area

*Anticipated impacts of these actions:*

Graham Health System anticipates that the steps above will substantially address the needs identified by improving resources.

*Programs and resources the hospital plans to commit to address health need:*

- Administration
- Nursing administration

*Planned collaboration between the hospital and other facilities:*

- Canton Union Schools
- Area school districts
- Fulton County Health Department

### **3. Address homelessness.**

*Actions the hospital intends to take to address the health need:*

Recognizing that this is a community-wide issue and beyond the resources and services of the hospital, Graham Hospital will attempt to form and facilitate a community workgroup of interested agencies, local governments, schools, businesses, and individuals to develop and implement strategies to explore the scope and address this issue.

*Anticipated impacts of these actions:*

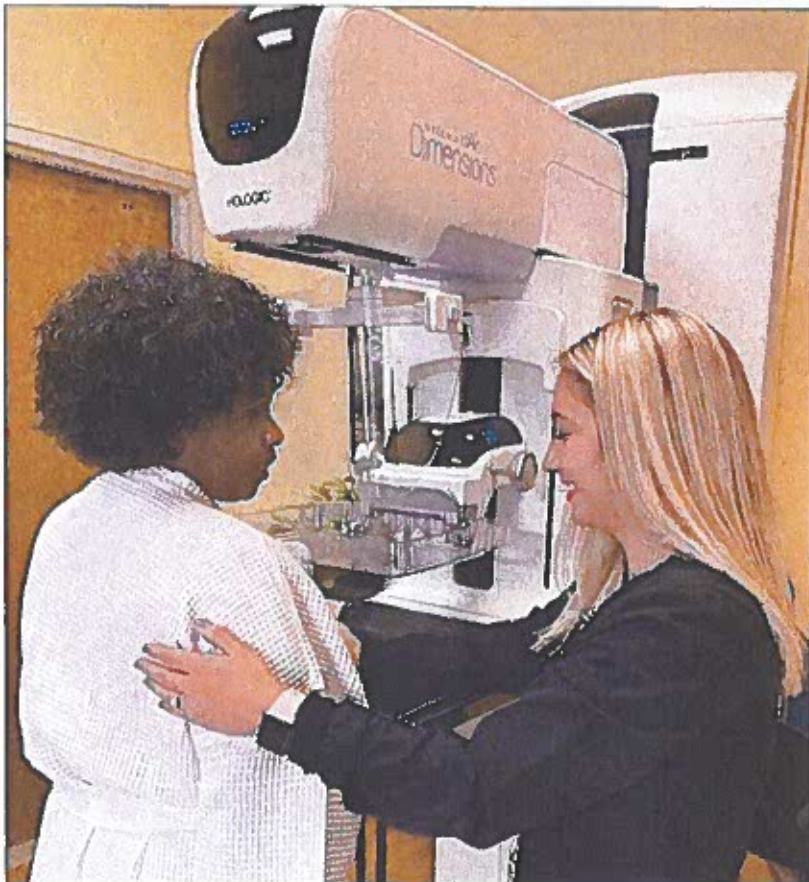
Graham Health System anticipates that a community workgroup will be able to fully assess and address homelessness in our communities through a collaborative effort.

*Programs and resources the hospital plans to commit to address health need:*

- Administration
- Financial resources as reasonable and appropriate

*Planned collaboration between the hospital and other facilities:*

- Fulton County Sheriff and other law enforcement agencies
- Fulton County Health Department
- City of Canton and other local governments
- Faith-based organizations
- Fulton County Housing Authority



386



Focus Groups



Administration



Organizations



Business

## REFERENCES AND APPENDIX

### Focus Group One – Healthcare Providers and Community Leaders

Trygve Meade, Attorney/Proprietor, Meade Law Office

Jeff Standard, Fulton County Sheriff

Carla Bobell, Executive Director, Canton Area Chamber of Commerce

Jed Rhoades, Real Estate & Auction Services

Kathy Lock, President, Graham Hospital Service League

Jeff Utsinger, Assistant Superintendent, Canton Union School District

Jay Shepler, St. Mary's Food Pantry representative

The Rev. Kevin VanTine, Covenant Community Fellowship, Canton

Kent McDowell, Mayor, City of Canton

Diana Pavley-Rock, Canton City Clerk

### Focus Group Two – Medical Professionals and Partners

Liz Utsinger, Health Professional/Health Educator, Fulton County Health Department

