

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Katherine Shaw Bethea Hospital Change of Ownership		
Street Address: 403 E. First Street		
City and Zip Code: Dixon 61021		
County: Lee	Health Service Area: 1	Health Planning Area: B-03

Legislators

State Senator Name: Win Stoller
State Representative Name: Bradley Fritts

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

Exact Legal Name: Katherine Shaw Bethea Hospital
Street Address: 403 E. First Street
City and Zip Code: Dixon 61021
Name of Registered Agent: David L. Schreiner, Ph.D.
Registered Agent Street Address: 403 E. First Street
Registered Agent City and Zip Code: Dixon 61021
Name of Chief Executive Officer: David L. Schreiner, Ph.D.
CEO Street Address: 403 E. First Street
CEO City and Zip Code: Dixon 61021
CEO Telephone Number: 815-285-5501

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 AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: David L. Schreiner, Ph.D.
Title: President/Chief Executive Officer
Company Name: Katherine Shaw Bethea Hospital
Address: 403 E. First Street, Dixon, 61021
Telephone Number: 815-285-5501
E-mail Address: David@ksbhospital.com
Fax Number: 815-285-5885

Additional Contact [Person who is also authorized to discuss the Application]

Name: Austin Frazier
Title: Chief Financial Officer
Company Name: Katherine Shaw Bethea Hospital
Address: 403 E. First Street, Dixon, 61021
Telephone Number: 815-285-5513
E-mail Address: afrazier@ksbhospital.com
Fax Number: 815-285-5885

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Katherine Shaw Bethea Hospital Change of Ownership		
Street Address: 403 E. First Street		
City and Zip Code: Dixon 61021		
County: Lee	Health Service Area: 1	Health Planning Area: B-03

Legislators

State Senator Name: Dave Koehler
State Representative Name: Jehan Gordon-Booth

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

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

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 AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

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

Additional Contact [Person who is also authorized to discuss the Application]

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

Post Exemption Contact

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

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

Site Ownership after the Project is Complete

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: OSF Healthcare System
Address of Site Owner: 124 S.W. Adams Street, Peoria, 61602
Street Address or Legal Description of the Site: 403 E. First Street, Dixon, 61021
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Current Operating Identity/Licensee

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

Exact Legal Name: Katherine Shaw Bethea Hospital			
Address: 403 E. First Street, Dixon, 61021			
<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		<input type="checkbox"/>

Operating Identity/Licensee after the Project is Complete

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

Exact Legal Name: OSF Healthcare System (with an assumed operating name to be determined)

Address: 403 E. First Street, Dixon, 61021

- | | | | | |
|-------------------------------------|---------------------------|--------------------------|---------------------|--------------------------|
| <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 organized and the name and address of each partner specifying whether each is a general or limited partner.
 - **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Narrative Description

In the space below, provide a brief narrative description of the change of ownership. 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.

Introduction

OSF Healthcare System ("OSF"), based in Peoria, Illinois, provides integrated healthcare services throughout Illinois at fifteen separate hospitals. Katherine Shaw Bethea Hospital ("KSB", based in Dixon, Illinois has provided valuable healthcare services to the population of Dixon, Illinois area since 1897. The parties seek approval to merge KSB into OSF under a Change of Ownership Certificate of Exemption.

Structure of Transaction

The transaction structure will be a statutory merger, with OSF the surviving legal entity. Post-transaction, the hospital will be operated by OSF under an assumed name to be determined. The parties anticipate that the transaction will close in December, 2024, or as soon thereafter as possible, upon approval by the HFSRB for this COE, receipt of all other regulatory approvals necessary, and upon issuance of an updated hospital license.

The Fair Market Value (FMV) of the asset purchase transaction is in the range of \$44M-\$50M.

Charity Care

In order to further OSF's mission in Dixon and surrounding communities, Katherine Shaw Bethea Hospital's existing charity care policies will be replaced by OSF's Charity Assistance Policy for Illinois Hospitals, which not only complies with, but exceeds the requirements of Illinois law, including the Illinois Hospital Uninsured Patient Discount Act.

