Citizens for Healthcare in Ottawa

*Web:* Saveottawahealthcare.com
*Facebook:* Facebook.com/saveottawahealthcare
*Email:* citizensforhealthcare.61350@gmail.com



**DATE:** July 23, 2025

**TO:** **Elizabeth Maxeiner**, Chief of Antitrust Bureau, Office of IL Attorney General
**Kristin Louis**, Chief of Charitable Trust Bureau, Office of IL Attorney General
**David Buysse**, Deputy Chief of Public Interest Division, Office of IL Attorney General

**RE:** Request for the Office of the Illinois Attorney General to Investigate Certain Operations and Practices of OSF HealthCare System

Good afternoon:

Today I am writing on behalf of Citizens for Healthcare in Ottawa ("CHO"), a grass roots organization of civic leaders and engaged citizens from Ottawa, IL. CHO is requesting the Office of the Illinois Attorney General ("OAG") to open a civil investigation into certain health care operations and practices within the OSF HealthCare System ("OSF"). We have profound concerns about the propriety of OSF's actions and plans to consolidate access to health care in the more affluent portions of Hospital Planning Area C0-2 (as established by the Illinois Health Facilities and Services Review Board ("HFSRB")), which will have the net effect of depriving residents in the eastern part of this planning area timely and effective access to critical health care services.

OSF is a Catholic-sponsored health system benefitting from federal and state tax-exemption as a charitable organization; it adheres to the Religious and Ethical Directives for Catholic Health Care Services published by the U.S. Conference of Catholic Bishops ("ERDs"). OSF operates 17 hospitals in Illinois, along with many other health care services.

As described below and in the attached detailed materials, we believe OSF now has monopoly power through a series of acquisitions that seemingly have not undergone antitrust scrutiny. In 2024, OSF filed two Certificate of Need ("CON") permit applications with HFSRB designed to further consolidate health care services in the more affluent part of Planning Area C0-2, thereby depriving residents of Ottawa and the eastern portions of this planning area access to essential health care services.

Project 24-11 proposed the replacement of OSF Saint Elizabeth Medical Center-Ottawa ("Ottawa Hospital") with a downsized hospital that would eliminate ICU and OB services and dramatically downsize medical-surgical beds. Project 24-13 proposed the discontinuation of the Ottawa Hospital upon opening of the downsized replacement facility. As a general proposition, OSF proposed that ICU and OB services be relocated to its recently acquired Peru, Illinois hospital, which is 17 miles distant from Ottawa and even more distant from eastern portions of Planning Region. Both projects received intense opposition from the Ottawa community (and surrounding communities), and at the request of OSF, consideration of both applications has been repeatedly deferred.

*Continued on following page*

Citizens for Healthcare in Ottawa

*Web:* Saveottawahealthcare.com
*Facebook:* Facebook.com/saveottawahealthcare
*Email:* citizensforhealthcare.61350@gmail.com



*(Continued from previous page)*

Most recently OSF sought (and received in March 2025) from HFSRB a 12-month deferral on these two projects (transcript of that appearance attached). At the insistence of HFSRB, however, OSF has conducted and reported to HFSRB on monthly community meetings about the plans for the Ottawa Hospital. However, no meaningful changes to the original plans have been made by OSF in response to community input, and the community remains staunchly opposed.

In 2025, OSF filed Project 25-13, which proposes to discontinue all ICU and OB services at the Ottawa hospital. This Project 25-13 application is tentatively scheduled to be heard at the August 12, 2025 HFSRB meeting. Projects 24-13 and 24-11 remain pending, subject to the deferral described above.

The supporting materials provided herein detail our concerns with OSF, and can be summarized into the following key topics:

1. **Monopolistic Behavior**: OSF operates as a health care monopoly in the region, and under the restrictions in the ERD pertaining, among other things, to reproductive health care services. Using this monopoly power, they have taken recent actions to reduce access to OB and ICU services, which will have a drastic adverse impact on patient safety, quality of care, and health care worker welfare in the rural communities located in eastern Planning Area C0-2.

2. **Profits Over Patients**: As a tax-exempt, charitable organization, OSF appears to be abandoning the health care needs of the Ottawa community (and eastern Planning Area C0-2, which includes Eastern LaSalle County) in favor of continued robust profit growth. Years of sustained OSF asset growth supports our concern that OSF is accumulating excessive assets and reserves, without clear plans to utilize them in furtherance of its tax-exempt mission through expenditures in support of the region's most pressing community health needs.

3. **Reducing Access to Health Services**: OSF intends to eliminate the OB and ICU services in Ottawa, as well as severely reduce medical/surgical capacity in favor of moving those inpatient services to a more affluent area in Peru, IL – which is 17 miles away from Ottawa. This distance is even greater for those living beyond Ottawa's borders in Eastern LaSalle County. Additionally, OSF has taken steps to relocate outpatient clinics and services from Ottawa to Peru. It plans to do so despite concerns from police, fire and EMS leadership.

4. **Future of Donated Assets**: OSF acquired the assets of Ottawa Hospital in 2012. OSF paid no purchase price for the hospital's assets (including the land), but the valuation at the time was $58 million. OSF's plans are to demolish the hospital that was given to them, but without providing a clear intended use of the site following demolition. There is no way to know if the land will be repurposed to meet the community's needs (health care related or otherwise). Prior to demolition, CHO believes the community has a right to know if another willing and able operator would be interested in maintaining hospital services in Ottawa.

*Continued on following page*

Citizens for Healthcare in Ottawa

*Web:* Saveottawahealthcare.com
*Facebook:* Facebook.com/saveottawahealthcare
*Email:* citizensforhealthcare.61350@gmail.com



*(Continued from previous page)*

5. **Operating Without Regulatory Approvals**: Despite the HFSRB's clear direction for OSF to work with community members to develop an updated plan for the delivery of health care services in Ottawa that meets community needs and garners support from key stakeholders (such as emergency medical services and police), OSF has done little to reconsider any element of their chosen approach. Frankly, OSF leaders have had a sustained arrogance that they will not be challenged by valid concerns, stating they only seek to "educate" the public that what they have planned for the region is sufficient – despite data-driven concerns to the contrary.

Lastly, our community is not opposed to OSF's plans simply because of a blind allegiance to our lovely town. Our opposition lies in the fact that we have had a high-quality hospital that has served our rural community well for over a century become unilaterally dismantled by a financially robust organization that benefits both from monopoly power and tax-exempt charitable status. Ottawa Hospital has garnered several industry awards that attest to the quality of care provided here, in addition to being a financially profitable facility for many years. OSF often speaks about the plight of rural health care – but here it has a gem, an anomaly if you will – that OSF appears poised to sacrifice in favor of continued consolidation. For these reasons, we are so grateful that the HFSRB has challenged OSF to work with our city and key stakeholders to develop a plan that will best serve our regional health care needs.

Thank you so much for your attention to this matter. If you have any questions as it pertains to this request for an investigation, please contact me or Anne Murphy (copied below). We also would be happy to share additional materials upon your request.

