25-011

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HEALTH FACILITIES & SERVICES REVIEW BOARD

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION
This Section must be completed for all projects.

Facility/Project Identification

Facility Name: HSHS St. Elizabeth's Hospital, O'Fallon: Medical/Surgical and Emergency Department Expansion
Street Address: 1 St. Elizabeth Boulevard
City and Zip Code: O'Fallon 62269
County: St. Clair Health Service Area: 11 Health Planning Area: F-01

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

Exact Legal Name: St. Elizabeth's Hospital of the Hospital Sisters of the Third Order of St. Francis
Street Address: One St. Elizabeth's Boulevard
City and Zip Code: O'Fallon 62269
Name of Registered Agent: Paige Toth
Registered Agent Street Address: 4936 Laverna Road
Registered Agent City and Zip Code: Springfield, IL 62707
Name of Chief Executive Officer: Chris A. Klay
CEO Street Address: One St. Elizabeth's Boulevard
CEO City and Zip Code: O'Fallon 62269
CEO Telephone Number: 618-234-2120

Type of Ownership of Applicants

- ☒ Non-profit Corporation
- ☐ For-profit Corporation
- ☐ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ Sole Proprietorship
- ☐ Other

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

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Paige Toth
Title: Associate General Counsel
Company Name: Hospital Sisters Health System
Address: 4936 Laverna Road
Telephone Number: Springfield, IL 62707
E-mail Address: Paige.Toth@hshs.org
Fax Number: N/A

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

Name: Daniel Lawler
Title: Owner
Company Name: Lawler Law Office
Address: 1251 N. Eddy St., South Bend, IN 46617
Telephone Number: (708) 668-3832
E-mail Address: dan@lawler.law
Fax Number: N/A

Facility/Project Identification

Facility Name: HSHS St. Elizabeth's Hospital, O'Fallon: Medical/Surgical and Emergency Department Expansion
Street Address: 1 St. Elizabeth Boulevard
City and Zip Code: O'Fallon 62269
County: St. Clair Health Service Area: 11 Health Planning Area: F-01

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

Exact Legal Name: Hospital Sisters Health System
Street Address: 4936 Laverna Road
City and Zip Code: Springfield, IL 62707
Name of Registered Agent: Amy Bulpitt
Registered Agent Street Address: 4936 Laverna Road
Registered Agent City and Zip Code: Springfield, IL 62707
Name of Chief Executive Officer: Damond Boatwright
CEO Street Address: 4936 Laverna Road
CEO City and Zip Code: Springfield, IL 62707
CEO Telephone Number: 217-523-4747

Type of Ownership of Applicants

- ☒ Non-profit Corporation
- ☐ For-profit Corporation
- ☐ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ Sole Proprietorship
- ☐ Other

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

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Telephone Number: (708) 668-3832
E-mail Address: dan@lawler.law
Fax Number: N/A

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: Paige Toth
Title: Associate General Counsel
Company Name: Hospital Sisters Health System
Address: 4936 Laverna Road
Telephone Number: Springfield, IL 62707
E-mail Address: Paige.Toth@hshs.org
Fax Number: N/A

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: "St. Elizabeth's Hospital of the Hospital Sisters of the Third Order of St. Francis
Address of Site Owner: One St. Elizabeth's Boulevard, O'Fallon, IL 62269
Street Address or Legal Description of the Site: One St. Elizabeth Blvd., O'Fallon, IL 62269 **Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.**
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

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

HSHS St. Elizabeth's Hospital
Address: 1 St. Elizabeth Way, O'Fallon 62269
☐ Non-profit Corporation ☐ Partnership ☐ For-profit Corporation ☐ Governmental ☒ Limited Liability Company ☐ Sole Proprietorship ☐ Other o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. 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. o **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.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at **www.FEMA.gov** or **www.illinoisfloodmaps.org**. **This map must be in a readable format**. In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 (**http://www.hfsrb.illinois.gov**). **NOTE:** A SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM has been added at the conclusion of this Application for Permit that must be completed to deem a project complete.

APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT 6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT

1. Project Classification

[Check those applicable - refer to Part 1110.20 and Part 1120.20(b)]

Part 1110 Classification :

☒ Substantive

☐ Non-substantive

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.

The applicant HSHS St. Elizabeth's Hospital, SEO, is located at 1 St. Elizabeth's Blvd, O'Fallon, IL 62269. The project consists of renovations and expansion to the hospital to enhance its medical/surgical inpatient services and emergency department (ED) while providing additional imaging services in the ED. The project will involve the following key components:

1. **Addition of a 32-Bed Inpatient Medical/Surgical Unit**: This new unit will be created by modernizing 18,083 gross square feet (gsf) of existing space. The new unit will displace the current dining (food services) area located on the 5th floor.
2. **Emergency Department (ED) Renovation and Expansion with Dedicated Imaging**: The ED will be expanded and renovated to address operational inefficiencies and to accommodate the growing demand for emergency services and emergency imaging. The project will **add 8 net new ED treatment rooms** for a total of 33 ED treatment rooms. In addition, the project will add one new CT scanner and one new X-ray within the ED. The project includes:
    - Expanding the ED. There will be 10,946 gsf of new construction associated with new treatment rooms and an expanded waiting space.
    - Interior Renovations. The 8,008 gsf of interior renovations will include finish upgrades, treatment room reconfiguration, and treatment room decommissioning for the addition. The renovation also includes a vertical flow model where there is dedicated space for chairs so that patients can be quickly triaged while remaining vertical.
    - 799 gsf of the existing ED will be reallocated to **add one new dedicated CT scanner** and 561 gsf of the existing ED will be reallocated to **add one new X-ray** to streamline diagnostic imaging and reduce operational bottlenecks.
3. **Relocation and Renovation of Food Services**: The food services area, including the kitchen, servery, and dining area will be relocated from the 5th floor to the 1st floor. This will involve:
    - Renovating 5,566 gsf of existing space on the 1st floor for the dining area.
    - Adding 8,448 gsf on the 1st floor for the kitchen, servery, and receiving dock.
4. **Relocation of Outpatient Registration and Pre-Admission Testing (PAT)**: The relocation of the dining area will displace outpatient registration and PAT services. These will be relocated into 1,491 gsf of vacant/underutilized non-clinical space in the existing, attached medical office building.

The total project cost is $65,659,319. The amount of modernized space is 35,321 gsf and the amount of new construction is 19,394 gsf. Total project size is 54,715 gsf.

The project is classified as substantive because it involves the addition of more than 20 beds.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs			
Site Survey and Soil Investigation		$271,100	$271,100
Site Preparation		$632,960	$632,960
Off Site Work			
New Construction Contracts	$2,708,822	$15,659,867	$18,368,689
Modernization Contracts	$4,697,404	$19,007,032	$23,704,436
Contingencies	$1,961,017	$2,902,636	$4,863,653
Architectural/Engineering Fees	$1,407,344	$2,083,106	$3,490,450
Consulting and Other Fees	$1,268,684	$1,877,866	$3,146,550
Movable or Other Equipment (not in construction contracts)	$6,959,606	$3,395,000	$10,354,606
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment		$826,875	$826,875
Other Costs to Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	**$19,002,877**	**$46,656,442**	**$65,659,319**
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$19,002,877	$45,829,567	$64,832,444
Pledges	$0	$0	$0
Gifts and Bequests	$0	$0	$0
Bond Issues (project related)	$0	$0	$0
Mortgages	$0	$0	$0
Leases (fair market value)	$0	$826,875	$826,875
Governmental Appropriations	$0	$0	$0
Grants	$0	$0	$0
Other Funds and Sources	$0	$0	$0
TOTAL SOURCES OF FUNDS	**$19,002,877**	**$46,656,442**	**$65,659,319**
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

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

Land acquisition is related to project ☐ Yes ☒ No
Purchase Price: $_____
Fair Market Value: $_____

The project involves the establishment of a new facility or a new category of service
☐ Yes ☒ No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is $ N/A

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary
☒ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): December 31, 2027

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

☐ Purchase orders, leases or contracts pertaining to the project have been executed.
☐ Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies
☒ Financial Commitment will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals [Section 1130.620(c)]

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

Cost Space Requirements

Provide in the following format, the **Departmental Gross Square Feet (DGSF)** or the **Building Gross Square Feet (BGSF)** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the departments or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Not Reviewable Space [i.e., non-clinical]: *means an area for the benefit of the patients, visitors, staff, or employees of a health care facility and not directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility. "Non-clinical service areas" include, but are not limited to, chapels; gift shops; newsstands; computer systems; tunnels, walkways, and elevators; telephone systems; projects to comply with life safety codes; educational facilities; student housing; patient, employee, staff, and visitor dining areas; administration and volunteer offices; modernization of structural components (such as roof replacement and masonry work); boiler repair or replacement; vehicle maintenance and storage facilities; parking facilities; mechanical systems for heating, ventilation, and air conditioning; loading docks; and repair or replacement of carpeting, tile, wall coverings, window coverings or treatments, or furniture. Solely for the purpose of this definition, "non-clinical service area" does not include health and fitness centers.* [20 ILCS 3960/3]

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON-REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

APPEND DOCUMENTATION AS ATTACHMENT 9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert the chart after this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which data is available. Include observation days in the patient day totals for each bed service.** Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME: HSHS St. Elizabeth's Hospital	**CITY: O'Fallon**				
REPORTING PERIOD DATES:	**From: January 1, 2023**	**to: December 31, 2023**			
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days**	**Bed Changes**	**Proposed Beds**
Medical/Surgical	112	7,697	39,538*	32	144
Obstetrics	12	867	2,112*	0	12
Pediatrics					
Intensive Care	20	1,043	5,884*	0	20
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long-Term Care					
Specialized Long-Term Care					
Long Term Acute Care					
Other ((identify)					
TOTALS:	**144**			**32**	**176**

*Includes observation days.
Source: 2023 Hospital Profile, HSHS St. Elizabeth's Hospital

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*:

St. Elizabeth's Hospital of the Hospital Sisters of the Third Order of St. Francis

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

Chris A. Klay
PRINTED NAME

President + CEO
PRINTED TITLE

Notarization
Subscribed and sworn to before me
this 24th day of February 2025

Teri Ann Mustain
Signature of Notary

Seal

"OFFICIAL SEAL"
TERI ANN MUSTAIN
NOTARY PUBLIC — STATE OF ILLINOIS
MY COMMISSION EXPIRES SEPT. 21, 2027

SIGNATURE

Page M. Toth
PRINTED NAME

VP, Secretary of St Elizabeth Hospital
PRINTED TITLE

Notarization
Subscribed and sworn to before me
this 21 day of February, 2025

Christa Kendall
Signature of Notary

Seal

OFFICIAL SEAL
CHRISTINA KENDALL
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 10/25/25

*Insert the EXACT legal name of the applicant

CERTIFICATION

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

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

This Application is filed on the behalf of*:

Hospital Sisters Health 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.

SIGNATURE

Damond Boatwright

PRINTED NAME

President and CEO

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 21 day of February, 2025

Christa Kendall

Signature of Notary

Seal

OFFICIAL SEAL
CHRISTINA KENDALL
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 10/25/25

SIGNATURE

Amy Bulpitt

PRINTED NAME

SVP, Chief Legal Officer

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 21 day of February, 2025

Christa Kendall

Signature of Notary

Seal

OFFICIAL SEAL
CHRISTINA KENDALL
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 10/25/25

*Insert the Exact Legal Name of the Applicant

SECTION III. BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

1110.110(a) – Background of the Applicant

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

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

2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.

3. For the following questions, please provide information for each applicant, including corporate officers or directors, LLC members, partners, and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.

    a. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application.

    b. A certified listing of each applicant, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted, or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. Unless expunged, provide details about the conviction, and submit any police or court records regarding any matters disclosed.

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

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

    e. A certified and detailed listing of each applicant who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency.

4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**

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

APPEND DOCUMENTATION AS ATTACHMENT 11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

Criterion 1110.110(b) & (d)

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other relevant area, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.
4. Cite the sources of the documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

For projects involving modernization, describe the conditions being upgraded, if any. For facility projects, include statements of the age and condition of the project site, as well as regulatory citations, if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Staff Report.

APPEND DOCUMENTATION AS ATTACHMENT 12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

1) Identify **ALL** the alternatives to the proposed project:

Alternative options **must** include:

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

B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes.

C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

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

2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality, and financial benefits in both the short-term (within one to three years after project completion) and long-term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT 13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

Criterion 1110.120 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative and it shall include the basis used for determining the space and the methodology applied.**

2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:

    a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies and certified by the facility's Medical Director.

    b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.

    c. The project involves the conversion of existing space that results in excess square footage.

    d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

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

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

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

PROJECT SERVICES UTILIZATION:

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

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

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

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

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

SECTION VI. SERVICE SPECIFIC REVIEW CRITERIA

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

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

1. Applicants proposing to establish, expand and/or modernize the Medical/Surgical, Obstetric, Pediatric and/or Intensive Care categories of service must submit the following information:

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

Category of Service	# Existing Beds	# Proposed Beds
☒ **Medical/Surgical**	**112**	**144**
☐ **Obstetric**		
☐ **Pediatric**		
☐ **Intensive Care**		

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

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

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
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	

APPEND DOCUMENTATION AS ATTACHMENT 19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

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

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

Service	# Existing Key Rooms	# Proposed Key Rooms
☒ **General Radiology/Fluoroscopy**	**5**	**6**
☒ **CT Scan**	**2**	**3**
☒ **ED Stations**	**25**	**33**

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

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

The following Sections DO 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 A3 or better from Moody's (the rating shall be affirmed within the latest 18-month period prior to the submittal of the application):

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

VII. 1120.120 - AVAILABILITY OF FUNDS

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

$64,832,444	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.
$826,875 (lease)	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) For 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) For 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.
$65,659,319	**TOTAL FUNDS AVAILABLE**

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

SECTION VIII. 1120.130 - FINANCIAL VIABILITY

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

Financial Viability Waiver

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

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

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

Variance

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

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

SECTION IX. 1120.140 - ECONOMIC FEASIBILITY

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

A. Reasonableness of Financing Arrangements

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

1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or

2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:

   A) A portion or all the cash and equivalents must be retained in the balance sheet asset accounts to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or

   B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

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

1) That the selected form of debt financing for the project will be at the lowest net cost available.

2) That the selected form of debt financing will not be at the lowest net cost available but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors.

3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

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

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

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

SECTION X. SAFETY NET IMPACT STATEMENT

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

1. The project's material impact, if any, on essential safety net services in the community, ***including the impact on racial and health care disparities in the community,*** to the extent that it is feasible for an applicant to have such knowledge.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in each community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 37.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			
Medicaid (revenue)			

Inpatient			
Outpatient			
Total			

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

SECTION X. CHARITY CARE INFORMATION

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

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.

2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.

3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

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

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

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

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

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

INDEX OF ATTACHMENTS

ATTACHMENT NO.		PAGES
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2	Site Ownership	30
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	31-32
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	33
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ATTACHMENT 1

Applicant Identification and Certificates of Good Standing

Included with this attachment are Certificates of Good Standing for the applicants:

1. HSHS St. Elizabeth's Hospital
2. Hospital Sisters Health System

File Number 3515-860-0

To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulias, *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*

ST. ELIZABETH'S HOSPITAL OF THE HOSPITAL SISTERS OF THE THIRD ORDER OF ST. FRANCIS, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 11, 1955, 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* 13TH *day of* NOVEMBER *A.D.* 2024 .

Authentication #: 2431803050 verifiable until 11/13/2025
Authenticate at: https://www.ilsos.gov

Alexi Giannoulias
SECRETARY OF STATE

ATTACHMENT 1

File Number 5163-355-5

To all to whom these Presents Shall Come, Greeting:

I, **Alexi Giannoulias,** *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*

HOSPITAL SISTERS HEALTH SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON DECEMBER 26, 1978, 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* 15TH *day of* AUGUST *A.D.* 2024 .

Authentication #: 2422800314 verifiable until 08/15/2025
Authenticate at: https://www.ilsos.gov

Alexi Giannoulias
SECRETARY OF STATE

ATTACHMENT 1

ATTACHMENT 2

Attestation of Site Ownership

The undersigned is an authorized representative of Hospital Sisters Health System (HSHS) and hereby attests that the site of the proposed project on the campus of HSHS St. Elizabeth's Hospital, 1 St. Elizabeth's Blvd., O'Fallon, Illinois 62269 is owned by HSHS St. Elizabeth's Hospital.

Amy Bulpitt
Chief Legal Officer
Hospital Sisters Health System

2/21/25
Dated

ATTACHMENT 3

Operating Entity/Licensee

Included with this Attachment is the licensee's Certificate of Good Standing. All direct owners of a 5% or more interest in the applicant facility are identified in the organizational chart included with Attachment 4.

File Number 3515-860-0

To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulias, *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*

ST. ELIZABETH'S HOSPITAL OF THE HOSPITAL SISTERS OF THE THIRD ORDER OF ST. FRANCIS, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 11, 1955, 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* 13TH *day of* NOVEMBER *A.D.* 2024 .

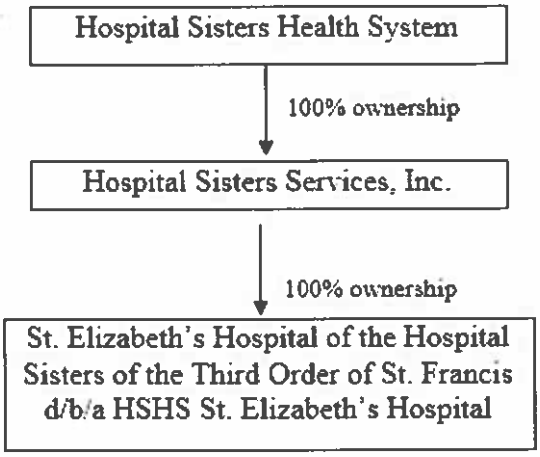
Authentication #: 2431803050 verifiable until 11/13/2025
Authenticate at: https://www.ilsos.gov

Alexi Giannoulias
SECRETARY OF STATE

ATTACHMENT 3

ATTACHMENT 4

Organizational Chart



ATTACHMENT 5

Flood Plain Requirements

Attached is documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas, including a map of the proposed project location showing any identified floodplain areas.

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

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

1. Applicant: HSHS St. Elizabeth's Hospital (Name) 1 St. Elizabeth Boulevard (Address)

O'Fallon	IL	62269	(618) 234-2120
(City)	(State)	(ZIP Code)	(Telephone Number)

2. Project Location: 1 St. Elizabeth Boulevard (Address) O'Fallon, IL (City) (State)

St. Clair	O'Fallon	
(County)	(Township)	(Section)

3. You can create a small map of your site showing the FEMA floodplain mapping using the FEMA Map Service Center website (https://msc.fema.gov/portal/home) by entering the address for the property in the Search bar. If a map, like that shown on page 2 is shown, select the *Go to NFHL Viewer* tab above the map. You can print a copy of the floodplain map by selecting the  icon in the top corner of the page. Select the pin tool icon  and place a pin on your site. Print a FIRMETTE size image.

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

IS THE PROJECT SITE LOCATED IN A SPECIAL FLOOD HAZARD AREA:

Yes___ No __X__

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

If you are unable to determine if the site is in the mapped floodplain or 500-year floodplain, contact the county or the local community building or planning department for assistance.
If the determination is being made by a local official, please complete the following:

FIRM Panel Number:_____ Effective Date:_____

Name of Official:_____ Title: _____

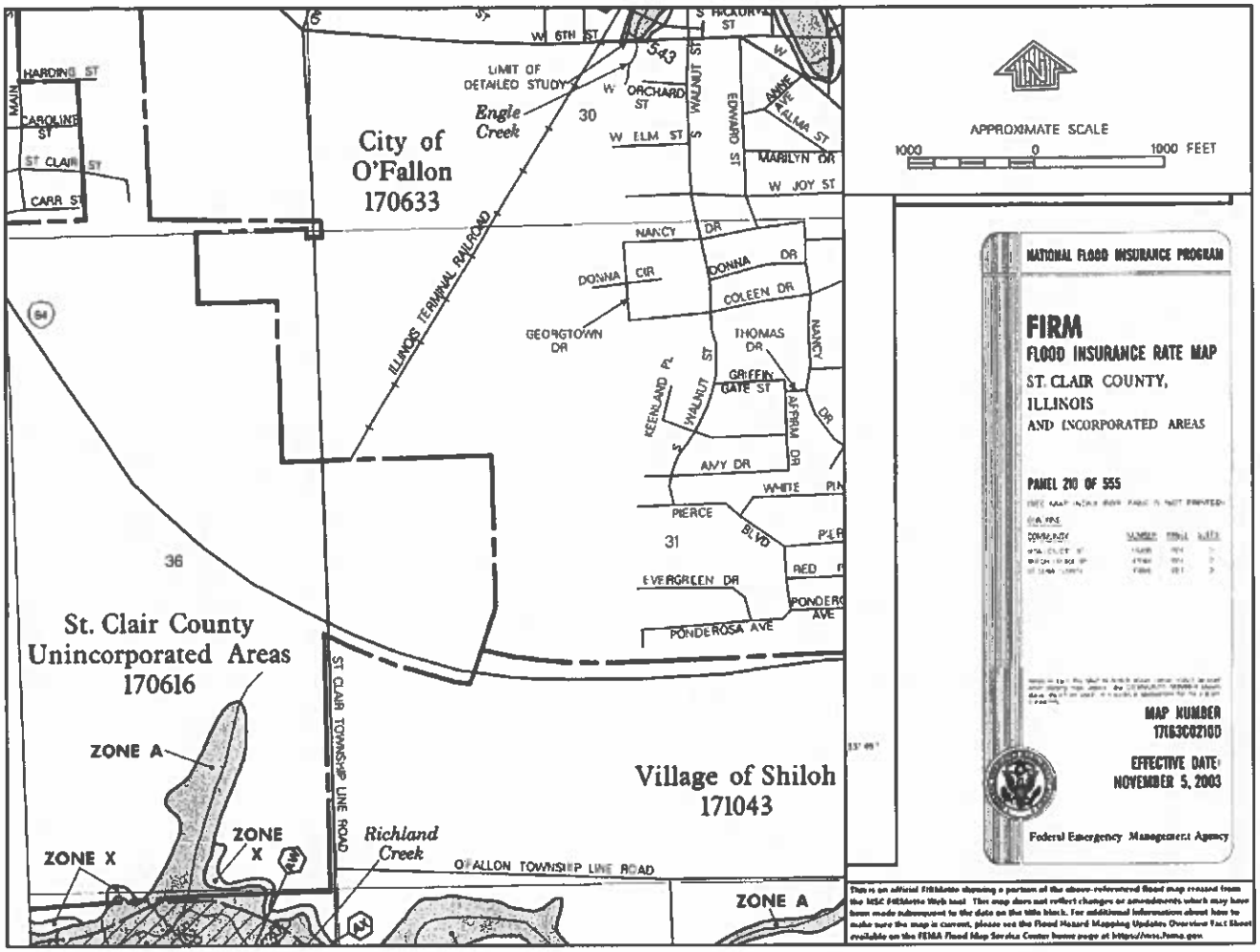
Business/Agency:_____ Address:_____

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

Signature:_____ Date: _____

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

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



ATTACHMENT 5

ATTACHMENT 6

Historic Preservation Act Requirements

The Historic Preservation Act clearance letter from the Illinois Department of Natural Resources dated September 10, 2024, included with HSHS St. Elizabeth's Hospital's ASTC and Medical Office Building Certificate of Need Application (Project #24-032) covers the site of this project and, specifically, the address of HSHS St. Elizabeth's Hospital, 1 St. Elizabeth Blvd., O'Fallon, Illinois is included with this Attachment.

St. Clair County
O'Fallon
1 St. Elizabeth Blvd
IHFSRB
New Construction. Treatment Center and Office Building

PLEASE REFER TO: SHPO LOG #017081624

September 10, 2024

Amy Michelau
Barnes & Thornburg LLP
One N. Wacker Dr.
Suite 4400
Chicago, IL 60606

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 will be affected within the proposed project area.

According to the information you have provided there is no federal involvement in your project. Be aware 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 approval 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 Illinois Human 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.

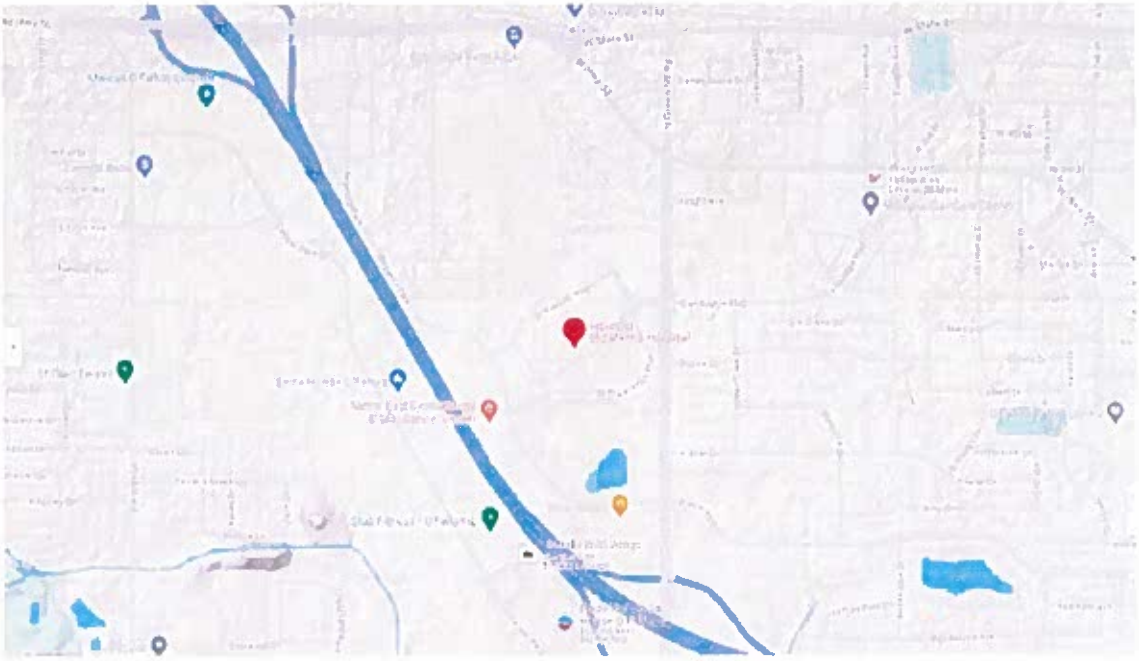
If further assistance is needed, please contact Jeff Kruchten, Principal Archaeologist, at 217/785-1279 or jeff.kruchten@illinois.gov.