As certified in the verifications attached, OSF will not adopt a more restrictive charity care policy than was in effect one year prior to the Closing Date of the proposed transaction. The OSF Charity Assistance Policy for Illinois Hospitals, will remain in effect for at least a two (2) year period following the Closing Date. In general, the OSF Charity Assistance Policy for Illinois Hospitals is the same or more generous than the current Katherine Shaw Bethea Hospital Charity Care Program.

Related Project Costs

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

Land acquisition is related to project ☒ Yes ☐ No

Purchase Price: \$ 0

Fair Market Value: In the range of \$44M-\$50M

Project Status and Completion Schedules

Outstanding Permits: Does the facility have any projects for which the State Board issued a permit that is not complete? Yes X No . If yes, indicate the projects by project number and whether the project will be complete when the exemption that is the subject of this application is complete.

- Permit 19-057: OSF Saint Francis Medical Center Establish a Comprehensive Cancer Care Center, Peoria, expected completion date 6/30/24
- Permit 22-016: OSF Comprehensive Cancer Center – 3rd Floor Build Out, Peoria, expected completion date 6/30/24
- Permit 23-008: Meadowview Behavioral Health Hospital, Peoria, expected completion date 12/31/25
- Permit 23-037: OSF St. Joseph Medical Center, 25-bed Expansion for ICU & Med/Surg, expected completion 12/31/26

Anticipated exemption completion date (refer to Part 1130.570): December 31, 2024 or upon approval by the HFSRB and other regulatory agencies.

State Agency Submittals

Are the following submittals up to date as applicable:

- ☒ Cancer Registry
- ☒ APORS
- ☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
- ☒ All reports regarding outstanding permits

Failure to be up to date with these requirements will result in the Application being deemed incomplete.

CERTIFICATION

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

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

This Application is filed on the behalf of Katherine Shaw Bethea* 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

David L. Schreiner, Ph.D.

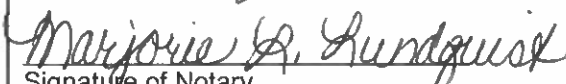
PRINTED NAME

President & CEO

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
 this 26th day of July



 Signature of Notary

Seal



 SIGNATURE

 PRINTED NAME

 PRINTED TITLE

Notarization:

Subscribed and sworn to before me
 this _____ day of _____

 Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

CERTIFICATION

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

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

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

Robert C. Sehring
SIGNATURE

Robert C. Sehring
PRINTED NAME

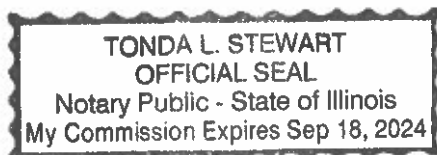
Chief Executive Officer
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 25th day of July 2024

Tonda L. Stewart
Signature of Notary

Seal



Mike Cruz, MD
SIGNATURE

Mike Cruz, MD
PRINTED NAME

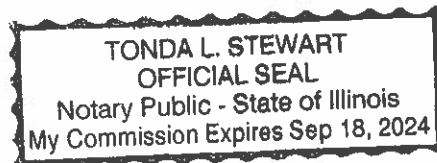
Chief Operating Officer
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 25th day of July 2024

Tonda L. Stewart
Signature of Notary

Seal



*Insert the EXACT legal name of the applicant

CERTIFICATION

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

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

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

August J. Querciagrossa
SIGNATURE

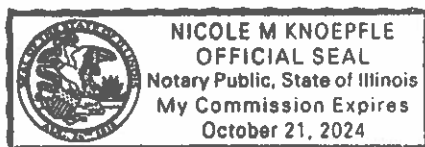
August J. Querciagrossa
PRINTED NAME

Chief Executive Officer, Western Region
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 25 day of July

[Signature]
Signature of Notary

Seal



SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

SECTION II. BACKGROUND.**BACKGROUND OF APPLICANT**

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. 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. 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.
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, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 5.