Katie Lynn, Administrator, Fulton County Health Department

Missy Kolowski, Administrator, Health & Wellness Connection of Fulton County

Erin Anderson, Graham Health System Clinical Social Worker

Andy French, Senior Director, Cardiac Pulmonary Rehab & Wellness

Becky Sherwood, Director, Graham School of Nursing

Wesley Kimbrough, Supervisor, Community Care Services

Kelli Kelley, Coordinator, Community Care Services

Rachel Bundy, Pharmacist, Graham Health System

### **Identification and Prioritization Group**

Erin Anderson, Graham Health System Clinical Social Worker

Jeff Standard, Fulton County Sheriff

Becky Sherwood, Director, Graham School of Nursing

Rachel Bundy, Pharmacist, Graham Health System

Liz Utsinger, Fulton County Health Department

Jay Shepler, St. Mary's Food Pantry

Missy Kolowski, Health & Wellness Connection of Fulton County

### **Implementation Planning and Strategy Group**

Robert Senneff, President & CEO, Graham Health System

Holly Henline, VP Ancillary Services/CCO, Graham Health System

Teresa McConkey, VP Nursing/CNO, Graham Health System

Michelle Dady, VP Clinic Services, Graham Health System

Allison Sours, VP Quality/CIO, Graham Health System

Julie Reeder, VP, Finance/CFO, Graham Health System

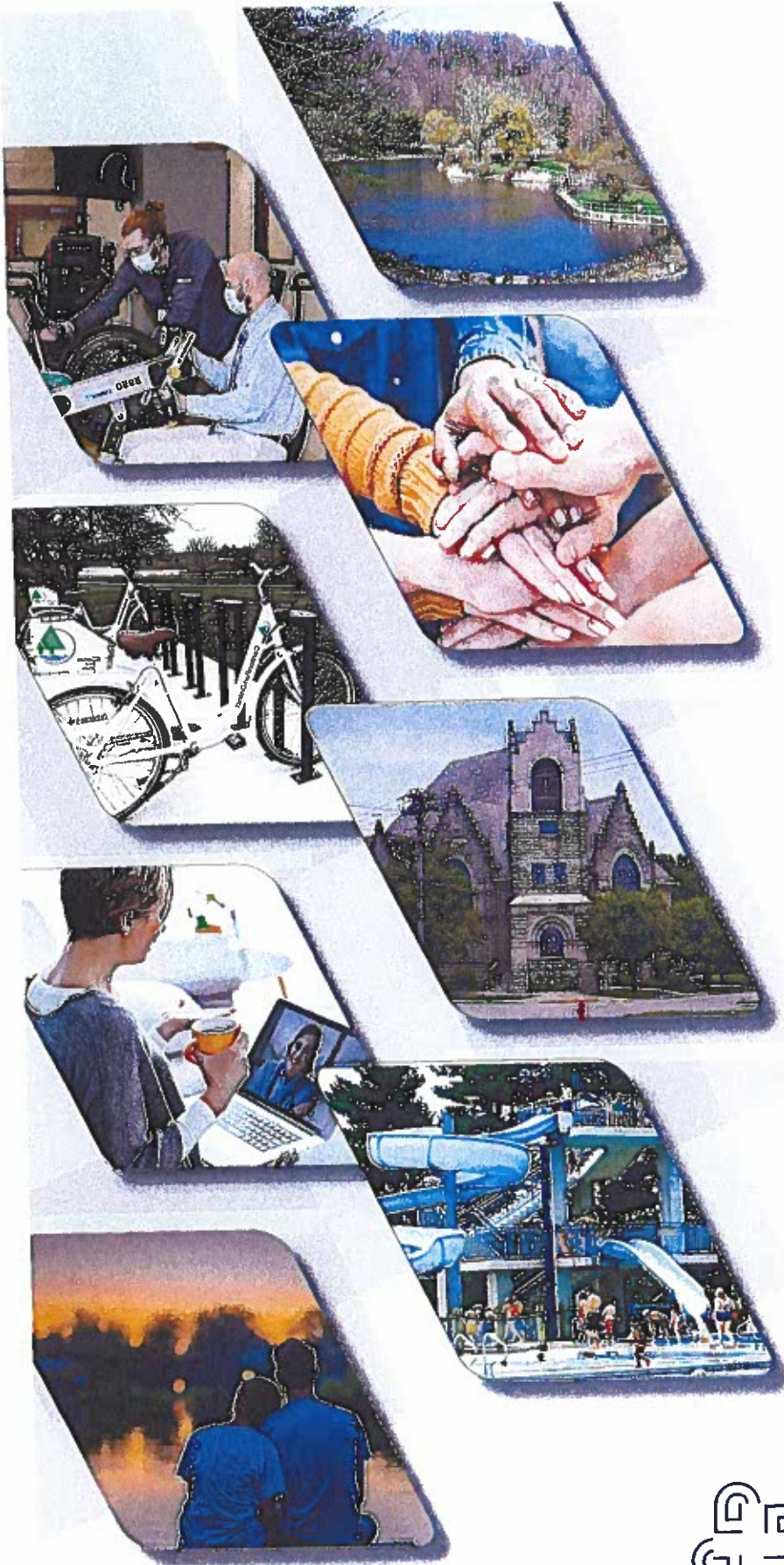


NOTES

359

NOTES





 GRAHAM  
HEALTH SYSTEM

210 W. Walnut Street, Canton, IL 61520 • (309) 647-5240 • [www.grahamhealthsystem.org](http://www.grahamhealthsystem.org)

2102

**Attachment 37**

1. The amount of charity care for the last three audited fiscal years for Graham Hospital Association, the cost of charity care, and the ratio of that charity care cost to net patient revenue are presented below.

	2023	2022	2021
Net Patient Revenue	\$ 103,846,242	\$ 93,018,619	\$ 82,056,144
Amount of Charity Care (charges)	\$ 3,558,636	\$ 3,437,553	\$ 4,146,565
Cost of Charity Care	\$ 1,525,986	\$ 1,739,631	\$ 2,990,265
Cost of Charity Care to Net Patient Revenue Ratio	1.5%	1.9%	3.6%

2. The applicant anticipates that the Graham Health System Ambulatory Surgery Center will have a similar payor mix to that of Graham Medical Group-Galesburg. That payor mix is listed in the table below.

	Percent of Revenue
Medicare	25.4%
Medicaid	25.1%
Managed Care	47.6%
Self Pay	1.9%

In addition, the Graham Health System Ambulatory Surgery Center is expected to provide a similar percent of charitable care as Graham Hospital Association. As documented above, in 2023, the cost of charity care provided was 1.5% of its net revenue and the charges for charity care provided were 3.4% of net revenue.





October 4, 2024

Mr. Robert Senneff, President & CEO  
Graham Medical Group  
210 West Walnut Street  
Canton, IL 61520

RE: Floodplain at the Graham Medical Clinic in Galesburg, IL

Dear Mr. Senneff,

Maurer-Stutz, Inc. was asked to review the Federal Emergency Management Agency (FEMA) floodplain maps to determine if the proposed surgical center at the current Graham Medical Clinic located at 2028 North Seminary Street in Galesburg is in a floodplain.

From our review of the FEMA website, the entire Graham Medical Group property at this location in Galesburg, Illinois, is listed as Zone X which is defined as an area of minimal flood hazard. See the enclosed FEMA FIRMette that was produced from FEMA's website for your reference.

Please contact me if you have any further questions regarding this matter.

Sincerely,  
MAURER-STUTZ, INC.

  
\_\_\_\_\_  
Keith J. Plavec, P.E.  
Project Manager





# National Flood Hazard Layer FIRMette



**Legend**

SEE FOR REPORT FOR DETAILS AND ALSO REPORT MAP FOR FIRM PANEL LOCATION

**SPECIAL FLOOD HAZARD AREAS**

- Without Base Flood Elevation (BFE) - Zone A, V, X
- With BFE or Depth - Zone AL, AH, AE, AP, AR
- Regulatory Floodway

**OTHER AREAS OF FLOOD HAZARD**

- 0.2% Annual Chance Flood Hazard, Area of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile - Zone I
- Future Conditions 1% Annual Chance Flood Hazard - Zone I
- Area with Reduced Flood Risk due to Levees - See Notes - Zone I
- Area with Flood Risk due to Levees - Zone 2

**OTHER AREAS**

- Area of Minimal Flood Hazard - Zone I
- Effective Levees
- Area of Undetermined Flood Hazard - Zone I

**GENERAL STRUCTURES**

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

**OTHER FEATURES**

- Cross Sections with 1% Annual Chance Water Surface Elevation
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Level 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 used as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL with services provided by FEMA. This map was reported on 9/16/2024 at 5:44 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 black legend, scale bar, map creation date, community identifier, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

3105





# City of Knoxville

October 21, 2024

Toby Myers  
Mayor, City of Knoxville  
33 N Public Sq Knoxville IL 61448

RE: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

To Whom it May Concern,

As Mayor of the City of Knoxville, I am writing to respectfully request the Illinois Health Facilities and Services Review Board to approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association entered the Galesburg market in 2022, to fill a significant healthcare void that was left when Cottage Hospital closed. Graham is a financially independent comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group clinics, we have been able to increase the accessibility of primary care for our residents in need and, given them a much-desired choice in their healthcare providers.