Sincerely,

Carey L. Mayer

Carey L. Mayer, AIA
Deputy State Historic Preservation Officer

ATTACHMENT 6



ATTACHMENT 6

ATTACHMENT 7

Project Costs Itemization

Project Costs			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Site Survey and Soil Investigation		$271,100	$271,100
Site Preparation		$632,960	$632,960
New Construction Contracts	$2,708,822	$15,659,867	$18,368,689
Modernization Contracts	$4,697,404	$19,007,032	$23,704,436
Contingencies	$1,961,017	$2,902,636	$4,863,653
Architectural/Engineering Fees	$1,407,344	$2,083,106	$3,490,450
Consulting and Other Fees	$1,268,684	$1,877,866	$3,146,550
Movable or Other Equipment (not in construction contracts)	$6,959,606	$3,395,000	$10,354,606
Fair Market Value of Leased Space or Equipment		$826,875	$826,875
TOTAL USES OF FUNDS	**$19,002,877**	**$46,656,442**	**$65,659,319**

The line-item costs attributed to clinical components were calculated as a percentage of clinical square footage when actual breakouts were not available.

Itemization of each line item:

Site Survey and Soil Investigation - this includes:

- Geotechnical and surveying fees

Of the total amount, $0 is the clinical Site Survey and Soil Investigation costs.

Site Preparations - this includes:

- Mine/Site mitigation

Of the total amount, $0 is the clinical Site Preparation costs.

New Construction Contracts - this includes:

- Construction costs for the proposed build-out.

Of the total amount, $2,708,822 is the clinical New Construction Contracts costs.

Modernization Contracts - this includes:

- Construction costs for the proposed renovation.

Of the total amount, $4,697,404 is the clinical Modernization Contracts costs.

Contingencies - this includes:

- Allowance for unknown conditions required to complete the proposed renovation and build-out.

Of the total amount, $1,961,017 is the clinical Contingencies costs.

Architectural / Engineering Fees - this includes:

- Architectural services
- Landscape architecture
- Interior design
- Engineering
    - Structural
    - Mechanical
    - Electrical
    - Plumbing
    - Civil

Of the total amount, $1,407,344 is the clinical Architectural / Engineering costs.

Consulting and Other Fees - this includes:

- CON filing fee
- Legal fees
- Equipment planning/procurement
- Building permit and other regulatory fees
- Program management
- Food services consultant
- Fire protection consultant

Of the total amount, $1,268,684 is the clinical Consulting and Other costs.

Movable Equipment

• All furniture, furnishings, art, electronic / IT devices and medical equipment for the proposed project. Group I (fixed) equipment is included in the New Construction line item above. Group II and III medical equipment is included herein.

Equipment Type	Estimated Costs
Imaging (CT & X-Ray) Patient Monitoring ED treatment rooms Med/Surg beds Admin and staff areas Other Misc equipment	$6,959,606
Furniture	$250,000
Information Systems	$1,070,000

Communications Security Systems TV / Sound Systems	
Artwork / Signage	$200,000
Food Services Equipment	$1,875,000

Of the total amount, $6,959,606 is the clinical Moveable Equipment costs.

Fair Market Value of Leased Space or Equipment – this includes:

- The lease is for a temporary kitchen for use while the existing food services are being relocated.

All of the lease amount is for non-clinical purposes.

ATTACHMENT 9

Cost Space Requirements

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
Medical Surgical	$15,576,312	81,816	81,816	0	18,083	63,733	
ED	$16,395,483	18,905	28,491	10,946	8,088	9,457	
Diagnostic Radiology	$482,803	0	561	0	561	0	
CT	$687,811	0	799	0	799	0	
Total Clinical	**$33,142,409**	**100,721**	**111,666**	**10,946**	**27,530**	**73,190**	**0**
NON-REVIEWABLE							
CDU**	$7,133,027	4,357	4,357	0	734	3,623	
Dietary*	$22,942,905	12,942	14,014	8,448	5,566	0	
PAT/Registration*	$2,440,978	4,263	1,491	0	1,491	0	
Total Non-clinical	**$32,516,910**	**21,562**	**19,862**	**8,448**	**7,791**	**3,623**	**0**
TOTAL	**$65,659,319**	**122,283**	**131,528**	**19,394**	**35,321**	**76,813**	**0**

ATTACHMENT 11

Background of the Applicants

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

HSHS owns and operates the following hospitals in Illinois:

Facility	Location	Illinois License Number	Expiration Date	Joint Commission Accreditation Number
St. John's Hospital	Springfield	0002451	6/30/24	ID #7432
St. Elizabeth's Hospital	O'Fallon	0006064	11/3/23	ID #7242
St. Anthony's Memorial Hospital	Effingham	0002279	12/31/23	ID #7335
St. Joseph's Hospital	Highland	0005892	8/22/24	ID #2825
St. Francis Hospital	Litchfield	0002386	12/31/23	ID #7374
St. Joseph's Hospital	Breese	0002527	6/30/24	ID #7250
St. Mary's Hospital	Decatur	0002592	6/30/24	ID #4605
HSHS Holy Family Hospital	Greenville	0005355	10/25/23	*
HSHS Good Shepherd Hospital	Shelbyville	0002154	6/30/24	**

*Accredited by Accreditation Commission for Health Care (ACHC)
**NIAHO Hospital Accreditation Program Certificate Number PRJC-494196-2013-MSL-USA

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.

Other than the facilities listed above in paragraph 1, HSHS does not own or operate, directly or indirectly, any other health care facilities in Illinois.

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.

By the signatures on the Certification page of this application, the applicants attest that no adverse action has been taken against the applicant facility during the three years prior to the filing of this applications. For purposes of this certification, the term "adverse action" has the meaning given to in 77 Illinois Administrative Code 1130.140.

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.

By the signatures on the Certification page of this application, the applicants authorize HFSRB and IDPH to 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.

ATTACHMENT 12

Purpose of the Project

HSHS St. Elizabeth's Hospital (" SEO") is a well-established and highly-respected provider of hospital-based healthcare services in the Metro East region of Illinois. Founded in 1875 by the Hospital Sisters of St. Francis, SEO operates in a manner that reflects its Franciscan heritage, charism, and dedication to providing services that fulfill unmet needs in the community (including cutting-edge cardiac care and use of the latest robotics technologies), carrying out the Sisters' commitment to care for all populations. Next year, SEO will celebrate its 150-year anniversary, honoring the longstanding commitment of Hospital Sisters Health System ("HSHS") to providing high-quality care to the citizens of Southwestern Illinois. The hospital has been treating patients at its current location in O'Fallon since 2017.

The purpose of this project is to:

- Enhance the capacity and quality of inpatient Medical/Surgical services and emergency services at SEO.
    - Relieve extremely high utilization of the hospital's Medical/Surgical inpatient beds and emergency department, which were utilized at over 105% and 111%, respectively, in FY2024, and to provide capacity for higher acuity inpatient care.
- Improve efficiency and patient experience.
- Optimize the use of hospital space by relocating and renovating essential services.
- Address current and future healthcare needs of the community.

This will be accomplished in the proposed 32-bed inpatient Medical/Surgical unit and emergency department treatment room addition/ renovation project.

Floor plans of the proposed project are attached.

1. Document that the project will provide health services that improve the health care of the market area population

The proposed project will enhance healthcare services and improve the well-being of patients in SEO's community by increasing access to inpatient and emergency services; improving operational throughput; improving the satisfaction of patients and staff.

a. Increased access to inpatient and emergency services

Between CY2019 and CY2024 (January through October annualized), HSHS St. Elizabeth's total inpatient Medical/Surgical days experienced a robust growth rate of 19.2% and emergency services experienced 5.2% growth. This upward trajectory underscores the rising demand for inpatient and emergency services in the community. The consistent increase has placed considerable pressure on St. Elizabeth's existing inpatient Medical/Surgical bed capacity which was utilized at over 105% in 2024. In addition, the hospital runs over 111% occupancy in its existing 25-station emergency room.

SEO serves as the tertiary hub for HSHS's southern Illinois market with regional referrals coming from system hospitals in Breese, Highland, and Greenville, IL, as well as non-system hospitals across the service area. In 2023, SEO received 1,598 transfer requests, of which 408 were denied because the hospital was at capacity. When inpatient bed capacity is maxed out, patients are turned away and it creates a downstream bottleneck in the emergency room with patients waiting for a bed. The aging population and rise in comorbidities have further pressured existing capacity constraints at SEO.

Adding Medical/Surgical capacity at SEO will provide much-needed access to inpatient services that patients require when seeking care at the hospital. Additional Medical/Surgical beds will assist with managing patient flow from the point of admission to discharge. The additional inpatient bed capacity will also help move patients out of the emergency room, improving operational flow and the patient experience. Furthermore, the additional beds will provide appropriate Medical/Surgical capacity for patients transitioning from more complex units, such as the ICU, and support strategic initiatives around increasing high-acuity tertiary care. Over 9,000 adult and 2,000 pediatric patients left the O'Fallon area for care and sought healthcare services in Missouri. Expanding SEO's facilities will provide an opportunity to improve access and keep care local. By keeping healthcare local, HSHS can better serve its community, reduce the need for patients to travel long distances for treatment, and foster stronger patient-provider relationships. This initiative is essential for retaining patient care within the defined service area and addressing the growing healthcare needs of its residents.

The acuity of inpatient surgical cases in the hospital operating rooms has also been trending upward. Between 2019 and 2024, SEO experienced a 3% rise in case mix index (CMI). These higher CMI levels represent patients with more severe systemic diseases that require intensive monitoring and specialized care during surgery. This shift underscores the need for inpatient beds for higher-acuity cases, ensuring that patients with more severe conditions receive the focused care they need.

SEO is a certified chest pain center treating patients across the defined service area. This accreditation attests that SEO meets strict criteria for recognizing and treating patients who

come to the emergency room with possible heart attack symptoms. The hospital uses the latest technology and modern facilities to provide excellent care close to home. As SEO's patient population ages and the needs rise for chest pain services, SEO must plan accordingly to create capacity for the more vulnerable.

Adding a CT scanner and a general radiology unit in SEO's emergency department (ED) will enhance SEO's diagnostic capacity. This added capacity will not only improve individual patient care but also strengthen the overall healthcare infrastructure of the community, promoting better health outcomes across the population. These advanced imaging technologies enable quicker and more accurate diagnosis of a wide range of medical conditions, from fractures and infections to more complex issues such as tumors and internal injuries. By providing immediate access to these diagnostic tools, SEO's providers can make timely and informed decisions, leading to faster treatment and improved outcomes for patients. Additionally, the presence of on-site CT and X-ray capabilities reduces the need for patients to navigate other departments in the hospital or travel to distant facilities for imaging services, thus increasing convenience, accessibility and efficiency.

b. Improved operational throughput

There are several operational challenges that impact inpatient, emergency services, as well as operations throughout across the hospital. These include:

- **Capacity constraints resulting in denials and inpatient boarders in the ED**:
    - In 2023 there were 1,598 incoming transfer requests from regional hospitals. Of those, over 400 were denied due to capacity constraints. Denying these local transfer requests increases the chance that patients will need to travel out of the region for care.
    - On average, there are 15 patients boarding each day in the ED waiting on an inpatient bed. This situation reduces the capacity available for emergency patients and provides a suboptimal experience for those boarding. Unlike inpatient rooms, ED rooms lack windows, are often noisier, and are smaller in size, compromising the comfort and quality of care for inpatients.
- **Inefficient Layout**: The clinical decision unit and behavioral health treatment rooms are located in isolated pods, creating staffing inefficiencies and complicating patient and staff flow. These design limitations contribute to increased activity and noise in the main area of the ED, which can be distressing for patients and elevate the risk of medical errors. Additionally, the behavioral health pod has four unmonitored rooms, rendering it unsuitable for certain levels of care and further limiting the ED's capacity. Finally, the proposed design includes a vertical flow model. The vertical flow pods are dedicated space for chairs that patients can be quickly triaged while remaining vertical. This model is designed to help improve the operational efficiency and flow of low acuity patients in the emergency room given the limited space the ED has today and in the future.
- **Overcrowded Waiting Room**: The existing ED waiting room is undersized for the current volume of annual ED visits. This results in overcrowded conditions, which can lead to increased stress and anxiety for patients and their families and increase the risk of spreading infections.

- **Lack of Privacy**: The check-in desk is very public, compromising patient and family privacy during the registration and triage process. This can deter individuals from fully disclosing their medical issues, which is crucial for accurate and timely diagnosis and treatment.
- **Temporary Triage Area**: Due to capacity constraints, a temporary triage/treatment area has been set up, further limiting the already inadequate waiting space and creating a disjointed patient flow.
- **Lack of Imaging in the ED:** There is no CT or X-ray in the ED, but over 50% of all CTs performed at SEO are generated by ED patients and 69% of all X-rays performed at SEO are generated by ED patients. Currently, these patients must be transported to the imaging department when a scan is required, which takes staff away from the emergency department and increases patient length of stay.

The proposed renovations and additions will streamline operations and improve patient flow. More specifically:

- **Additional Inpatient Unit**: The renovation will add 32 new Medical/Surgical inpatient beds, significantly increasing the department's capacity. This will reduce denials, reduce ED boarding, and ensure that patients receive timely care.
- **Expanded ED Space**: The expansion will add 8 new treatment rooms and a waiting space, significantly increasing the department's capacity. This will reduce overcrowding and ensure that patients receive timely care.
- **Enhanced Privacy**: The renovation will include a more private and efficient check-in and triage area, ensuring patient confidentiality and encouraging patients to share critical health information.
- **Improved Patient Flow**: The addition of inpatient beds and ED capacity with dedicated observation and imaging space will streamline patient flow. The new design will help in quickly triaging and treating less severe cases which will reduce overall wait times and improve patient throughput. The design will also eliminate the behavioral health bed pod and create an efficient flow allowing specialized rooms to be more easily flexed. There will also be a more direct path connecting EMS arrivals to trauma rooms. Finally, the vertical flow pods will improve the operational efficiency and flow of low acuity patients in the ED.
- **Dedicated Imaging Services**: Adding a dedicated CT scanner and x-ray within the ED will streamline diagnostic processes, reducing the need for patients to be moved to other parts of the hospital for imaging. This will speed up diagnosis and treatment, improving patient outcomes.
- **Optimized Layout**: The renovations and additions will address the disjointedness and operational inefficiencies of the current design. By creating a more efficient layout, the ED will be able to staff more effectively, reduce noise levels, and improve the overall patient and staff experience.

c. Increase satisfaction for patients and staff

The proposed project at SEO will significantly increase the satisfaction of both patients and staff. This enhanced satisfaction will lead to higher quality care, improved health outcomes, and a stronger, healthier community. By creating an environment where patients feel comfortable and staff can work efficiently, SEO will continue to serve as a trusted healthcare provider and a cornerstone of community health. The positive impact includes:

- **Reduced Wait Times and Length of Stay**: With increased capacity and improved patient flow, the ED and inpatient environment will be able to handle a higher volume of patients more efficiently. This will reduce wait times for a bed and reduce overall length of stay, ensuring that patients receive timely care, which is crucial for better health outcomes.
- **Enhanced Patient Experience**: A more private and comfortable waiting and treatment environment will improve the overall patient experience. Satisfied patients are more likely to follow medical advice and return for follow-up care, contributing to better long-term health outcomes.[1]
- **Improved Environment in Inpatient Units:** The addition of 32 inpatient Medical/Surgical beds will reduce overcrowding and ensure that patients requiring admission receive timely care. A well-designed, calming inpatient environment can positively impact patients' mental and emotional well-being,[2] contributing to faster recovery times and better overall health outcomes.
- **Decreased Stress and Anxiety**: Addressing overcrowding and privacy concerns will create a more calming environment, reducing stress and anxiety for patients and their families. This can have a positive impact on patient recovery and overall well-being.[3]
- **Improved Staff Efficiency and Experience**: A more efficient layout and dedicated treatment areas will enable staff to work more effectively, reducing the risk of errors and improving the quality of care provided.[4] An environment designed to reduce bottlenecks and streamline patient flow will decrease the stress and workload on staff. This higher satisfaction can reduce turnover rates, ensuring continuity of care and maintaining a stable, experienced workforce.
- **Local Access to Care**: Enhancing the hospital's capacity and capabilities will reduce the need for patients to seek care outside the community. Keeping care local ensures that patients have timely access to the services they need, leading to better health outcomes for the population in the market area.

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[1] Barbosa, C. D., Balp, M. M., Kulich, K., Germain, N., & Rofail, D. (2012). A literature review to explore the link between treatment satisfaction and adherence, compliance, and persistence. *Patient Preference and Adherence*, *6*, 39–48. https://doi.org/10.2147/PPA.S24752

[2] Alvaro C, Wilkinson AJ, Gallant SN, Kostovski D, Gardner P. Evaluating Intention and Effect: The Impact of Healthcare Facility Design on Patient and Staff Well-Being. HERD: Health Environments Research & Design Journal. 2016;9(2):82-104. doi:10.1177/1937586715605779

[3] Alvaro C, Wilkinson AJ, Gallant SN, Kostovski D, Gardner P. Evaluating Intention and Effect: The Impact of Healthcare Facility Design on Patient and Staff Well-Being. HERD: Health Environments Research & Design Journal. 2016;9(2):82-104. doi:10.1177/1937586715605779

[4] Aysegul Ozlem Bayraktar Sari, Wassim Jabi (2024). Architectural spatial layout design for hospitals: A review, Journal of Building Engineering, Volume 97, 2024, 110835, ISSN 2352-7102, https://doi.org/10.1016/j.jobe.2024.110835.

- **Better Access to Dietary Services**: Moving food services to the first floor will improve patient wayfinding to the dining area, as it will be located off the main corridor in the front lobby. This will make it easier for patients and visitors to access dietary services, enhancing their overall experience at the hospital. Staff will benefit from a more streamlined process, reducing delays and improving overall service quality.

2. Define the planning area or market area

HSHS St. Elizabeth's service area includes Clinton, Madison, and St. Clair County. The following table identifies the top three counties by patient discharges, which represents more than 84% of the hospital's patient volume.

HSHS FY24 Inpatient Discharge Data by County		
County	**Discharges**	**% Total**
17163 - ST. CLAIR COUNTY, IL	7,046	64.3%
17119 - MADISON COUNTY, IL	1,333	12.2%
17027 - CLINTON COUNTY, IL	902	8.2%
3 County Sub - Total	**9,281**	**84.7%**
Other	**1,678**	**15.3%**
Grand Total	**10,959**	**100.0%**

The table below breaks down the HSHS SEO three county service area by zip code and also includes the 2024 population for each zip code.

HSHS SEO Inpatient Discharges and Population by Zip Code (3 County Service Area)			
Zip Code	**2024 Population**	**FY24 Discharges**	**% Total**
62269 - O FALLON	35,349	1,209	11.0%
62221 - BELLEVILLE	28,412	976	8.9%
62226 - BELLEVILLE	28,672	687	6.3%
62208 - FAIRVIEW HEIGHTS	17,077	627	5.7%
62220 - BELLEVILLE	18,671	543	5.0%
62234 - COLLINSVILLE	31,250	484	4.4%
62223 - BELLEVILLE	15,811	375	3.4%
62258 - MASCOUTAH	10,313	346	3.2%

62249 - HIGHLAND	16,126	340	3.1%
62232 - CASEYVILLE	7,569	219	2.0%
62206 - EAST SAINT LOUIS	12,078	216	2.0%
62254 - LEBANON	6,534	216	2.0%
62225 - SCOTT AIR FORCE BASE	5,048	196	1.8%
62203 - EAST SAINT LOUIS	5,841	189	1.7%
62265 - NEW BADEN	4,553	177	1.6%
62243 - FREEBURG	5,701	171	1.6%
62205 - EAST SAINT LOUIS	6,414	163	1.5%
62231 - CARLYLE	7,166	162	1.5%
62293 - TRENTON	4,643	153	1.4%
62207 - EAST SAINT LOUIS	6,630	148	1.4%
62230 - BREESE	6,559	146	1.3%
62204 - EAST SAINT LOUIS	4,158	125	1.1%
62040 - GRANITE CITY	40,023	118	1.1%
62264 - NEW ATHENS	3,113	108	1.0%
62294 - TROY	15,462	102	0.9%
62285 - SMITHTON	4,555	98	0.9%
62260 - MILLSTADT	7,003	86	0.8%
62216 - AVISTON	3,012	83	0.8%
62201 - EAST SAINT LOUIS	4,848	77	0.7%
62257 - MARISSA	2,648	75	0.7%
62034 - GLEN CARBON	14,813	62	0.6%
62025 - EDWARDSVILLE	36,653	60	0.5%
62215 - ALBERS	1,710	56	0.5%
62239 - DUPO	4,723	49	0.4%
62218 - BARTELSO	1,590	45	0.4%
62255 - LENZBURG	962	41	0.4%
62245 - GERMANTOWN	1,995	37	0.3%
62060 - MADISON	3,792	37	0.3%
62282 - SAINT LIBORY	516	33	0.3%
62062 - MARYVILLE	8,107	32	0.3%
62001 - ALHAMBRA	1,705	26	0.2%
62240 - EAST CARONDELET	1,552	25	0.2%
62281 - SAINT JACOB	2,892	22	0.2%
62219 - BECKEMEYER	784	22	0.2%
62061 - MARINE	1,669	20	0.2%
62289 - SUMMERFIELD	324	19	0.2%

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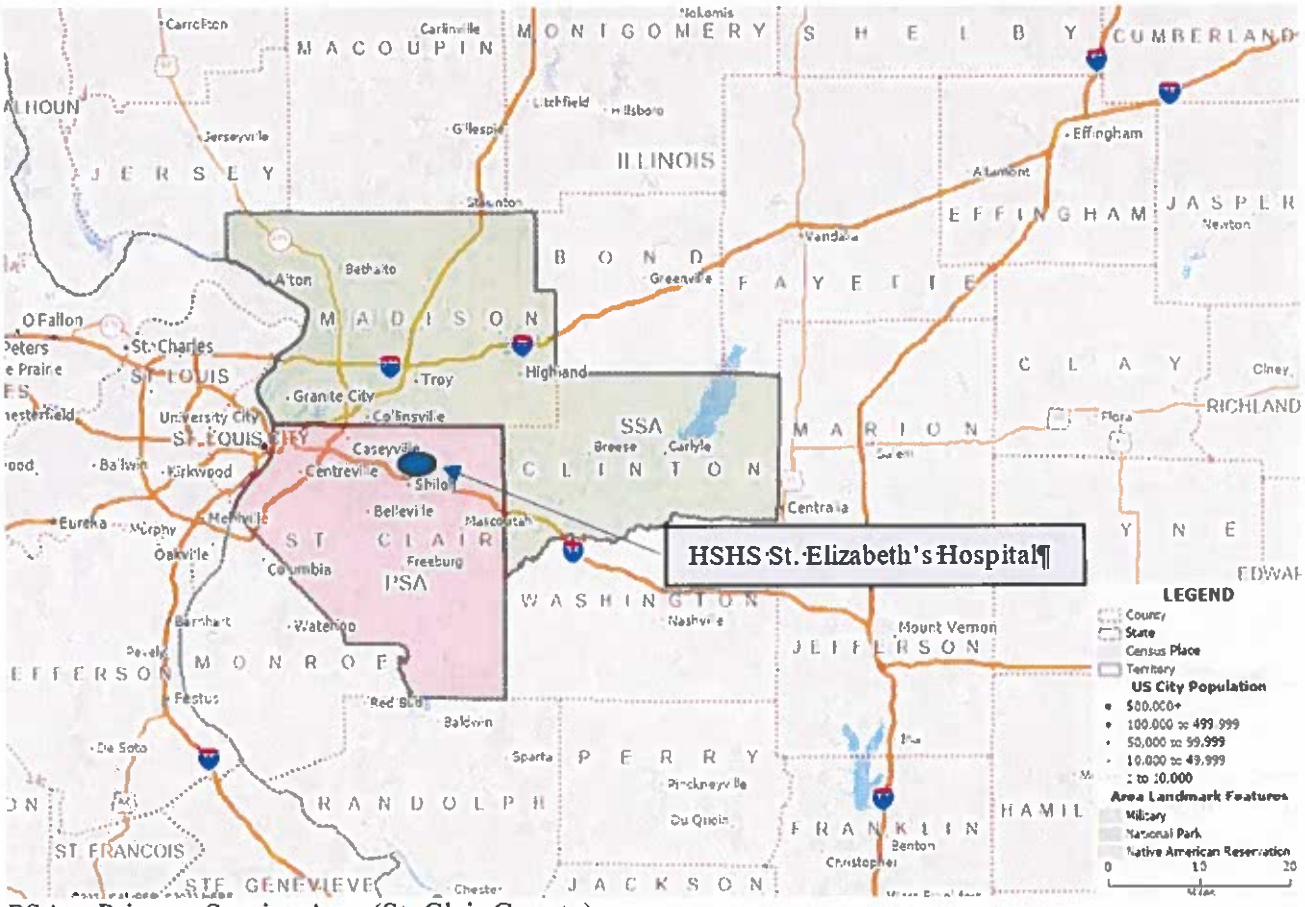
62059 - LOVEJOY	545	17	0.2%
62074 - NEW DOUGLAS	1,067	10	0.1%
62002 - ALTON	29,987	10	0.1%
62095 - WOOD RIVER	10,974	9	0.1%
62090 - VENICE	906	8	0.1%
62010 - BETHALTO	10,750	6	0.1%
62250 - HOFFMAN	417	6	0.1%
62024 - EAST ALTON	9,133	5	0.0%
62035 - GODFREY	15,500	5	0.0%
62087 - SOUTH ROXANA	1,841	4	0.0%
3 County Zip Code Sub - Total	**530,146**	**9,281**	**84.7%**
Other		**1,678**	**15.3%**
Grand Total		**10,959**	

Source: Illinois Hospital Association and Claritas Pop–Facts®, 2024.