Sincerely,

Colleen Burns, MHSA
Co-Founder, Citizens for Healthcare in Ottawa

**CC:** **John Kniery**, Administrator, IL Health Facilities & Services Review Board
**Blanca Dominguez**, General Counsel, IL Health Facilities & Services Review Board
**Robb Hasty**, Mayor of Ottawa, IL
**Anne Murphy**, Partner, ArentFox Schiff LLP

**Enc:** *Excerpt from HFSRB Transcript (March 18, 2025 Board Meeting – pages 124-169)*
*Detailed Complaint to OAG (Submitted July 23, 2025)*
*Complaint filed to the Department of Justice Antitrust Division (May 31, 2024*)

**TO: Department of Justice, Antitrust Division & the Federal Trade Commission**

**RE: OSF Health System Monopoly & Loss of Health Care Access in Ottawa, IL**

*Submitted May 31, 2024 online:*
https://www.justice.gov/atr/webform/submit-healthcare-competition-complaint

To Whom It May Concern:

The group "Citizens for Healthcare in Ottawa" ("CHO") formed in April 2024 following OSF Healthcare's ("OSF") announcement to demolish our 99-bed hospital in Ottawa, Illinois and replace it with a 38-bed hospital. Our CHO group believes that OSF is using its monopoly power to play a dangerous game of chess with the health care facilities and services in our area. I will get into the details of OSF's monopoly, but first a little history about our hospital in Ottawa:

In 1895 a hospital was gifted to the city of Ottawa by a grieving widow in honor of her late husband, a local physician. In 1969 a local foundation donated 30 acres of land along our beautiful Fox River to build a new hospital; personal and corporate donations were collected from many local businesses to build the facility and ground was broken in 1971; the hospital was operational by 1974. In 1985 more land adjacent to the hospital was donated and multiple outpatient facilities were built. The hospital's board of directors were distinguished members of the community.

Following years of partnership with OSF through the stroke network, Ottawa's board of directors signed an LOI in 2010 to merge with OSF; and the deal was finalized in 2012. OSF paid no purchase price for the hospital's assets (including the land), but the valuation at the time was $58 million. The hospital was renamed OSF Saint Elizabeth Medical Center ("OSF SEMC"). The partnership promised growth for the Ottawa community and access to primary care and specialty services that we were in need of.

In 2014, OSF acquired a 25-bed hospital in Mendota, IL, again for free (no purchase price), but the hospital had a valuation of $40 million at the time. Then in 2021, OSF acquired a 25-bed hospital in Princeton, IL, again at no cost or purchase price, but the hospital was valued at $25 million.

So, by 2021, our 3-coutny planning region[1] had 5 acute care hospitals (Ottawa with 99 beds; Peru with 49 beds; Spring Valley with 44 beds; Princeton with 25 beds and Mendota with 25 beds). As described above, Ottawa, Princeton and Mendota were owned by OSF; however, Peru and Spring Valley were owned by SMP Health. At this time, according to the Illinois Health Facilities and Services Review Board ("IHFSRB"), our region had a surplus of 43 med/surg beds; 10 OB/delivery beds and 8 ICU beds.[1]

In early 2023, Peru and Spring Valley hospitals closed abruptly and went into bankruptcy. Those closures left only 3 hospitals in operation in our region (Ottawa; Princeton and Mendota) – all of which were owned and operated by OSF, making OSF the only provider of hospital services in Ottawa's planning region; a monopoly created seemingly by happenstance. With these closures our planning region now had a shortage of 27 med/surg beds; and 2 ICU beds – it also went from a surplus of 10 OB/delivery beds to a surplus of only 1 OB bed in the region.

In July 2023 OSF purchased the closed Peru hospital for $38 million.[2] Due to the hospital being purchased out of bankruptcy, it's our understanding that OSF did not have to go through the typical Federal Trade Commission approvals in regards to the Hart-Scott-Rodino Antitrust Act. Therefore, growing their monopoly power in our region without any federal antitrust oversight.

In March 2024, OSF announced plans to build a new hospital in Ottawa and demolish the one built in the 70s. The new hospital would keep 26 mental health beds; but ICU and OB units would be eliminated; and only 12 med/surg beds (a 78% reduction) would remain – even though the average daily patient census is: 24 med/surg; 3 ICU; and 3 OB/delivery. In stark contrast, OSF shared plans to re-open Peru's once shuttered hospital as the system's new inpatient hub on I-80, and increase the number of beds. The Ottawa community was shocked to hear that after years of partnership, promises and donated assets, that the OSF system would abandon us. Not only that, their plans do little to take our region out of the bed-shortage created by the two hospitals closing in 2023. Their plans as written, keep the region with a shortage of 24 med/surg beds and 2 OB/delivery beds; only 1 ICU bed would be considered a surplus.

OSF's plans for the bed changes between Ottawa and Peru are further detailed below:

1) ICU Beds: Peru will have 8 Intensive Care Unit Beds (up from their current 4 today). Ottawa will lose all 5 of theirs. The data shows that Ottawa has operated at peak census of 5 patients in their 5 beds since 2019 (maybe longer, but that is as far back in the data as I looked). This change will be immensely impactful to our community and will leave no ICU beds East of I-39 in LaSalle County.

2) OB Beds: Peru will have 11 Obstetric/Delivery beds (up from their current 7 today). Ottawa will lose all 14 of theirs. As Ottawa is today, Peru will become the only birthing unit in a 3-county region. Since 2021 is the last good year of data we have to compare Ottawa to Peru (Peru did not submit 2022 data to the state for reporting during their closure), we can consider Ottawa's peak census of 9 patients and Peru's peak census of 7, totaling to 16 patients. A simple enough calculation that shows an 11 bed OB unit may not do the trick for this planning region. Furthermore, this elimination of services is in spite of the accolades that Ottawa's maternity center has received in the past few years, including a BCBS center of distinction – proving it to be a high-quality department.

3) Med/Surg Beds: Peru will have 45 medical/surgical beds (up from their current 38 today). Ottawa will have 12 – a 78% reduction from the 54 it has licensed today. For reference, a typical Critical Access Hospital (such as OSF sites in Mendota and Princeton) are around 25 beds. Which makes it laughable, but not funny, that OSF has planned only 12 beds for Ottawa, which is nearly 3x the size of these other two towns. It will also make Ottawa one of the smallest, if not THE smallest med/surg units in the state.

4) AMI Beds: Acute mental illness is the only area that OSF has planned for growth in Ottawa. But we continue to be sold that this hospital will be "right sized for our community". Our planning region for mental health services is different than for the other bed types listed above, and spans 13 counties; patients will be driving from 100+ miles for behavioral health care in Ottawa. So, while these services will support some of our community members, it by no means replaces what our community is losing in terms of medical/surgical beds, our delivery unit and our intensive care unit.

OSF's argument for these changes in large part has been that "rural health care is dying", which translates to rural providers are losing money and therefore closing. But Ottawa hospital has operated at a multimillion dollar net profit for years, unlike the Peru hospital they had purchased.[2] Furthermore,

Ottawa hospital recently received an “A” rating from Leapfrog Group - a leader in providing transparency around patient safety and quality metrics. This puts them in the same company as University of Chicago Medical Center, Rush University Medical Center, Northwestern Central DuPage, Elmhurst Hospital and Silver Cross Hospital, among others. In both 2022 and -23, Ottawa was designated as a “Top 100 Rural & Community Hospital in the Country” by The Chartis Center for Rural Health, the industry's most comprehensive and objective assessment of rural hospital performance. It was one of only 3 rural hospitals in Illinois to receive the distinction in 2023.

So it begs the question - Why do we think OSF is playing a very confusing game of chess with the facilities in our region? First, Peru looks better on map compared to Ottawa, based on its location on I-39 between Rockford and Peoria – OSF’s two hub hospitals in Illinois. And although Peru treated 34,489 fewer patients than Ottawa did in 2021, the Peru hospital payer mix looks a lot better (49% commercial pay mix in Peru vs. 31% commercial pay mix in Ottawa).[2]

Members of CHO have been advocating for OSF to maintain our ICU unit, keep some level of OB beds and at least give us 25 medical surgical beds - which is common for any critical access hospital. We have raised several issues that prove their plan is flawed; some (but by no means all) are listed below:

1) Ottawa’s med/surg unit has had an average daily census ("ADC") of 23-24 patients for the past several years, meaning OSF's plans for 12 beds are flawed from the start. Their most recent peak census number was 36. These numbers prove the hospital will be running transports on a very regular basis.