SECTION III. CHANGE OF OWNERSHIP (CHOW)**Transaction Type. Check the Following that Applies to the Transaction:**

- ☐ Purchase resulting in the issuance of a license to an entity different from the current licensee.
- ☐ Lease resulting in the issuance of a license to an entity different from current licensee.
- ☐ Stock transfer resulting in the issuance of a license to a different entity from current licensee.
- ☐ Stock transfer resulting in no change from current licensee.
- ☐ Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee.
- ☐ Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee.
- ☒ Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity.
- ☒ Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets.
- ☒ Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility.
- ☐ Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee.
- ☐ Change of ownership among related persons resulting in a license being issued to an entity different from the current licensee
- ☐ Change of ownership among related persons that does not result in a license being issued to an entity different from the current licensee.
- ☐ Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets and explain in "Narrative Description."

1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

1. Prior to acquiring or entering into a contract to acquire an existing health care facility, a person shall submit an application for exemption to HFSRB, submit the required application-processing fee (see Section 1130.230) and receive approval from HFSRB.
2. If the transaction is not completed according to the key terms submitted in the exemption application, a new application is required.
3. READ the applicable review criteria outlined below and **submit the required documentation (key terms) for the criteria:**

APPLICABLE REVIEW CRITERIA	CHOW
1130.520(b)(1)(A) - Names of the parties	X
1130.520(b)(1)(B) - Background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.	X
1130.520(b)(1)(C) - Structure of the transaction	X
1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction	X
1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.	X
1130.520(b)(1)(F) - Fair market value of assets to be transferred.	X
1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)]	X
1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section	X
1130.520(b)(3) - If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction	X
1130.520(b)(4) - A statement as to the anticipated benefits of the proposed changes in ownership to the community	X

APPLICABLE REVIEW CRITERIA	CHOW
1130.520(b)(5) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership;	X
1130.520(b)(6) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;	X
1130.520(b)(7) - A description of the selection process that the acquiring entity will use to select the facility's governing body;	X
1130.520(b)(9)- A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.	X
APPEND DOCUMENTATION AS ATTACHMENT 6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

SECTION IV.CHARITY CARE INFORMATION

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 7.

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

APPEND DOCUMENTATION AS ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

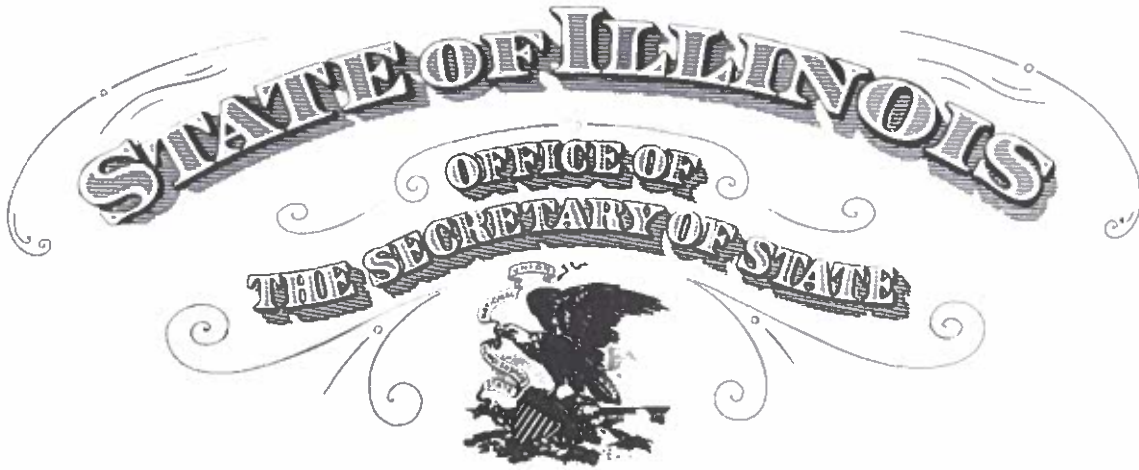
After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments

INDEX OF ATTACHMENTS			
ATTACHMENT NO.			PAGES
1	Applicant Identification including Certificate of Good Standing		18-19
2	Site Ownership		20
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.		21
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.		22-23
5	Background of the Applicant		24-29
6	Change of Ownership		30-32
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Certificate of Good Standing – Katherine Shaw Bethea Hospital

File Number

0633-116-5



To all to whom these Presents Shall Come, Greeting:

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

KATHERINE SHAW BETHEA HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 10, 1893, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 10TH day of MAY A.D. 2024 .