Map of Geographic Service Area:



PSA = Primary Service Area (St. Clair County)
SSA = Secondary Service Area (Madison County and Clinton County)

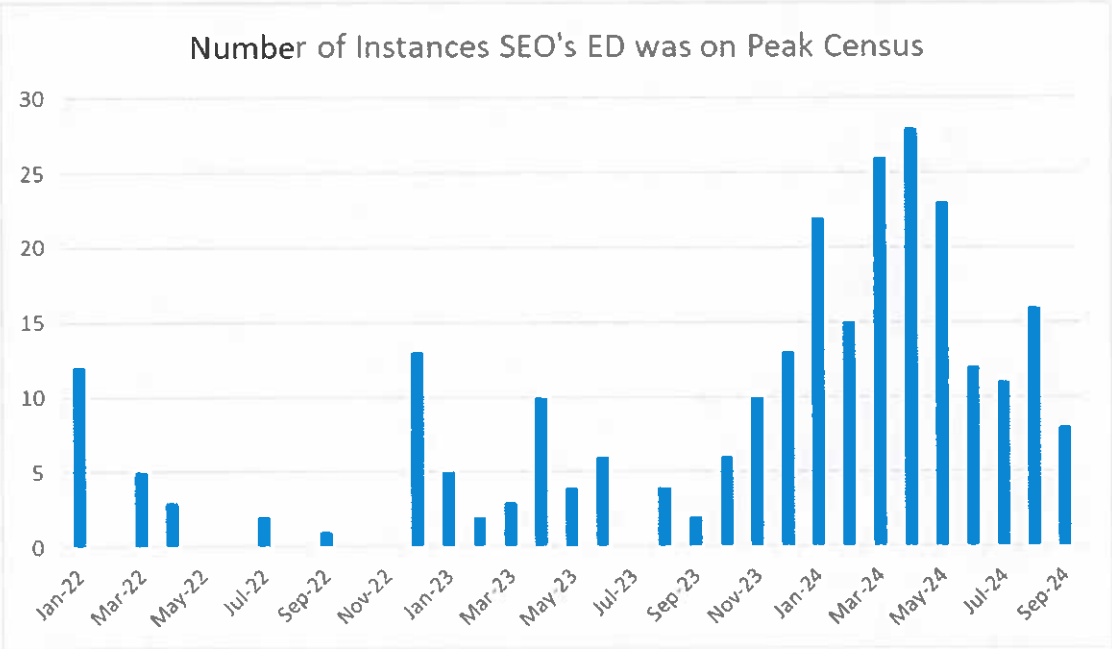
ATTACHMENT 12

3. Identify existing problems or issues that need to be addressed by the project

HSHS St. Elizabeth's Hospital ("SEO") is a critical healthcare provider for the southern Illinois market, serving as a tertiary hub for the region. However, the hospital is currently facing several significant challenges that need to be addressed to continue providing high-quality care and to meet future healthcare demands. These issues include capacity constraints, the outmigration of patients, and serving an underserved population. The proposed renovation and expansion project aims to address these problems comprehensively.

St. Elizabeth's Hospital has experienced significant growth and is currently operating at near-maximum capacity. The hospital's inpatient Medical/Surgical occupancy stands at 105%, while the emergency department (ED) operates at 111%. Table 1 below shows the number of times the ED has been at peak census over the last three years and exemplifies the challenges depicted by the unit's high occupancy.

Table 1



Hospitals are mandated to report when their resources are unable to meet the patient's demand and thus at peak census. It is important to note that SEO has never been on peak census due to staffing constraints rather it has always been due to a lack of either inpatient beds or ED treatment rooms. These high levels of utilization indicate that the hospital is severely stretched, limiting its ability to accommodate additional patients and potentially impacting the quality and accessibility of care, particularly for higher-acuity patients who require specialized and timely interventions. This is becoming a more significant concern as the acuity of SEO's inpatient cases has been trending upward. Between 2019 and 2024, SEO experienced a 3% rise in case mix index (CMI). These higher CMI levels represent patients with more severe systemic diseases that require intensive monitoring and specialized care.

Also, as previously described, these capacity challenges result in patient denials, patients boarding in the ED, and long lengths of stay.

- In 2023 there were 1,598 incoming transfer requests from regional hospitals. Of those, over 400 were denied due to capacity constraints. Denying these local transfer requests increases the chance that patients will need to travel out of the region for care.
- On average, there are 15 patients boarding each day in the ED waiting on an inpatient bed. This situation reduces the capacity available for emergency patients and provides a suboptimal experience for those boarding. Unlike inpatient rooms, ED rooms lack windows, are often noisier, and are smaller in size, compromising the comfort and quality of care for inpatients.
- The average length of stay for an ED patient is 228 minutes. While this length of stay is not unreasonably long, SEO believes there's opportunity for improvement.
- SEO is a full treatment Sexual Assault Nurse Examiner (SANE) center that is the transfer destination for six other hospitals in the region. This patient population has increased by 29% over the last two years, and it is critical to have the appropriate rooms to care for these vulnerable patients.

One significant consequence of these capacity constraints is the **outmigration of patients** seeking care outside the community. Over 9,000 adult and 2,000 pediatric patients from the O'Fallon area have sought healthcare services in Missouri due to limited access at SEO. Expanding the hospital's facilities will provide an opportunity to improve access to care, thereby reducing the need for patients to seek services outside the community. This challenge will only continue as there has been an increase of 3.5% in ED volumes and a 3.7% increase in IP volumes in the SEO market over the past three years. Keeping care local ensures that patients receive timely and convenient care, improving overall health outcomes.

Moreover, SEO **serves a largely underserved population**, particularly in rural communities. Within the hospital's General Service Area (GSA), 10 out of the 20 zip codes are in towns with populations of less than 10,000 residents. These rural communities often lack access to high-quality healthcare services and rely heavily on SEO for their medical needs. The hospital's current capacity constraints directly affect these communities, limiting their access to essential healthcare services and potentially exacerbating health disparities.

Additionally, the **aging population** in SEO's GSA is expected to grow significantly. The 65+ population is projected to increase from 87,419 to 96,517, representing a growth rate of 10.4% (*See* **Table 2**, below). As the elderly population increases, there will be a corresponding rise in the demand for healthcare services, particularly for chronic conditions and age-related health issues. Addressing the hospital's capacity constraints is crucial to meet the growing healthcare needs of the aging population and ensure that they receive timely and appropriate care.

Table 2: Increase in 65+ age cohort

Age Group	Population 2024	Population 2029	Variance	Growth Rate
65+	87,419	96,517	9,099	10.4%

Source: Claritas Pop-Facts utilized through Sg2's Market Demographic tools

Sg2 10-year growth rate projections for SEO's service area is 25% growth for outpatient procedures among the 65+ population. The growing 65+ population will drive emergency and diagnostic volume at SEO.

According to the Behavioral Risk Factor Surveillance System, **St. Clair County adults are surpassing other counties in the state of Illinois in risk factors leading to chronic conditions and in chronic conditions** such as diabetes, high blood pressure and more, as shown in **Table 3** below. Additionally, the leading causes of premature death in St. Clair County are heart disease and cancer. The proposed project will enhance the hospital's capacity to manage and treat chronic conditions, such as diabetes and high blood pressure, and provide timely early detection and intervention for heart disease and cancer. These improvements will ensure better access to high-quality care, ultimately reducing the risk factors and addressing the leading causes of premature death in St. Clair County.

Table 3: Incidence of Chronic Disease: St. Clair County vs. Illinois

Condition	St. Clair County	Illinois
Adult obesity	37.0%	30.0%
Physical Inactivity	31.0%	22.0%
Arthritis	31.3%	24.7%
Asthma	10.3%	8.2%
High blood pressure	37.1%	32.2%
Cancer	7.3%	6.4%
High Cholesterol	35.1%	31.5%
Diabetes	12.0%	11.3%

Source: Illinois Department of Public Health Behavioral Risk Factor Surveillance System & County Health Rankings

Compounded by chronic disease management demands and an aging population, SEO is currently facing significant capacity challenges in its emergency department and inpatient environment due to **rising rates of acute conditions**. As a regional EMS hub, SEO supports over 300 paramedics and 9 helicopters, resulting in increased ambulance arrivals, many involving trauma or acute conditions. Additionally, between 2022 and 2024, SEO experienced a 29% rise in sexual assault cases, necessitating specialized care. The existing facility has only one Sexual Assault Nurse Examiner (SANE) room equipped with the required private bathroom and shower which occasionally leads to bottlenecks and delays in patient care. The proposed project aims to address these issues by adding at least one more room with a dedicated bathroom and shower, alleviating current constraints. Furthermore, the expansion will enhance overall capacity, enabling SEO to better accommodate the growing acute care population and improve patient flow and outcomes.

Cite sources of information provided in sections above - provide documentation.

i. Barbosa, C. D., Balp, M. M., Kulich, K., Germain, N., & Rofail, D. (2012). A literature review to explore the link between treatment satisfaction and adherence, compliance, and persistence. Patient Preference and Adherence, 6, 39–48. https://doi.org/10.2147/PPA.S24752

ii. Alvaro C, Wilkinson AJ, Gallant SN, Kostovski D, Gardner P. Evaluating Intention and Effect: The Impact of Healthcare Facility Design on Patient and Staff Well-Being. HERD: Health Environments Research & Design Journal. 2016;9(2):82-104. doi:10.1177/1937586715605779

iii. Aysegul Ozlem Bayraktar Sari, Wassim Jabi, Architectural spatial layout design for hospitals: A review, Journal of Building Engineering, Volume 97, 2024, 110835, ISSN 2352-7102, https://doi.org/10.1016/j.jobe.2024.110835.

iv. Illinois Hospital Association (IHA CompDATA)

v. Sg2 - Impact of Change data, market estimates and publications

vi. Hospital Sisters Health System internal patient care statistics and business planning

4. Detail how the project will address or improve the previously referenced issues as well as the population's health status

The primary purpose of the proposed project is to alleviate extraordinarily high inpatient and emergency department utilization in the hospital and to increase access to care that promotes keeping care local.

As discussed, SEO's inpatient Medical/Surgical beds are currently over 105% utilization and emergency services are at 111% utilization, requiring additional capacity to assure continued access to these services in the area. The proposed project will add capacity for higher acuity patients who require inpatient care and improve operational flow, positively impacting the patient and staff experience while providing capacity for higher acuity growth.

Also, area residents susceptible to chronic diseases that are leading causes of premature death in St. Clair County need access to high-acuity and emergency care, such as the project proposed here, when their disease progresses or requires immediate intervention. Studies have shown that timely access to health care services is critical to improve the health status of a given population. While there are many stakeholders involved in improving the health and well-being of a community, the local healthcare system has a responsibility to ensure timely access to all levels of care.

By retaining patients within the local market, the proposed project will also foster continuity of care and improve overall health outcomes for the community.

5. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals

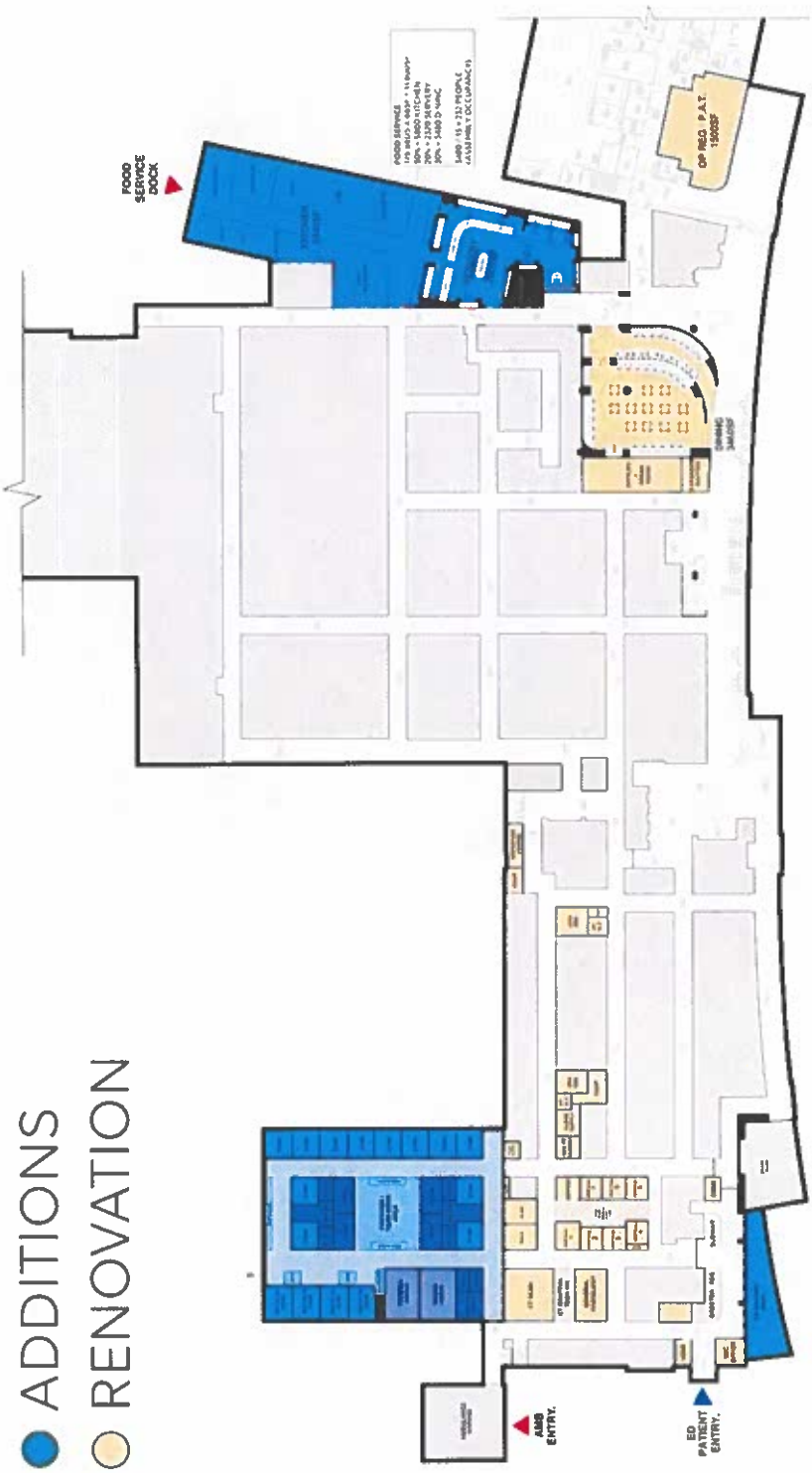
The proposed project allows SEO to continue providing high quality healthcare to residents seeking care in its service area. The goals of this project include:

- **Providing a high-acuity hospital that keeps patients closer to home**: Currently, approximately 40% of identified service area residents leave the market to seek care in St. Louis, Missouri. SEO's inpatient beds and emergency department are at nearly max capacity and no longer have the ability to meet demand. By expanding inpatient and emergency department capacity on campus HSHS aims to decrease the number of Illinois patients forced to travel to St. Louis for care.
- **Improving access to care by providing expanded services in the community**: SEO's inpatient bed capacity is at 94%, with telemetry and ICU capacity often runs over 100% capacity. As a growing regional tertiary hospital, SEO, needs capacity to take regional transfers of high acuity patients in growing services like Cardiology, Neurology, Neurosurgery, Orthopedics, General Surgery, Urology and Spine. Given current capacity limitations, in 2023, SEO received 1,598 transfer requests, of which 408 were denied because the hospital was at capacity. The project would seek to limit challenges currently faced by primary and specialty care physicians in referring their high-acuity patients to SEO.
- **Improve operational throughput**: With an improved ED operational flow and reduced boarders, the project seeks to reduce ED patient average length of stay from 222 minutes to 185 minutes.

Hospital Site Plan

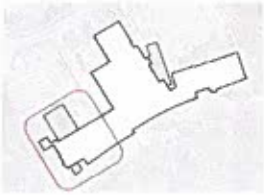
1 ED EXAM ADDITION
2 ED WAITING ADDITION
3 FOOD SERVICE ADDITION
4 IP ADDITION/RENOVATION

ATTACHMENT 12



ATTACHMENT 12

Level 1 Emergency Additions/Remodel



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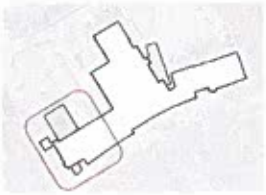

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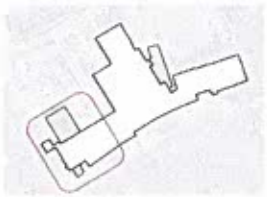
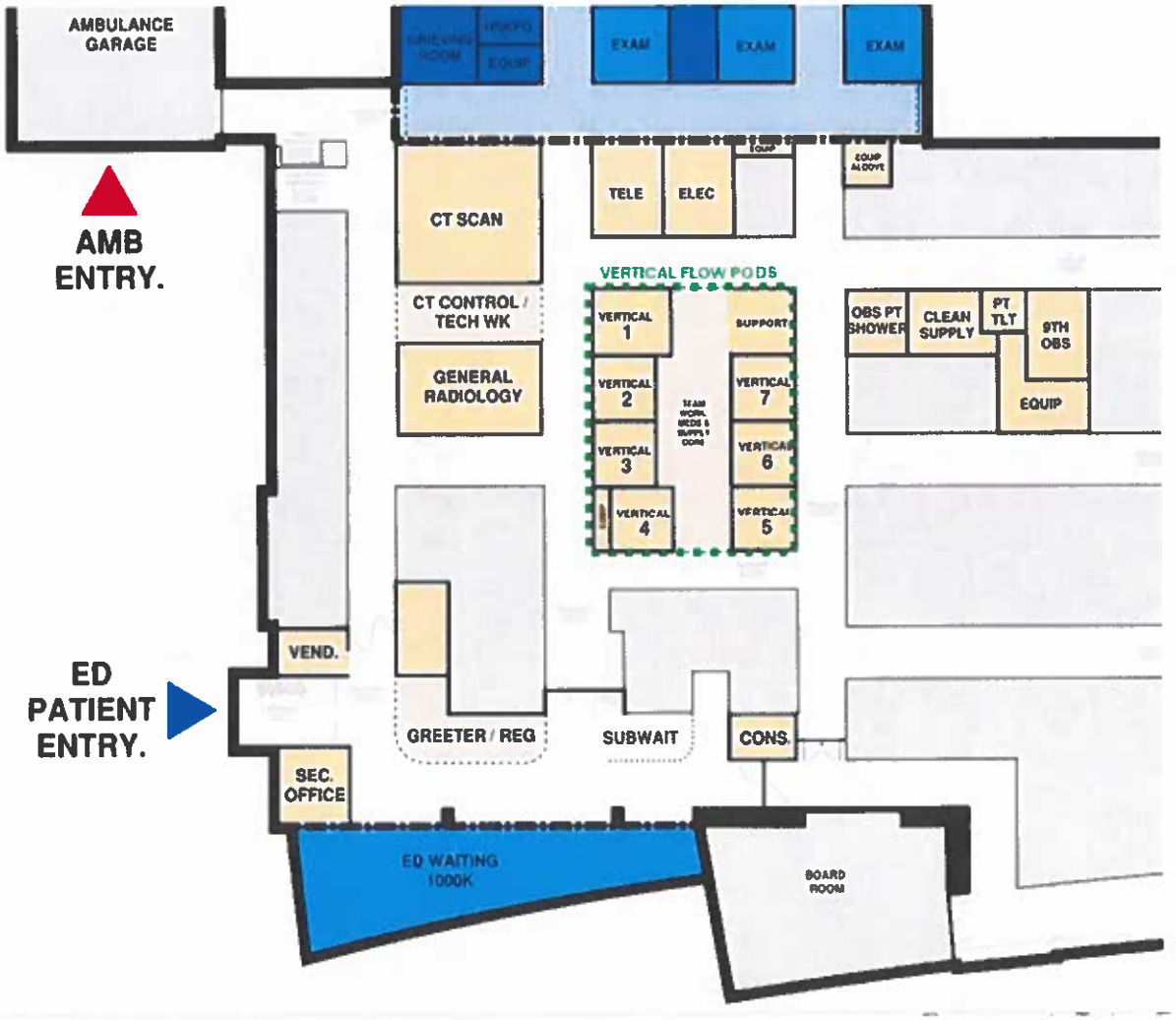
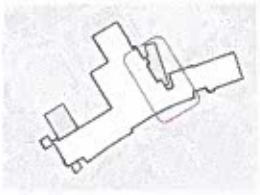
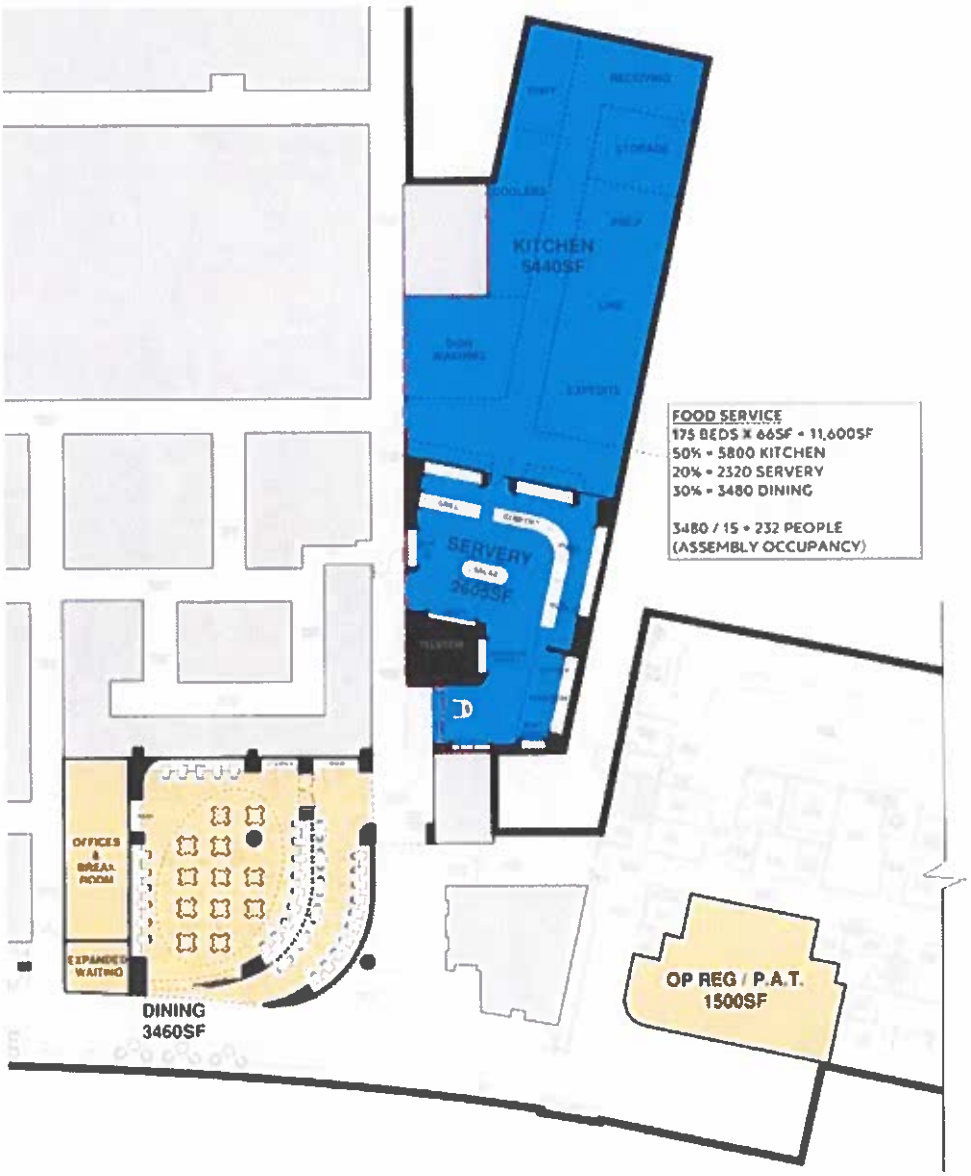




ATTACHMENT 12

Level 1 Food Service Addition/Remodel





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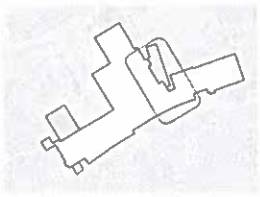
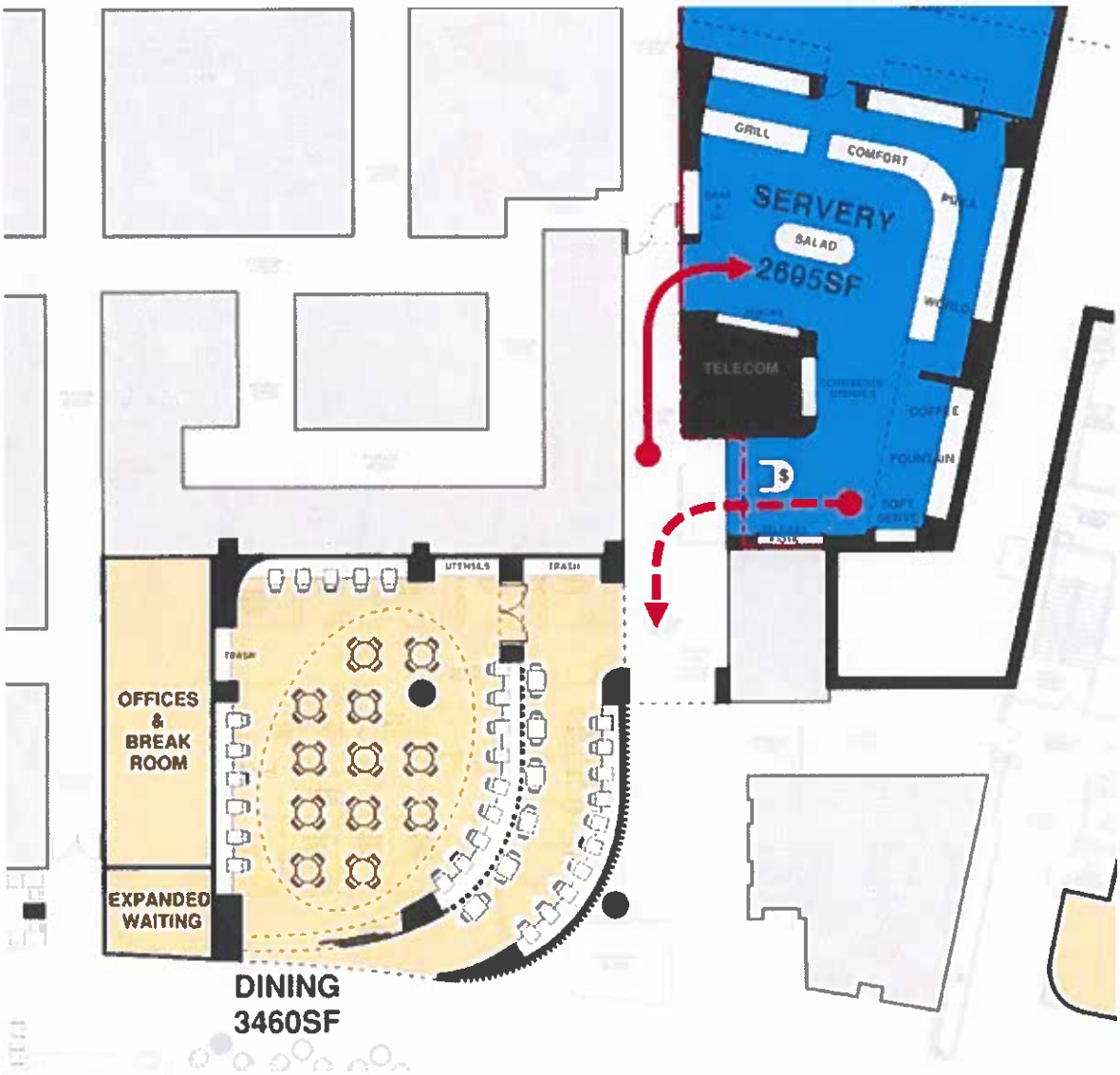
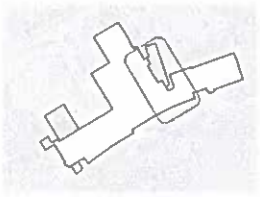
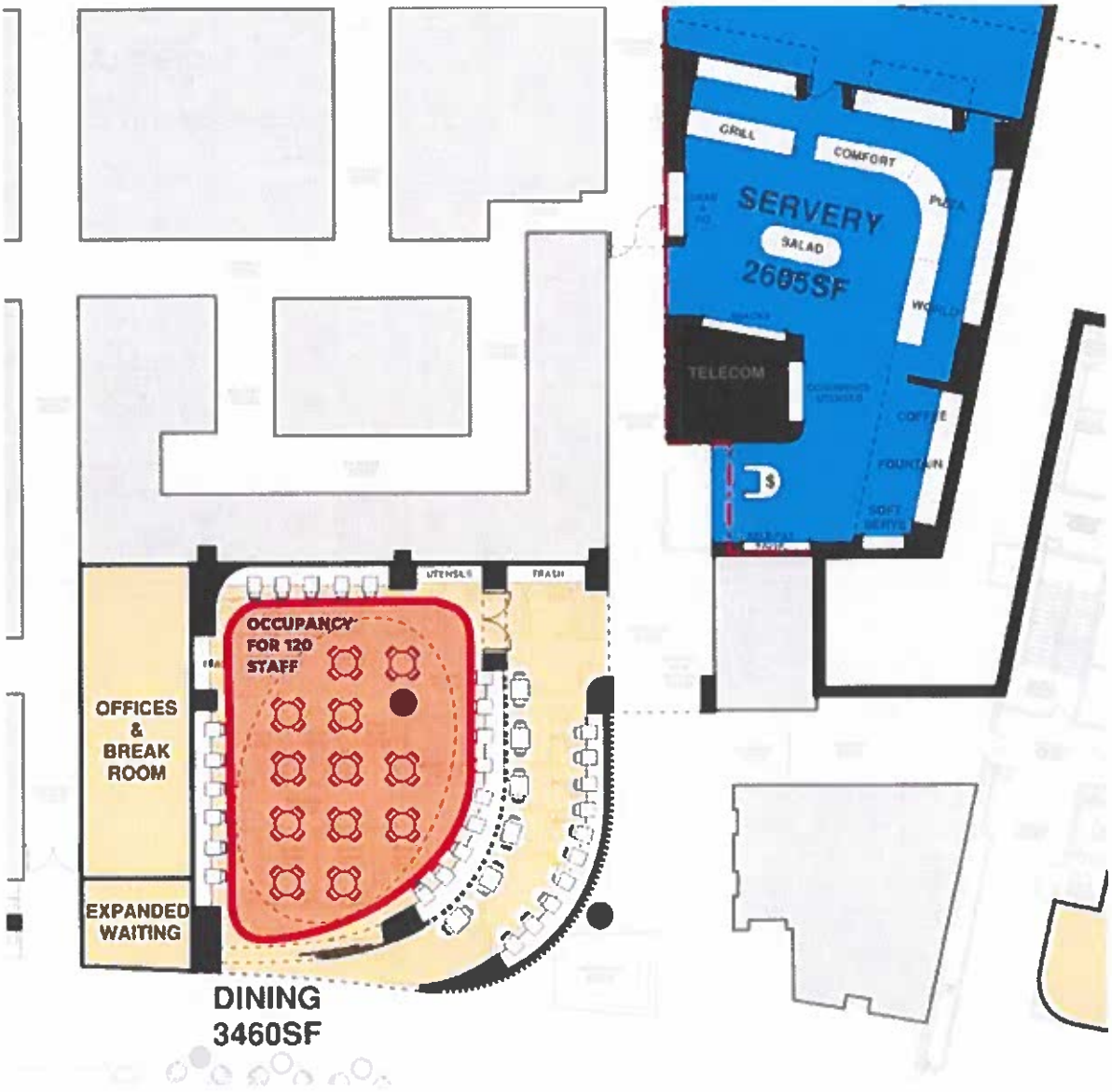