2) Ottawa’s ICU unit has had an ADC of 3.5 patients, with a peak census of all 5 beds being utilized at a given time. Clinical experts have also spoken about the patient safety issues in regards to patients suffering complications from surgery that would require ICU level care, but not having an ICU on site.

3) Ottawa’s OB unit has had an ADC of 3 patients, with a peak census of 8 beds being utilized at a given time.

4) Growth in the AMI unit (by conversion of dual-occupancy to private rooms) will require use of med/surg beds for medical clearance and possibly ICU beds for detox and observation prior to admittance to the AMI unit. Again, if OSF plans for Ottawa to be the behavioral health hub for our region, we will need more med/surg beds and an ICU unit to avoid additional transports.

5) The current Emergency Department is licensed for 9 stations, but operates as many as 13 during busy hours. The plans are for the new ED to include 10 stations. So, it is a safe bet that patients will be waiting long periods of time to receive care or to be transported. Furthermore, OSF has said that emergency surgeries will only be available at Ottawa during certain business hours – how on earth do they plan to educate the public on this?

6) Employees will be forced to travel for work if they want to maintain their jobs. Especially those in surgical services, intensive care and labor/delivery as OSF plans to move these services from Ottawa to Peru. I personally know people who will have to purchase vehicles to make this new dynamic work for their family. And OSF has not offered to pay any type of mileage coverage for those who will be forced to now travel for their job.

7) OSF has plans for 2 operating rooms in Ottawa, vs the 5 they have today (a 60% reduction). And although it will operate like an Ambulatory Surgery Center, OSF has said (when pressed with questioning about billing) that they will still be billing patients under hospital-outpatient department rates. Effectively this means that patients will be paying more for lower acuity services.

8) OSF did not consult city officials or discuss their plans prior to submitting them to the Illinois Health Facilities and Services Review Board ("IHFSRB") to receive a Certificate of Need to move forward with these plans. OSF also did not factor in the amount of city resources they will need to make their plans operational, for example:

- 4-6 police officers are on patrol in Ottawa at a given time. Last year there were 67 calls to the hospital, which took 2-3 officers to respond to (and lasting 1-3 hours per call). And since OSF plans to grow mental health services at the hospital, those taxpayer-funded resources will be in even shorter supply. OSF needs to hire security officers to patrol their own patient population. This is a not just a possible issue in the future – it is a current issue today that our city's police chief has tried to educate OSF officials on, but his concerns have fallen on deaf ears.
- 3 ambulances are in operation in Ottawa; 1 brand new and paid for by our city. When the city is running the hospital's transport business that takes an ambulance out of service in our town for an emergency. When do we demand that OSF pays for the wear and tear on our vehicles?
- As a not-for-profit organization, OSF does not pay taxes. I believe this is a major problem that our citizens' tax dollars are going to support OSF (through the above mentioned tax-funded fire/EMS and police resources) as they move services from our town to another.

Ottawa has had a full-service community hospital since 1895 and it only took 12 years for OSF to try and dismantle what we've built here for more than 100 years. They have a true monopoly in our region and seem to think they can get away with doing what suits them. If they refuse to maintain services in Ottawa I believe we should have the ability to seek out a new partner who sees our community's value and helps us grow into the next century.

When OSF was asked recently at a City Council meeting if they would be willing to sell Ottawa's hospital to another health system, they simply said "OSF doesn't do that". Great. So instead, using their monopoly, OSF will kill our hopes for growth and we must now follow along with their plans for our community unless the IHFSRB votes against these projects or some other governing or regulatory body intervenes.

The Ottawa City Council and the Ottawa Area Chamber of Commerce have each passed resolutions opposing OSF's plans for Ottawa. CHO has asked OSF to pull their applications from the IHFSRB, to re-write them with input from key stakeholders - especially our city officials, fire chief, police chief and other EMS leaders. Our city cannot support their plans as written in terms of the resources needed to address the growth in transports and mental health patient influx from other areas. Furthermore, our citizens also should not have to face the burden of additional travel for services that have been in our community for more than a century. As you may know, travel during the winter months is treacherous in our area, and this just adds to our community's concerns.

Since OSF seems unwilling to re-write these plans, our next step is to prove our arguments to the IHFSRB, so that they will vote against this project. We have requested a public hearing with the IHFSRB, and that has been scheduled for June 13th at 4p in Ottawa at our middle school campus (Central

Intermediate School). The IHFSRB members will then vote on this project at their August 8th board meeting in Bolingbrook.

We now also look to the Department of Justice and the Federal Trade Commission to investigate this matter as a true health care monopoly that will undeniably have impacts to patient safety, hospital staff working conditions, and affordable and accessible health care for patients and taxpayers. OSF is making a business decision that supports their financial performance and growth plans to appease their system's senior leaders and the bond market investors. Period.

Thank you so much for taking the time to learn more about what is happening to health care services in our area. I am available to speak more on this matter, as are others from the CHO group.

Sincerely,

Founding Members of Citizens for Healthcare in Ottawa, IL

Email: citizensforhealthcare.61350@gmail.com

Web: https://saveottawahealthcare.com/

Facebook: https://www.facebook.com/saveottawahealthcare

Notes:

1) Planning region C-02, as defined by the Illinois Health Facilities and Services Review Board: LaSalle, Bureau and Putnam Counties in IL, as well as 2 townships in Stark County, IL. https://hfsrb.illinois.gov/inventoriesdata/healthcarefacilities.html
2) OSF's application to purchase Peru hospital (for payer mix and income statements, see page 6, tables 3 & 4 for Ottawa Hospital and see page 7, tables 6 & 7 for Peru Hospital): https://hfsrb.illinois.gov/content/dam/soi/en/web/hfsrb/projects/projectdocuments/2023/exemptions/e-026-23-st-margaret-health-peru/E-026-23%20St.%20Margaret%20Health-Peru.pdf

CHO Citizens for Healthcare in Ottawa

***Request for Civil Investigation Submitted to the Office of the Illinois Attorney General Regarding Certain Operations and Practices of OSF HealthCare System***

***July 23, 2025***

Citizens for Healthcare in Ottawa ("CHO") is requesting the Office of the Illinois Attorney General("OAG") to open a civil investigation into certain health care operations and practices within the OSF HealthCare System ("OSF"); specifically at the system's hospitals in Illinois Planning Region C0-2[1]. We have profound concerns about the propriety of OSF's actions and plans to consolidate access to health care in the more affluent portions of Illinois Hospital Planning Area C0-2 (as established by the Illinois Health Facilities and Services Review Board ("HSFRB")), which will have the net effect of depriving residents in the eastern part of this planning area region to timely and effective access to critical health care services.

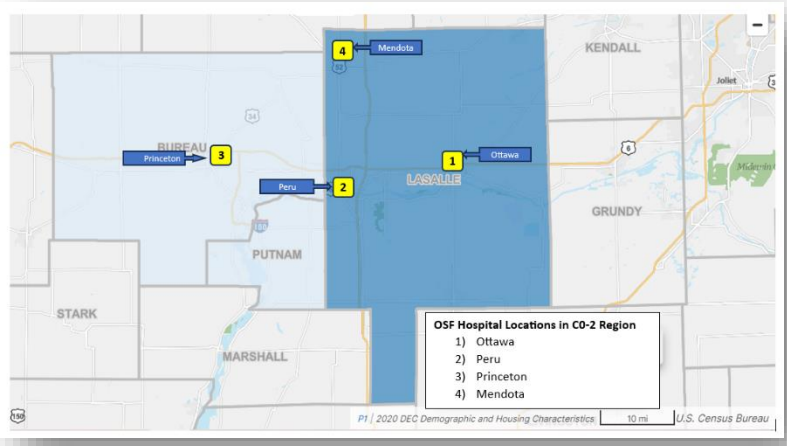
Please note that while CHO has very recently retained legal counsel, this detailed request for civil investigation was prepared largely by CHO volunteers. Accordingly, we recognize that it does not have the legal formality or structure of a complaint prepared by legal counsel. Nevertheless, after initial review by our newly retained counsel, we believe it merits submission to the OAG.

