

July 9, 2025

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

Re: Monthly Correspondence

Project 24-011 OSF Saint Elizabeth Medical Center – Ottawa, Replacement Hospital
Project 24-013 OSF Saint Elizabeth Medical Center – Ottawa, Discontinuation of Facility

Dear Chairwoman Savage and Mr. Kniery:

On behalf of OSF HealthCare, I am pleased to provide the third monthly update, which is intended to keep the Board informed of our ongoing community engagement efforts.

On June 27, we met with City officials and leaders from the Citizens for Healthcare in Ottawa group to reaffirm our commitment to transparency, responsible planning, and collaboration.

Present at the June 27 meeting were:

1. Robert Hasty, Mayor – City of Ottawa
2. Wayne Eichelkraut, Commissioner – City of Ottawa
3. Tom Ganiere, Commissioner – City of Ottawa
4. Murri Briel – State Representative (76th District)
5. Colleen Burns, Licensed Real Estate Broker
6. Ron Henson, Ottawa Insurance Agent
7. Jay McCracken, Executive Director – Ottawa Area Chamber of Commerce
8. Brian Rosborough – Retired Physician
9. Steven Gonzalo, Member, OSF Saint Elizabeth Community Council
10. Robert Sehring, CEO and Board Member, OSF HealthCare
11. August Querciagrossa, CEO – Western Region, OSF HealthCare
12. Dawn Trompeter, President, OSF Saint Elizabeth
13. Leonardo Lopez, MD, Chief Medical Officer, OSF Saint Elizabeth

Significant preparation went into supporting the June 27 discussion. Utilization statistics for medical/surgical, OB, and ICU services were compiled for both Ottawa and Peru, capturing full-year 2024 volumes and January–May 2025 data. Please see the attached handout for details.

Another handout, a regional map, was presented to visually illustrate how we're strengthening care access across the area. The map highlighted hospitals, outpatient clinics, medical office buildings, and emergency departments, while also incorporating population data to clearly demonstrate the need for centralized services.

Following the June 10 public hearing, where several inaccurate or unclear statements were made, we developed a detailed response to clarify key points. We began by revisiting the requested 12-month deferral

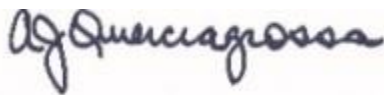
and reaffirmed that neither the original hospital plan nor the enhanced plan developed with the City of Ottawa included ICU or inpatient OB beds at the Ottawa site.

We also provided an overview of critical access hospitals and the level of ICU services at these facilities. Regional population data was reviewed to support our care delivery strategy. Importantly, we addressed confusion regarding the 2015 closure of St. Mary's in Streator, emphasizing that OSF HealthCare had no role in HSHS's decision. This was acknowledged and affirmed by those in attendance, including elected officials.

We also shared several upcoming service enhancements. As of July 2, the Maternal Fetal Medicine clinic relocated from Ottawa to a larger facility in Peru, expanding access and enhancing care for the region. The Neurology clinic will also move to Peru, with the transition date to be announced soon. On August 31, Virtual Emergency Departments will launch in both Ottawa and Peru, providing patients with faster access to emergency care. Centralized telemetry monitoring began in Ottawa on June 30, with implementation in Mendota and Peru scheduled for August. In October, tele-neurology services will launch in Ottawa, Peru, Mendota, and Princeton, significantly expanding access to specialized neurological care.

During the June 27 meeting, we encouraged attendees to reach out with questions, feedback, or concerns between meetings. Several email exchanges have occurred since then. We anticipate reconvening with many of the same stakeholders on Friday, July 25, and we look forward to continued dialogue and collaboration.

Sincerely,

A handwritten signature in dark ink, appearing to read "AJ Querciagrossa". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

AJ Querciagrossa, Chief Executive Officer, Western Region, OSF HealthCare

c: Dawn Trompeter, President, OSF HealthCare Saint Elizabeth Medical Center – Ottawa
Mark Hohulin, Senior Vice President, Health Care Analytics, OSF HealthCare
Ralph Weber, CON Consultant
Mike Constantino, Chief, Project Review

OSF/City of Ottawa Meeting at OSF Saint Elizabeth – Ottawa
Friday, June 27, 2025, at 10 a.m.

Utilization Stats

<u>Med/Surg</u>								
<u>Ottawa/Peru Combined</u>								
	<u>Proj. Admits</u>	<u>Act. Admits</u>	<u>Proj. Pt. Days</u>	<u>Act. Pt. Days</u>	<u>Proj. ADC</u>	<u>Act. ADC</u>		
2024								
2025 (Jan-May)	2,723	2,727	13,996	14,319	42.4	39.1		
	3,004	1,289	15,470	6,565	42.4	43.5		
<u>OB</u>								<u>Average</u>
	<u>Proj. Admits</u>	<u>Act. Admits</u>	<u>Proj. Pt. Days</u>	<u>Act. Pt. Days</u>	<u>Proj. ADC</u>	<u>Act. ADC</u>	<u>Deliveries</u>	<u>Daily Births</u>
2024	759	672	1,698	1,444	4.7	3.9	653	1.78
2025 (Jan-May)	1,043	284	2,420	584	6.6	3.9	272	1.80
<u>ICU</u>								
	<u>Proj. Admits</u>	<u>Act. Admits</u>	<u>Proj. Pt. Days</u>	<u>Act. Pt. Days</u>	<u>Proj. ADC</u>	<u>Act. ADC</u>		
2024	585	418	1,669	1,416	4.6	3.9		
2025 (Jan-May)	585	181	1,669	588	4.6	3.9		