To meet the underserved needs of rural communities, Graham Health System has expanded its clinic network across a five-county area in central and western Illinois. The addition of the proposed Graham Hospital Association Ambulatory Surgery Center will broaden the healthcare landscape, bringing new specialties and services to the area, allowing our residents to receive healthcare close to home. Several of the services proposed in the Graham ASC are not available at the areas existing health system causing residents to seek care outside of the Knox County, and the Galesburg market.

As our region's needs develop, and advances in healthcare allow for more procedures to be completed in the outpatient space, the community would greatly benefit from this ambulatory surgery center. The proposed center will replace some of the operating room (OR) space lost to the community when Cottage Hospital closed, offering two ORs, and fifteen recovery bays, complementing the GMG Ambulatory Campus and Imaging Center, recently opened on this site.

I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure the community's needs may be met for years to come.

Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Toby Myers", is written over a horizontal line.

Toby Myers, Mayor



THE COUNTY OF KNOX  
STATE OF ILLINOIS



JARED M. HAWKINSON  
CHAIRMAN

10/25/2024

Jared M. Hawkinson  
Chairman - Knox County Board  
County of Knox  
200 South Cherry Street  
Galesburg, Illinois 61401

RE: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

To Whom it May Concern,

As Chairman, I am writing to respectfully request the Illinois Health Facilities and Services Review Board to approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association entered the Galesburg market in 2022, to fill a significant healthcare void that was left when Cottage Hospital closed. Graham is a financially independent comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group clinics, we have been able to increase the accessibility of primary care for our residents in need and, given them a much-desired choice in their healthcare providers.

To meet the underserved needs of rural communities, Graham Health System has expanded its clinic network across a five-county area in central and western Illinois. The addition of the proposed Graham Hospital Association Ambulatory Surgery Center will broaden the healthcare landscape, bringing new specialties and services to the area, allowing our residents to receive healthcare close to home. Several of the services proposed in the Graham ASC are not available at the area's existing health system causing residents to seek care outside of Knox County, and the Galesburg market.

As our region's needs develop, and advances in healthcare allow for more procedures to be completed in the outpatient space, the community would greatly benefit from this ambulatory surgery center. The proposed center will replace some of the operating room (OR) space lost to the community when Cottage Hospital closed, offering two ORs, and fifteen recovery bays, complementing the GMG Ambulatory Campus and Imaging Center, recently opened on this site.

I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure the community's needs may be met for years to come.

Thank you in advance for your consideration

Respectfully,

A handwritten signature in blue ink that reads "Jared M. Hawkinson".

Jared M. Hawkinson  
Chairman



Illinois State Senate

**District Office:**  
1504 3rd Ave.  
Rock Island, IL 61201  
(309) 558-3612



**Springfield Office:**  
Stratton Office Building  
Section C, Office J  
Springfield, IL 62706  
(217) 782-4307

**Michael W. Halpin**  
State Senator • 36th District

October 22, 2024

RE: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

To Whom it May Concern,

I am writing to respectfully request the Illinois Health Facilities and Services Review Board to approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association entered the Galesburg market in 2022, to fill a significant healthcare void that was left when Cottage Hospital closed. Graham is a financially independent comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group clinics, we have been able to increase the accessibility of primary care for our residents in need and, given them a much-desired choice in their healthcare providers.

To meet the underserved needs of rural communities, Graham Health System has expanded its clinic network across a five-county area in central and western Illinois. The addition of the proposed Graham Hospital Association Ambulatory Surgery Center will broaden the healthcare landscape, bringing new specialties and services to the area, allowing our residents to receive healthcare close to home. Several of the services proposed in the Graham ASC are not available at the areas existing health system causing residents to seek care outside of the Knox County, and the Galesburg market.

As our region's needs develop, and advances in healthcare allow for more procedures to be completed in the outpatient space, the community would greatly benefit from this ambulatory surgery center. The proposed center will replace some of the operating room (OR) space lost to the community when Cottage Hospital closed, offering two ORs, and fifteen recovery bays, complementing the GMG Ambulatory Campus and Imaging Center, recently opened on this site.

I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure the community's needs may be met for years to come.

Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael W. Halpin", with a horizontal line extending to the right.

Michael W. Halpin  
State Senator  
36th District





ILLINOIS HOUSE OF REPRESENTATIVES

DISTRICT OFFICE:  
275 NORTH DIVISION STREET  
PO BOX 173  
WOODHULL, IL 61490

SPRINGFIELD OFFICE:  
200-3N STRATTON BUILDING  
SPRINGFIELD, IL 62706  
(217) 782-8032



- AGRICULTURE & CONSERVATION
- CHILD CARE ACCESS
- ELEMENTARY CURRICULUM\*
- HIGHER EDUCATION\*
- APPROPRIATIONS: HIGHER EDUCATION
- TRANSPORTATION: VEHICLE SAFETY
- VETERANS' AFFAIRS\*
- \*MINORITY SPOKESPERSON

**DANIEL M. SWANSON**  
STATE REPRESENTATIVE • 71<sup>ST</sup> DISTRICT

October 23, 2024

RE: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

To Whom it May Concern,

I am writing to respectfully request the Illinois Health Facilities and Services Review Board to approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association entered the Galesburg market in 2022, to fill a significant healthcare void that was left when Cottage Hospital closed. Graham is a financially independent comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group clinics, we have been able to increase the accessibility of primary care for our residents in need and, given them a much-desired choice in their healthcare providers.