OSF is a Catholic-sponsored health system benefitting from federal and state tax-exemption as a charitable organization; it adheres to the Religious and Ethical Directives for Catholic Health Care Services published by the U.S. Conference of Catholic Bishops ("ERDs"). OSF operates 17 hospitals in Illinois, along with many other health care services.

Details provided below will illustrate the timeline for OSF becoming a monopoly in region C0-2, as well as the impact that OSF's actions as a monopoly provider of health care services will have on patient (consumer) safety, quality of care provided and financial impact to workers and well as patients.

**<u>Population Demographics of Planning Region C0-2</u>**

HFSRB defines the C0-2 planning region for acute care services as the 3-county area of LaSalle, Bureau & Putnam Counties (+ 2 townships in Stark Co.). In terms of population, LaSalle County makes up 74% of this planning region. Within LaSalle County, 84% of the county's land mass and 68% of the county's population are East of I-39. Despite these population demographics, OSF has planned to relocate all Intensive Care and Obstetrical/Delivery services from Ottawa's hospital to Peru, and leave Eastern LaSalle County with only 12 medical/surgical beds.



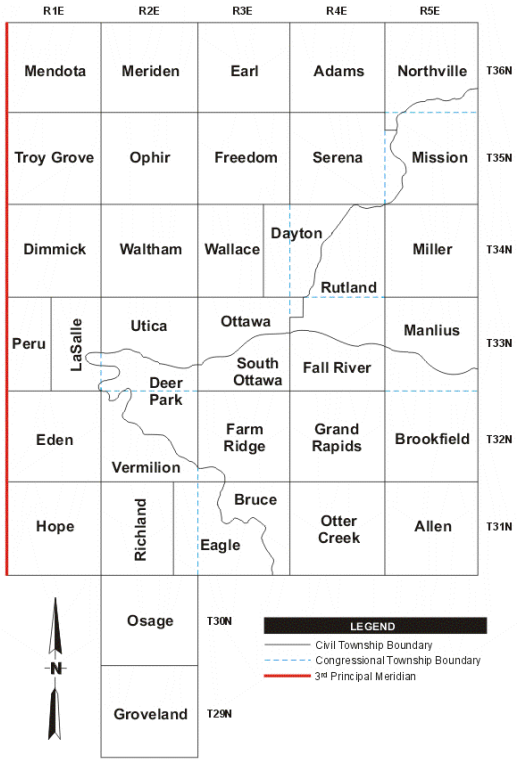

| IHFSRB Planning Region C0-2 | | |
|---|---|---|
| County | 2024 Pop. Est. | % of Total |
| LaSalle County | 108,390 | 74% |
| Bureau County | 32,486 | 22% |
| Putnam County | 5,633 | 4% |
| Total | 146,509 | 100% |

*Source: United States Census Bureau, City and Town Population Totals: 2020-2024*

| LaSalle County, IL | | |
|---|---|---|
| Geography | 2024 Pop. Est. | % of Total |
| East of I-39 | 74,192 | 68% |
| West of I-39 | 34,198 | 32% |
| Total | 108,390 | 100% |

[1] LaSalle, Bureau & Putnam Counties; and 2 zip codes in Stark County – the C0-2 planning region is defined by the Illinois Health Facilities & Services Review Board (https://hfsrb.illinois.gov), which uses population data and disease prevalence trends in order to calculate the need for acute care hospital beds throughout the state.

## LaSalle County Townships

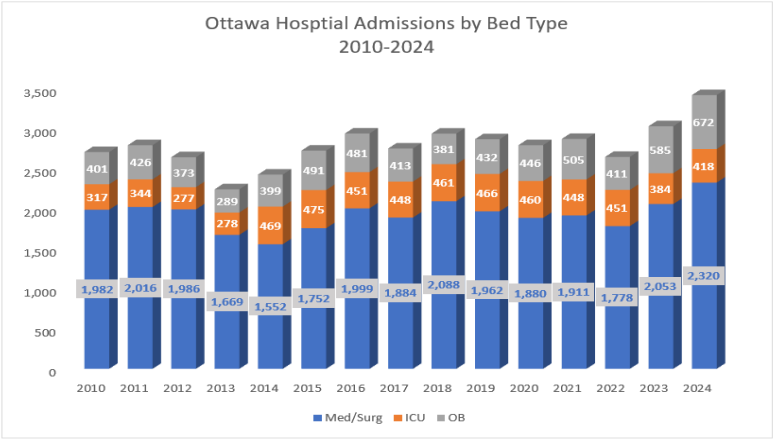



| Townships in LaSalle Co. | 2024 Pop. Est. |
|---|---|
| Adams township | 1,598 |
| Allen township | 502 |
| Brookfield township | 1,054 |
| Bruce township | 11,723 |
| Dayton township | 2,408 |
| Deer Park township | 473 |
| Dimmick township | 745 |
| Eagle township | 1,444 |
| Earl township | 2,433 |
| Eden township | 1,356 |
| Fall River township | 785 |
| Farm Ridge township | 827 |
| Freedom township | 601 |
| Grand Rapids township | 277 |
| Groveland township | 559 |
| Hope township | 577 |
| LaSalle township | 13,190 |
| Manlius township | 6,084 |
| Mendota township | 7,034 |
| Meriden township | 265 |
| Miller township | 583 |
| Mission township | 4,059 |
| Northville township | 7,314 |
| Ophir township | 438 |
| Osage township | 241 |
| Ottawa township | 11,211 |
| Otter Creek township | 2,638 |
| Peru township | 10,026 |
| Richland township | 342 |
| Rutland township | 3,578 |
| Serena township | 1,119 |
| South Ottawa township | 8,330 |
| Troy Grove township | 1,270 |
| Utica township | 1,945 |
| Vermillion township | 378 |
| Wallace township | 567 |
| Waltham township | 416 |
| Total | 108,390 |

## Ottawa's Hospital: Built by the Community, for the Community[2]

A short history of Ottawa's hospital and how OSF gained ownership of the hospital's assets is provided below:

In **1895** a hospital was gifted to the city of Ottawa, IL by a grieving widow in honor of her late husband, a local physician. In **1969** a local foundation donated 30 acres of land along the beautiful Fox River to build a new hospital; numerous individual and local corporate donations were collected to build the facility and ground was broken in **1971;** the hospital was operational by **1974**. In **1985** more land adjacent to the hospital was donated and multiple outpatient facilities were built. The hospital is currently licensed for 99 beds (54 medical/surgical; 5 intensive care; 14 OB/delivery; and 26 acute mental illness). An analysis of inpatient admission trends over the past 15 years illustrates that volumes have been relatively steady in the ICU, while admissions have grown significantly over time in the medical/surgical and OB units:




| Year | Med/Surg | ICU | OB |
|---|---|---|---|
| 10-Yr. CAGR | 4% | -1% | 5% |
| 5-Yr. CAGR | 3% | -2% | 9% |
| 3-Yr. CAGR | 7% | -2% | 10% |

**CAGR = Compound Annual Growth Rate*

*2024 Data Source: OSF Provided Materials*

*2023 & Prior Years Data Source: IHFSRB Hospital Profiles*

[2] History of Ottawa's Hospital: https://www.osfhealthcare.org/hospitals/saint-elizabeth-ottawa/about/history

**A Monopoly is Born**

Following years of partnership with OSF through their clinical stroke network, Ottawa Regional Hospital and Healthcare Center's leadership signed an LOI to merge in **2010**; the deal was finalized in **2012.** OSF paid no purchase price for the hospital's assets (including the land), but the valuation at the time was $58 million[3]. OSF later acquired hospital assets in Mendota (**2014**) and Princeton (**2021**), also for free, yet valued at $40 and $25 million respectively[4]. Each of these hospitals had been community hospitals (independent entities) prior to OSF's acquisition.