Authentication # 2413102756 verifiable until 05/10/2025

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

Alexi Giannoulis
SECRETARY OF STATE

Attachment 1

Certificate of Good Standing – OSF Healthcare System

File Number

0107-414-8

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

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

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



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

Authentication #: 2327802544 verifiable until 10/05/2024
Authenticate at: <https://www.isos.gov>

Alexi Giannoulis
SECRETARY OF STATE

Attachment 1

Site Ownership

Katherine Shaw Bethea Hospital owns the property of 403 E. First Street, Dixon, IL 61021, where the hospital is located. OSF Healthcare System will assume ownership of Katherine Shaw Bethea Hospital pursuant to the transaction between OSF Healthcare System and Katherine Shaw Bethea Hospital.

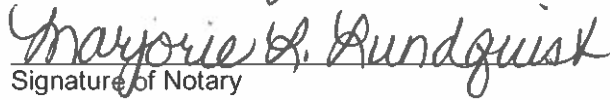


David L. Schreiner, Ph.D., President & CEO

Notarization:

Subscribed and sworn to before me

this 26th day of July 2024



Signature of Notary

Seal



Operating Entity/Licensee after Project is Complete

File Number 0107-414-8



To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulis, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the

Department of Business Services. I certify that

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



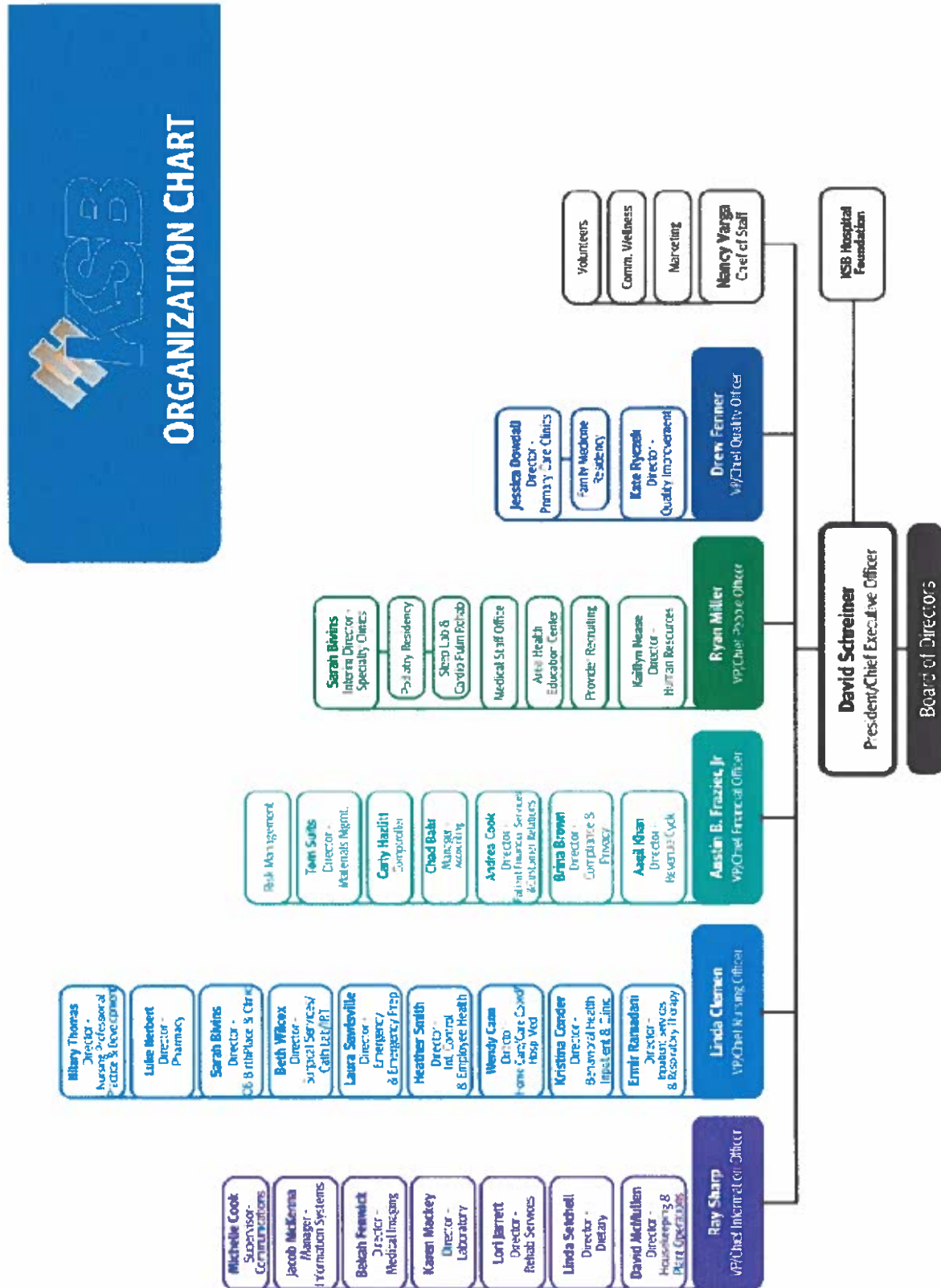
Authentication #: 2327802544 verifiable until 10/05/2024
Authenticate at: <https://www.sos.gov>