ATTACHMENT 12

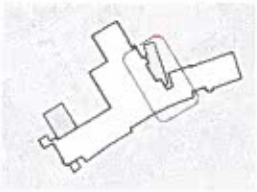
Level 1 Food Service Addition/Remodel

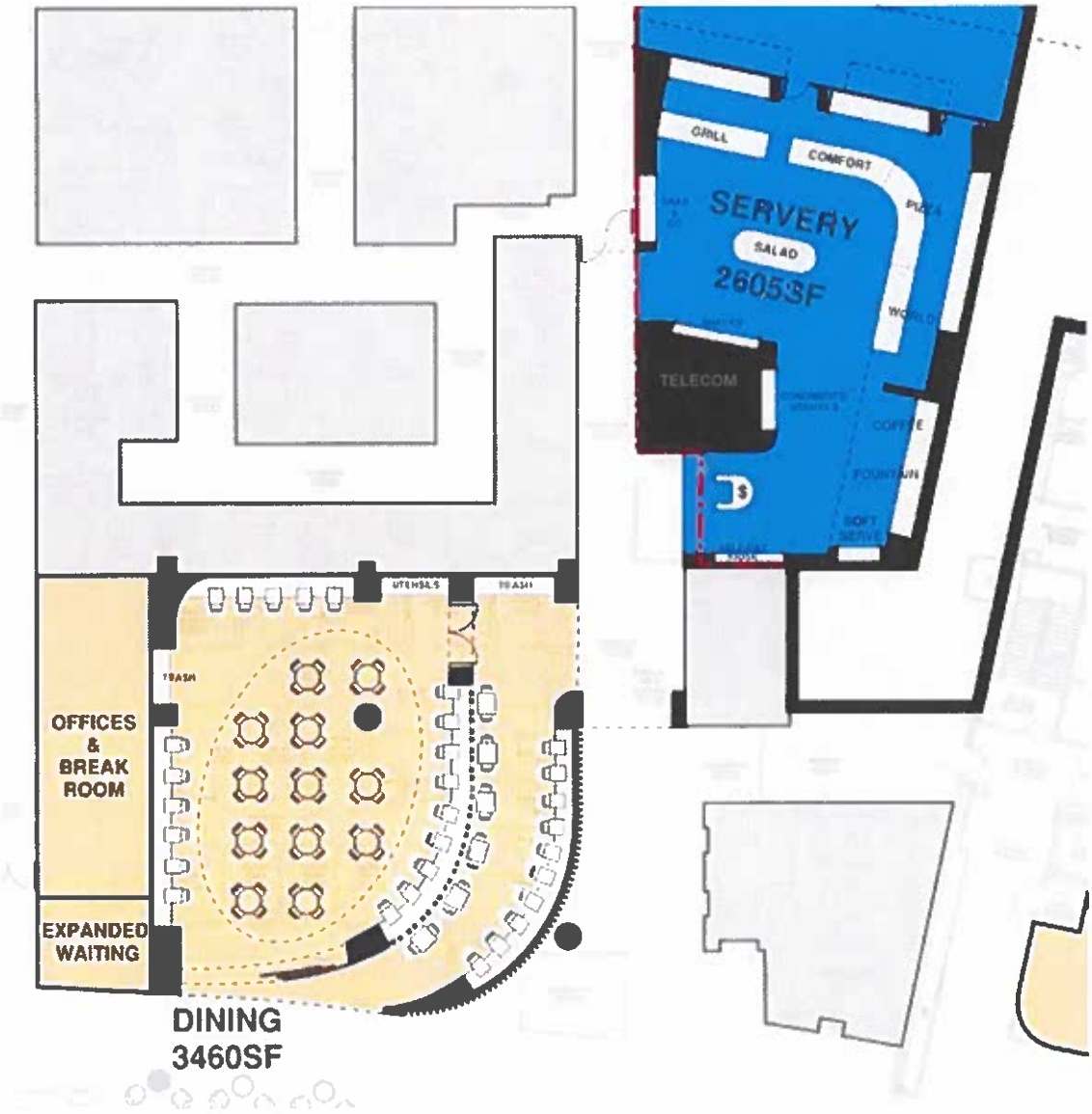




ATTACHMENT 12

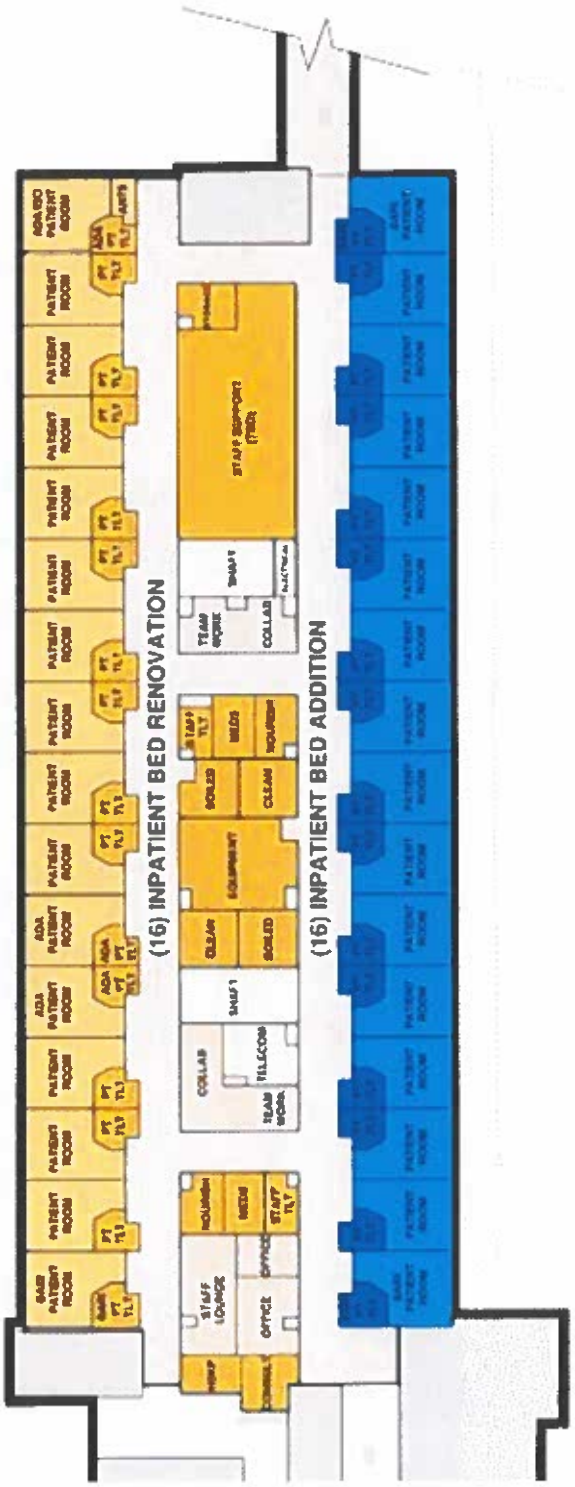
Level 1 Food Service Addition/Remodel



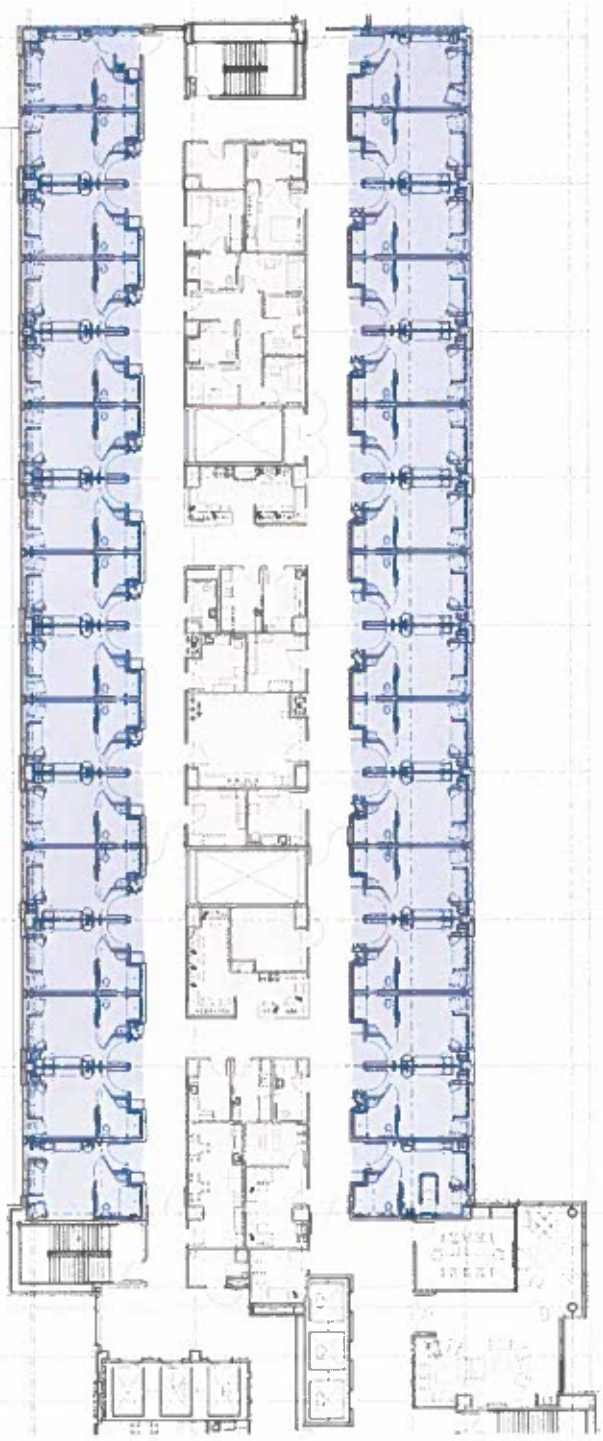


ATTACHMENT 12

Level 5 Inpatient Addition/Renovation:



ATTACHMENT 12



Detailed Schematic:

5th Floor IP Addition/Renovation

ATTACHMENT 12

ATTACHMENT 13

Alternatives to the Project

As part of the HSHS St. Elizabeth's Hospital (SEO) master facility planning process it was determined that there was a critical need for additional medical surgical inpatient beds and additional emergency department (ED) treatment rooms to address utilization and capacity issues across the hospital's campus. Recommendations were provided to resolve the need for additional medical surgical beds and ED treatment rooms at the current facility to reduce denials, add capacity for regional transfers, optimize resource utilization, improve satisfaction, and enhance the quality of care.

Several alternatives outlined below were evaluated:

1. **Maintain Status Quo/Do Nothing**

This option considered maintaining the current inpatient bed capacity and ED capacity on the campus. However, SEO, as a certified chest pain center, an Acute Stroke Ready hospital, and a regional EMS hub, is experiencing growth of critically ill patients. The growth of these programs, combined with rising co-morbidities in the service area, is contributing to this increase.

The medical/surgical units at SEO consistently exceed the State Board utilization standards and currently over 105%. In addition, on average, there are four patients boarding each day in the ED while awaiting an inpatient bed. This average does not account for peak census periods when the numbers are significantly higher.

Maintaining the status quo fails to address the pressing capacity challenges and the anticipated future demands on SEO's inpatient facilities. In light of these factors, additional medical/surgical beds are essential to effectively meet the acute needs of SEO's service area.

There is no capital cost for this alternative.

2. **Internal renovations to existing inpatient units for additional bed capacity**

SEO's replacement campus, which opened in November 2017, is designed for compactness and efficiency, optimizing staffing and resource utilization across the campus. As such, there is essentially no space to add more inpatient beds to the existing units. The SEO planning team did explore this option, however, and identified potential space for six – seven additional inpatient rooms by converting support space on the 5th floor.

This option was not selected for several reasons:

- There is no space in the existing ED to add exam rooms and therefore the option does not solve the ED capacity constraints issue.

- The limited number of additional beds falls significantly short of meeting projected demand and does not accommodate future growth.
- The current medical/surgical units consist of 32 beds which is designed for an efficient staffing model. Adding six-seven beds on the 5th floor would disrupt these staffing efficiencies.
- The proposed renovation would eliminate essential support spaces, leading to staff dissatisfaction and operational disruption, as staff would need to leave the unit for breaks and meals. Removing waiting areas would displace family members, increasing stress and increasing the risk of potential disruption on the unit.
- The construction process would temporarily render some existing beds unusable, worsening capacity issues and significantly disrupting operations.

Given these numerous drawbacks, this alternative was not selected. The capital cost of this alternative was estimated at $44,000,000.

3. **Add a vertical addition to the hospital building for additional Medical/Surgical bed capacity**

The existing hospital is a five-story building that was not designed to support additional vertical expansion. Consequently, this option was quickly dismissed. The capital cost of this alternative was estimated to exceed $150,000,000.

4. **Add a horizontal addition to the hospital building for additional Medical/Surgical bed capacity and build an extension off the existing ED for additional ED capacity**

The current first floor of the hospital does not accommodate inpatient beds. To maintain proximity to existing inpatient services, SEO's planning team explored the option of adding a 24-bed inpatient unit adjacent to the exterior of the existing second-floor ICU and on top of the proposed Emergency Department (ED) expansion. This proposed inpatient expansion option involves several critical considerations and costs:

- **Vertical Implications:** The new unit would be constructed on top of the ED expansion, however the inpatient bed unit is larger than the ED expansion, necessitating a portion of the inpatient unit to be on silts.
- **Capacity:** This option added only 24 beds, which did not meet the projected bed demand.
- **Parking Implications:** The inpatient unit extension above the ED expansion would displace more parking than other options.
- **Structural Alignment:** The new unit must be constructed with appropriate foundational and leveling work to align with the existing second-floor elevation.
- **Connectivity:** Integrating the new unit with the existing ICU would necessitate the displacement and subsequent replacement of up to four current ICU rooms.

- **Exterior Design and Costs:** The addition would require exterior finishes designed to match or complement the existing building façade, incurring additional expenses. This option also requires the mobile tech deck to be relocated.
- **Patient Experience:** The addition would impact the patient experience, as half of the existing ICU rooms would face the new structure.
- **Regulatory Compliance:** Building codes require patient rooms to have unobstructed windows. Therefore, extended walkways would be necessary to connect the new and existing units, leading to increased costs and less efficient operations.
- **Utility Extensions:** Essential utilities, including electrical, plumbing, and HVAC systems, would need to be extended into the new construction.

This option was not selected due to not solving the inpatient capacity constraints and the potential inefficiencies in daily operations.

The estimated capital cost for this alternative was $71,000,000.

ATTACHMENT 14

Size of the Project

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	**PROPOSED BGSF/DGSF**	**STATE STANDARD**	**DIFFERENCE**	**MET STANDARD?**
Medical/Surgical Beds **32 additional beds**	**18,083 total** **565/bed**	**16,000-21,120** **500-600**	**(3,037)**	**Yes**
Emergency Department **33 total stations affected by project**	**28,491** **838/station**	**29,700** **900/station**	**(1,209)**	**Yes**
General Radiology **1 new unit**	**561**	**1300 dgsf/Unit**	**(740)**	**Yes**
CT Scanner **1 new unit**	**799**	**1800 dgsf/Unit**	**(1,002)**	**Yes**

The amount of total space programmed in the proposed project is necessary and conservative compared to State Standards in Appendix 1110B. There are no areas that exceed the State Standards in Appendix B.

The design of the new inpatient Medical/Surgical unit and Emergency Department (ED) expansion is based on patient centered care principles including the entire patient care encounter from pre-encounter, through arrival and check-in, patient care initiation, care delivery, care coordination/support, care assessment, departure/check out and post encounter. The patient-centered care continuum was developed using Lean principles.

The planned renovation of the inpatient Medical/Surgical unit will transform the current Dietary space within the existing inpatient bed tower platform. The new unit will mirror the design of the existing Medical/Surgical unit on the 5th floor, featuring comparably sized patient rooms and support areas to ensure consistency and functionality.

ATTACHMENT 15

Project Service Utilization

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

A. Medical-Surgical Beds

The proposed project includes the Medical Surgical Category of Service for which the Illinois Health Facilities and Services Review Board has established standards. For a unit size of 100 to 199 beds, the utilization standard for adding beds is 85%. The utilization standard applied to the proposed 144-bed Medical Surgical unit results in target utilization of 44,676 patient days. The second year of operation for this project is 2029. The Medical Surgical unit is projected to meet target utilization of 85% in both the first and second year of operation:

UTILIZATION					
	DEPT./ SERVICE	PROJECTED PATIENT DAYS.	PROJECTED UTILIZATION	STATE STANDARD	MEET STANDARD?
2028	Med/Surg	44,909	85.4%	85%	Yes
2029	Med/Surg	45,358	86.3%	85%	Yes

The projected patient days is based on the historical five year utilization growth in medical-surgical patient days from 2019 through 2024 which has been total growth of 19.2% and an annualized compounded growth rate of 5.4%. Projected growth from 2025 through 2030 is based on a conservative 1% annual growth as compared to the historical 5.4% annual rate. The historical patient days in **Table 4** below are from the Hospital Profiles from 2019 through 2023 and 2024 actual patient days from January through October annualized.

Table 4: St. Elizabeth's Hospital Historical Medical/Surgical Patient Days

CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024 (annualized)	% Change CY2019 - 2024	Compound Annual Growth Rate
33,163	36,893	36,707	39,763	39,538	43,157	19.22%	5.41%

Source: 2019-2023 Hospital Profiles 2024 St. Elizabeth's Hospital records.

The Table 5 below projects future patient days utilizing a 1% annual growth:

Table 5: Projected Patient Days based on 1% Annual Growth

CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030
43,589	44,024	44,465	44,909	45,358	45,812

In addition to being justified by the historical growth rate, the 1% annual projected growth rate is further justified by the following factors:

- The 65+ population is projected to increase from 87,419 to 96,517, representing a growth rate of 10.4%
- St. Clair County adults are surpassing other counties in the state of Illinois in risk factors leading to chronic conditions and in chronic conditions.
- Rising acute care volume related to serving as the regional EMS hub, Sexual Assault referral center, and pediatric ED provider.

B. Imaging Equipment

The project includes the addition of one X-ray and one CT Scan. The State Guidelines are 8,000 procedure per year for X-ray equipment and 7,000 visits per year for CT Scans. As addressed in Attachment 31, below, the historical and projected utilization of this equipment justifies the additional equipment.

The historical utilization alone justifies the addition of one General Radiology/Fluoroscopy (X-ray), from 5 to 6, and one CT Scan from 2 to 3.

Table 6: 2023 Utilization of Imaging Services

Service	2023 visits/procedures	State Guidelines visits/procedures	Units Justified	Standard Met?
General Radiology/Fluoroscopy (5 Units)	42,508	8,000/unit	5.3	Yes
CT Scan (2 Units)	29,903	7,000/unit	4.3	Yes

Source: 2023 hospital data. Note: St. Elizabeth's Hospital has submitted a declaratory ruling request to correct its prior Hospital Profile data as prior submissions included equipment located off-campus at sites other than the hospital.

The General Radiology/Fluoroscopy utilization is expected to increase by at least half of the historical annual growth rate of 4.2% which would be 2.1%. The services will be at utilization levels justifying the additional units in the first and second year of operation based on the State Guideline of 8,000 procedure/unit.

Table 7: Projected Utilization of General Radiology/Fluoroscopy

	2028 Procedures	2029 Procedures
General Radiology/Fluoroscopy	47,163	48,153
Units Justified	5.9	6.0

The additional CT scanner will also be placed within the ED specifically for ED patients, eliminating the need to move them to the imaging department for CT exams. The hospital currently operates two CT scanners, and the new project will add one more, bringing the total to three scanners. As depicted in tables below, from 2021 to 2023, the hospital conducted an average of 28,065 visits annually, with over 50% of the scans originating from patients in the emergency department. The CT volume historical growth rate over this period was 8.26% annually.

Table 8: Historical CT Scan Utilization

Historical			
Service	**2021 Visits**	**2022 Visits**	**2023 Visits**
CT Scan	25,510	28,783	29,903

Source: Updated Hospital Profile data subject to declaratory ruling request.

CT Scan utilization is expected to increase by at least half of the historical annual growth rate of 8.26% which would be 4.1%. The services will be at utilization levels justifying the additional units in the first and second year of operation based on the State Guideline of 7,000 visits/unit.

Table 9: Projected CT Scan Utilization

	2028 Visits	**2029 Visits**	
CT	36,557	38,056	
Units Justified	5.2	5.4	

To conclude, the historical and projected utilization of the General Radiology/Fluoroscopy and CT scan units justify one additional unit for each imaging service.

C. Emergency Department Stations

The project includes Emergency Stations for which the State Guidelines are 2,000 visits per station. The project increases ED stations from 25 to 33.

The State Guideline for utilization for ED stations is 2000 visits/station. As shown in the utilization table below, the existing 25 ED stations are utilized at 92.2%, though below the state guidelines. However, the additional stations are justified under the Necessary Expansion provisions of Section 1110.270(c)(2).

Table 10: 1110.270(c)(3)(B): Utilization – Service or Facility

Service	**Existing Units**	**CY24* Total visits/procedures**	**State Guidelines visits/procedures**	**Standard Met?**
ED Exam Room	25	46,100	2,000	No

*Annualized Jan-Oct 2024.

Also, the historical utilization of the ED over the last three years has grown at a 6% annual growth rate over the last three years. If that growth rate were to continue, the project would meet target utilization by the third year of operation (2030) as shown in the tables below.