To meet the underserved needs of rural communities, Graham Health System has expanded its clinic network across a five-county area in central and western Illinois. The addition of the proposed Graham Hospital Association Ambulatory Surgery Center will broaden the healthcare landscape, bringing new specialties and services to the area, allowing our residents to receive healthcare close to home. Several of the services proposed in the Graham ASC are not available at the areas existing health system causing residents to seek care outside of the Knox County, and the Galesburg market.

As our region's needs develop, and advances in healthcare allow for more procedures to be completed in the outpatient space, the community would greatly benefit from this ambulatory surgery center. The proposed center will replace some of the operating room (OR) space lost to the community when Cottage Hospital closed, offering two ORs, and fifteen recovery bays, complementing the GMG Ambulatory Campus and Imaging Center, recently opened on this site.

I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure the community's needs may be met for years to come.

Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "DMS", followed by a long horizontal line extending to the right.

Daniel M. Swanson  
State Representative



CITY OF  
**GALESBURG**  
ILLINOIS

October 25, 2024

Evan Miller  
Galesburg City Council, 3<sup>rd</sup> Ward  
483 East Second Street  
Galesburg, IL 61401

To Whom it May Concern,

I am writing to respectfully request the Illinois Health Facilities and Services Review Board approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association entered the Galesburg market in 2022, and has filled a significant healthcare void that was created when Cottage Hospital closed. Graham is a financially independent, comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group (GMG) clinics, we have been able to increase the accessibility of primary care for our residents in need and deliver them a much-desired choice in their healthcare providers.

To meet the underserved needs of rural communities, Graham Health System has expanded its clinic network across a five-county area in central and western Illinois. The addition of the proposed Graham Hospital Association Ambulatory Surgery Center will broaden the healthcare landscape, bringing new specialties and services to the area, allowing our residents and those in surrounding areas to receive healthcare close to home. Several of the services proposed in the Graham ASC are not currently available within the area's existing health system, causing residents to seek care outside of the Galesburg and Knox County markets.

As our region's needs develop, and advances in healthcare allow for more procedures to be completed in the outpatient space, the community would greatly benefit from this ambulatory surgery center. The proposed center will replace some of the operating room (OR) space lost to the community when Cottage Hospital closed by offering two ORs and 15 recovery bays, complementing the GMG Ambulatory Campus and Imaging Center recently opened on this site.

I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure our community's needs may be met for years to come.

Thank you in advance for your consideration.

Sincerely,



Evan Miller  
Galesburg City Council Member, 3<sup>rd</sup> Ward





**FOR YOUTH DEVELOPMENT®  
FOR HEALTHY LIVING  
FOR SOCIAL RESPONSIBILITY**

October 21, 2024

Knox County YMCA  
1324 W Carl Sandburg Dr  
Galesburg, IL 61401

RE: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

To Whom it May Concern,

As CEO, I am writing to respectfully request the Illinois Health Facilities and Services Review Board to approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association entered the Galesburg market in 2022, to fill a significant healthcare void that was left when Cottage Hospital closed. Graham is a financially independent comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group clinics, we have been able to increase the accessibility of primary care for our residents in need and, given them a much-desired choice in their healthcare providers.

To meet the underserved needs of rural communities, Graham Health System has expanded its clinic network across a five-county area in central and western Illinois. The addition of the proposed Graham Hospital Association Ambulatory Surgery Center will broaden the healthcare landscape, bringing new specialties and services to the area, allowing our residents to receive healthcare close to home. Several of the services proposed in the Graham ASC are not available at the areas existing health system causing residents to seek care outside of the Knox County, and the Galesburg market.

**Downtown Galesburg YMCA**  
200 E Main St  
Galesburg, IL 61401  
309-342-0420

**Knox County Family YMCA**  
1324 W Carl Sandburg Dr  
Galesburg, IL 61401  
P (309) 344-1324  
[www.knoxyymca.org](http://www.knoxyymca.org)

**YMCA Early Learning Center**  
192 E South St  
Galesburg, IL 61401  
309-342-4315

**YMCA Mission: To put Christian principles into practice through programs that build healthy spirit, mind and body for all.**

**Have you considered leaving the Knox County YMCA an estate gift?**



Oct 21, 2024

RE: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

To Whom it May Concern,

I, Zach Maher, Vice President of First Mid Bank in Galesburg IL, am writing to respectfully request the Illinois Health Facilities and Services Review Board to approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association entered the Galesburg market in 2022, to fill a significant healthcare void that was left when Cottage Hospital closed. Graham is a financially independent comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group clinics, we have been able to increase the accessibility of primary care for our residents in need and, given them a much-desired choice in their healthcare providers.

To meet the underserved needs of rural communities, Graham Health System has expanded its clinic network across a five-county area in central and western Illinois. The addition of the proposed Graham Hospital Association Ambulatory Surgery Center will broaden the healthcare landscape, bringing new specialties and services to the area, allowing our residents to receive healthcare close to home. Several of the services proposed in the Graham ASC are not available at the areas existing health system causing residents to seek care outside of the Knox County, and the Galesburg market.

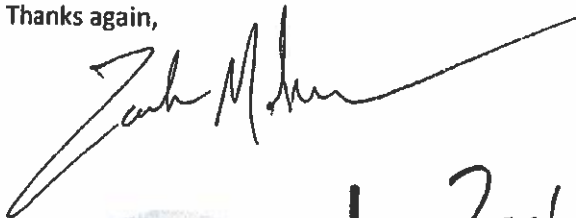
As our region's needs develop, and advances in healthcare allow for more procedures to be completed in the outpatient space, the community would greatly benefit from this ambulatory surgery center. The proposed center will replace some of the operating room (OR) space lost to the community when Cottage Hospital closed, offering two ORs, and fifteen recovery bays, complementing the GMG Ambulatory Campus and Imaging Center, recently opened on this site.

I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure the community's needs may be met for years to come.

Thank you in advance for your consideration.

Sincerely,

Thanks again,



VICE PRESIDENT COMMERCIAL AND AG LENDER

101 E MAIN ST  
GALESBURG, IL 61401  
OFFICE: 217.235.3978  
MOBILE: 309-303-2150  
FAX: 309.343.2183

zmaherefirstmid.com | www.firstmid.com



**First Mid**  
BANK & TRUST





# VNA COMMUNITY SERVICES



VOLUNTARY NETWORK FOR THE AGING

10/21/2024

Michael Bennett  
Executive Director, VNA Community Services  
262 Grand Ave  
Galesburg, IL, 61401

RE: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

To Whom it May Concern,

As the Director of VNA Community Services, I am writing to express my strong support for Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

The closure of Cottage Hospital in Galesburg left a significant healthcare gap in our community, and since entering the market in 2022, Graham Health System has played a pivotal role in addressing that void. Graham, as a financially independent and comprehensive health system, has consistently demonstrated its ability to provide high-quality services, facilities, and equipment to the residents of Galesburg and surrounding areas. With three thriving Graham Medical Group clinics already operating in the area, the expansion of primary care services has been a lifeline to many in our community, offering much-needed access and choice in healthcare providers.