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

Alexi Giannoulis
SECRETARY OF STATE

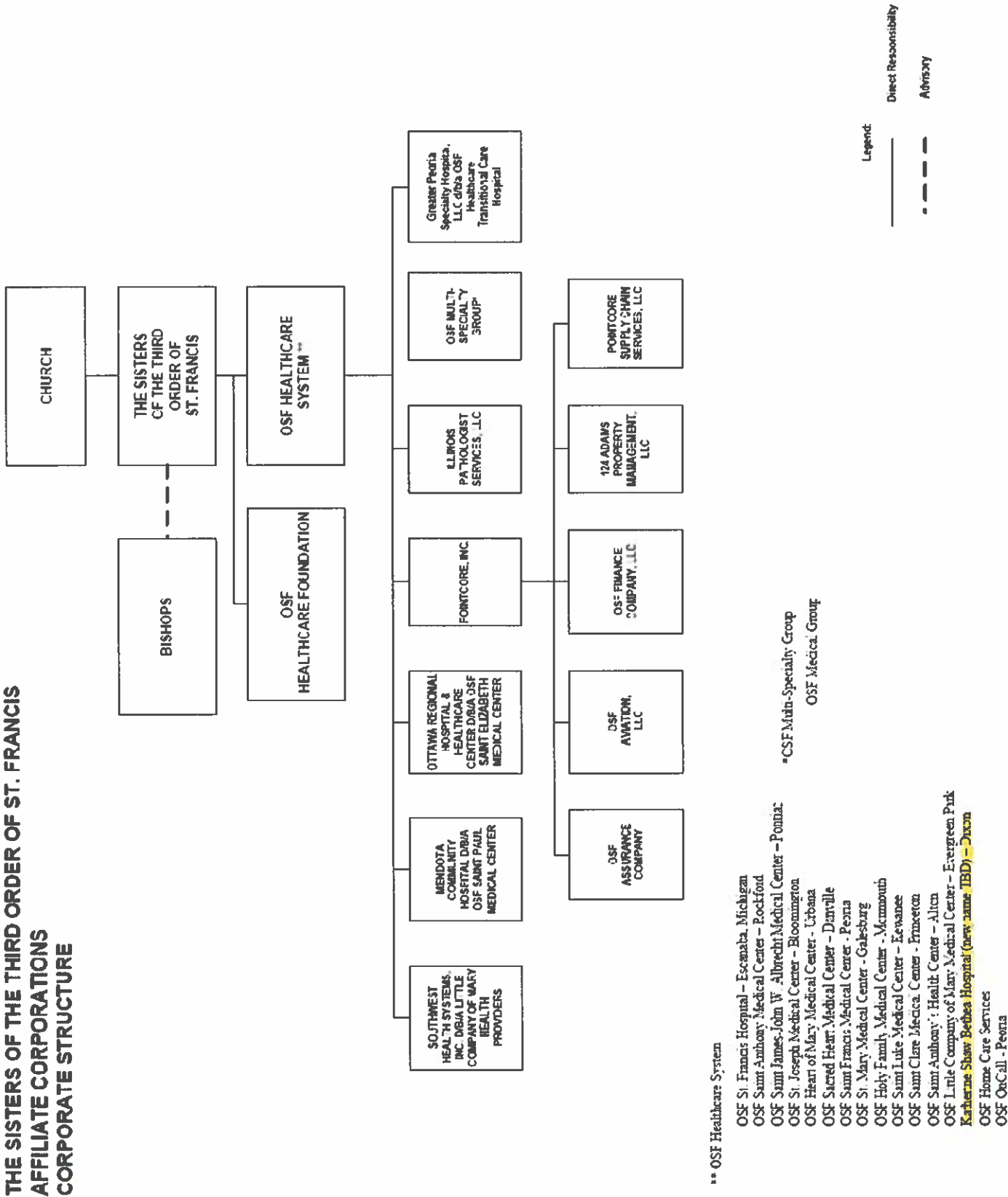
Attachment 3

Organizational Chart – Pre CHOW



Attachment 4

Organizational Chart – Post CHOW



Background of Applicant

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

Included with this attachment is Katherine Shaw Bethea Hospital license. Also included is the list of OSF Healthcare System facilities, license and Joint Commission information.

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.

None

3. 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. 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.

Included with this attachment is a letter from each Applicant verifying that no adverse action has taken place in their healthcare facilities.

4. Authorization permitting HFSRB and IDPH access to any documents necessary to verify the information submitted, 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. Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.


Included with this attachment is each Applicant's authorization permitting HFSRB and IDPH access to any documents necessary to verify the information needed.

5. If, during a given calendar year, an applicant submits more than one Application, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