Table 11

Historical			
Service	**2022 Visits**	**2023 Visits**	**2024 Visits**
Emergency Dept.	41,010	43,230	46,100

Table 12

Projected			
	2028 Visits	**2029 Visits**	**CY2030 Visits**
Emergency Dept.	58,200	61,692	65,394
ED Stations Justified	29.1	30.8	32.6

ATTACHMENT 19

Medical/Surgical

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

3. 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:

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

Category of Service	# Existing Beds	# Proposed Beds
☒ Medical/Surgical	112	144
☐ Obstetric	12	12
☐ Pediatric	0	0
☐ Intensive Care	20	20

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

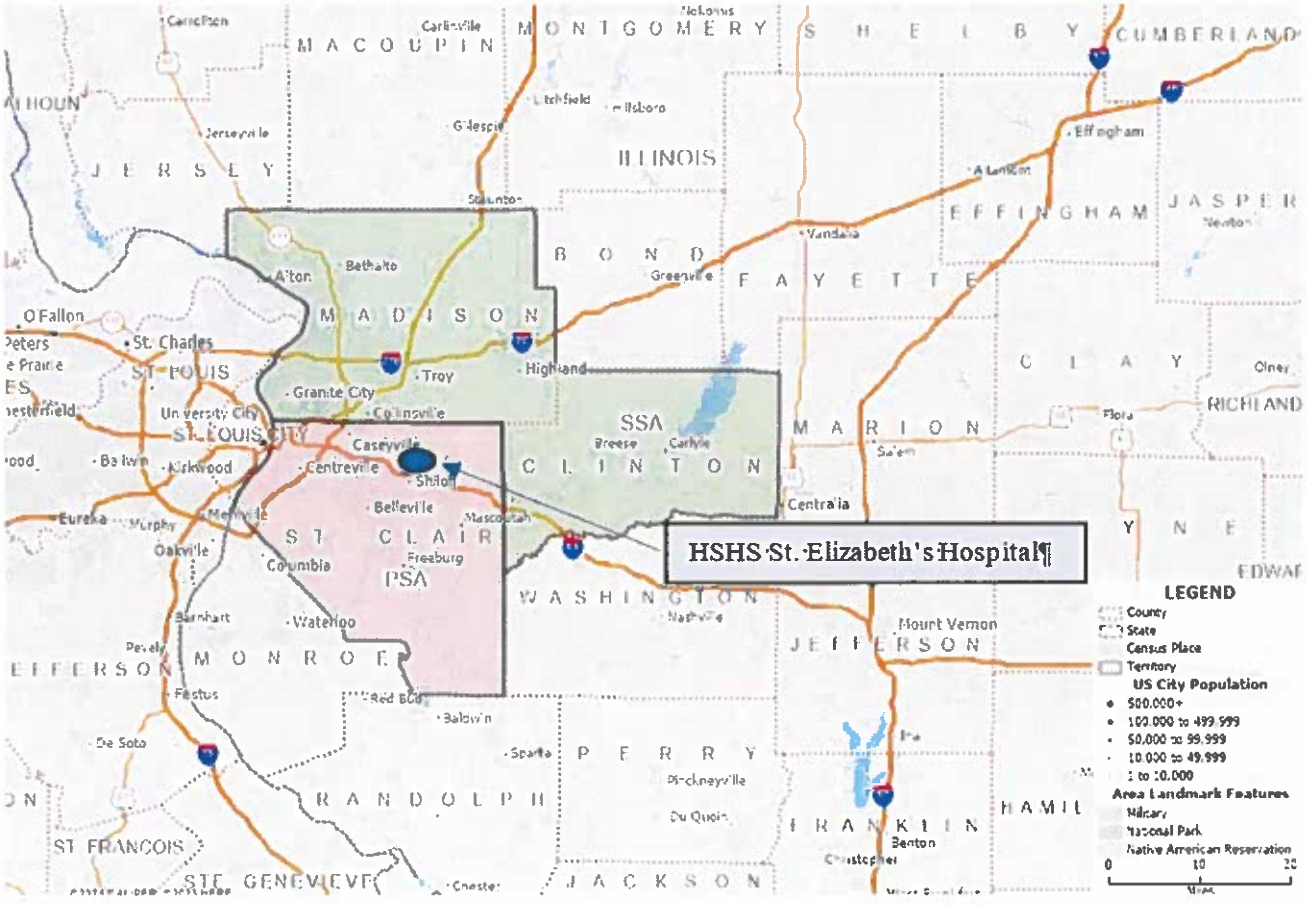
APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.200(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (Formula calculation)	X		
1110.200(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.200(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.200(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.200(b)(5) - Planning Area Need - Service Accessibility	X		
1110.200(c)(1) - Unnecessary Duplication of Services	X		
1110.200(c)(2) - Maldistribution	X	X	
1110.200(c)(3) - Impact of Project on Other Area Providers	X		
1110. 200(d)(1), (2), and (3) - Deteriorated Facilities			X
1110.200(d)(4) - Occupancy			X
1110.200(e) - Staffing Availability	X	X	
1110.200(f) - Performance Requirements	X	X	X
1110.200(g) - Assurances	X	X	
APPEND DOCUMENTATION AS ATTACHMENT 19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

1110.200(b)(2) - Planning Area Need - Service to Planning Area Residents

A) Applicants proposing to establish or add beds shall document that the primary purpose of the project will be to provide necessary health care to the residents of the area in which the proposed project will be physically located (i.e., the planning or geographical service area, as applicable), for each category of service included in the project.

The primary purpose of the project is to provide additional acute care capacity to meet the rising health care demands in area served by St. Elizabeth's Hospital. The facility is located in Health Planning Area F-01 which consists of all of St. Claire and Madison Counties and portions of Monroe and Clinton Counties. A map of the hospital's geographic service area is below.

Map of Geographic Service Area:



PSA = Primary Service Area (St. Clair County)
SSA = Secondary Service Area (Madison County and Clinton County)

B) Applicants proposing to add beds to an existing category of service shall provide patient origin information for all admissions for the last 12-month period, verifying that at least 50% of admissions were residents of the area. For all other projects, applicants shall document that at least 50% of the projected patient volume will be from residents of the area.

St. Elizabeth's service area includes Clinton, Madison, and St. Clair County. The following **Table 13** identifies the top three counties by patient discharges, which represents more than 84% of the hospital's patient volume.

Table 13: Patient Origin by County

St. Elizabeth's Hospital FY24 Inpatient Discharge Data by County		
County	**Discharges**	**% Total**
17163 - ST. CLAIR COUNTY, IL	7,046	64.3%
17119 - MADISON COUNTY, IL	1,333	12.2%
17027 - CLINTON COUNTY, IL	902	8.2%
3 County Sub - Total	**9,281**	**84.7%**
Other	**1,678**	**15.3%**
Grand Total	**10,959**	**100.0%**

C) Applicants proposing to expand an existing category of service shall submit patient origin information by zip code, based upon the patient's legal residence (other than a health care facility).

Table 14 below depicts patient origin information by zip code for St. Elizabeth's current Medical/Surgical beds. These zip codes represent 84.7% of the hospital's inpatient volume. SEO expects that the additional Medical/Surgical patients will have similar patient origin as its historical Medical/Surgical population.

Table 14: Patient Origin by Zip Code

HSHS SEO Inpatient Discharges and Population by Zip Code (3 County Service Area)			
Zip Code	**2024 Population**	**FY24 Discharges**	**% Total**
62269 - O FALLON	35,349	1,209	11.0%
62221 - BELLEVILLE	28,412	976	8.9%
62226 - BELLEVILLE	28,672	687	6.3%
62208 - FAIRVIEW HEIGHTS	17,077	627	5.7%
62220 - BELLEVILLE	18,671	543	5.0%
62234 - COLLINSVILLE	31,250	484	4.4%
62223 - BELLEVILLE	15,811	375	3.4%
62258 - MASCOUTAH	10,313	346	3.2%
62249 - HIGHLAND	16,126	340	3.1%
62232 - CASEYVILLE	7,569	219	2.0%
62206 - EAST SAINT LOUIS	12,078	216	2.0%
62254 - LEBANON	6,534	216	2.0%
62225 - SCOTT AIR FORCE BASE	5,048	196	1.8%
62203 - EAST SAINT LOUIS	5,841	189	1.7%
62265 - NEW BADEN	4,553	177	1.6%
62243 - FREEBURG	5,701	171	1.6%
62205 - EAST SAINT LOUIS	6,414	163	1.5%
62231 - CARLYLE	7,166	162	1.5%
62293 - TRENTON	4,643	153	1.4%
62207 - EAST SAINT LOUIS	6,630	148	1.4%
62230 - BREESE	6,559	146	1.3%
62204 - EAST SAINT LOUIS	4,158	125	1.1%
62040 - GRANITE CITY	40,023	118	1.1%
62264 - NEW ATHENS	3,113	108	1.0%
62294 - TROY	15,462	102	0.9%
62285 - SMITHTON	4,555	98	0.9%
62260 - MILLSTADT	7,003	86	0.8%
62216 - AVISTON	3,012	83	0.8%
62201 - EAST SAINT LOUIS	4,848	77	0.7%

62257 - MARISSA	2,648	75	0.7%
62034 - GLEN CARBON	14,813	62	0.6%
62025 - EDWARDSVILLE	36,653	60	0.5%
62215 - ALBERS	1,710	56	0.5%
62239 - DUPO	4,723	49	0.4%
62218 - BARTELSO	1,590	45	0.4%
62255 - LENZBURG	962	41	0.4%
62245 - GERMANTOWN	1,995	37	0.3%
62060 - MADISON	3,792	37	0.3%
62282 - SAINT LIBORY	516	33	0.3%
62062 - MARYVILLE	8,107	32	0.3%
62001 - ALHAMBRA	1,705	26	0.2%
62240 - EAST CARONDELET	1,552	25	0.2%
62281 - SAINT JACOB	2,892	22	0.2%
62219 - BECKEMEYER	784	22	0.2%
62061 - MARINE	1,669	20	0.2%
62289 - SUMMERFIELD	324	19	0.2%
62059 - LOVEJOY	545	17	0.2%
62074 - NEW DOUGLAS	1,067	10	0.1%
62002 - ALTON	29,987	10	0.1%
62095 - WOOD RIVER	10,974	9	0.1%
62090 - VENICE	906	8	0.1%
62010 - BETHALTO	10,750	6	0.1%
62250 - HOFFMAN	417	6	0.1%
62024 - EAST ALTON	9,133	5	0.0%
62035 - GODFREY	15,500	5	0.0%
62087 - SOUTH ROXANA	1,841	4	0.0%
3 County Zip Code Sub - Total	**530,146**	**9,281**	**84.7%**
Other		**1,678**	**15.3%**
Grand Total		**10,959**	

Source: Illinois Hospital Association and Claritas Pop-Facts®, 2024.

1110.200(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service

The number of beds to be added for each category of service is necessary to reduce the facility's experienced high occupancy and to meet a projected demand for service. The applicant shall document subsection (b)(4)(A) and either subsection (b)(4)(B) or (C):

> **1110.200(b)(4)(A): Historical Service Demand: An average annual occupancy rate that has equaled or exceeded occupancy standards for the category of service, as specified in 77 Ill. Adm. Code 1100, for each of the latest 2 years;**

The medical/surgical unit at St. Elizabeth's Hospital has exceeded the 85% occupancy standard every year since 2019, and the average annual occupancy rate for the two year period of 2022 to 2023 was 97%. **Table 15** below shows historical utilization of the medical/surgical unit.

Table 15: Medical/Surgical Occupancy Rate

Med/Surg Unit	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024 (annualized)
Patient Days	33,163	36,893	36,707	39,763	39,538	43,157
Bed Count	100	112	112	112	112	112
Occupancy	90.9%	90.2%	89.8%	97.3%	96.7%	105.6%

Source: 2019-2023 Hospital Profiles, 2024 St. Elizabeth's Hospital records.

Historical service demand justifies the beds requested.

1110.200(b)(4)(B): Projected Referrals

The project does not rely on referrals from any other area facility. The additional beds requested are justified based on historical patient days, historical annual patient day growth of 5.4% over the last five years, and a conservative projected 1% annual growth rate going forward. This data is provided above and included below for convenient reference.

The projected patient days is based on the historical five year utilization growth in medical-surgical patient days from 2019 through 2024 which has been total growth of 19.2% and an annualized compounded growth rate of 5.4%. Projected growth from 2025 through 2030 is based on a conservative 1% annual growth as compared to the historical 5.4% annual rate. The historical patient days in **Table 16** below are from the Hospital Profiles from 2019 through 2022, the 2023 Annual Hospital Questionnaire (AHQ), and 2024 actual patient days from January through October annualized.

Table 16: St. Elizabeth's Hospital Historical Medical/Surgical Patient Days

CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024 (annualized)	% Change CY2019 - 2024	Compound Annual Growth Rate
33,163	36,893	36,707	39,763	39,538	43,157	19.22%	5.41%

Source: 2019-2022 Hospital Profiles, 2023 AHQ, 2024 St. Elizabeth's Hospital records.

Table 17 below projects future patient days utilizing a 1% annual growth:

Table 17: Projected Patient Days based on 1% Annual Growth

CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030
43,589	44,024	44,465	44,909	45,358	45,812

In addition to being justified by the historical growth rate, the 1% annual projected growth rate is further justified by the following factors:

- The 65+ population is projected to increase from 87,419 to 96,517, representing a growth rate of 10.4%
- St. Clair County adults are surpassing other counties in the state of Illinois in risk factors leading to chronic conditions and in chronic conditions.
- Rising acute care volume related to serving as the regional EMS hub, Sexual Assault referral center, and pediatric ED provider.

1110.200(b)(4)(C): Rapid Population Growth:

Population projections shall be produced, using, as a base, the population census or estimate for the most recent year, for county, incorporated place, township or community area, by the U.S. Census Bureau or IDPH

IDPH and U.S. Census Bureau population projections support the number of beds requested. While some age cohorts in the Planning Area and St. Clair County are projected to decrease, the large increase in the 65+ age cohorts, combined with the much higher IDPH Use Rates for those populations result in increased overall patient days. As demonstrated below, these projections justify 145 beds by 2030, the second full year of project operation. The project is requesting an additional 32 beds to the existing 122-bed compliment, totaling 144 beds.

The 2023 Inventory of Health Care Facilities and Categories of Service (Inventory) contains IDPH use rates and population projections for Planning Area F-01 over the five-year period from 2021 to 2026. The Inventory then projects patient days based on use rates and projected population changes. The applicable page from the Inventory is included with this Attachment 19. The data is summarized in **Table 18**, below.

Table 18: IDPH Population Projections: Planning Area F-1

Hospital Planning Area F-01: Medical-Surgical Category of Service: 2021-2026							
Age Cohort	3-Year Average Patient Days	2021 Population	2026 Population	Use Rate	2026 Projected Days	% Increase Patient Days 2021-2026	Compounded Annual Growth
0-14	30	108,300	101,470	0.0003	30	1.47%	0.29%
15-44	16861	213,140	213,140	0.0777	16,561	-1.78%	-0.36%
45-64	47396	151,470	144,550	0.3129	45,230	-4.57%	-0.93%
65-74	38816	61,310	69,080	0.6331	43,735	12.67%	2.41%
75+	58661	41,840	47,300	1.402	66,315	13.05%	2.48%

St. Elizabeth's 2024 patient days are based on actual days for the ten-month period of January through October, then annualized. St. Elizabeth's 2024 annualized patient days by age cohort is then estimated by averaging the last three years of historical data (2021 through 2023) to determine the average percentage of total patient days attributable to each age cohort. This calculation is shown in **Table 19,** below.

Table 19: St. Elizabeth's Projected Patient Days by Age Cohort

St. Elizabeth's Hospital: Projected Days by Age Cohort							
Age Cohort	2021 Patient Days	2022 Patient Days	2023 Patient Days	3 Year Total Patient Days	3 Year Avg. Patient Days	% Total Avg Days	2024 Projected Days
0-14	0	0	0	0	0	0.00%	0
15-44	3,280	3,480	3,354	10,114	3,371	9.91%	3,519
45-64	9,796	9,137	9,239	28,172	9,391	27.61%	9,801
65-74	7,559	9,192	9,110	25,861	8,620	25.35%	8,997
75+	11,414	12,954	13,504	37,872	12,624	37.12%	13,175
TOTAL	32,049	34,763	35,207	102,019	34,006	100.00%	35,491

Applying IDPH's five-year projected growth to St. Elizabeth's 2024 patient days justifies 145 medical-surgical beds. This assumes observation days of 6,500, which is significantly less than

the 7,665 observation days based on 2024 data. The five-year projected patient days for St. Elizabeth's is shown in **Table 20**, below.

Table 20: St. Elizabeth's Projected Patient Days based on IDPH Planning Area Projections

St. Elizabeth's Hospital: 2029-2030 Projected Days			
Age Cohort	**2024 Patient Days**	**2029 Projected Days**	**2030 Projected Days**
0-14	0	0	0
15-44	3519	3,456	3,444
45-64	9801	9,353	9,266
65-74	8997	10,137	10,382
75+	13175	14,894	15,264
Patient Days	35,491	37,840	38,355
Observation	6500	6500	6500
Total Days	**41,991**	**44,340**	**44,855**
Beds Justified	**135**	**143**	**145**

The Inventory does not contain projections beyond 2026. However, IDPH has separately calculated population projections from 2025 to 2030 by County in its Population Projections (2023 Edition). These projections are based on U.S. Census data. The five-year projections to 2030 for St. Clair County, in which the project is located, are consistent with the Inventory's five-year projections from 2021 to 2024. Again, while there are projected declines in the lower age cohorts, the data show significant increases in the 65+ age cohorts. St. Elizabeth's projected patient days based on IDPH's County population projections to 2030 justify 146 beds in 2029, and 148 beds in 2030. These calculations are included in **Table 21**, below.

Table 21: St. Elizabeth's Projected Patient Days based on IDPH County Projections

St. Elizabeth's Hospital: Projected Patient Days Using IDPH County Population Projections					
Age Cohort	**2024 Patient Days**	**2025-2030 IDPH Pop. Change**	**IDPH CAGR**	**2029 Projected Days**	**2030 Projected Days**
0-14	0	N/A	N/A	0	0
15-44	3,519	-3.04%	-0.62%	3,412	3,391
45-64	9,801	-5.13%	-1.05%	9,298	9,200
65-74	8,997	8.34%	1.10%	9,747	9,854
75+	13,175	22.97%	4.22%	16,202	16,886
Patient Days	35,491			38,658	39,331
Observation Days	6,500			6,500	6,500
Total Days	**41,991**			**45,158**	**45,831**
Beds Justified	**135**			**146**	**148**

Source: IDPH Population Projections (2023 Edition)

To summarize, the 144 total medical-surgical beds at St. Elizabeth's resulting from this project are justified by both the five-year projections of IDPH in the 2023 Inventory by Planning Area (justifying 145 beds in 2030) and by IDPH five-year projections by County (justifying 148 beds by 2030).

MEDICAL-SURGICAL and PEDIATRIC Categories of Service

Hospital Planning Area: F-01

Hospital	City	Beds	2021 Admissions	2021 Patient Days
CATEGORY OF SERVICE: Medical-Surgical				
Alton Memorial Hospital	Alton	117	5,471	25,416
Anderson Hospital	Maryville	108	4,213	22,077
12/1/2021 Bed Change	Facility added 10 Medical-Surgical beds to existing category of service. Hospital now has 108 Medical-Surgical beds.			
Gateway Regional Medical Center	Granite City	166	1,674	8,584
HSHS St Elizabeth's Hospital	O'Fallon	112	6,865	36,707
10/22/2019 E-046-19	Received exemption to add 12 Medical-Surgical beds to existing category of service; facility now has 112 Medical-Surgical beds.			
Memorial Hospital	Belleville	202	8,452	47,031
8/26/2020 E-038-20	Hospital received exemption to add 10 beds to existing Medical-Surgical category of service. Hospital now has 202 authorized Medical-Surgical beds			
Memorial Hospital - East	Shiloh	72	3,456	15,305
OSF Saint Anthony's Health Center	Alton	38	1,856	9,204
9/13/2019 Bed Change	Facility discontinued 63 Medical-Surgical beds; hospital now has 38 Medical-Surgical beds.			
St. Joseph's Hospital	Highland	25	722	3,186
St. Joseph's Hospital	Breese	40	633	2,880
Touchette Regional Hospital	Centreville	82	480	2,460
10/17/2022 Bed Change	Added 15 Medical-Surgical beds to existing category of service; hospital now has 81 Medical-Surgical beds.			
9/7/2023 Bed Change	Added 1 Medical-Surgical bed to existing category of service; hospital now approved for 82 Medical-Surgical beds.			
	Medical-Surgical TOTAL	**962**	**33,822**	**172,850**
CATEGORY OF SERVICE: Pediatrics				
Alton Memorial Hospital	Alton	4	0	0
St. Joseph's Hospital	Breese	6	2	5
	Pediatrics TOTAL	**10**	**2**	**5**
	Medical-Surgical/Pediatrics Planning Area Totals	**972**	**33,824**	**172,855**

Patient Days by Age	2019	2020	2021	TOTAL	3 Year Average	2021 Population	Use Rates	2026 Population	Projected Days
0-14 Years Old	12	70	9	91	30	108,300	0.0003	101,470	28
15-44 Years Old	16,054	15,795	18,735	50,584	16,861	216,890	0.0777	213,140	16,570
45-64 Years Old	46,189	44,704	51,295	142,188	47,396	151,470	0.3129	144,550	45,231
65-74 Years Old	37,294	37,708	41,446	116,448	38,816	61,310	0.6331	69,080	43,735
75-up Years Old	59,071	55,539	61,374	175,984	58,661	41,840	1.4020	47,300	66,316

Out-Migration	In-Migration	Net Migration	Average Length of Stay	Migration Days	Adjustment Factor	Adjustment	Total Projected Days	Adjusted Days
1,203	5,775	-4,572	5.870	-26,838	0.50	-13,419	171,881	158,462

Adjusted Days	Days in Year 2026	Adjusted Average Daily Census	Occupancy Target*	Adjusted Beds Needed	Existing Beds	Excess Beds
158,462	365	434	0.90	482	972	490

* If ADC less than 100 in Planning Area, Occupancy Target is 80%; if the Planning Area has ADC of 100-199, the Occupancy Target is 85%; if ADC is 200 or more, 90%.

Illinois Department of Public Health
Office of Policy, Planning and
Statistics
Division of Health Data and Policy

Population Projections

Illinois, Chicago and Illinois Counties by Age and Sex:
July 1, 2020 to July 1, 2035
(2023 Edition)

Principal Authors:	***Affiliations:***
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Anna M. Sakach, MS	Division of Health Data and Policy

Released May 2024

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Table 4. Population Projections for Illinois Counties by Age and Sex: 2020 to 2035
(as of July 1 of the specified years, except as noted)

State/County	Census[1] April 1, 2020	Estimate[1] 2020	Projections 2025	2030	2035
St. Clair					
Both Sexes Total	257,400	256,789	253,199	249,627	246,323
0-4	15,033	15,625	14,812	13,273	13,289
5-9	16,689	16,624	15,570	14,867	13,418
10-14	18,039	17,737	16,284	15,407	14,811
15-19	16,804	16,079	16,768	15,643	14,868
20-24	15,224	14,574	14,939	15,998	14,974
25-29	15,655	16,478	13,880	14,478	15,660
30-34	16,596	16,540	16,255	13,767	14,477
35-39	17,071	17,277	16,352	16,150	13,775
40-44	15,935	16,132	16,604	15,879	15,794
45-49	15,470	15,555	15,269	15,977	15,373
50-54	15,963	15,952	14,813	14,722	15,537
55-59	18,526	18,301	15,158	14,204	14,226
60-64	17,725	17,753	17,288	14,412	13,600
65-69	14,732	14,687	16,273	16,008	13,418
70-74	10,980	10,956	13,113	14,687	14,560
75-79	7,054	6,976	9,295	11,211	12,657
80-84	4,686	4,626	5,386	7,216	8,783
85+	5,218	4,917	5,140	5,728	7,103
65+	42,670	42,162	49,207	54,850	56,521
Male Total	124,557	124,528	122,509	120,540	118,694
0-4	7,661	8002	7,594	6,807	6,815
5-9	8,668	8594	8,086	7,712	6,973
10-14	9,278	9096	8,436	8,020	7,702
15-19	8,631	8325	8,355	7,928	7,562
20-24	7,737	7375	7,688	7,918	7,544
25-29	7,630	8148	6,889	7,345	7,630
30-34	7,947	7897	8,070	6,855	7,367
35-39	8,280	8377	7,915	8,091	6,940
40-44	7,701	7766	8,001	7,638	7,871
45-49	7,396	7472	7,184	7,567	7,261
50-54	7,627	7592	7,082	6,893	7,323
55-59	8,950	8926	7,151	6,745	6,612
60-64	8,446	8514	8,301	6,698	6,362
65-69	6,867	6871	7,643	7,525	6,095
70-74	5,055	5088	5,984	6,744	6,691
75-79	3,110	3075	4,204	4,988	5,665
80-84	1,830	1804	2,258	3,116	3,728
85+	1,743	1606	1,668	1,950	2,553
65+	18,605	18,444	21,757	24,323	24,732
Female Total	132,843	132,261	130,690	129,087	127,629
0-4	7,372	7623	7,218	6,466	6,474
5-9	8,021	8030	7,484	7,155	6,445
10-14	8,761	8641	7,848	7,387	7,109
15-19	8,173	7754	8,413	7,715	7,306
20-24	7,487	7199	7,251	8,080	7,430
25-29	8,025	8330	6,991	7,133	8,030
30-34	8,649	8643	8,185	6,912	7,110
35-39	8,791	8900	8,437	8,059	6,835
40-44	8,234	8366	8,603	8,241	7,923
45-49	8,074	8083	8,085	8,410	8,112
50-54	8,336	8360	7,731	7,829	8,214
55-59	9,576	9375	8,007	7,459	7,614
60-64	9,279	9239	8,987	7,714	7,238
65-69	7,865	7816	8,630	8,483	7,323
70-74	5,925	5868	7,129	7,943	7,869
75-79	3,944	3901	5,091	6,223	6,992
80-84	2,856	2822	3,128	4,100	5,055
85+	3,475	3311	3,472	3,778	4,550
65+	24,065	23,718	27,450	30,527	31,789

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1110.200(c)(2) - Maldistribution

1) The applicant shall document that the project will not result in an unnecessary duplication. The applicant shall provide the following information:

A) A list of all zip code areas that are located, in total or in part, within the established radii outlined in 77 Ill. Adm. Code 1100.510(d) 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); and

St. Elizabeth's service area includes Clinton, Madison, and St. Clair County. The table below breaks down the HSHS SEO three county service area by zip code and also includes the 2024 population for each zip code.

HSHS SEO Inpatient Discharges and Population by Zip Code (3 County Service Area)			
Zip Code	**2024 Population**	**FY24 Discharges**	**% Total**
62269 - O FALLON	35,349	1,209	11.0%
62221 - BELLEVILLE	28,412	976	8.9%
62226 - BELLEVILLE	28,672	687	6.3%
62208 - FAIRVIEW HEIGHTS	17,077	627	5.7%
62220 - BELLEVILLE	18,671	543	5.0%
62234 - COLLINSVILLE	31,250	484	4.4%
62223 - BELLEVILLE	15,811	375	3.4%
62258 - MASCOUTAH	10,313	346	3.2%
62249 - HIGHLAND	16,126	340	3.1%
62232 - CASEYVILLE	7,569	219	2.0%
62206 - EAST SAINT LOUIS	12,078	216	2.0%
62254 - LEBANON	6,534	216	2.0%
62225 - SCOTT AIR FORCE BASE	5,048	196	1.8%
62203 - EAST SAINT LOUIS	5,841	189	1.7%
62265 - NEW BADEN	4,553	177	1.6%
62243 - FREEBURG	5,701	171	1.6%
62205 - EAST SAINT LOUIS	6,414	163	1.5%
62231 - CARLYLE	7,166	162	1.5%
62293 - TRENTON	4,643	153	1.4%
62207 - EAST SAINT LOUIS	6,630	148	1.4%

62230 - BREESE	6,559	146	1.3%
62204 - EAST SAINT LOUIS	4,158	125	1.1%
62040 - GRANITE CITY	40,023	118	1.1%
62264 - NEW ATHENS	3,113	108	1.0%
62294 - TROY	15,462	102	0.9%
62285 - SMITHTON	4,555	98	0.9%
62260 - MILLSTADT	7,003	86	0.8%
62216 - AVISTON	3,012	83	0.8%
62201 - EAST SAINT LOUIS	4,848	77	0.7%
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ATTACHMENT 19

3 County Zip Code Sub - Total	**530,146**	**9,281**	**84.7%**
Other		**1,678**	**15.3%**
Grand Total		**10,959**	

Source: Illinois Hospital Association and Claritas Pop-Facts®, 2024.