To further meet the healthcare demands of our underserved rural communities, Graham Health System has expanded its clinic network across a five-county region in central and western Illinois. The addition of the Graham Hospital Association Ambulatory Surgery Center will significantly enhance the healthcare landscape in our region. This center will introduce new specialties and services, some of which are currently unavailable in Knox County, forcing residents to seek care outside the area.

As healthcare continues to evolve, and as more procedures shift to outpatient settings, this ambulatory surgery center will serve as a vital resource for our community. The proposed facility will replace critical operating room capacity lost after the closure of Cottage Hospital, providing two new ORs and fifteen recovery bays. This will complement the recently opened iMG Ambulatory Campus and Imaging Center at the same site, ensuring a comprehensive continuum of care for our residents.

In light of these community needs, I respectfully urge the Illinois Health Facilities and Services Review Board to approve Graham Health System's CON application. The approval of this project is not only an investment in the health and well-being of our region but a step toward ensuring accessible, quality healthcare for years to come.

Thank you for your time and thoughtful consideration of this request.

**2262 GRAND AVENUE • GALESBURG, ILLINOIS 61401**  
**TELEPHONE 309/342-1152 • FAX 309/342-1153**  
**Partially funded by The Western Illinois Area Agency on Aging**





October 16, 2024

Dr. Seamus Reilly  
President  
Carl Sandburg College

RE: Community support letter for Graham Health System Surgery Center, Galesburg, IL

To whom it may concern:

I am writing to respectfully request that the Illinois Health Facilities and Services Review Board approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, IL.

Graham Hospital Association entered the Galesburg market in 2022, to fill a significant healthcare void left when Cottage Hospital closed. Graham is a financially independent comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group clinics, Graham has been able to increase the accessibility of primary care for Galesburg-area residents in need and given them a much-desired choice in healthcare providers.

To meet the underserved needs of rural communities, Graham Health System has expanded its clinic network across a five-county area in central and western Illinois. The addition of the proposed Graham Hospital Association Ambulatory Surgery Center will broaden the healthcare landscape, bringing new specialties and services to the area, allowing our residents to receive healthcare close to home. Several of the services proposed in the Graham ASC aren't available at the area's existing health system causing residents to seek care outside the Knox County and Galesburg market.

As our region's needs develop and advances in healthcare allow for more procedures to be completed in the outpatient space, the community would greatly benefit from this ambulatory surgery center. The proposed center will replace some of the operating room (OR) space lost to the community when Cottage Hospital closed, offering two ORs, and 15 recovery bays, complementing the GMG Ambulatory Campus and Imaging Center, recently opened on this site.

I respectfully request the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure the community's needs can be met for years to come.

Thank you in advance for your consideration.

Sincerely,

  
Dr. Seamus Reilly



**Galesburg campus**  
2400 Tom L. Wilson Boulevard, Galesburg, IL 61401 / p: 309.341.2518 / f: 309.344.1395  
**Carthage campus**  
305 Sandburg Drive, Carthage, IL 62321 / p: 217.357.3129 / f: 217.357.5312



# BRIDGEWAY

Creating Solutions for Everyone

October 15, 2024

William Nelson  
President and CEO  
Bridgeway Inc. 2323 Windish Drive  
Galesburg, IL 61401

RE: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

To Whom it May Concern,

As Bridgeway's President and CEO, I am writing to respectfully request the Illinois Health Facilities and Services Review Board to approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) In Galesburg, Illinois.

Graham Hospital Association entered the Galesburg market in 2022, to fill a significant healthcare void that was left when Cottage Hospital closed. Graham is a financially independent comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group clinics, we have been able to increase the accessibility of primary care for our residents in need and, given them a much-desired choice in their healthcare providers.

To meet the underserved needs of rural communities, Graham Health System has expanded its clinic network across a five-county area in central and western Illinois. The addition of the proposed Graham Hospital Association Ambulatory Surgery Center will broaden the healthcare landscape, bringing new specialties and services to the area, allowing our residents to receive healthcare close to home. Several of the services proposed in the Graham ASC are not available at the areas existing health system causing residents to seek care outside of the Knox County, and the Galesburg market.

As our region's needs develop, and advances in healthcare allow for more procedures to be completed in the outpatient space, the community would greatly benefit from this ambulatory surgery center. The proposed center will replace some of the operating room (OR) space lost to the community when Cottage Hospital closed, offering two ORs, and fifteen recovery bays, complementing the GMG Ambulatory Campus and Imaging Center, recently opened on this site.

I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure the community's needs may be met for years to come.

Thank you in advance for your consideration.

Sincerely,



William A. Nelson

President and CEO



---

**KNOX COUNTY  
AREA PARTNERSHIP  
FOR ECONOMIC DEVELOPMENT**

---



---

**200 E MAIN ST, STE 200  
GALESBURG, IL 61401  
309-343-1194**

---

October 14<sup>th</sup>, 2024

Ken Springer  
President  
Knox County Area Partnership for Economic Development  
200 E. Main St., Suite 200  
Galesburg, IL 61401

RE: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

Greetings,

I write today to respectfully request the Illinois Health Facilities and Services Review Board approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association first entered the Galesburg market in 2022, filling a significant healthcare void that was left when Cottage Hospital closed its doors. Graham is a financially-independent, comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly-growing Graham Medical Group clinics in the community, Graham has been able to increase the accessibility of primary care for Knox County residents in need and has provided choice in their healthcare providers.


To meet the underserved needs of rural communities, Graham Health System has expanded its clinic network across a five-county area in Central and Western Illinois. The addition of the proposed Graham Hospital Association Ambulatory Surgery Center will broaden the healthcare landscape, bringing new specialties and services to the area, allowing residents to receive healthcare close to home. Several of the services proposed in the Graham ASC are not available at the area's existing health system, which has caused residents to seek care outside of the Galesburg market.