OSF Healthcare System – See below applications that have been submitted within 1 year prior to this application.

- ***Permit 23-037: OSF St. Joseph Medical Center, 25 Bed Expansion for ICU & Med/Surg Beds, expected completion date 12/31/26***
- ***Permit E-023-50: Olympian Surgical Suites, LLC addition of Pain Management Specialty, expected completion date 6/1/24***
- ***Permit 24-011: OSF Saint Elizabeth Medical Center-Ottawa, Replacement Hospital, expected completion date 12/31/27***
- ***Permit 24-013: OSF Saint Elizabeth Medical Center-Ottawa, Discontinuation of Facility, expected completion date March 31, 2029***
- ***Permit 24-014: OSF Saint Elizabeth Medical Center-Peru, Hospital Expansion/ Modernization expected completion date December 31, 2025***

Background of Applicant – Katherine Shaw Bethea Hospital License

	ILLINOIS DEPARTMENT OF PUBLIC HEALTH	HF129209
LICENSE, PERMIT, CERTIFICATION, REGISTRATION		
The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.		
Sameer Vohra, MD,JD,MA Director		Issued under the authority of the Illinois Department of Public Health
<small>EXPIRATION DATE</small> 12/31/2024	<small>CATEGORY</small>	<small>I.D. NUMBER</small> 0000497
General Hospital		
Effective: 01/01/2024		
Katherine Shaw Bethea Hospital 403 E First Street Dixon, IL 61021		
The face of this license has a colored background. • Printed by Authority of the State of Illinois • P.O. #4422001 10M 3/22		