C) The names and locations of all existing or approved health care facilities located within the established radii outlined in 77 Ill. Adm. Code 1100.510(d) of the project site that provide the categories of bed service that are proposed by the project.

The following hospitals with medical/surgical services are within the established 17-mile radius outlined in 77 Ill. Adm. Code 1100.510(d) of the project site:

- Anderson Hospital, Maryville
- Touchette Regional Hospital, Centreville
- Memorial Hospital, Belleville
- Memorial Hospital, Shiloh
- HSHS St. Elizabeth's Hospital, O'Fallon

2) The applicant shall document that the project will not result in maldistribution of services. Maldistribution exists when the identified area (within the planning area) has an excess supply of facilities, beds and services characterized by such factors as, but not limited to:

A) A ratio of beds to population that exceeds one and one-half times the State average;
B) Historical utilization (for the latest 12-month period prior to submission of the application) for existing facilities and services that is below the occupancy standard established pursuant to 77 Ill. Adm. Code 1100; or
C) Insufficient population to provide the volume or caseload necessary to utilize the services proposed by the project at or above occupancy standards.

The proposed project will not result in unnecessary duplication or maldistribution of inpatient Medical/Surgical services. All of the volume for the additional Medical/Surgical beds is based upon the hospital's historical utilization, patient denials, and regional outmigration. The project does not rely on any patient volume from any other area facility.

The project is necessary to reduce SEO's high utilization. In FY 2024 SEO's annual Medical/Surgical utilization was over the state standard of 85% with 41,858 patient days. Further, there was an average of 4 boarders in the ED waiting on an inpatient Medical/Surgical bed.

3) The applicant shall document that, within 24 months after project completion, the proposed project:

A) Will not lower the utilization of other area providers below the occupancy standards specified in 77 Ill. Adm. Code 1100; and
B) Will not lower, to a further extent, the utilization of other area hospitals that are currently (during the latest 12-month period) operating below the occupancy standards.

The project will not lower inpatient Medical/Surgical utilization of any area providers, other than SEO's which is currently over-utilized at 105% capacity. SEO's utilization will be lowered to 98%, which remains above the utilization target of 85%.

SEO is the only area provider that is currently operating at or above the utilization standards for inpatient Medical/Surgical beds. The proposed project will not further lower the utilization of the other facilities because the project does not rely on patient volume from any of those facilities. All of the patient referrals to SEO are from physicians who are currently referring patients to SEO.

1110.200(e) - Staffing Availability

The applicant shall document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure and The Joint Commission staffing requirements can be met. In addition, the applicant shall document that necessary staffing is available by providing a narrative explanation of how the proposed staffing will be achieved.

HSHS has a long history of staffing its inpatient Medical/Surgical beds and uses a variety of tools to recruit staff. HSHS uses a web-based program for developing and maintaining a pipeline of candidates for various roles along with traditional campus and in-person recruiting efforts. These same recruiting tools will be used to staff the proposed inpatient Medical/Surgical beds and offer positions to existing team members at other sites. The proposed 32-bed Medical/Surgical unit will employ approximately 58 full-time team members in a variety of clinical roles, and charge nurses to lead this local site staffing effort. The unit typically operates 24 hours/day, 365 days/year, making it an attractive option for staff looking for non-traditional M-F, 9-5 hours.

The proposed ED addition will employ approximately 50 full-time team members in a variety of clinical roles including nursing, triage, rapid medical evaluation (RME), and a charge nurse. Staffing is based on acuity which is measured using HSHS's HR tools. All staffing grids are approved by our Nurse Care Committee as legislated by IL Public Act 095-0401 and reviewed by Illinois Department of Public Health and The Joint Commission. Lastly, the ancillary/non-clinical roles necessary to support the expansion will include 4.0 full-time imaging technicians, 2 full-time food and nutrition colleagues, and 2.5 full-time environmental aide service colleagues.

SEO has served the community for over 140 years and its longevity is due in part to its ability to staff the hospital with competent health care providers, nurses, and ancillary staff. SEO is certified and passed its most recent Joint Commission survey, which showcases its commitment to providing high quality care. The proposed project will abide by Joint Commission minimum staffing requirements. Staff will have appropriate experience, training, licensure, and certifications related to working in Medical/Surgical units and ED. Hiring and retaining a high-quality team is essential to the delivery of exceptional patient care and a primary goal of the leadership team.

Any and all legal requirements related to the scope of each professional practice will be followed (Physician, PA, ARNP, RN, CST) and noted in the employee file or medical staff credentialing file.

1110.200(f) - Performance Requirements - Medical-Surgical

The minimum bed capacity for a new medical-surgical category of service within a Metropolitan Statistical Area (MSA), as defined by the U.S. Census Bureau, is 100 beds.

This criterion is not applicable as this project is not for a *new* medical-surgical service. Moreover, with the addition of 32 Medical/Surgical beds, St. Elizabeth's will have 144 medical-surgical beds, satisfying the above performance criterion.

1110.200(g) - Assurances

The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after project completion,

the applicant will achieve and maintain the occupancy standards specified in 77 Ill. Adm. Code 1100 for each category of service involved in the proposal.

The attestation statement required by this criterion is included on the following page.

ATTACHMENT 19

Attestation of Utilization

The undersigned is an authorized representative of the applicant HSHS St. Elizabeth's Hospital and hereby attests on knowledge and belief of the applicant's understanding that, by the second year of operation after project completion, the applicant facility will achieve and maintain the occupancy standards specified in 77 Ill. Adm. Code 1100 for each category of service involved in this proposed project.

Chris A. Klay, MA, PT, MHA, FACHE
President & CEO
HSHS Southern Illinois Market
HSHS St. Elizabeth Hospital
HSHS St. Joseph Hospital

2/21/2025
Dated

ATTACHMENT 31

Clinical Service Areas Other than Categories of Service

The project involves the addition of one X-Ray, one CT Scanner, and eight Emergency Department Stations.

Service	# Existing Key Rooms	# Proposed Key Rooms
☒ **General Radiology**	**5**	**6**
☒ **CT Scan**	**2**	**3**
☒ **ED Stations**	**25**	**33**

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

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

As the project involves expansion of existing services, it is subject to the Necessary Expansion and the Utilization Criteria.

Imaging: X-ray and CT Scan

1110.270(c)(2): Necessary Expansion: *Document the proposed project is necessary to provide expansion for diagnostic treatment, ancillary training or other support services to meet the requirements of patient service demand. Documentation shall consist of, but is not limited to: historical utilization data, evidence of changes in industry standards, changes in the scope of services offered, and licensure or fire code deficiency citations involving the proposed project.*

The current General Radiology and CT Scan utilization at St. Elizabeth's Hospital meet the state standards for the addition of one X-ray and one CT Scan. The hospital currently operates five General Radiology/Fluroscopy units, consisting of three X-ray units, one Fluoroscopy and one DEXA/Fluoroscopy unit, and two CT Scan units. The new project will add one X-ray and one CT Scan bringing the total to six General Radiology/Fluroscopy units and three CT Scans.

The utilization standard for General Radiology is 8,000 procedures per unit, and the standard for CT Scan is 7,000 visits per unit. The 2023 utilization of each of the imaging services and state guidelines, are shown in **Table 22**, below.

Table 22: 2023 Utilization of Imaging Services

Service	2023 visits/procedures	State Guidelines visits/procedures	Units Justified	Standard Met?
General Radiology/Fluoroscopy (5 Units)	42,508	8,000/unit	5.3	Yes
CT Scan (2 Units)	29,903	7,000/unit	4.3	Yes

Source: 2023 hospital data. Note: St. Elizabeth's Hospital has submitted a declaratory ruling request to correct its prior Hospital Profile data as prior submissions included equipment located off-campus at sites other than the hospital.

The additional X-ray unit will be placed within the Emergency Department (ED) specifically for ED patients, eliminating the need to move them to the imaging department for standard radiology exams. As depicted in **Table 23** below, from 2021 to 2023, the hospital conducted an average of 40,949 general radiology/fluoroscopy procedures annually, with 69% of the visits originating from patients in the emergency department. The historical annual growth rate over this period is 4.2%.

Table 23: Historical General Radiology/Fluoroscopy Utilization

Service	2021 Procedures	2022 Procedures	2023 Procedures
General Radiology/Fluoroscopy	39,117	41,221	42,508

Source: Updated Hospital Profile data subject to declaratory ruling request.

The projected utilization of this service is expected to grow by at least half of its historical growth rate, which would be 2.1% annually. Projected utilization is shown in **Table 24**, below, commencing in 2025.

Table 24: Projected General Radiology/Fluoroscopy

	2025 Projected Visits	2026 Projected Visits	2027 Projected Visits
General Radiology/Fluoroscopy	43,400	44,312	45,243
State Guideline	8,000 Procedures/Unit		
Units Justified	5.4	5.5	5.7

The additional CT scanner will also be placed within the ED specifically for ED patients, eliminating the need to move them to the imaging department for CT exams. The hospital currently operates two CT scanners, and the new project will add one more, bringing the total to three scanners. As depicted in **Table 25** below, from 2021 to 2023, the hospital conducted an average of 28,065 visits annually, with over 50% of the scans originating from patients in the emergency department. The CT volume historical growth rate over this period was 8.26% annually.

Table 25: Historical CT Scan Utilization

Historical			
Service	**2021 Visits**	**2022 Visits**	**2023 Visits**
CT Scan	25,510	28,783	29,903

Source: Updated Hospital Profile data subject to declaratory ruling request.

The projected utilization of this service is expected to grow by at least half of its historical growth rate, which would be 4.1% annually. Projected utilization is shown in **Table 26**, below, commencing in 2025.

Table 26: Projected CT Scan Utilization

Projected			
	2025 Projected Visits	**2026 Projected Visits**	**2027 Projected Visits**
CT	32,405	33,734	35,117
State Guideline	7,000 visits/unit		
Units Justified	4.6	4.8	5.0

To conclude, the historical and projected utilization of the General Radiology/Fluoroscopy and CT scan units justify one additional unit for each imaging service.

Imaging: X-ray and CT Scan

1110.270(c)(3)(B): Utilization – Service: *Projects involving the modernization of a service or facility shall meet or exceed the utilization standards for the service, as specified in Appendix B. The number of key rooms being modernized shall not exceed the number justified by historical utilization rates for each of the latest 2 years, unless additional key rooms can be justified per subsection (c)(2) (Necessary Expansion)*

The one additional key room for X-Ray and one additional key room for CT Scan can be justified per subsection (c)(2), Necessary Expansion, for each of the latest two years.

Table 27 shows the existing five General Radiology/Fluoroscopy rooms were justified based on historical utilization in 2022 and 2023.

Table 27: Historical General Radiology/Fluoroscopy Utilization: Last 2 Years

Service	2022 Procedures	2023 Procedures
General Radiology/Fluroscopy	41,221	42,508
State Guideline	8,000 procedures/unit	
Units Justified	5.2	5.3

Source: Updated Hospital Profile data subject to declaratory ruling request.

Table 28 shows that 3 CT Scans were justified based on historical utilization in 2022 and 2023.

Table 28: Historical CT Scan Utilization: Last 2 Years

Service	2022 Visits	2023 Visits
CT Scan	28,783	29,903
State Guideline	7,000 visits/unit	
Units Justified	4.1	4.3

Source: Updated Hospital Profile data subject to declaratory ruling request.

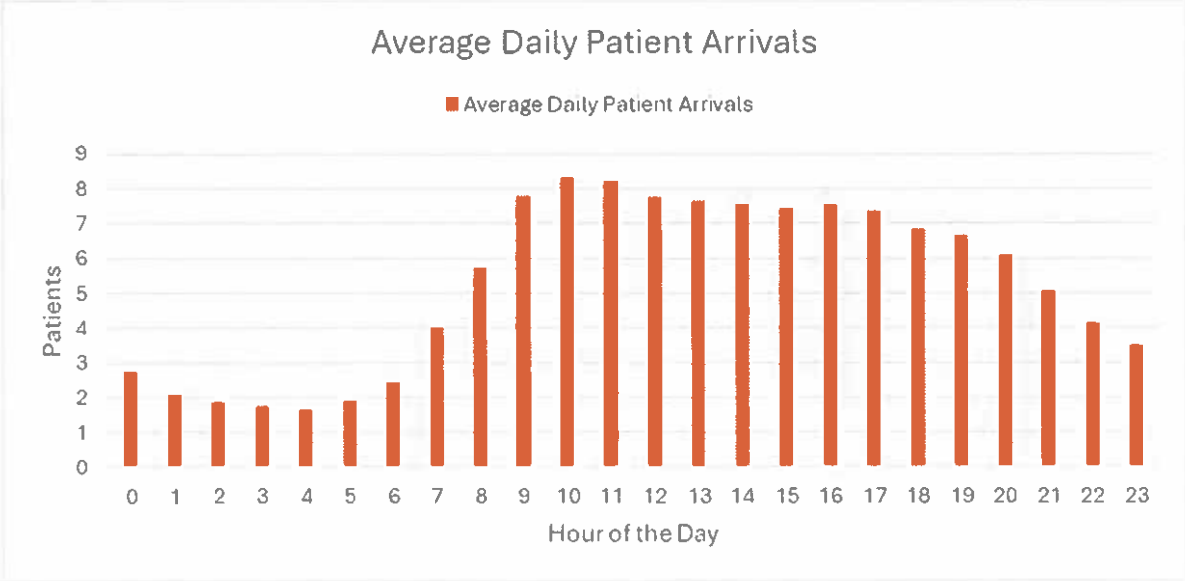
Emergency Stations

1110.270(c)(2): Necessary Expansion: *Document the proposed project is necessary to provide expansion for diagnostic treatment, ancillary training or other support services to meet the requirements of patient service demand. Documentation shall consist of, but is not limited to: historical utilization data, evidence of changes in industry standards, changes in the scope of services offered, and licensure or fire code deficiency citations involving the proposed project.*

St. Elizabeth's Emergency Department currently has 25 treatment rooms, of which 9 are dedicated to specific services including Trauma (3 rooms), Sexual Assault (1 room), Isolation (1), and ED Overflow/Holding (4). The 4 Overflow/Holding rooms are not monitored and are not appropriate for all levels of care in the ED. The current ED design has several pods resulting in disjointed and inefficient operations. The proposed project provides an ED design that supports improved ED average length of stay and operations.

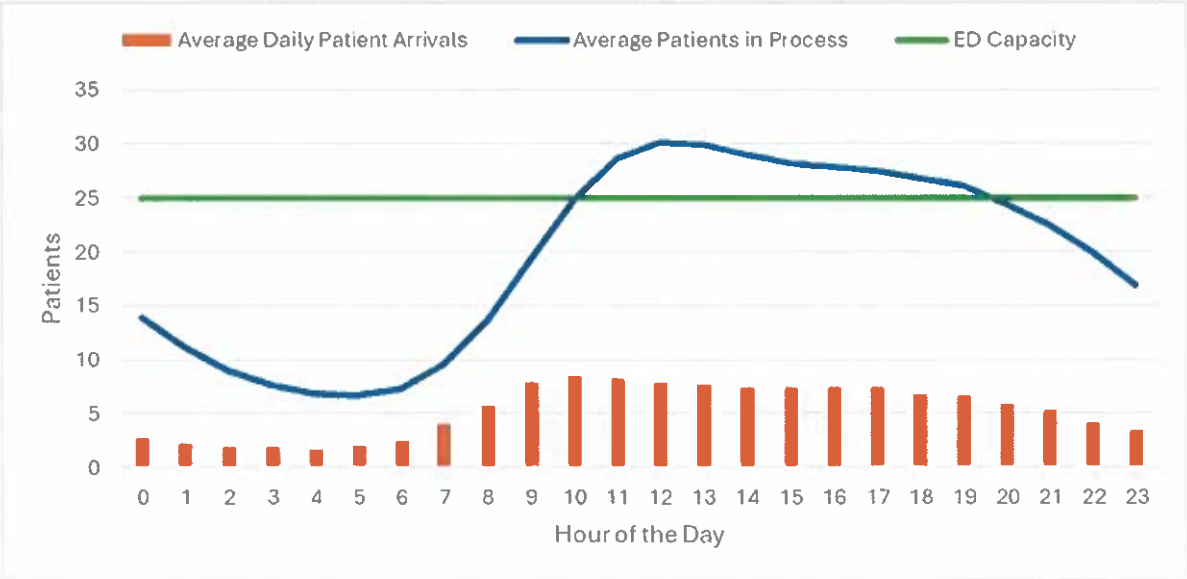
In CY 2024, the ED at St. Elizabeth's experienced a total annual volume of 46,100 patients, averaging 126 patients daily. Although the emergency department operates 24 hours a day, more than 80% of patient arrivals occur between 8 a.m. and midnight. The average patient arrival by hour is illustrated in **Table 29,** below, below.

Table 29



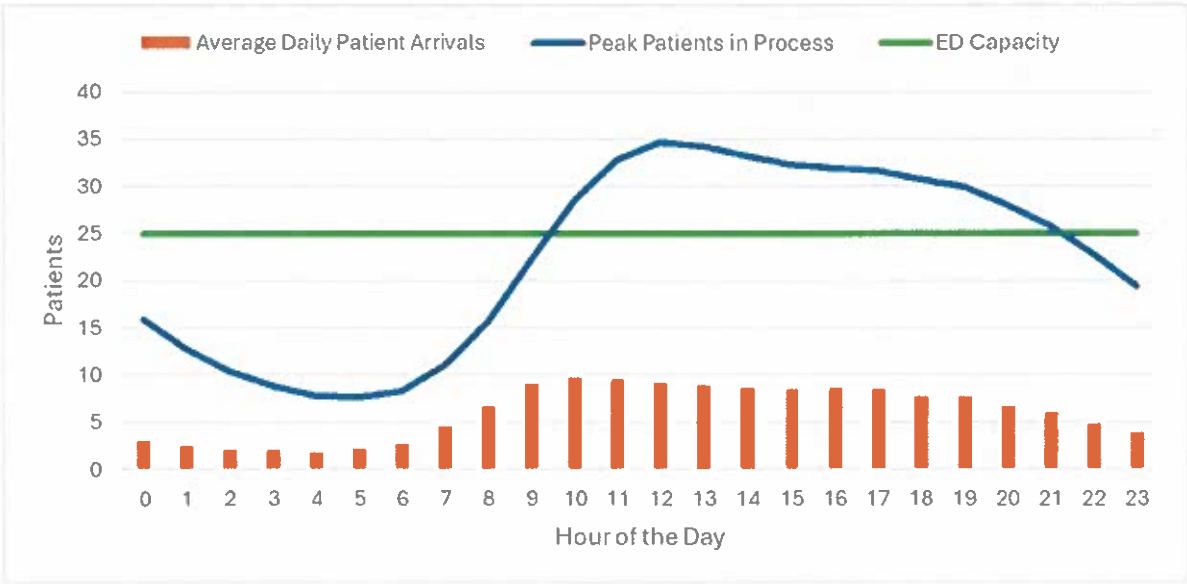
SEO has an average patient length of stay (ALOS) of 222 minutes or 3 hours and 42 minutes. 21% of patients were admitted to the hospital or put under observation status and 79% were discharged home. Patients who were admitted to the hospital had an ALOS of 301 minutes (5 hours and 1 minute) and patients who were discharged had an ALOS of 201 minutes (3 hours and 21 minutes). While most patients begin arriving around 9 a.m., based on patient length of stay, the ED is most full between 11 a.m. and 8 p.m. as illustrated in **Table 30**, below.

Table 30



As shown above, in 2024, SEO's emergency department operated at or over 100% capacity between 11 a.m. and 7 p.m., averaging 111% occupancy. Although, on average, the department exceeds capacity for 8 hours a day, on peak days, it can be over capacity for 12 or more hours. An example of the Monday census in high volume months is illustrated in **Table 31** below.

Table 31



ED throughput metrics, like the number of annual ED visits per exam room, typically vary based on an ED's annual volume. For instance, due to the ability to leverage economies of scale, higher volume EDs typically see more cases per room than lower volume EDs because they have more

volume for specialized ED treatment rooms like Trauma, Behavioral Health, Sexual Assault, etc. Accordingly, given SEO's scale as a medium sized ED with several specialized rooms and its current operational challenges, SEO's proposed exam room need methodology varies from the Appendix B standard of 2,000 visits per exam room. The methodology described below is similar to the commonly applied methodology practiced by the United States Department of Veterans Affairs.[5]

Current (CY2024) ED Treatment Room Need:

1. Assumptions:
    a. SEO Annual Volume = 46,100 patients
    b. SEO ALOS = 222 minutes
    c. Number of operating days per year = 365 days
    d. High demand daily hours of operation: 9 a.m. to 9 p.m. 12 hours (720 minutes)
    e. Percent of patients arriving during peak hours: 71%
    f. High demand target occupancy = 80% utilization
2. Resulting annual ED treatment room throughput
    a. **Total Minutes Used**: 46,100 patients * 222 minutes = 10,234,289 minutes
    b. **High Demand Minutes Used**: 10,234,289 minutes * 71% = 7,266,345 min
    c. **Available minutes per room**: 365 days * 720 minutes/day = 262,800 minutes
    d. **Resulting annual room throughput (at 100%)**:
        i. 7,266,345 minutes / 262,800 minutes = 27.6 exam rooms (111% occupancy)
    e. **Resulting annual room throughput at target occupancy (80%)**:
        i. 27.6 exam rooms / 80% = 34.6 exam rooms (round up to 35)

Using this methodology, SEO's annual visit per exam room benchmark is 1,312 visits/exam room. Nationally, the average visits per ED exam room is 1,162, according to the 2022 ED Benchmarking Alliance Report that surveys over 1,100 ED across the U.S. (Source: Vizient/Sg2). While 1,162 visits per exam room is the national average, SEO plans to continue to exceed the national average and fall into "best practices" performance with the proposed ED expansion/renovation. SpaceMed Guide, a predesign planning guide for healthcare professionals, published by Hayward & Associates, states that EDs with

- **Poor** performance EDs see an average of 1,100 to 1,200 annual visits per exam room,
- **Average** performance EDs see an average of 1,200 to 1,600 annual visits per exam room,
- And **Best Practice** performance EDs see an average of 1,600 to 1,900 annual visits per exam room.

Despite SEO's need to hold specific treatment rooms for unique populations, its challenging podded configuration, and capacity constraints on the inpatient floors resulting in ED boarders, SEO's annual visits per ED exam room, at 1,312 visits/exam room, still fall into the "Average"

[5] 256 Emergency Department (ED).

performance bucket. It is anticipated that future SEO ED operations will fall into the "Best Practices" performance bucket once the proposed project is complete. The proposed project will have 33 ED treatment rooms. The following methodology describes the justification for 33 treatment rooms.

1. Projected volume
    a. Baseline volume = 46,100 patients
    b. Incremental new volume = CY2022 – CY2024 Annual Growth of 6.0%

Historical			
Service	**CY 2022 Visits**	**CY 2023 Visits**	**CY 2024 Visits**
Emergency Dept.	41,010	43,230	46,100

Projected			
	CY 2025 Projected Visits	**CY2026 Projected Visits**	**CY2027* Projected Visits**
Emergency Dept.	48,878	51,823	54,945

*Project is open

2. Assumptions:
    a. SEO Annual Volume = 54,945 patients
    b. SEO ***Improved*** ALOS = 180 minutes
    c. Number of operating days per year = 365 days
    d. High demand daily hours of operation: 9 a.m. to 9 p.m. 12 hours (720 minutes)
    e. Percent of patients arriving during peak hours: 71%
    f. High demand target occupancy = 80% utilization
3. Resulting annual ED treatment room throughput
    a. **Total Minutes Used**: 54,945 patients * 180 minutes = 9,890,075 minutes
    b. **High Demand Minutes Used**: 9,890,075 minutes * 71% = 7,021,953 minutes
    c. **Available minutes per room**: 365 days * 720 minutes/day = 262,800 minutes
    d. Resulting annual room throughput (at 100%):
        i. 7,021,953 minutes / 262,800 minutes = 26.7 exam rooms
    e. Resulting annual room throughput at target occupancy (80%):
        i. 26.7 exam rooms / 80% = 33.4 exam rooms (round down to 33)

Using this methodology, SEO's annual visit per exam room benchmark is 1,665 visits/exam room. This benchmark falls into the SpaceMed Guide "Best Practice" performance category. Given SEO's continued future need to hold patient rooms for specific patient populations and the assumption that ALOS will move into the "Best Practices" range, the proposed 33 ED treatment rooms in SEO's ED are deemed "justified."

Emergency Stations

1110.270(c)(3)(B): Utilization – Service: *Projects involving the modernization of a service or facility shall meet or exceed the utilization standards for the service, as specified in Appendix B. The number of key rooms being modernized shall not exceed the number justified by historical utilization rates for each of the latest 2 years, unless additional key rooms can be justified per subsection (c)(2) (Necessary Expansion)*

The utilization for ED stations is 2000 visits/station. As shown in the utilization table below, the existing 25 ED stations are utilized at 92.2%, though below the state guidelines. However, the additional stations are justified under the Necessary Expansion provisions of Section 1110.270(c)(2) as allowed by the above rule.

1110.270(c)(3)(B): Utilization – Service or Facility

Service	Existing Units	CY24* Total visits/procedures	State Guidelines visits/procedures	Standard Met?
ED Exam Room	25	46,100	2,000	No

*Annualized Jan-Oct 2024.

ATTACHMENT 34

Availability of Funds

Section 1120.120, Availability of Funds – Review Criteria is not applicable as the Hospital Sisters Health System has an A+ rating from Fitch and S&P Global. Documentation of the Fitch and S&P Global ratings are attached.

Also, attached is a letter from the HSHS Chief Financial Officer, Michael Scialdone, verifying that HSHS has sufficient and readily accessible internal resources and HSHS intends to use cash and existing securities to fund the HSHS St. Elizabeth's Hospital, O'Fallon: Medical/Surgical and Emergency Department Expansion project.