As depicted in the table below, by **2021** there were 5 acute care hospitals serving the C0-2 region, and the region had an excess of beds in every category (medical/surgical; obstetrics/delivery; and intensive care). OSF owned 3 of the hospitals in the region, while the other two hospitals in Peru and Spring Valley were owned by Sisters of Mary of the Presentation ("SMP") Health System. Ottawa's hospital has been the largest acute care provider in planning region C-02 for years.

**Hospitals in Planning Region C0-2**

**Year 2021: Prior to Closures in Spring Valley & Peru**

| C-02 Planning Area | Bed Category | | | *System Ownership* |
|---|---|---|---|---|
| **Hospital Locations:** | **Med/Surg** | **OB** | **ICU** | |
| Ottawa | 54 | 12 | 5 | OSF (Aquired in 2012) |
| Peru | 38 | 7 | 4 | SMP |
| Spring Valley | 28 | 10 | 6 | SMP |
| Princeton | 22 | 0 | 3 | OSF (Aquired in 2021) |
| Mendota | 21 | 0 | 4 | OSF (Aquired in 2014) |
| **TOTAL Beds** | 163 | 29 | 22 | ***Excess of beds in every category*** |
| **C-02 Bed Need*** | 120 | 19 | 14 | |
| **Beds in Excess / Shortage** (red) | 43 | 10 | 8 | |

**As determined by the IHFSRB at that time*

In January **2023**, Peru's hospital closed, and then Spring Valley closed in June of the same year. In August **2023,** OSF was granted approval by the HFSRB to add 2 Obstetrical beds to Ottawa's hospital, growing the OB bed count at the hospital from 12 to 14. As depicted in the table below, following these closures, only 3 acute care hospitals (all owned by OSF) were operational and there was a severe shortage in med/surg beds. At this time, Ottawa's hospital stretched to meet utilization needs following the closures; nursing staff in Ottawa have shared stories of being "encouraged" by OSF leadership to keep up with the increased demand that naturally followed.

**Hospitals in Planning Region C0-2**

**Year 2023: Post Closures in Spring Valley & Peru**

| C-02 Planning Area | Bed Category | | | *System Ownership* |
|---|---|---|---|---|
| **Hospital Locations:** | **Med/Surg** | **OB** | **ICU** | |
| Ottawa | 54 | 14 | 5 | OSF |
| Peru | 0 | 0 | 0 | CLOSED |
| Spring Valley | 0 | 0 | 0 | CLOSED |
| Princeton | 22 | 0 | 3 | OSF |
| Mendota | 21 | 0 | 4 | OSF |
| **TOTAL Beds** | 97 | 14 | 12 | ***OSF gains monopoly on facilities; severe shortage of med/surg beds*** |
| **C-02 Bed Need*** | 124 | 13 | 14 | |
| **Beds in Excess / Shortage** (red) | -27 | 1 | -2 | |

**As determined by the IHFSRB at that time*

Following those closures, in July **2023**, OSF made the decision to purchase the closed Peru hospital out of bankruptcy for $38 million, further growing a Catholic health care monopoly in the region.

[3] 2012 Change of Ownership Application

[4] 2014 and 2021 Change of Ownership Applications

***It is believed that OSF did not go through Federal Trade Commission review pursuant to the Hart-Scott-Rodino Antitrust Act, thus growing monopoly power in the C0-2 region without any federal antitrust oversight.***

Soon after OSF's acquisition of Peru's hospital, in March **2024**, OSF announced plans to build a new hospital in Ottawa and demolish the current facility. The application to the HFSRB claims this decision was made based on the age of Ottawa's facility and outdated infrastructure. The proposed new hospital would keep 26 mental health beds; but ICU and OB units would be eliminated; and only 12 med/surg beds (a 78% reduction) would remain. Operating rooms would also be reduced from 5 ORs to 2 (a 60% reduction), and certain surgical specialties would no longer be performed in Ottawa.

In stark contrast, OSF submitted plans to *add* beds at Peru's hospital and re-position it as the system's inpatient "hub" within their "I-80 Corridor" region – despite the age of the Peru facility being much older than Ottawa's! The Ottawa community was shocked to hear that after years of partnership, promises and donated assets, that the OSF system would abandon us. Not only that, their plans do little to take our region out of the severe bed-shortage created by the two hospitals closing in 2023 (as shown in the table below).

**Hospitals in Planning Region C0-2**

**Year 2025: If CON Permits Approved for Ottawa & Peru**

| C-02 Planning Area | Bed Category | | | *System Ownership* |
|---|---|---|---|---|
| **Hospital Locations:** | **Med/Surg** | **OB** | **ICU** | |
| Ottawa | 12 | 0 | 0 | OSF |
| Peru | 45 | 11 | 8 | OSF |
| Spring Valley | 0 | 0 | 0 | CLOSED |
| Princeton | 22 | 0 | 3 | OSF |
| Mendota | 21 | 0 | 4 | OSF |
| **TOTAL** | 100 | 11 | 15 | ***OSF grows monopoly on facilities; severe shortage of med/surg beds*** |
| **C-02 Bed Need** | 124 | 13 | 14 | |
| **Excess / Shortage** (red) | -24 | -2 | 1 | |

**As currently determined by the IHFSRB*

It's worth mentioning here that through discussions between City of Ottawa officials and OSF leadership, it has been uncovered that despite having 3 licensed ICU beds in Princeton and 4 licensed ICU beds in Mendota, those units are essentially not utilized because they are not staffed appropriately for ICU level care. This information is backed up by the annual hospital survey data collected by the Illinois Department of Public Health ("IDPH"), which shows an average daily census on those units at 0.2 and 0.4 respectively in 2023 (the most recent year of data available).[5] Therefore, OSF may appear to be meeting the needs of ICU beds on paper, but in practice there will be only 8 staffed ICU beds in the C0-2 region if these plans are approved; which will leave our region with a deficit of 6 ICU beds based on the state-determined need of 14. The CHO group has been told numerous stories from patients regarding long wait times for ICU beds, and the need to transfer people out of the region due to ICU capacity constraints.

The applications for the above-referenced plans can be found on the HFSRB website.[6] Furthermore, nowhere in the 2023 application that OSF submitted to HFSRB for a change in ownership in Peru, did they mention reduction in services in Ottawa as a result of the acquisition.

[5] IDPH Hospital Data Profiles and Annual Bed Report for 2023: https://hfsrb.illinois.gov/content/dam/soi/en/web/hfsrb/documents/inventories-data/facility-profiles/hospital-facility-profiles-(new)/2023-individual-hospital-profiles.pdf

[6] CON 24-013 (Discontinuation of Ottawa's Hospital): https://hfsrb.illinois.gov/project.24-013-osf-st--elizabeth-medical-center.html; CON 24-011 (Replacement Facility for Ottawa's Hospital): https://hfsrb.illinois.gov/project.24-011-osf-saint-elizabeth-medical-center,-

**Facing Pushback, OSF Attempts Piecemeal Planning**

In March **2024**, when citizens learned about OSF's plans to demolish and diminish hospital services in Ottawa, a grassroots movement was born. The Citizens for Healthcare in Ottawa[7] ("CHO") group consists of community members with expertise in a variety of industries, as well as elected officials from the City of Ottawa. The group's goal has been to educate the community and elected leaders as to what OSF's plans mean for the health and welfare of people living in Eastern LaSalle County, and to pushback on OSF's plans to leave our region under-bedded and underserved as they attempt to use their monopoly powers to make drastic changes that are unvetted and unsupported by city and county leaders.