Background of Applicant – OSF Healthcare System

OSF HealthCare Holy Family Medical Center

1000 W. Harlem Avenue

Monmouth, Illinois 61462

License #: 0005439, Expiration 4/11/25

Joint Commission: Critical Access Hospital-no Joint Commission Certificate

OSF HealthCare Saint Francis Medical Center

530 NE Glen Oak Avenue

Peoria, Illinois 61637

License #: 0002394, Expiration 12/31/24

Joint Commission: 4/22/23, 36 months

OSF HealthCare Saint Anthony's Health Center

One Saint Anthony's Way

Alton, Illinois 62002-0340

License #: 0005942, Expiration 10/31/24

Joint Commission: 11/2/23, 36 months

OSF HealthCare Saint James-John W. Albrecht Medical Center

2500 W. Reynolds Street

Pontiac, Illinois 61764

License #: 0005264, Expiration 3/2/25

Joint Commission: 4/8/23, 36 months

OSF HealthCare St. Joseph Medical Center

2200 E. Washington Street

Bloomington, Illinois 61701

License #: 0002535, Expiration 12/31/24

Joint Commission: 3/25/23, 36 months

OSF HealthCare Saint Anthony Medical Center

5666 E. State Street

Rockford, Illinois 61108-2472

License #: 0002253, Expiration 12/31/24

Joint Commission: 3/11/23, 36 months

OSF HealthCare Saint Luke Medical Center

1051 West South Street

Kewanee, Illinois 61443

License #: 0005926, Expiration 3/31/25

Joint Commission: Critical Access Hospital-no Joint Commission Certificate

OSF HealthCare Saint Elizabeth Medical Center – Ottawa and Peru

1100 E. Norris Drive

925 West Street

Ottawa, Illinois 61354

License #: 0005520, Expiration 5/14/25

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

OSF Saint Elizabeth Medical Center Freestanding Emergency Center

111 Spring Street

Streator, Illinois 61364

License #: 22006, Expiration 8/8/25

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

Attachment 5

Background of Applicant – OSF Healthcare System**OSF Healthcare System List of Facilities in Illinois Continued****OSF HealthCare St. Mary Medical Center**

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

OSF HealthCare Saint Paul Medical Center

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

OSF Healthcare Sacred Heart Medical Center

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

OSF HealthCare Heart of Mary Medical Center

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

OSF Little Company of Mary Medical Center

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

OSF Saint Clare Medical Center

530 Park Avenue East
Princeton, Illinois 61356
License #: 006254, Expiration 6/30/25
Joint Commission: Critical Access Hospital-no Joint Commission Certificate

OSF Transitional Care Hospital

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



OSF[®] HEALTHCARE

July 25, 2024

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

Re: No Adverse Actions / Authorized Access to Information

Dear Chair Savage:

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

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

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

Sincerely,

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

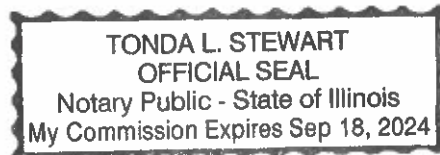
Notarization:

Subscribed and sworn to before me

this 25th day of July 2024

Signature of Notary

Seal



Attachment 5



Background of Applicant – Katherine Shaw Bethea No Adverse Action and Authorization

July 26, 2024

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

Re: No Adverse Actions / Authorized Access to Information

Dear Chair Savage:

I hereby certify that no adverse action has been taken against Katherine Shaw Bethea Hospital or any facility owned or operated by Katherine Shaw Bethea Hospital, directly or indirectly, within three years prior to the filing of this application. For the purpose of this letter, the term “adverse action” has the meaning given to it in the Illinois Administrative Code, Title 77, Section 1130.

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

If you have any questions, please contact me at 815-285-5501 or David@ksbhospital.com.

Sincerely,

David L. Schreiner, Ph.D., President & CEO
 Katherine Shaw Bethea Hospital
 403 E. First Street
 Dixon, IL 61021

Notarization:

Subscribed and sworn to before me

this 26th day of July 2024

Signature of Notary

Seal



Attachment 5

Change of Ownership

1130.520(b)(1)(A) - Names of the parties

The parties involved in this project are:

- ***Katherine Shaw Bethea Hospital***
- ***OSF Healthcare System***

Section 1130.520(b)(1)(B) - Background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.

Attachment 1 to this application contains Certificates of Good Standing for each of the entities listed above.