Hospital Sisters
HEALTH SYSTEM

Breese, IL
HSHS St. Joseph's Hospital

Decatur, IL
HSHS St. Mary's Hospital

Effingham, IL
HSHS St. Anthony's Memorial Hospital

Greenville, IL
HSHS Holy Family Hospital

Highland, IL
HSHS St. Joseph's Hospital

Litchfield, IL
HSHS St. Francis Hospital

O'Fallon, IL
HSHS St. Elizabeth's Hospital

Shelbyville, IL
HSHS Good Shepherd Hospital

Springfield, IL
HSHS St. John's Hospital

Chippewa Falls, WI
HSHS St. Joseph's Hospital

Eau Claire, WI
HSHS Sacred Heart Hospital

Green Bay, WI
HSHS St. Mary's Hospital Medical Center
HSHS St. Vincent Hospital

Oconto Falls, WI
HSHS St. Clare Memorial Hospital

Sheboygan, WI
HSHS St. Nicholas Hospital

HSHS Medical Group

Prairie Cardiovascular

P.O. Box 19456
Springfield, Illinois 62794-9456
P: 217-523-4747
F: 217-523-0542
www.hshs.org

Sponsored by Hospital Sisters Ministries

November 6, 2024

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

Re: HSHS St. Elizabeth's Hospital, O'Fallon: Medical/Surgical and Emergency Department Expansion
Ill. Admin. Code Section 1120.120(a) Available Funds Certification
Ill. Admin. Code Section 1120.140(a) Reasonableness of Financing Arrangements

To Whom It May Concern,

As a representative of Hospital Sisters Health System, I Michael A. Scialdone, hereby attest that the project costs will be $65,659,319. Hospital Sisters Health System will fund the entirety of the construction portion of the project with cash and existing securities. The Applicant has sufficient and readily accessible internal resources to fund the obligation required by the project, and to fully fund other ongoing obligations.

I further certify that our analysis of the funding options for this project reflected that the funding strategy outlined herein is the lowest net cost option available.

Sincerely,

Michael A. Scialdone
SVP- Chief Financial Officer
Hospital Sisters Health System

Christa Kendall

OFFICIAL SEAL
CHRISTINA KENDALL
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 10/25/25

ATTACHMENT 34

FitchRatings

RATING ACTION COMMENTARY

Fitch Revises Hospital Sisters Services, Inc. (IL)'s Outlook to Stable; Affirms IDR at 'A+'

Tue 07 Mar, 2023 - 9:59 AM ET

Fitch Ratings - Austin - 07 Mar 2023: Fitch Ratings has affirmed Hospital Sisters Services, Inc.'s (d/b/a Hospital Sisters Health System [HSHS]) 'A+' Issuer Default Rating (IDR) and the 'A+' ratings assigned to revenue bonds issued by the Illinois Finance Authority, Southwestern Illinois Development Authority and Wisconsin Health & Educational Facilities Authority on behalf of HSHS.

Fitch has also affirmed the 'F1+' Short-Term rating on HSHS' variable rate debt supported by self-liquidity.

The Rating Outlook has been revised to Stable from Positive.

RATING ACTIONS

ENTITY / DEBT	RATING	PRIOR
Hospital Sisters Services Inc (IL)	LT IDR A+ Rating Outlook Stable Affirmed	A+ Rating Outlook Positive
Hospital Sisters Services Inc. (IL) /General Revenues/1 LT	LT A+ Rating Outlook Stable Affirmed	A+ Rating Outlook Positive

VIEW ADDITIONAL RATING DETAILS

SECURITY

The bonds are a joint and several liability of each member of the obligated group. The obligated group represents all fully owned hospitals and comprised the vast majority of system total assets and total operating revenue.

ANALYTICAL CONCLUSION

The 'A+' IDR is based on HSHS' strong financial profile assessment in the context of the system's mid-range revenue defensibility and mid-range operating risk profile assessments. The system enjoys a diverse revenue base with 15 hospitals in multiple markets over two states.

The Stable Rating Outlook considers that as HSHS continues to execute on strategies, which it believes will help it rebound from the pressures of rising labor and supply costs, its operational metrics should improve over time. Fitch expects that over time the system should return to profitable operations and an operating EBITDA margin at in the 6%-7% range. In addition, Fitch believes capital-related ratios should improve. Fitch notes that even in a stress case of the forward-looking scenario analysis, net adjusted debt-to-adjusted EBITDA and cash-to-adjusted debt are reasonably consistent with a 'aa' financial profile.

HSHS' Short-Term rating based on self liquidity is 'F1+'. Per Fitch's criteria, an 'A+' IDR maps to an 'F1' Short-Term rating. HSHS' 'F1+' Short-term rating also considers the system's robust coverage of demand debt supported by internal liquidity.

https://www.fitchratings.com/research/us-public-finance/fitch-revises-hospital-sisters-services-inc-il-outlook-to-stable-affirms-idr-at-a-07-03-2023

ATTACHMENT 34

KEY RATING DRIVERS

Revenue Defensibility: 'bbb'

Broad Market Reach with Competition in Key Markets

HSHS has broad market reach across multiple markets in Illinois and Wisconsin. While the system is the market leader in certain key markets, the system faces competition in many core areas such as Springfield (Memorial Health) and Green Bay (Advocate Aurora Health and Bellin Health).

As a diversified system operating in multiple markets, HSHS' service area quality is mixed, although generally stable despite ongoing pressure from macro trends such as labor and inflation. The system's combined Medicaid and self-pay remains below Fitch's 25% threshold for a midrange assessment.

Operating Risk: 'bbb'

Operating Margins Challenged but Improving

Operating margins have been challenged over the past 18 months after HSHS posted a solid operating margin of 4.0% in fiscal 2021. HSHS operations have been affected by the economic headwinds that face the industry as a whole. Management noted that as its mitigation strategies are being executed, the system has seen the operational loss improve from a negative 9.5% for the first quarter of fiscal 2023 to a negative 2.6% for the second quarter of fiscal 2023. The system has continued to see growth of utilization, which has helped with the improved operations, but noted that the system has seen longer length of stay rise as patient throughput issues driven by the larger labor challenges which are affecting the industry. Fitch believes that as HSHS executes its strategies, it will be successful in addressing the challenges it faces such as patient throughput and labor challenges as HSHS strives to get back to breakeven results and then further improvement.

Capital spending plans are manageable in the coming years. Management has planned $100 million of capital spending in fiscal 2023. HSHS scaled back its capital spending for fiscal 2023 as it focuses on strategies to improve operations. Looking forward, HSHS will flex its capital spending based on the improvement of cash flow to support a higher level of spend. While not fully defined, HSHS may issue debt within the next 24 months to support future capital needs. Fitch believes that HSHS has capacity to issue debt and maintain the current rating.

Financial Profile: 'aa'

Strong Capital-Related Ratios in Forward-Looking Scenario Analysis Including Potential Debt Issuance

HSHS' capital-related metrics should remain consistent, even with a potential debt issuance in the next 24 months for future capital plans that are not fully defined, with a strong financial profile in Fitch's forward-looking scenario analysis, including in the stress case.

At mid-year fiscal 2023 (ended December 31), the system had just over $750 million of debt and unrestricted cash and investments measured more than $1.3 billion (HSHS had repaid all Medicare advance payments as of Dec. 31, 2022). HSHS' defined benefit (DB) pension plan was 100% funded at FYE 2022 (relative to a projected benefit obligation of nearly $2.6 billion). Because Fitch's calculation of adjusted debt includes only the portion of a DB plan below an 80% funded level, HSHS' adjusted debt is equivalent to its direct debt. Therefore, at FYE 2022, net adjusted debt was favorably negative.

Based on fiscal 2022 results, HSHS' net adjusted debt-to-adjusted EBITDA was favorably negative at -3.4x and cash-to-adjusted debt was approximately 180%. In the stress case of Fitch's forward-looking scenario analysis, net adjusted debt-to-adjusted EBITDA is favorably negative by year two and cash-to-adjusted debt is nearly 170% by year four.

Asymmetric Additional Risk Considerations

There are no asymmetric risk factors associated with HSHS' rating.

RATING SENSITIVITIES

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

--Reversion to weaker operating metrics, particularly if the operating EBITDA margin is expected to be sustained below 6%;

--Increase in new debt or other balance sheet pressures such that cash-to-adjusted debt is expected to remain below 175% in a forward-looking scenario

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

--Stabilization of operations such that the operating EBITDA is sustained at least in the 6%-7% range;

--Maintenance of cash-to-adjusted debt above 200%, even in a stress case scenario

BEST/WORST CASE RATING SCENARIO

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

CREDIT PROFILE

HSHS is comprised of 15 owned inpatient hospitals and a joint venture partnership hospital (Door County Medical Center). HSHS operates two divisions: Illinois (centered on Springfield, Decatur, and O'Fallon in metro east St. Louis) and Wisconsin (centered on Green Bay, Sheboygan, and Eau Claire and Chippewa Falls). In addition to hospital operations, HSHS has well over 1,000 fully aligned physicians and a physician clinical integration network (PCIN) with well over 2,000 providers, outpatient clinic facilities in multiple locations throughout Illinois and Wisconsin, and the PreveaHealth managed care health plan in Wisconsin. Total operating revenue approached $2.9 billion in audited fiscal 2022.

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

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

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

ESG CONSIDERATIONS

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

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APPLICABLE CRITERIA

U.S. Not-For-Profit Hospitals and Health Systems Rating Criteria (pub. 16 Nov 2020) (including rating assumption sensitivity)

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

APPLICABLE MODELS

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

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

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

Southwestern Illinois Development Authority (IL) — EU Endorsed, UK Endorsed

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US Public Finance Healthcare and Pharma North America United States

S&P Global
Ratings

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Hospital Sisters Services Inc., Illinois Southwestern Illinois Development Authority; Joint Criteria; System

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Hospital Sisters Services Inc., Illinois Southwestern Illinois Development Authority; Joint Criteria; System

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Illinois Fin Auth (Hospital Sisters Services, Inc.) rev rfdg bnds		
Long Term Rating	AA+/A-1	Affirmed
Unenhanced Rating	A+(SPUR)/Negative	Outlook Revised
Southwestern Illinois Dev Auth, Illinois		
Hospital Sisters Services, Inc., Illinois		
Southwestern Illinois Dev Auth (Hospital Sisters Services, Inc.) hlth facs rev bnds (Hospital Sisters Services, Inc.) ser 2017B due 03/15/2044		
Long Term Rating	A+/A-1/Negative	Outlook Revised
Southwestern Illinois Dev Auth (Hospital Sisters Services, Inc.) rev bnds		
Long Term Rating	A+/Negative	Outlook Revised

Credit Highlights

- S&P Global Ratings revised the outlook to negative from stable and affirmed its 'A+' long-term rating and underlying rating (SPUR) on bonds issued by various entities for Hospital Sisters Services Inc. (HSSI), Ill. All financial information is based on the parent, Hospital Sisters Health System (HSHS).
- The outlook revision reflects meaningful operating losses incurred by the system in fiscal 2022 and through the Dec. 31, 2022, interim period that are expected to persist through fiscal 2023, along with a weakening of the maximum annual debt service (MADS) coverage for the system to below 1.0x. HSHS has been reliant on governmental relief funds throughout the COVID-19 pandemic to support previous operating performance. Absent stimulus funding, the system's operating performance would have been negative throughout the pandemic.
- At the same time, S&P Global Ratings affirmed its 'A+/A-1' dual rating on the series 2017B bonds issued by the Illinois Finance Authority (IFA), affirmed its 'A+' SPUR on IFA's series 2012G bonds, and affirmed its 'AA+/A-1' dual rating on the series 2012G bonds. All bonds were issued for HSSI.
- The 'AA+/A-1' dual rating on the series 2012G revenue refunding bonds is based on our joint criteria. The long-term component of the rating is based jointly (assuming low correlation) on the ratings on the obligor, HSSI, and the letter of credit provider, BMO Harris Bank N.A. The short-term component of the rating is based solely on the rating on BMO Harris Bank.
- The 'A-1' short-term component of the dual ratings of series 2017B reflects HSHS' utilization of the system's own liquidity. S&P Global Ratings monitors HSHS' liquidity monthly to ensure it remains adequate to support the system's self-liquidity obligations, if needed. HSHS has committed several sources of short- and long-term funds to

support its unenhanced variable-rate demand bonds (VRDBs). As of Feb. 28, 2023, S&P Global Ratings has identified approximately $472.80 million of available funds (as discounted by S&P Global Ratings) that support HSSI's $64.9 million of self-liquidity debt. We will continue to monitor both the sufficiency and the liquidity available through HSHS' cash and assets to ensure that the system can cover the purchase price of any bonds in the event of a failed remarketing for its self-liquidity-backed VRDBs.

Security pledge

The bonds are full and unlimited obligations of each member of the Obligated Group.

Credit overview

The 'A+' rating reflects our view of HSHS' strong enterprise profile, characterized by healthy revenue diversity, with 15 hospitals and a robust ambulatory presence across two states, as well as two sizable multispecialty physician groups, and solid market share in the system's Illinois and Wisconsin service areas. The rating also reflects HSHS' healthy balance sheet, as evidenced by leverage and debt burden ratios that are below rating medians, as well as days' cash on hand (DCOH) and unrestricted reserve to long-term debt that remain sound for the rating. In addition, the rating incorporates the recent deterioration in operating performance in fiscal 2022 through the Dec. 31, 2022, interim period, and the ensuing decline in MADS coverage, along with the expectation that HSHS will generate operating losses through fiscal 2024, albeit at a lower level. The rating also incorporates a positive holistic adjustment, reflecting our view that the balance-sheet remains in line with an 'A+' rating, along with our expectation of operational improvements over the outlook period. That said, an inability to substantially bolster operating performance or strengthen MADS coverage could lead to a downgrade, as would a significant deterioration in the debt profile.

In fiscal 2022, HSHS' saw a meaningful deterioration in operating performance due to industrywide labor and wage pressures, service rationalization, patient throughput challenges, and inflationary pressures. Higher average length of stay and reduced patient throughput also contributed to operating losses. These headwinds persisted through the Dec. 31, 2022, interim period, although the majority of operating losses to date were incurred in the first quarter of fiscal 2023, with the system reporting a progressive reduction of losses in subsequent months, which suggests that ongoing turnaround initiatives are gaining traction. For fiscal 2023, HSHS expects operating losses to be modestly lower than current interim levels, while a more meaningful improvement is expected in fiscal 2024, where operating margins are expected to trend towards breakeven. While we believe that HSHS' turnaround targets are achievable, we acknowledge that this will likely be a multiyear process executed in a context of ongoing industrywide labor and wage pressures.

The 'A+' rating further reflects our view of HSHS':

- Leverage and debt burden that are favorable to 'A+' rating medians, along with a very well-funded pension plan which is expected to be terminated in 2024;
- DCOH that remains within the 200 days' range, with robust unrestricted reserves to long-term debt, and
- Geographic diversity, with 15 hospitals in Illinois and Wisconsin, along with solid market share in their service areas.

Partially offsetting the above strengths, in our opinion, are:

- Meaningful operating losses in fiscal 2022 through the Dec. 31, 2022, interim period, along with the accompanying decline in MADS coverage;
- Reliance on special funding sources, specifically, state provider tax assessments from Illinois and Wisconsin. While we recognize these funds have been relatively stable over time, we view them as potentially volatile in the event of budgetary issues at the state level; and
- A debt profile that, while remaining robust, includes a high percentage of contingent liabilities.

Environmental, social, and governance

We view HSHS' human capital challenges related to elevated wages and labor as key driver of the operating losses reported to date. Although we believe that some of the health and safety risks associated with the COVID-19 pandemic have waned, we note that labor challenges persist throughout the industry, negatively affecting the performance of many industry participants. We believe governance and environmental risks are neutral to our credit rating analysis. That said, while the system has seen turnover at the executive level in recent years, we view positively the new management team's extensive industry experience.

Outlook

The negative outlook reflects persisting operating losses along with a weakening of MADS coverage to below 1.0x, as HSHS grapples with industrywide headwinds, including labor, wage, and inflationary pressures, as well as throughput issues. Although we expect HSHS' operations to progressively trend toward breakeven over the outlook period, we acknowledge that returning to profitability will likely be a multiyear process.

Downside scenario

We could lower the rating if the system is unable to generate meaningful operational improvement over the outlook period, including operating margins that trend toward breakeven and MADS coverage that remains in line with the rating. We could also consider a lower rating if HSHS experiences a decline in DCOH and cash-to-debt metrics to levels no longer commensurate with the rating. A weakening of the enterprise profile or a substantial increase in current debt levels could also pressure the rating.

Upside scenario

We could consider revising the outlook to stable if the system is able to consistently generate operating margins and cash flow at a level consistent with a higher rating while maintaining balance-sheet strength. A stable outlook would also be predicated on improvement of MADS coverage, while maintaining solid enterprise profile characteristics, including market share.

Credit Opinion

Enterprise Profile: Strong

Multistate presence supports enterprise profile

We view the system's enterprise profile as strong, characterized by good revenue diversity, a sizable and diversified medical staff, and a strong leadership team. HSHS operates 15 hospitals, nine in Illinois and six in Wisconsin. These hospitals are grouped in two divisions, and are located in the following cities:

- Illinois: Breese, Decatur, Effingham, Greenville, Highland, Litchfield, O'Fallon, Shelbyville, and Springfield.
- Wisconsin: Chippewa Falls, Eau Claire, Green Bay, Oconto Falls, and Sheboygan.

HSHS also has two large medical groups: a partnership with Prevea (in Wisconsin), with more than 675 providers across more than 60 specialty areas; and the HSHS Medical Group (in Illinois), with about 300 providers across 30 specialty areas in more than 30 cities. In addition, the system has a large, fully aligned cardiovascular group in Illinois, Prairie Cardiovascular Consultants, which has 114 providers and 45 clinical locations across the southern half of the state. Finally, HSHS has a joint venture hospital in Door County.

Solid market share despite heightened competition

In the past few years, HSHS has seen increased competition across its markets, notably in Wisconsin, following Marshfield Clinic's opening a 44-bed hospital in Eau Claire, and in Springfield at the time the system opened HSHS St. Elizabeth Hospital in O'Fallon, a fast-growing suburb in southern Illinois. HSHS responded by executing on several strategies, including increasing its physician base and expanding its health plan, Prevea360, from eastern Wisconsin into the western part of the state.

In Green Bay, the system, with a leading market share of 36.3%, is anchored by St. Vincent Green Bay (28.4% share) and St. Mary's Green Bay (7.8%), and ranks ahead of its competitors Bellin Health (29%) and Advocate Aurora (21%). In Eau Claire, HSHS' total overall market share of 30.1% is second to the Mayo Clinic's 47.8% share, with the system's flagship hospital Sacred Heart Eau Claire capturing a 25.8% share of that market, which represents a decrease from previous years in part due to the opening of Marshfield Medicare Center–Eau Claire in 2018. In Springfield, HSHS' 37.2% share is second to Memorial Health, with HSHS' flagship hospital, St. John's, capturing a 28.1% market share. Although HSHS continues to capture leading shares in most of its markets, nevertheless, we recognize that it operates in a highly competitive environment against well-established systems.

Management remains focused on increasing revenues and managing costs

In recent years, HSHS has invested in initiatives geared at increasing revenues and reducing expenses, including a systemwide rationalization of clinical and administrative services. This process has included the consolidation of service lines in each of its markets, the elimination or discontinuance of certain programs, and the closure of redundant sites of care. HSHS has also focused on streamlining administrative services, including centralization and standardization of finance and supply-chain processes, and considerably reduced the workforce beginning in February 2020, which has created significant labor efficiencies, although part of the workforce has returned in conjunction with volume increases from the 2020 lows.

Recent changes to the senior management team include the appointment of Damond Boatright as CEO of the system in 2021, Kim Hodgkinson as chief financial officer and Theresa Horne as chief nursing officer in 2022, and Kathy Donovan as chief operating officer in 2023. All new team members have extensive experience in the health care

sector.

Table 1

Hospital Sisters Health System and subsidiaries, Ill.--Enterprise Statistics

	--Six months ended Dec. 31--	--Fiscal year ended June 30--		
	2022	2022	2021	2020
PSA population (no.)	N.A.	N.A.	N.A.	N.A.
PSA market share (%)	N.A.	N.A.	N.A.	N.A.
Inpatient admissions (no.)	33,568	65,103	54,448	68,170
Equivalent inpatient admissions (no.)	83,062	163,168	157,186	162,349
Emergency visits (no.)	147,115	280,212	251,606	275,421
Inpatient surgeries (no.)	5,864	11,720	12,804	13,845
Outpatient surgeries (no.)	20,233	42,626	41,306	37,518
Medicare case mix index	1.8300	1.8700	1.8692	1.7111
FTE employees	8,092	8,079	10,434	11,958
Active physicians	N.A.	N.A.	2,029	1,788
Based on net/gross revenues	Net	Net	Net	Net
Medicare (%)	35.0	35.0	32.0	31.0
Medicaid (%)	13.0	13.0	10.0	13.0
Commercial/Blues (%)	51.0	51.0	49.0	44.0

PSA--Primary service area. FTE--Full-time equivalent. N.A.--Not available. Inpatient admissions exclude normal newborn, psychiatric, rehabilitation, and long-term care facility admissions.

Financial Profile: Strong

Weaker financial performance expected to persist in fiscal 2023

HSHS' operating performance has deteriorated of late, with the system posting operating losses in five of the past six years, save for fiscal 2021, where the system generated operating profits owing to improvements in volumes, the recognition of about $127 million in CARES Act relief money, the absence of significant one-time expenses, and revenue-generating and expense management initiatives. However, operating losses were reported in fiscal 2022, due in large part to industrywide labor and wage pressure, which were particularly acute for the system, along with throughput issues, and inflationary pressures.

These headwinds persisted over the Dec. 31, 2022, interim period, particularly in the first quarter of fiscal 2023, where a significant portion of the interim losses were incurred, although management is reporting progressive improvements in performance in the subsequent months. For 2023, management expects operating losses to persist at levels modestly lower than current interims, although the implementation of cost-cutting initiatives, including service rationalization, revenue cycle improvements, physician enterprise efficiencies, and improved payer rates, are expected to meaningfully reduce operating losses for fiscal 2024. We view positively HSHS' turnaround initiatives, as we view the system's ability to consistently generate operating profits as a key rating factor.

MADS coverage, which has recently been light and below rating medians, further weakened through the interim period, and dropped to below 1.0x as of Dec. 31, 2022. However, management has indicated that MADS coverage on

the obligated group, on which financial covenants are based, is currently 2.1x, and is expected to remain above 2.0x over the outlook period, thereby avoiding any covenant breaches.

Robust liquidity in line with 'A' rating

Liquidity and financial flexibility have historically been viewed as good, despite the reduction in DCOH in fiscal 2022, due to weaker market returns coupled with operating losses. While Dec. 31, 2022, metrics show an improvement in DCOH and unrestricted reserves-to-long-term debt, management does not expect improvements in liquidity metrics over the outlook period, owing to ongoing operating losses. That said, liquidity metrics generally remain well within our expectation for 'A' ratings.

HSHS is planning about $100 million in capital spending in fiscal 2023, a decrease from 2022 as management modulates spending to support operating performance. Management expects to prioritize projects that are emergent, enhance patient safety, and support growth. Overall, capital expenditures are expected to drop to below 100% of depreciation and amortization.

Debt profile remains solid

We consider the debt profile as robust and appropriate for the rating, owing to the low debt burden and debt to capitalization, which compares favorably with rating medians. However, contingent liabilities-to-long-term debt is high for the rating, although we view contingent liability risk as manageable, given the system's robust liquidity. HSHS could consider issuing debt over the outlook period, including some new money debt. We will consider the potential effect of any new issuance on the credit profile when additional details are made available.

HSSI has several series of direct purchase debt, including its $155 million series 2012H and 2012I bonds, which were restructured and privately placed with JPMorgan Chase & Co. in September 2020. These bonds, which have a four-year put feature maturing on Nov. 15, 2024, are included in HSSI's contingent liability debt. Bond covenants for these series include maintenance of at least 1.1x annual debt service coverage and at least 75 DCOH.

HSHS also has five interest rate swap agreements: four with Merrill and one with JPMorgan Chase. As of June 30, 2022, the total notional value on the swaps was $443.5 million, with a total mark-to-market value of negative $30.3 million. There is no collateral posted.

HSHS has a defined-benefit pension plan, which was about 102.4% funded (on a projected benefit obligation basis) as of June 30, 2022, which we view favorably. The plan will be frozen as of Dec. 31, 2023, with plan termination expected in 2024.

Table 2

Hospital Sisters Health System and subsidiaries, Ill.--Financial Statistics

	--Six months ended Dec. 31--	--Fiscal year ended June 30--			Medians for 'A+' rated health care systems	Medians for 'A' rated health care systems
	2022	2022	2021	2020	2021	2021
Financial performance						
Net patient revenue ($000s)	1,352,727	2,719,320	2,571,809	2,335,617	2,574,590	3,301,950
Total operating revenue ($000s)	1,438,520	2,864,440	2,787,323	2,524,291	2,958,072	3,511,073

Table 2

Hospital Sisters Health System and subsidiaries, Ill.--Financial Statistics (cont.)

	--Six months ended Dec. 31--	--Fiscal year ended June 30--			Medians for 'A+' rated health care systems	Medians for 'A' rated health care systems
	2022	2022	2021	2020	2021	2021
Total operating expenses ($000s)	1,525,313	2,930,697	2,679,286	2,704,430	2,883,645	3,371,951
Operating income ($000s)	(56,793)	(66,457)	138,037	(130,109)	94,222	82,687
Operating margin (%)	(6.0)	(2.3)	3.9	(7.1)	3.8	1.9
Net nonoperating income ($000s)	14,693	109,577	52,594	73,432	52,594	69,765
Excess income ($000s)	(72,100)	43,520	220,631	(126,707)	207,165	139,808
Excess margin (%)	(5.0)	1.5	7.0	(4.1)	5.3	4.0
Operating EBIDA margin (%)	(0.3)	3.3	9.5	(0.7)	9.0	6.9
EBIDA margin (%)	0.7	6.8	12.4	2.1	11.2	9.0
Net available for debt service ($000s)	10,052	203,893	356,774	55,346	439,123	375,589
Maximum annual debt service ($000s)	51,294	51,294	51,294	51,294	62,797	81,381
Maximum annual debt service coverage (x)	0.4	4.0	7.0	1.1	5.5	4.4
Operating lease-adjusted coverage (x)	0.6	2.9	4.8	1.1	4.2	3.3
Liquidity and financial flexibility						
Unrestricted reserves ($000s)	1,357,872	1,444,036	1,713,599	1,345,349	1,595,093	1,834,266
Unrestricted days' cash on hand	170.8	189.3	246.8	192.0	243.9	187.8
Unrestricted reserves/total long-term debt (%)	235.2	237.1	266.4	195.9	193.9	161.1
Unrestricted reserves/contingent liabilities (%)	374.1	397.8	567.4	445.5	943.3	605.3
Average age of plant (years)	14.1	13.9	13.5	12.7	12.0	12.1
Capital expenditures/depreciation and amortization (%)	74.9	90.5	85.4	112.3	106.2	110.7
Debt and liabilities						
Total long-term debt ($000s)	577,292	609,109	643,300	583,253	817,382	1,353,710
Long-term debt/capitalization (%)	18.0	18.7	18.8	25.3	28.8	35.6
Contingent liabilities ($000s)	363,016	363,016	302,020	302,020	222,399	293,033
Contingent liabilities/total long-term debt (%)	62.9	59.6	46.9	51.2	25.1	26.2
Debt burden (%)	1.8	1.7	1.8	2.0	1.9	2.0
Defined-benefit plan funded status (%)	N/A	132.4	100.0	83.9	92.1	84.6
Miscellaneous						
Medicare advance payments ($000s)*	0	91,967	228,694	248,040	MNR	MNR
Short-term borrowings ($000s)*	N/A	N/A	N/A	N/A	MNR	MNR
COVID-19 stimulus recognized ($000s)	7,175	45,399	127,054	110,830	MNR	MNR
Risk based capital ratio (%)	N/A	N/A	N/A	N/A	MNR	MNR

Table 2

Hospital Sisters Health System and subsidiaries, Ill.--Financial Statistics (cont.)