Follow-Up to June 10th Public Hearing

At the June 10 public hearing, several statements were made that were either inaccurate or require further clarification. The following outlines information regarding the requested deferral, population distribution across the regional service area, and the circumstances surrounding the Streater facility.

Deferral of OSF New Hospital in Ottawa Re ICU/Inpatient OB

The regional plan previously presented to and approved by the Illinois Health Facilities and Services Review Board included the consolidation of ICU and OB inpatient services at OSF Saint Elizabeth – Peru. The 12-month deferral requested by OSF HealthCare related to the original hospital proposed for Ottawa. Neither the original hospital plan nor the enhanced plan that was discussed between the City of Ottawa and OSF HealthCare included ICU or inpatient OB beds. OSF HealthCare has been clear and consistent that once the Peru campus is fully opened in August 2025, ICU and inpatient OB delivery beds in Ottawa will not be clinically or financially sustainable.

One question/comment that came up several times during the public hearing was the ICU beds in Mendota and Princeton. A couple of things to keep in mind:

- Those are Critical Access Hospitals (CAH) that have limits on the length of stay (96 hours) for patients. In addition, CAHs must have, in total, 25 inpatient beds or less.
- The ICU beds at the critical access hospitals are staffed by advanced practice providers with physician oversight and e-ICU services.

This is why ICUs at Critical Access Hospitals are generally used only for patients with less severe or complex needs.

The key issue is not about whether there is an ICU bed at a facility or how many. Most importantly, it is whether the breadth of the clinical infrastructure (personnel and equipment) can meet the needs of the acutely ill patients who need to be admitted to an ICU. In the I-80 region, developing and supporting two similar, significant clinical groups less than 20 miles apart is not feasible. The focus of consolidating and expanding the I-80 specialty clinical infrastructure will continue to be centered at the OSF Saint Elizabeth – Peru campus.

Population throughout Regional Area

The Citizens for Healthcare in Ottawa chart attached depicting ICU and OB beds versus populations painted a very misleading picture. For example, Peru's population figures did not include its sister city, LaSalle, or Spring Valley, which is 4 miles away.

Using the 2023 census population for the 8-mile radius around each of the service areas produces the following approximate population figures:

Peru	32,604
Ottawa	25,105
Streator	12,498
Princeton	8,880
Mendota	7,150
Hennepin	1,023

The Peru area, with the largest population, geographically falls squarely in the middle of the other population centers. Another way to look at the population would be to group Peru, Princeton, Mendota, and Hennepin as one area and Ottawa and Streator as another. The population totals 49,657 for Peru/Princeton/Mendota/Hennepin and 37,603 for Ottawa/Streator. The geographic distribution of the population makes the OSF Saint Elizabeth - Peru campus the most appropriate location for a regional hospital that will best serve the broad C-O2 planning area.

The updated data, through May 2025, continues to support consolidating the regional hospital at OSF Saint Elizabeth – Peru campus. The 8 ICU beds and 11 OB beds opening in August 2025 are sufficient to serve the C-O2 planning area. Over the past 17 months, the number of deliveries across I-80 averaged less than two per day, while the average daily census of ICU patients at OSF Saint Elizabeth – Ottawa was less than four. This level of activity can't be split between two facilities approximately 17 miles apart that would need to be supported by duplicate groups of specialists and other clinicians. This would neither be clinically safe nor financially sustainable.

Streator

OSF was not, in any way, involved in the decision by HSHS in 2015 to close St. Mary's in Streator as an acute care facility. AFTER the hospital was closed, OSF acquired the building and invested \$35+ million to open a free-standing Emergency Department (ED), expand primary care and specialty services, as well as align outside social services all in one location. The challenges faced by HSHS almost 10 years ago are similar to those faced today. The clinical and financial hurdles in rural America of offering comprehensive acute care services (including services such as ICU & OB) less than 20 miles from another acute care facility continue to be nearly impossible to overcome.

The services we developed in Streator are strategically aligned with the continued shift toward outpatient care. It has become increasingly vital in today's health care landscape, with outpatient volumes rising 45% nationally since 2020, nearly triple the 16% growth seen in inpatient care, highlighting its role as the dominant setting for patient services according to the Kaufmann Hall Flash Report used also for a Becker's Health article in October 2023. This is why health care facility planning is focused on growing outpatient care services and ensuring access is convenient for patients' needs.