A timeline of events since CHO formed and began opposing OSF's plans:

- Mar. 2024 – OSF submits 3 projects to the HFSRB, to be heard at the August 2024 board meeting:
  - CON Application 24-011: Ottawa's Replacement Hospital
  - CON Application 24-013: Discontinuation of Ottawa's Hospital (Demolish current facility)
  - CON Application 24-014: Peru Hospital Expansion
- Apr. 2024 – CHO Requests a Public Hearing with HFSRB on Projects 24-011 and 24-013
- Apr. 2024 – CHO Representatives Speak at Various City and LaSalle County Board Meetings
  - OSF was also in attendance and spoke at several city council and county board meetings
- Apr. 2024 – City of Marseilles passes resolution in opposition to OSF's plans*
- May 2024 – City of Ottawa passes resolution in opposition to OSF's plans*
- May 2024 – Ottawa Chamber of Commerce passes resolution in opposition to OSF's plans*
- Jun. 2024 – LaSalle County Board of Directors passes resolution in opposition to OSF's plans*
- Jun. 2024 – City of Streator passes resolution in opposition to OSF's plans*
- Jun. 2024 – Village of Grand Ridge passes resolution in opposition to OSF's plans*
- Jun. 2024 – Village of Naplate passes resolution in opposition to OSF's plans*
- Jun. 2024 – HFSRB Public Hearing Held; approximately 500 people in attendance; hours of speakers
- **Aug. 2024 – HFSRB Board Meeting**
  - OSF requested the board to vote on the Peru project (24-014), but defer the Ottawa projects (24-011 and 24-013) until the September board meeting based on public outcry
  - CHO members participated during public comments, and requested the board vote on all 3 applications at the same meeting, as the outcomes for each are all clearly connected; written opposition from CHO relating to the projects being interconnected can be found on the IHFSRB website[8]
  - The board approved project 24-014 (Peru's expansion) and agreed to defer Ottawa's projects until September
- Aug. 2024 – OSF announced an "Enhanced Plan"[9] that increased the number of med/surg beds from 12 to 20 in Ottawa, however that plan was never amended as part of their HFSRB application.
- **Sep. 2024 – HFSRB Board Meeting**
  - OSF requested another deferral, this time 6 months in length on the Ottawa projects to continue discussions with City of Ottawa officials; thereby pushing the deferral to the March 2025 board meeting
  - The board approved the deferral
- Nov. / Dec. 2024 – OSF met with City of Ottawa officials and members of CHO a handful of times, but could not reach a resolution to increase the number of beds beyond the proposed 20 beds in OSF's "Enhanced Plan"
- **Mar. 2025 –HFSRB Board Meeting**
  - OSF requested another deferral, this time 12 months in length on the Ottawa projects

---

ottawa.html; CON 24-014 (Peru Hospital Expansion): https://hfsrb.illinois.gov/project.24-014-osf-st-elizabeth-hospital---peru.html; COE 026-23 (OSF's purchase of Peru's Hospital): https://hfsrb.illinois.gov/project.e-026-26-st-margaret-health-peru.html

[7] Citizens for Healthcare in Ottawa: https://saveottawahealthcare.com/

[8] Written opposition for separating Peru's hospital application from Ottawa's applications: https://hfsrb.illinois.gov/content/dam/soi/en/web/hfsrb/projects/projectdocuments/2024/24-014-osf-st-elizabeth-medical-center/2024-07-17%2024-014%20Opposition%20Letter%20CITIZENS%20FOR%20HEALTHCARE%20OTTAWA.pdf

[9] OSF Announces Enhanced Plan: https://newsroom.osfhealthcare.org/osf-healthcare-enhances-plan-for-new-ottawa-hospital/

  - The board approved the deferral with the requirement that OSF meets monthly with city officials, community members and provides a written update on progress of the meetings
  - The 12-month deferral time is above and beyond the board's normal limit on deferrals, which is 6 months.
- Mar. 2025 – Within weeks of receiving the HFSRB's approval to defer until March 2026 the two applications that would impact Ottawa's hospital, OSF then submitted a new application (CON 25-013)[10] that requested the closure of the ICU and OB units in Ottawa
- Mar. 2025 – CHO Requests a Public Hearing with HFSRB on Project 25-013
- May 2025 – OSF meets with CHO and City of Ottawa officials
  - OSF confirms their plans to have all OB and ICU services in Peru
  - OSF does not provide patient origin data as requested (to better analyze the impact to patients)
- Jun. 2025 – HFSRB Public Hearing Held; hundreds of people in attendance; hours of speakers
- Jun. 2025 – OSF meets with CHO, City of Ottawa officials and State Representative Amy "Murri" Briel
  - OSF spends the majority of the meeting complaining about the public hearing
  - OSF again does not provide patient origin data as requested
  - Representative Briel shared constituents' stories about patient transfers and other concerns
  - CHO asks for OSF's plans for pregnant moms presenting in labor in the ED (an inevitability) and OSF seems unable to provide a clear response; says they will follow up at the July meeting.
- Jul. 2025 – Meeting scheduled between CHO, City of Ottawa Officials and Rep. Briel to be held on July 25th
- **Aug. 2025 – HFSRB tentatively scheduled to hear OSF's application for Project 25-013 (ICU & OB Closures in Ottawa)**

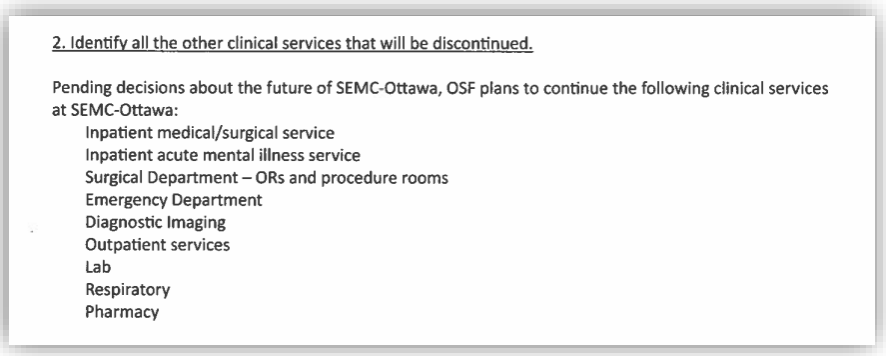
***The new CON application presented by OSF in March 2025 is an attempt to push through plans to dismantle critical health care services <u>with no regard for the intent of the approved deferral</u> at the March 2025 HFSRB meeting, in which the board chairwoman and voting members only allowed for the non-traditional and extended deferral to ensure that OSF would work with the city, community representatives, chiefs of fire and police and other key stakeholders to ensure the plan was sound and would not create a transfer nightmare (i.e. patient safety and quality concerns) and drastically reduce hospital bed capacity in the largest micropolitan area within the state.[11]***

*Note: all resolutions passed by city and county board are available for viewing on the IHFSRB website.[12]

[10] CON 25-013 (Eliminate ICU & OB in Ottawa): https://hfsrb.illinois.gov/project.25-013-osf-saint-elizabeth-medical-center.html
[11] Ottawa Micropolitan Statistical Area: https://ides.illinois.gov/content/dam/soi/en/web/ides/labor_market_information/images/Changes%20to%20Illinois%20MSAs_2025.pdf
[12] City & County Resolutions in Opposition to OSF's Plans can be found on the IHFSRB application pages: https://hfsrb.illinois.gov/project.24-011-osf-saint-elizabeth-medical-center,-ottawa.html

**Missing Application Information Related to Discontinuation of Services in Ottawa**

On page 35 in CON application 25-013 (copied below), OSF dodges the question of which services will leave Ottawa by responding with the short list of services they plan to maintain. Since March 2024, OSF has made announcements about services transferring from Ottawa to Peru (e.g. Maternal-Fetal Medicine; Neurology; Dialysis; Histology/Microbiology labs and Interventional Radiology to name just a few), yet none of these service discontinuations in Ottawa have been listed in their application to the CON.