	--Six months ended Dec. 31--	--Fiscal year ended June 30--			Medians for 'A+' rated health care systems	Medians for 'A' rated health care systems
	2022	2022	2021	2020	2021	2021
Total net special funding ($000s)	51,968	103,935	52,203	79,995	MNR	MNR

*Excluded from unrestricted reserves, long-term debt, and contingent liabilities. N.A.--Not available. N/A--Not applicable. MNR--Median not reported.

Credit Snapshot

- Organization description: HSHS, the parent of HSSI, is a 15-hospital system operating in Illinois and Wisconsin. HSSI operates nine facilities in Illinois and six in Wisconsin. HSHS also operates an integrated physician network with the HSHS Medical Group, Prairie Cardiovascular Consultants, and Prevea, and also collaborates with other large multispecialty groups in Wisconsin and Illinois.
- Group rating methodology: Core

Related Research

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

S&P Global
Ratings

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Illinois Finance Authority Hospital Sisters Services Inc.; Joint Criteria; System

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ATTACHMENT 34

Illinois Finance Authority
Hospital Sisters Services Inc.; Joint Criteria; System

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Long Term Rating	AA+/A-1	Affirmed
Unenhanced Rating	A+(SPUR)/Negative	Affirmed
Southwestern Illinois Development Authority, Illinois		
Hospital Sisters Services Inc., Illinois		
Southwestern Illinois Dev Auth (Hospital Sisters Services, Inc.) hlth facs rev bnds (Hospital Sisters Services, Inc.) ser 2017B due 03/15/2044		
Long Term Rating	A+/A-1/Negative	Affirmed
Southwestern Illinois Dev Auth (Hospital Sisters Services, Inc.) rev bnds		
Long Term Rating	A+/Negative	Affirmed

Credit Highlights

- S&P Global Ratings affirmed its 'A+' long-term rating and underlying rating (SPUR) on bonds issued by various entities for Hospital Sisters Services Inc. (HSSI), Ill. All financial information is based on the parent, Hospital Sisters Health System (HSHS).
- At the same time, S&P Global Ratings affirmed its 'A+/A-1' dual rating on the series 2017B bonds issued by the Illinois Finance Authority (IFA), and affirmed its 'AA+/A-1' dual rating on the authority's series 2012G bonds. All bonds were issued for HSSI.
- The 'AA+/A-1' dual rating on the series 2012G revenue refunding bonds is based on our joint criteria. The long-term component of the rating is based jointly (assuming low correlation) on the ratings on the obligor, HSSI, and the letter of credit provider, BMO Harris Bank N.A. The short-term component of the rating is based solely on the rating on BMO Harris Bank.
- The 'A-1' short-term component of the dual ratings of series 2017B reflects HSHS' utilization of the system's own liquidity. As of July 31, 2024, S&P Global Ratings has identified approximately $550.67 million of available funds (as discounted by S&P Global Ratings) that support HSSI's $64.9 million of self-liquidity debt.
- The outlook, where applicable, is negative.

Security

The bonds are full and unlimited obligations of each member of the obligated group.

Credit overview

The 'A+' rating reflects our view of HSHS' strong enterprise profile, characterized by healthy revenue diversity, with 13 hospitals and a robust ambulatory presence across two states, as well as two sizable multispecialty physician groups, and solid market share in the system's Illinois and Wisconsin service areas. Our view of the enterprise remains consistent with recent years as we view the recent closure of two hospitals in western Wisconsin as not material given their smaller size and scale and limited contribution to overall system diversification. The rating also reflects HSHS' light debt levels, as evidenced by cash to long-term debt, leverage and debt burden ratios that are below rating medians, as well as good days' cash on hand (DCOH) despite some recent weakening.

While we expect fiscal 2024 to be a very challenged year operationally, with sizable operating losses (likely higher than interim levels), we note that a significant percentage of those expenses (including through the remainder of 2024) pertain to one-time challenges related to both a cybersecurity event in August 2023 and the closure of the two hospitals in western Wisconsin and thus we expect that those meaningful losses should not continue into fiscal 2025. Specifically, the cybersecurity event (not including any potential insurance recoveries) had a material negative impact on the financial performance and the cost of the closure of HSHS' western Wisconsin operations could reach about $190 million. That said, we noted significant operating improvement in the third and fourth quarter of fiscal 2023 that, along with a host of initiatives that were delayed due to the cybersecurity event, provides some support that HSHS could return to a better performance trend in 2025. We note that despite weakening of maximum annual debt service (MADS) coverage, management doesn't expect any covenant violations in fiscal 2024 given that calculations are run off the obligated group.

The rating also incorporates a positive holistic adjustment that reflects the one-time nature of the large year-to-date losses, coupled with our expectation of that the system has a plan in place to see a progressive performance improvement over the outlook period. In addition, the adjustment reflects HSHS' solid balance sheet that largely remains in line with an 'A+' rating. That said, the current rating has limited cushion, and an inability beyond fiscal 2024 to substantially bolster operating performance (even if affected by subsequent one-time events) or strengthen MADS coverage could lead to a downgrade, as would a deterioration in the balance-sheet profile.

The 'A+' rating further reflects our view of HSHS':

- Debt related metrics that are very healthy and favorable to rating medians, along with the recent termination of the system's defined-benefit pension plan;
- DCOH that remains good despite the recent weakening; and
- Geographic diversity, with 13 hospitals in Illinois and Wisconsin, along with solid market share in their service areas.

Partially offsetting the above strengths, in our opinion, are:

- Significant operating losses in fiscal 2023 and year to date through the March 2024 interim period, although the latter were due largely to one-time costs related to the cybersecurity event and the closure of two hospitals in Wisconsin, accompanied by a decline in MADS coverage;
- Reliance on special funding sources, specifically, state provider tax assessments from Illinois and Wisconsin. While

we recognize these funds have remained available in recent years, we view them as potentially volatile in the event of budgetary issues at the state level; and

- A debt profile that, while remaining robust, includes a high percentage of contingent liabilities.

Environmental, social, and governance

We view social risk as neutral to the credit rating analysis. That said, HSHS is experiencing industrywide human capital social risks tied to higher labor and salary pressures that began in late 2021 and are likely to continue through 2024, although we note progressive abatement in these pressures. We believe governance and environmental risks are neutral to our credit rating analysis. In addition, while the system has seen turnover at the executive level in recent years, we view positively the new management team's extensive industry experience. HSHS also experienced a cybersecurity event in August 2023 that negatively affected the system's operating performance and temporarily affected patient services. We note that the system's downtime without full access to systems was about two weeks, although downtime plans worked as expected, but similar to others required the typical slowdown in volumes and scheduling. We note that HSHS has in place cyber insurance, which we view positively, and that it is currently undergoing the claim adjudication. We will continue to monitor the impact of any lingering challenges related to the revenue cycle and billing that can sometimes take a bit longer as it requires discussions with managed care companies.

Outlook

The negative outlook reflects persisting operating losses along with a weakening of MADS coverage, although we expect HSHS' operations to progressively trend toward breakeven over the outlook period.

Downside scenario

We could lower the rating if the system is unable to generate meaningful operational improvements over the outlook period, including operating margins that trend toward breakeven and MADS coverage that remains in line with the rating. We could also consider a lower rating if HSHS experiences a decline in DCOH or cash to debt metrics to levels no longer commensurate with the rating. A weakening of the enterprise profile or a substantial increase in current debt levels could also pressure the rating.

Upside scenario

We could consider revising the outlook to stable if the system is able to consistently generate operating margins at breakeven or better, while strengthening MADS coverage to levels in line with the rating and maintaining balance-sheet metrics. A stable outlook would also be predicated on maintaining solid enterprise profile characteristics such as market share.

Credit Opinion

Enterprise Profile: Strong

Multistate presence supports enterprise profile

We view the system's enterprise profile as strong, characterized by good revenue diversity, a sizable and diversified medical staff, and a strong although relatively new leadership team. HSHS operates 13 hospitals: nine in Illinois and four in Wisconsin. These hospitals are grouped in two divisions, and are located in the following cities:

- Illinois: Breese, Decatur, Effingham, Greenville, Highland, Litchfield, O'Fallon, Shelbyville, and Springfield
- Wisconsin: Green Bay, Oconto Falls, and Sheboygan.

HSHS also has two large medical groups: a partnership with Prevea Health (in Wisconsin), with more than 675 providers across more than 60 specialty areas; and the HSHS Medical Group (in Illinois), with about 300 providers across 30 specialty areas in more than 30 cities. In addition, the system has a large, fully aligned cardiovascular group in Illinois, Prairie Cardiovascular Consultants, which has more than 100 providers and more than 40 clinical locations across the southern half of the state. Finally, HSHS has a joint venture hospital in Door County.

In March 2024, HSHS announced the closure of HSHS Sacred Heart Hospital in Eau Claire and HSHS St. Joseph's Hospital in Chippewa Falls. Prevea Health subsequently closed locations in these areas as well. Through the closure of these hospitals, HSHS has permanently exited the western Wisconsin region, with its operations now solely focused on eastern Wisconsin and Illinois.

Solid market share despite heightened competition

In eastern Wisconsin, the system, with a leading market share of 34.9%, is anchored by St. Vincent Green Bay and St. Mary's Green Bay, and ranks ahead of its competitors Bellin Health and Advocate Aurora. In Springfield, HSHS' 31.4% share is ahead of Memorial Health. Although HSHS continues to capture leading shares in most of its markets, we nevertheless recognize that it operates in a highly competitive environment against well-established systems.

New management team remains focused on improving financial performance

In recent years, HSHS has invested in initiatives geared at increasing revenues and reducing expenses, including a systemwide rationalization of clinical and administrative services. This process has also included the consolidation of service lines in each of its markets, the elimination or discontinuance of certain programs, and the closure of redundant sites of care. HSHS has also focused on streamlining administrative services, including centralization and standardization of finance and supply-chain processes, and optimizing its workforce in light of ongoing labor and wage pressures.

HSHS' senior management team has seen turnover in recent years, starting with the appointment of a new CEO of the system in 2021, a chief clinical officer in 2023, and a CFO in 2024. The new management team has articulated a vision that includes the strengthening of HSHS' financial health to enable the system to face current industry headwinds and pursue opportunities designed to provide better care to the population it serves. In the process, HSHS has undertaken efforts to improve its organizational effectiveness through revenue-generating and expense management initiatives. In fiscal 2025, key initiatives will center on optimizing the average length of stay, improving the revenue cycle, managing labor and wage pressures, and enhancing the system's supply chain operations.

Table 1

Hospital Sisters Health System and subsidiaries, Illinois--Enterprise statistics

	--Nine months ended March 31--	--Fiscal year ended June 30--		
	2024	2023	2022	2021
PSA population (no.)	N.A.	N.A.	N.A.	N.A.
PSA market share (%)	N.A.	N.A.	N.A.	N.A.
Inpatient admissions (no.)	47,923	57,756	65,103	61,448
Equivalent inpatient admissions (no.)	122,119	159,526	163,168	157,186
Emergency visits (no.)	205,549	284,366	280,212	251,506
Inpatient surgeries (no.)	8,393	12,140	11,720	12,804
Outpatient surgeries (no.)	28,976	41,006	42,626	41,306
Medicare case mix index	1.8600	1.7633	1.8700	1.8382
FTE employees (no.)	7,264	7,893	8,079	10,434
Active physicians (no.)	3,631	4,401	4,202	2,329
Based on net/gross revenues	Net	Net	Net	Net
Medicare (%)	34.0	35.0	35.0	32.0
Medicaid (%)	13.0	13.0	13.0	10.0
Commercial/Blues (%)	52.0	51.0	51.0	49.0

Inpatient admissions exclude normal newborn, psychiatric, rehabilitation, and long-term care facility admissions. PSA--Primary service area. FTE--Full-time equivalent. N.A.--Not available.

Financial Profile: Strong

Weaker financial performance expected to persist in fiscal 2024

Operating losses increased in fiscal 2023, spurred by the continuation of industrywide labor and wage headwinds, which were particularly acute for the system, along with throughput issues, and inflationary pressures that had also affected prior-year results. Through the March 2024 interim period, losses accelerated, as in addition to the aforementioned headwinds, HSHS suffered a cybersecurity event in late August 2023 that negatively affected volumes and revenue cycle activities, and materially impacted operating performance. In addition, the closure of the system's western Wisconsin hospitals in March 2024 is expected to result in about $190 million in restructuring costs for fiscal 2024.

For fiscal 2025, management expects operating losses will persist at levels meaningfully lower than current interims, as the system expects to benefit from the execution of cost-cutting initiatives, including service rationalization, revenue cycle improvements, physician enterprise efficiencies, and improved payer rates, while not incurring meaningful expenses related to the cyber event or the closure of western Wisconsin hospitals. We view positively HSHS' turnaround initiatives because we consider the system's ability to consistently generate operating profits as a key rating factor, although we note that HSHS is not expecting to achieve breakeven operating margins before fiscal 2025.

MADS coverage, which has recently been light and below rating medians, further weakened through the interim period, and dropped to below 1.0x as of March 2024. However, management has indicated that MADS coverage on the obligated group, on which financial covenants are based, is expected to remain above 3.0x over the outlook period.

thereby avoiding any covenant breaches.

Liquidity remains solid despite recent weakening

Liquidity and financial flexibility have historically been viewed as good, despite the further reduction in DCOH in fiscal 2023, due largely to operating losses, which continued through the March 2024 interim period, as well as the revenue cycle delays associated with the cybersecurity event. Management expects gradual improvements to liquidity metrics over the outlook period, owing to the expectation of better operating performance. That said, liquidity metrics, including unrestricted reserves to long-term debt, generally remain within our expectation for 'A+' ratings.

HSHS is planning about $100 million in capital spending in fiscal 2024, which is lower than initial budget expectations, as management modulates spending to support operating performance. Management expects to prioritize projects that are emergent, enhance patient safety, and support growth. Overall, capital expenditures are expected to drop to below 100% of depreciation and amortization in fiscal 2025, with the majority of capital expenditures focused on routine capital spending.

Debt profile remains supportive of the rating although contingent debt remains high

We consider the debt profile as robust and a credit strength for HSHS, with debt burden and debt to capitalization that compare favorably with rating medians and with similarly rated peers. However, contingent liabilities-to-long-term debt is high for the rating, although we view contingent liability risk as manageable, given the system's ample liquidity. HSHS currently does not have plans to issue new money debt over the outlook period, which we expect will further support the system's debt profile.

HSSI has several series of direct purchase debt, including its $148.4 million series 2012H and 2012I bonds, which were restructured and privately placed with JPMorgan Chase & Co. in September 2020. These bonds, are included in HSSI's contingent liability debt. Bond covenants for these series include maintenance of at least 1.1x annual debt service coverage and at least 75 DCOH.

HSHS also has five interest rate swap agreements: four with Merrill and one with JPMorgan Chase. As of June 30, 2023, the total notional value on the swaps was $443.5 million, with a total mark-to-market value of negative $21.4 million. There is no collateral posted.

HSHS terminated its defined-benefit pension plan in fiscal 2024, which we view favorably.

Table 2

Hospital Sisters Health System and subsidiaries, Illinois--Financial statistics

	--Nine months ended March 31--	--Fiscal year ended June 30--			Medians for 'A+' rated health care systems	Medians for 'A' rated health care systems
	2024	2023	2022	2021	2023	2023
Financial performance						
Net patient revenue ($000s)	2,062,617	2,795,088	2,719,320	2,571,809	3,040,851	3,101,674
Total operating revenue ($000s)	2,138,823	2,925,776	2,854,218	2,784,984	3,374,102	3,424,212
Total operating expenses ($000s)	2,375,071	3,029,256	2,930,897	2,679,286	3,438,543	3,504,106
Operating income ($000s)	(236,248)	(102,480)	(76,679)	105,698	1,475	(21,148)
Operating margin (%)	(11.0)	(3.5)	(2.7)	3.8	0.1	(1.0)

Table 2

Hospital Sisters Health System and subsidiaries, Illinois--Financial statistics (cont.)

	--Nine months ended March 31--	--Fiscal year ended June 30--			Medians for 'A+' rated health care systems	Medians for 'A' rated health care systems
	2024	2023	2022	2021	2023	2023
Net nonoperating income ($000s)	59,838	55,081	120,199	94,933	53,035	50,656
Excess income ($000s)	(176,404)	(47,399)	43,520	200,631	35,964	14,015
Excess margin (%)	(8.0)	(1.6)	1.5	7.0	1.5	0.5
Operating EBIDA margin (%)	(2.1)	2.5	2.9	9.4	5.7	4.0
EBIDA margin (%)	0.7	4.3	6.6	12.4	7.2	5.6
Net available for debt service ($000s)	15,577	127,834	203,093	356,774	196,701	205,556
Maximum annual debt service ($000s)	49,448	49,448	49,448	49,448	72,291	74,446
Maximum annual debt service coverage (x)	0.4	2.6	4.1	7.2	3.2	2.3
Operating lease-adjusted coverage (x)	0.6	2.0	3.0	4.9	2.5	2.0
Liquidity and financial flexibility						
Unrestricted reserves ($000s)	1,393,433	1,402,637	1,444,036	1,713,539	1,465,289	1,503,306
Unrestricted days' cash on hand	162.6	178.4	189.3	246.8	193.7	136.6
Unrestricted reserves/total long-term debt (%)	243.1	247.1	237.1	256.4	178.2	131.4
Unrestricted reserves/contingent liabilities (%)	378.6	398.8	397.8	567.4	613.1	523.3
Average age of plant (years)	9.1	13.7	13.9	13.5	12.3	12.2
Capital expenditures/depreciation and amortization (%)	34.9	67.7	90.5	85.4	141.0	119.1
Debt and liabilities						
Total long-term debt ($000s)	536,180	567,574	609,109	543,330	947,724	1,145,483
Long-term debt/capitalization (%)	15.7	16.6	18.7	18.8	29.2	37.7
Contingent liabilities ($000s)	351,731	351,731	363,016	302,020	245,563	292,325
Contingent liabilities/total long-term debt (%)	65.6	62.0	59.6	46.9	24.9	25.3
Debt burden (%)	1.7	1.7	1.7	1.7	2.1	2.0
Defined-benefit plan funded status (%)	N.A.	119.7	102.4	100.0	96.9	90.8
Miscellaneous						
Medicare advance payments ($000s)*	0	0	91,967	226,694	MNR	MNR
Short-term borrowings ($000s)*	N/A	N/A	N/A	N/A	MNR	MNR
COVID-19 stimulus recognized ($000s)	1,699	5,212	45,399	127,054	MNR	MNR
Risk-based capital ratio (%)	N.A.	N.A.	N.A.	N.A.	MNR	MNR
Total net special funding ($000s)	46,695	57,962	103,935	52,203	MNR	MNR

*Excluded from unrestricted reserves, long-term debt, and contingent liabilities. N.A.--Not available. MNR--Median not reported.

Credit Snapshot

- Organization description: HSHS, the parent of HSSI, is a 13-hospital system operating in Illinois and Wisconsin. HSSI operates nine facilities in Illinois and four in Wisconsin. HSHS also operates an integrated physician network with the HSHS Medical Group, Prairie Cardiovascular Consultants, and Prevea Health, and also collaborates with other large multispecialty groups in Wisconsin and Illinois.
- Group rating methodology: Core

Related Research

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

ATTACHMENT 35

Financial Waiver

Documentation of the A+ bond rating of the Hospital Sisters Health System by Fitch and S&P Global are included with Attachment 34.

ATTACHMENT 37

Economic Feasibility

A. Reasonableness of Financing Arrangements: Not Applicable. This project is not proposed to be financed with bond proceeds.

B. Conditions of Debt Financing: Not Applicable. This project is not proposed to be financed with bond proceeds.

C. Reasonableness of Project and Related Costs

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		Gross Sq. Ft.		Gross Sq. Ft.		Const. $	Mod. $	
	New	Mod	New	Circ*	Mod	Circ*	(A x C)	(B x E)	
REVIEWABLE									
Med/Surg Beds	$0.00	$229.56	0		18,083		$0	$4,151,126	$4,151,126
Emergency Department	$155.63	$155.63	10,946		8,088		$1,703,580	$1,258,776	$2,962,356
X-ray	$0.00	$204.24	0		561		$0	$114,479	$114,479
CT	$0.00	$223.25	0		799		$0	$178,265	$178,265
Total Clinical	**$155.63**	**$207.14**	**10,946**		**27,530**		**$1,703,580**	**$5,702,645**	**$7,406,226**
Contingency	$88.89	$88.89	19,394		35,321		$1,723,946	$3,139,707	$4,863,653
TOTALS (with contingency)	**$176.73**	**$250.34**	**19,394**		**35,321**		**$3,427,526**	**$8,842,353**	**$12,269,879**
* Include the percentage (%) of space for circulation									

D. Projected Operating Costs

The total projected operating costs per unit of service is $2,688/equivalent patient day.

E. Total Effect of the Project on Capital Costs

The total projected annual capital costs, defined as the proposed capital costs divided by total procedures, for the first full fiscal year at target utilization is:

$65,659,319 Total Capital Cost / 11,125 Equivalent Patient Days = $5,902 Capital Cost per Equivalent Patient Day

ATTACHMENT 38

Safety Net Impact Statement

1. The project's material impact, if any, on essential safety net services in the community, *including the impact on racial and health care disparities in the community,* to the extent that it is feasible for an applicant to have such knowledge.

To the applicants' knowledge, this project will not have any material impact on the essential safety net services in the community including not impacting racial and health care disparities. Regardless of insurance type (commercial, Medicaid, Medicare, etc.) patients will have access to St. Elizabeth's Hospital as they always have.

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.

To the applicants' knowledge, this project will not impact any other area provider or health care system to cross-subsidize safety net services because the inpatient, emergency, and imaging volume for the proposed project is based upon St. Elizabeth's Hospital's historical patient volume.

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.

Not applicable. This project does not involve the discontinuation of a facility or service.

Safety Net Impact Statements shall also include all the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

Charity Care			
Charity (# of patients)	**2021**	**2022**	**2023**
Inpatient	1,094	635	441
Outpatient	2,031	1,179	538
Total	3,125	1,814	979
Charity (cost in dollars)			
Inpatient	$944,996	$542,558	$376,704
Outpatient	$1,164,370	$697,573	$484,332
Total	**$2,109,366**	**$1,240,131**	**$861,036**

Medicaid			
Medicaid (# of patients)	**2021**	**2022**	**2023**
Inpatient	1,454	1,666	1,536
Outpatient	9,754	12,167	10,302
Total	11,208	13,833	11,838
Medicaid (revenue)			
Inpatient	$10,636,205	$14,467,602	15,744,497
Outpatient	$12,485,979	$17,818,141	17,737,504
Total	**$23,122,184**	**$32,285,743**	**$33,482,001**

ATTACHMENT 39
Charity Care Information

The amount of charity care provided by the applicant facility and by Hospital Sisters Health System's other affiliated Illinois hospitals are included in the tables below.*

HSHS ST. ELIZABETH'S HOSPITAL, O'Fallon			
	2020	**2021**	**2022**
Net Patient Revenue ($)	**236,229,960**	**275,017,802**	**298,570,564**
Amount of Charity Care (charges)	2.0% of net patient revenue	0.8% of net patient revenue	0.4% of net patient revenue
Cost of Charity Care ($)	4,677,255	2,109,541	1,240,131

HSHS ST. MARY'S HOSPITAL, Decatur			
	2020	**2021**	**2022**
Net Patient Revenue ($)	**139,592,400**	**154,832,337**	**163,427,620**
Amount of Charity Care (charges)	2.6% of net patient revenue	1.2% of net patient revenue	0.1% of net patient revenue
Cost of Charity Care ($)	3,626,588	1,856,544	170,995

HSHS ST. JOHN'S HOSPITAL, Springfield			
	2020	**2021**	**2022**
Net Patient Revenue ($)	**523,450,611**	**573,865,078**	**587,440,196**
Amount of Charity Care (charges)	1.4% of net patient revenue	0.8% of net patient revenue	0.6% of net patient revenue
Cost of Charity Care ($)	7,089,001	4,566,459	3,700,689

HSHS ST. ANTHONY'S MEMORIAL HOSPITAL, Effingham			
	2020	**2021**	**2022**
Net Patient Revenue ($)	**133,797,725**	**147,745,116**	**154,760,301**
Amount of Charity Care (charges)	1.6% of net patient revenue	1.1% of net patient revenue	0.3% of net patient revenue
Cost of Charity Care ($)	2,124,114	1,578,632	455,919

HSHS ST. JOSEPH'S HOSPITAL, Breese			
	2020	**2021**	**2022**
Net Patient Revenue ($)	**51,076,177**	**60,838,212**	**72,247,331**
Amount of Charity Care (charges)	1.6% of net patient revenue	0.8% of net patient revenue	0.5% of net patient revenue
Cost of Charity Care ($)	807,372	486,470	340,456

HSHS HOLY FAMILY HOSPITAL, Greenville			
	2020	**2021**	**2022**
Net Patient Revenue ($)	**18,477,072**	**19,624,839**	**20,862,477**
Amount of Charity Care (charges)	3.0% of net patient revenue	0.9% of net patient revenue	1.2% of net patient revenue
Cost of Charity Care ($)	548,198	177,987	254,359

HSHS ST. FRANCIS HOSPITAL, Litchfield			
	2020	**2021**	**2022**
Net Patient Revenue ($)	**49,837,518**	**53,135,013**	**56,701,033**
Amount of Charity Care (charges)	2.0% of net patient revenue	1.1% of net patient revenue	0.7% of net patient revenue
Cost of Charity Care ($)	1,008,722	584,375	410,875

HSHS ST. JOSEPH'S HOSPITAL, Highland			
	2020	**2021**	**2022**
Net Patient Revenue ($)	**41,475,768**	**46,902,188**	**49,917,318**
Amount of Charity Care (charges)	1.5% of net patient revenue	1.2% of net patient revenue	1.0% of net patient revenue
Cost of Charity Care ($)	621,484	547,545	505,987

HSHS GOOD SHEPHERD HOSPITAL, Shelbyville			
	2020	**2021**	**2022**
Net Patient Revenue ($)	**12,264,800**	**15,490,049**	**20,862,477**
Amount of Charity Care (charges)	1.2% of net patient revenue	0.5% of net patient revenue	0.4% of net patient revenue
Cost of Charity Care ($)	151,281	82,487	75,281

*Source: 2020, 2021, and 2022 Hospital Profiles