Attachment 5 to this application contains license for Katherine Shaw Bethea Hospital and a listing of facilities owned and operated in Illinois, along with the license numbers and dates of certifications by Joint Commission for OSF Healthcare facilities. A letter certifying from each applicant that there have been no adverse actions is included in the attachment as well.

Section 1130.520(b)(1)(C) - Structure of the transaction

The parties intend for OSF Healthcare System to purchase real and personal assets of Katherine Shaw Bethea Hospital, Upon completion, Katherine Shaw Bethea Hospital will become part of OSF Healthcare System. Post-transaction, the hospital will operate under OSF Healthcare System (with an assumed operating name to be determined).

1130.520(b)(1)(D) - Name of the person who will be the licensed or certified entity after the transaction

The entity to be licensed after the change of ownership under the name of OSF Healthcare System (with an assumed operating name to be determined).

Section 1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.

For the ownership structure pre and post the transaction, please see attachment 4. OSF Healthcare System will become the 100% owner of Katherine Shaw Bethea Hospital. The Sisters of the Third Order of Saint Francis is the sole corporate member and operator of OSF Healthcare System.

Section 1130.520(b)(1)(F) - Fair market value of assets to be transferred."

The identified "Fair Market Value" amount is in the range of \$44M-\$50M.

Change of Ownership

Section 1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)]

The identified purchase price is \$0.

The Fair Market Value (FMV) of the entire asset purchase transaction is in the range of \$44M-\$50M, which includes the Katherine Shaw Bethea Hospital campus and personal property belonging to Katherine Shaw Bethea Hospital.

Section 1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section.

OSF Healthcare System affirms that the current CON permits for OSF Healthcare System will be completed in accordance with the provisions of this section. Refer to page 8 for the list of projects.

Section 1130.520(b)(3) - If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction.

As certified in the verifications attached, OSF will not adopt a more restrictive charity care policy than was in effect one year prior to the Closing Date of the proposed transaction. The OSF Charity Assistance Policy for Illinois Hospitals, will remain in effect for at least a two (2) year period following the Closing Date. In general, the OSF Charity Assistance Policy for Illinois Hospitals is the same or more generous than the current Katherine Shaw Bethea Hospital Charity Care Program.

Section 1130.520(b)(4) - A statement as to the anticipated benefits of the proposed change in ownership to the community.

The community will benefit from the continued operation of the hospital by OSF Healthcare System, which operates many hospitals in the state of Illinois and by the available capital and shared ministry resources of OSF Healthcare System.

Section 1130.520(b)(5) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership.

Anticipated cost savings are expected due to economies of scale gained by integration into a large healthcare system.

Section 1130.520(b)(6) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control.

OSF Healthcare System has extensive and focused quality improvement and monitoring programs, policies and procedures. OSF will extend QI programs in place and will review same post change of ownership to align same with OSF's overall system wide quality improvement and monitoring policies upon closing.

Change of Ownership

Section 1130.520(b)(7) - A description of the selection process that the acquiring entity will use to select the facility's governing body.

The governing body will be the Board of Directors of OSF Healthcare System, as appointed by the Sisters of the Third Order of Saint Francis.

Section 1130.520(b)(9) - A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.

OSF Healthcare System does not anticipate any reductions to the scope of services or level of care provided at the hospital within 24 months after acquisition. Between closing and 2029, OSF Healthcare System will provide a routine capital allocation of \$40,000,000 for projects to be determined over a five-year period.

Charity Care**CHARITY CARE – OSF Healthcare System**

	2020	2021	2022
Net Patient Revenue	\$2,383,901,200	\$2,978,991,756	\$3,211,070,549
Amount of Charity Care (charges)	\$201,864,109	\$195,002,654	\$217,695,250
Cost of Charity Care	\$41,284,835	\$40,569,889	\$54,215,573

CHARITY CARE – Katherine Shaw Bethea Hospital

	2020	2021	2022
Net Patient Revenue	\$118,587,053	\$138,964,356	\$136,073,789
Amount of Charity Care (charges)	\$3,175,327	\$1,462,592	\$1,603,545
Cost of Charity Care	\$922,407	\$376,277	\$452,937