2. Identify all the other clinical services that will be discontinued.

Pending decisions about the future of SEMC-Ottawa, OSF plans to continue the following clinical services at SEMC-Ottawa:

- Inpatient medical/surgical service
- Inpatient acute mental illness service
- Surgical Department – ORs and procedure rooms
- Emergency Department
- Diagnostic Imaging
- Outpatient services
- Lab
- Respiratory
- Pharmacy

**OSF Prepares for Closures Without HSFRB Approval**

As we await the August 12, 2025 IHFSRB meeting that is tentatively scheduled to review Project 25-013 – we have been given numerous pieces of information that indicates OSF is already moving forward with closing the OB and ICU units in advance of HFSRB consideration. Clearly, OSF should await mandated HFSRB review before initiating these changes.[13] We believe this is yet another matter worthy of investigation.

***The objective of the "Illinois Health Facilities Planning Act" is in part, "to assure that the reduction and closure of health care services or facilities is performed in an orderly and timely manner, and that these actions are deemed to be in the best interests of the public…"***

[13] Illinois Health Facilities Planning Act: https://www.ilga.gov/Legislation/ILCS/Articles?ActID=407&ChapAct=20%20ILCS%203960/&ChapterID=5&ChapterName=EXECUTIVE+BRANCH&ActName=Illinois+Health+Facilities+Planning+Act.

**Evidence of OSF's actions to prematurely close OB and ICU units:**

1. The following four images illustrate flyers posted in the hospital in early July 2025 (photos taken by an anonymous staff member). OSF clearly expects the HFSRB to approve their plans on August 12. When asked what happens if HFSRB does not approve their plans, we were told that staffing both units would not be feasible, meaning they will very likely operate in essence of the plans by not staffing the OB or ICU units in Ottawa.

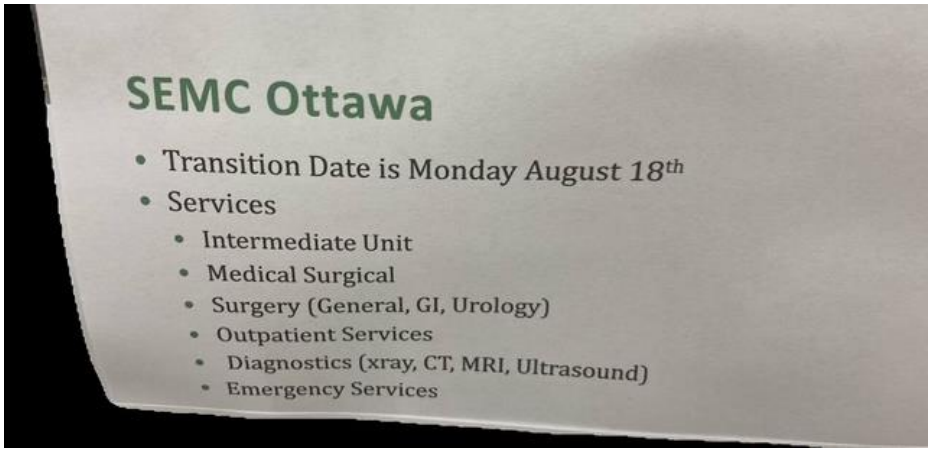



*Image 1 – Slide with information depicting which services will remain in Ottawa on August 18, 2025. This list aligns to the image shown on the previous page (from the 25-13 application), regarding services planned to stay in Ottawa.* ***It's notable that this list of services does not include the Intensive Care Unit and OB Units.*** *"Intermediate Unit" is a term created by OSF that they describe as an "in between" of med/surg and ICU (higher level care than med/surg; lower-level care than ICU); OSF has been clear that the Intermediate Unit will not have mechanical ventilation machines. Under official licensed bed counts, the intermediate unit would be considered a "med/surg" bed.*

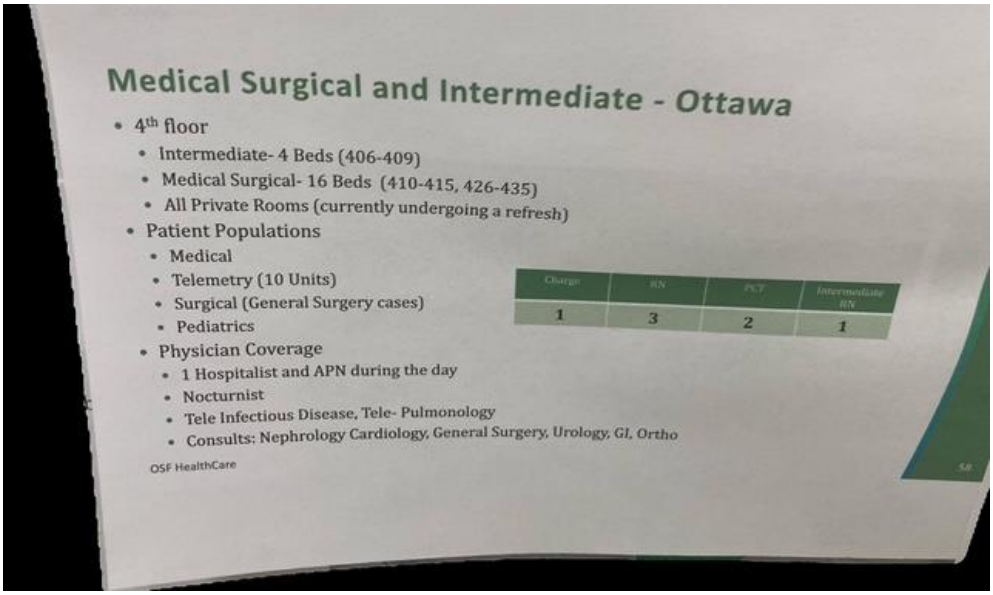



*Image 2 – Slide with information that details location of med/surg and intermediate care beds in the hospital with the planned transition for August 18, 2025. l. Staff have shared that the 20 beds described above (4 intermediate and 16 med/surg) have been recently renovated and transitioned from dual occupancy to private rooms. The "Patient Population" is believed to be the patients that will be clinically appropriate to treat in this unit. The "Physician Coverage" is believed to be the staffing plan for the unit.*

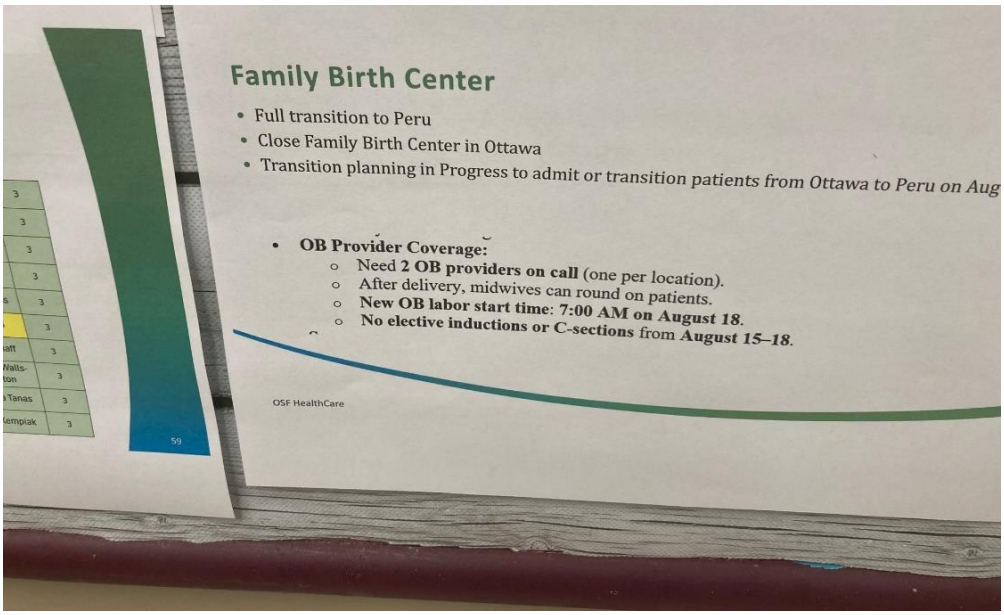



*Image 3 – Slide with information that confirms complete transition of OB services to Peru and the closures of the birthing OB unit in Ottawa on August 18, 2025.*