As our region's needs develop, and advances in healthcare allow for more procedures to be completed in the outpatient space, the community would greatly benefit from this ambulatory surgery center. The proposed center will replace some of the operating room (OR) space lost to the community when Cottage Hospital closed, offering two ORs, and fifteen recovery bays, complementing the GMG Ambulatory Campus and Imaging Center which was recently opened on this site.

I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure the community's needs may be met for years to come.

Thank you in advance for your consideration on this matter.

Sincerely,

  
Ken Springer, President  
Knox County Area Partnership for Economic Development







Friday, October 18, 2024

RE: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

To Whom it May Concern,

I am writing to respectfully request the Illinois Health Facilities and Services Review Board to approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association entered the Galesburg market in 2022, to fill a significant healthcare void that was left when Cottage Hospital closed. Graham is a financially independent comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group clinics, we have been able to increase the accessibility of primary care for our residents in need and, given them a much-desired choice in their healthcare providers.

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I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure the community's needs may be met for years to come. Thank you in advance for your consideration.

Sincerely,

Pam Gaither  
Executive Director



CITY OF  
**GALESBURG**

ILLINOIS

Office of Mayor Peter Schwartzman

October 18, 2024

Mayor Peter Schwartzman  
City of Galesburg  
55 West Tompkins Street  
Galesburg, IL 61401

To Whom it May Concern,

I am writing to respectfully request the Illinois Health Facilities and Services Review Board approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association entered the Galesburg market in 2022, and has filled a significant healthcare void that was created when Cottage Hospital closed. Graham is a financially independent, comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group (GMG) clinics, we have been able to increase the accessibility of primary care for our residents in need and deliver them a much-desired choice in their healthcare providers.

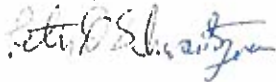
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As our region's needs develop, and advances in healthcare allow for more procedures to be completed in the outpatient space, the community would greatly benefit from this ambulatory surgery center. The proposed center will replace some of the operating room (OR) space lost to the community when Cottage Hospital closed by offering two ORs and 15 recovery bays, complementing the GMG Ambulatory Campus and Imaging Center recently opened on this site.

I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure our community's needs may be met for years to come.

Thank you in advance for your consideration.

Sincerely,



Peter Schwartzman  
Mayor, City of Galesburg





# City of Knoxville

October 21, 2024

Toby Myers  
Mayor, City of Knoxville  
33 N Public Sq Knoxville IL 61448

RE: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

To Whom it May Concern,

As Mayor of the City of Knoxville, I am writing to respectfully request the Illinois Health Facilities and Services Review Board to approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association entered the Galesburg market in 2022, to fill a significant healthcare void that was left when Cottage Hospital closed. Graham is a financially independent comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group clinics, we have been able to increase the accessibility of primary care for our residents in need and, given them a much-desired choice in their healthcare providers.

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As our region's needs develop, and advances in healthcare allow for more procedures to be completed in the outpatient space, the community would greatly benefit from this ambulatory surgery center. The proposed center will replace some of the operating room (OR) space lost to the community when Cottage Hospital closed, offering two ORs, and fifteen recovery bays, complementing the GMG Ambulatory Campus and Imaging Center, recently opened on this site.

I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure the community's needs may be met for years to come.

Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Toby Myers", is written over a horizontal line.

Toby Myers, Mayor



THE COUNTY OF KNOX  
STATE OF ILLINOIS



JARED M. HAWKINSON  
CHAIRMAN

10/25/2024

Jared M. Hawkinson  
Chairman - Knox County Board  
County of Knox  
200 South Cherry Street  
Galesburg, Illinois 61401

RE: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

To Whom it May Concern,

As Chairman, I am writing to respectfully request the Illinois Health Facilities and Services Review Board to approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association entered the Galesburg market in 2022, to fill a significant healthcare void that was left when Cottage Hospital closed. Graham is a financially independent comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group clinics, we have been able to increase the accessibility of primary care for our residents in need and, given them a much-desired choice in their healthcare providers.

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As our region's needs develop, and advances in healthcare allow for more procedures to be completed in the outpatient space, the community would greatly benefit from this ambulatory surgery center. The proposed center will replace some of the operating room (OR) space lost to the community when Cottage Hospital closed, offering two ORs, and fifteen recovery bays, complementing the GMG Ambulatory Campus and Imaging Center, recently opened on this site.

I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure the community's needs may be met for years to come.

Thank you in advance for your consideration

Respectfully,

A handwritten signature in blue ink that reads "Jared M. Hawkinson".

Jared M. Hawkinson  
Chairman





Illinois State Senate

**District Office:**  
1504 3rd Ave.  
Rock Island, IL 61201  
(309) 558-3612



**Springfield Office:**  
Stratton Office Building  
Section C, Office J  
Springfield, IL 62706  
(217) 782-4307

**Michael W. Halpin**  
State Senator • 36th District

October 22, 2024

RE: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

To Whom it May Concern,

I am writing to respectfully request the Illinois Health Facilities and Services Review Board to approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association entered the Galesburg market in 2022, to fill a significant healthcare void that was left when Cottage Hospital closed. Graham is a financially independent comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group clinics, we have been able to increase the accessibility of primary care for our residents in need and, given them a much-desired choice in their healthcare providers.

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I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure the community's needs may be met for years to come.

Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael W. Halpin", with a horizontal line extending to the right.

Michael W. Halpin  
State Senator  
36th District



ILLINOIS HOUSE OF REPRESENTATIVES

DISTRICT OFFICE:  
275 NORTH DIVISION STREET  
PO BOX 173  
WOODHULL, IL 61490

SPRINGFIELD OFFICE:  
200-3N STRATTON BUILDING  
SPRINGFIELD, IL 62706  
(217) 782-8032



- AGRICULTURE & CONSERVATION
- CHILD CARE ACCESS
- ELEMENTARY CURRICULUM\*
- HIGHER EDUCATION\*
- APPROPRIATIONS: HIGHER EDUCATION
- TRANSPORTATION: VEHICLE SAFETY
- VETERANS' AFFAIRS\*
- MINORITY SPOKESPERSON

**DANIEL M. SWANSON**  
STATE REPRESENTATIVE • 71<sup>ST</sup> DISTRICT

October 23, 2024

RE: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

To Whom it May Concern,

I am writing to respectfully request the Illinois Health Facilities and Services Review Board to approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association entered the Galesburg market in 2022, to fill a significant healthcare void that was left when Cottage Hospital closed. Graham is a financially independent comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group clinics, we have been able to increase the accessibility of primary care for our residents in need and, given them a much-desired choice in their healthcare providers.