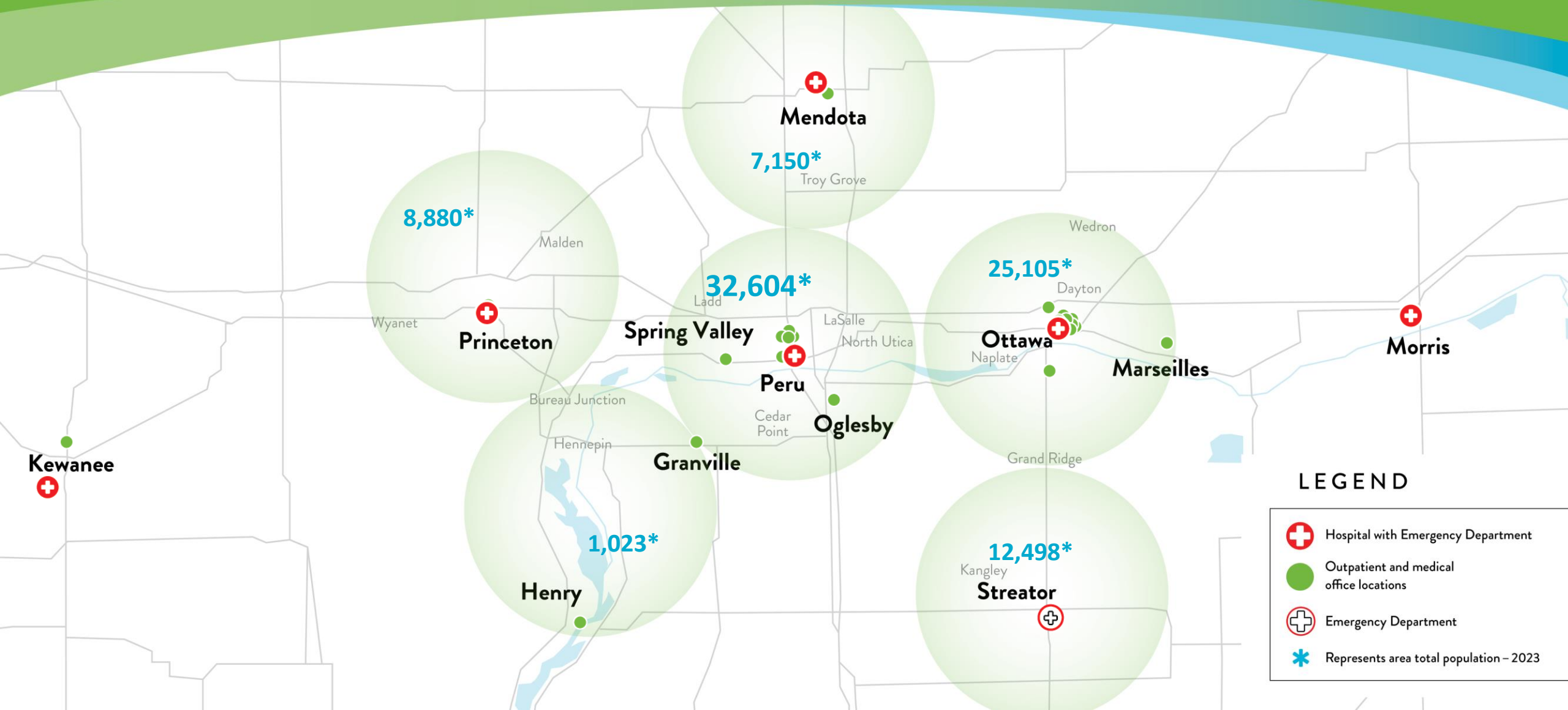
Service Changes

- Beginning July 2, the Maternal Fetal Medicine clinic will relocate from Ottawa to a larger office in Peru, expanding access and enhancing care for the entire region.
- The Neurology clinic will also transition to Peru, with the exact date to be determined.

New Services

- A Virtual Emergency Department will launch in both Ottawa and Peru on August 31.
- Centralized telemetry monitoring will begin in Ottawa on Monday, June 30, with implementation in Mendota and Peru following in August to enhance coordinated care.
- Tele-neurology services will begin in October, expanding access to specialty hospital care in Ottawa, Peru, Mendota and Princeton.

AT THE CENTER OF YOUR CARE



LEGEND

- Hospital with Emergency Department
- Outpatient and medical office locations
- Emergency Department
- Represents area total population – 2023

AT THE CENTER OF YOUR CARE



Population – 8-mile radius

Based on population year 2023

Peru

Peru	9,780
LaSalle	9,432
Spring Valley	5,442
Oglesby	3,639
Ladd	1,400
North Utica	1,332
Granville	1,319
Cedar Point	260

32,604

Ottawa

Ottawa	18,752
Marseilles	4,773
Grand Ridge	508
Dayton	492
Naplate	411
Wedron	169

25,105

Streator

Streator	12,269
Kangley	229

12,498

Princeton

Princeton	7,700
Wyanet	869
Malden	311

8,880

Hennepin

Hennepin	741
Bureau Junction	282

1,023

Mendota

Mendota	6,929
Troy Grove	221

7,150