To meet the underserved needs of rural communities, Graham Health System has expanded its clinic network across a five-county area in central and western Illinois. The addition of the proposed Graham Hospital Association Ambulatory Surgery Center will broaden the healthcare landscape, bringing new specialties and services to the area, allowing our residents to receive healthcare close to home. Several of the services proposed in the Graham ASC are not available at the areas existing health system causing residents to seek care outside of the Knox County, and the Galesburg market.

As our region's needs develop, and advances in healthcare allow for more procedures to be completed in the outpatient space, the community would greatly benefit from this ambulatory surgery center. The proposed center will replace some of the operating room (OR) space lost to the community when Cottage Hospital closed, offering two ORs, and fifteen recovery bays, complementing the GMG Ambulatory Campus and Imaging Center, recently opened on this site.

I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure the community's needs may be met for years to come.

Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "DMS", followed by a long horizontal line extending to the right.

Daniel M. Swanson  
State Representative



CITY OF  
**GALESBURG**  
ILLINOIS

October 25, 2024

Evan Miller  
Galesburg City Council, 3<sup>rd</sup> Ward  
483 East Second Street  
Galesburg, IL 61401

To Whom it May Concern,

I am writing to respectfully request the Illinois Health Facilities and Services Review Board approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association entered the Galesburg market in 2022, and has filled a significant healthcare void that was created when Cottage Hospital closed. Graham is a financially independent, comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group (GMG) clinics, we have been able to increase the accessibility of primary care for our residents in need and deliver them a much-desired choice in their healthcare providers.

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I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure our community's needs may be met for years to come.

Thank you in advance for your consideration.

Sincerely,



Evan Miller  
Galesburg City Council Member, 3<sup>rd</sup> Ward





**FOR YOUTH DEVELOPMENT®  
FOR HEALTHY LIVING  
FOR SOCIAL RESPONSIBILITY**

October 21, 2024

Knox County YMCA  
1324 W Carl Sandburg Dr  
Galesburg, IL 61401

RE: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

To Whom it May Concern,

As CEO, I am writing to respectfully request the Illinois Health Facilities and Services Review Board to approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association entered the Galesburg market in 2022, to fill a significant healthcare void that was left when Cottage Hospital closed. Graham is a financially independent comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group clinics, we have been able to increase the accessibility of primary care for our residents in need and, given them a much-desired choice in their healthcare providers.

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**Downtown Galesburg YMCA**  
200 E Main St  
Galesburg, IL 61401  
309-342-0420

**Knox County Family YMCA**  
1324 W Carl Sandburg Dr  
Galesburg, IL 61401  
P (309) 344-1324  
[www.knoxyymca.org](http://www.knoxyymca.org)

**YMCA Early Learning Center**  
192 E South St  
Galesburg, IL 61401  
309-342-4315

**YMCA Mission: To put Christian principles into practice through programs that build healthy spirit, mind and body for all.**

**Have you considered leaving the Knox County YMCA an estate gift?**





Oct 21, 2024

RE: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

To Whom it May Concern,

I, Zach Maher, Vice President of First Mid Bank in Galesburg IL, am writing to respectfully request the Illinois Health Facilities and Services Review Board to approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association entered the Galesburg market in 2022, to fill a significant healthcare void that was left when Cottage Hospital closed. Graham is a financially independent comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group clinics, we have been able to increase the accessibility of primary care for our residents in need and, given them a much-desired choice in their healthcare providers.

To meet the underserved needs of rural communities, Graham Health System has expanded its clinic network across a five-county area in central and western Illinois. The addition of the proposed Graham Hospital Association Ambulatory Surgery Center will broaden the healthcare landscape, bringing new specialties and services to the area, allowing our residents to receive healthcare close to home. Several of the services proposed in the Graham ASC are not available at the areas existing health system causing residents to seek care outside of the Knox County, and the Galesburg market.

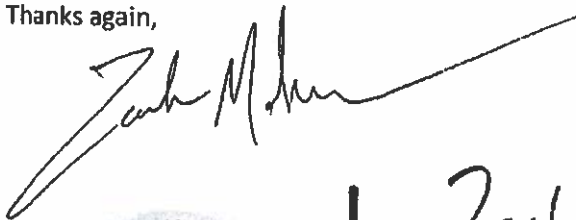
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I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure the community's needs may be met for years to come.

Thank you in advance for your consideration.

Sincerely,

Thanks again,



VICE PRESIDENT COMMERCIAL AND AG LENDER

101 E MAIN ST  
GALESBURG, IL 61401  
OFFICE: 217.235.3978  
MOBILE: 309-303-2150  
FAX: 309.343.2183

zmaherefirstmid.com | www.firstmid.com



**First Mid**  
BANK & TRUST

101 E. Main St | P.O. Box 1307 | Galesburg, IL 61402 | Office 309-343-9181 |



# VNA COMMUNITY SERVICES



VOLUNTARY NETWORK FOR THE AGING

10/21/2024

Michael Bennett  
Executive Director, VNA Community Services  
262 Grand Ave  
Galesburg, IL, 61401

Re: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

To Whom it May Concern,

As the Director of VNA Community Services, I am writing to express my strong support for Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

The closure of Cottage Hospital in Galesburg left a significant healthcare gap in our community, and since entering the market in 2022, Graham Health System has played a pivotal role in addressing that void. Graham, as a financially independent and comprehensive health system, has consistently demonstrated its ability to provide high-quality services, facilities, and equipment to the residents of Galesburg and surrounding areas. With three thriving Graham Medical Group clinics already operating in the area, the expansion of primary care services has been a lifeline to many in our community, offering much-needed access and choice in healthcare providers.

To further meet the healthcare demands of our underserved rural communities, Graham Health System has expanded its clinic network across a five-county region in central and western Illinois. The addition of the Graham Hospital Association Ambulatory Surgery Center will significantly enhance the healthcare landscape in our region. This center will introduce new specialties and services, some of which are currently unavailable in Knox County, forcing residents to seek care outside the area.

As healthcare continues to evolve, and as more procedures shift to outpatient settings, this ambulatory surgery center will serve as a vital resource for our community. The proposed facility will replace critical operating room capacity lost after the closure of Cottage Hospital, providing two new ORs and fifteen recovery bays. This will complement the recently opened MG Ambulatory Campus and Imaging Center at the same site, ensuring a comprehensive continuum of care for our residents.

In light of these community needs, I respectfully urge the Illinois Health Facilities and Services Review Board to approve Graham Health System's CON application. The approval of this project is not only an investment in the health and well-being of our region but a step toward ensuring accessible, quality healthcare for years to come.

Thank you for your time and thoughtful consideration of this request.

**2262 GRAND AVENUE • GALESBURG, ILLINOIS 61401**  
**TELEPHONE 309/342-1152 • FAX 309/342-1153**  
**Partially funded by The Western Illinois Area Agency on Aging**





October 16, 2024

Dr. Seamus Reilly  
President  
Carl Sandburg College

RE: Community support letter for Graham Health System Surgery Center, Galesburg, IL

To whom it may concern:

I am writing to respectfully request that the Illinois Health Facilities and Services Review Board approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, IL.

Graham Hospital Association entered the Galesburg market in 2022, to fill a significant healthcare void left when Cottage Hospital closed. Graham is a financially independent comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group clinics, Graham has been able to increase the accessibility of primary care for Galesburg-area residents in need and given them a much-desired choice in healthcare providers.

To meet the underserved needs of rural communities, Graham Health System has expanded its clinic network across a five-county area in central and western Illinois. The addition of the proposed Graham Hospital Association Ambulatory Surgery Center will broaden the healthcare landscape, bringing new specialties and services to the area, allowing our residents to receive healthcare close to home. Several of the services proposed in the Graham ASC aren't available at the area's existing health system causing residents to seek care outside the Knox County and Galesburg market.

As our region's needs develop and advances in healthcare allow for more procedures to be completed in the outpatient space, the community would greatly benefit from this ambulatory surgery center. The proposed center will replace some of the operating room (OR) space lost to the community when Cottage Hospital closed, offering two ORs, and 15 recovery bays, complementing the GMG Ambulatory Campus and Imaging Center, recently opened on this site.

I respectfully request the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure the community's needs can be met for years to come.

Thank you in advance for your consideration.

Sincerely,

  
Dr. Seamus Reilly



**Galesburg campus**  
2400 Tom L. Wilson Boulevard, Galesburg, IL 61401 / p: 309.341.2518 / f: 309.344.1395  
**Carthage campus**  
305 Sandburg Drive, Carthage, IL 62321 / p: 217.357.3129 / f: 217.357.5312



# BRIDGEWAY

Creating Solutions for Everyone

October 15, 2024

William Nelson  
President and CEO  
Bridgeway Inc. 2323 Windish Drive  
Galesburg, IL 61401

RE: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

To Whom it May Concern,

As Bridgeway's President and CEO, I am writing to respectfully request the Illinois Health Facilities and Services Review Board to approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association entered the Galesburg market in 2022, to fill a significant healthcare void that was left when Cottage Hospital closed. Graham is a financially independent comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group clinics, we have been able to increase the accessibility of primary care for our residents in need and, given them a much-desired choice in their healthcare providers.

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I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure the community's needs may be met for years to come.

Thank you in advance for your consideration.

Sincerely,



William A. Nelson

President and CEO





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**KNOX COUNTY  
AREA PARTNERSHIP  
FOR ECONOMIC DEVELOPMENT**

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**200 E MAIN ST, STE 200  
GALESBURG, IL 61401  
309-343-1194**

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October 14<sup>th</sup>, 2024

Ken Springer  
President  
Knox County Area Partnership for Economic Development  
200 E. Main St., Suite 200  
Galesburg, IL 61401

RE: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

Greetings,

I write today to respectfully request the Illinois Health Facilities and Services Review Board approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association first entered the Galesburg market in 2022, filling a significant healthcare void that was left when Cottage Hospital closed its doors. Graham is a financially-independent, comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly-growing Graham Medical Group clinics in the community, Graham has been able to increase the accessibility of primary care for Knox County residents in need and has provided choice in their healthcare providers.


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I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure the community's needs may be met for years to come.

Thank you in advance for your consideration on this matter.

Sincerely,

  
Ken Springer, President  
Knox County Area Partnership for Economic Development





Friday, October 18, 2024

RE: Community Support Letter for Graham Health System Surgery Center, Galesburg, IL

To Whom it May Concern,

I am writing to respectfully request the Illinois Health Facilities and Services Review Board to approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

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I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure the community's needs may be met for years to come. Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Pam".

Pam Gaither  
Executive Director



CITY OF  
**GALESBURG**

ILLINOIS

Office of Mayor Peter Schwartzman

October 18, 2024

Mayor Peter Schwartzman  
City of Galesburg  
55 West Tompkins Street  
Galesburg, IL 61401

To Whom it May Concern,

I am writing to respectfully request the Illinois Health Facilities and Services Review Board approve Graham Health System's Certificate of Need (CON) application for the proposed Graham Hospital Association's Ambulatory Surgery Center (ASC) in Galesburg, Illinois.

Graham Hospital Association entered the Galesburg market in 2022, and has filled a significant healthcare void that was created when Cottage Hospital closed. Graham is a financially independent, comprehensive health system with the ability to provide quality facilities, services and equipment to the Galesburg community. With three rapidly growing Graham Medical Group (GMG) clinics, we have been able to increase the accessibility of primary care for our residents in need and deliver them a much-desired choice in their healthcare providers.

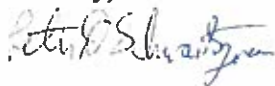
To meet the underserved needs of rural communities, Graham Health System has expanded its clinic network across a five-county area in central and western Illinois. The addition of the proposed Graham Hospital Association Ambulatory Surgery Center will broaden the healthcare landscape, bringing new specialties and services to the area, allowing our residents and those in surrounding areas to receive healthcare close to home. Several of the services proposed in the Graham ASC are not currently available within the area's existing health system, causing residents to seek care outside of the Galesburg and Knox County markets.

As our region's needs develop, and advances in healthcare allow for more procedures to be completed in the outpatient space, the community would greatly benefit from this ambulatory surgery center. The proposed center will replace some of the operating room (OR) space lost to the community when Cottage Hospital closed by offering two ORs and 15 recovery bays, complementing the GMG Ambulatory Campus and Imaging Center recently opened on this site.

I respectfully request that the members of the Illinois Health Facilities and Services Review Board approve this CON application to help ensure our community's needs may be met for years to come.

Thank you in advance for your consideration.

Sincerely,



Peter Schwartzman  
Mayor, City of Galesburg