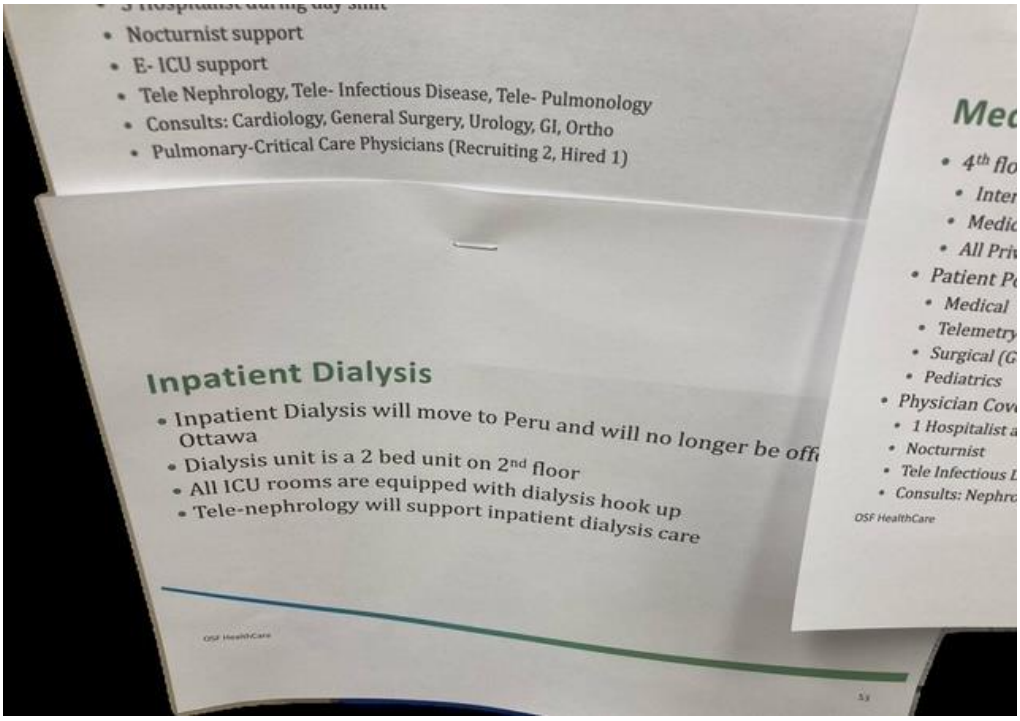



*Image 4 – Slide with information that inpatient dialysis unit will close in Ottawa on August 18, 2025.*

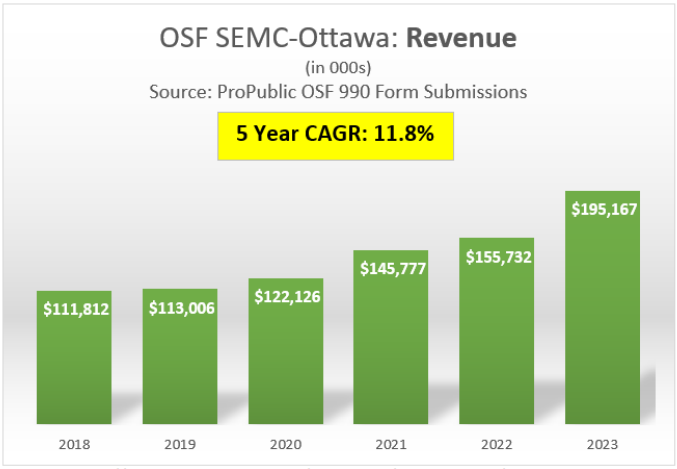
2. Copied from a text exchange with an Ottawa hospital staff member on July 1, 2025:

> Hey we just had a meeting and I'm sure you guys know but starting August 18 they are only planning having 18 inpatients in Ottawa 6 intermediate care I'm not sure if that's part of the 18. They will be transferring patients to Peru if all 18 are filled. Surgery will only be offered two days a week and two Thursday's a month. Not ortho Im sure. They are adding a Saturdays in Peru to their regular surgery schedule to do ortho surgery. MRI arthrograms are over two months to get in now. There are no swallow eval appointments left in Ottawa or pain injections.

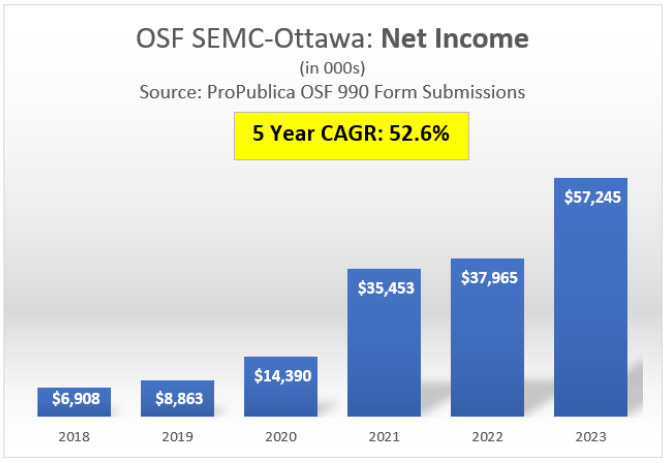
3. Many additional staff members have corroborated the information above, and we believe an investigation into the matter is warranted.

**OSF's Financial Motives**

Unlike many rural hospitals, Ottawa's hospital has been profitable for years: net income was $57.2 million in **2023**; the compound annual growth rate over the past 5 years has been 52% (see graphs below). This information directly contradicts what OSF has shared publicly that rural hospitals are losing money, which they claim is a major factor in their decision making.




Source: https://projects.propublica.org/nonprofits/organizations/362604009




Source: https://projects.propublica.org/nonprofits/organizations/362604009

It's a more likely motive that OSF is simply trying to keep a profitable hospital service, but re-locate the assets to a zip code that has a stronger patient payer mix – with the hopes that financial gains will continue to rise. Since 2021 is the last year that Peru's hospital reported patient data to the Illinois Department of Public Health[14], that is the best year of comparison data that we have to illustrate this point (see below). The hospital's current chief medical officer, Dr. Leonardo Lopez, confirmed this suspicion during a meeting with the LaSalle County Board when he said that Peru's "more favorable payor mix" was a consideration in decision making.

**Ottawa Hospital: 2021 Hospital Profile Report**

Inpatients and Outpatients Served by Payor Source

| | Medicare | Medicaid | Other Public | Private Insurance | Private Pay | Charity Care | Totals |
|---|---|---|---|---|---|---|---|
| Inpatients | 49.5% | 27.1% | 1.2% | 19.7% | 0.7% | 1.9% | |
| | 1690 | 926 | 40 | 673 | 23 | 64 | 3,416 |
| Outpatients | 42.3% | 23.6% | 0.6% | 31.5% | 0.9% | 1.1% | |
| | 68361 | 38114 | 974 | 50936 | 1400 | 1846 | 161,631 |

Financial Year Reported: 10/1/2020 to 9/30/2021

Inpatient and Outpatient Net Revenue by Payor Source

| | Medicare | Medicaid | Other Public | Private Insurance | Private Pay | Totals | Charity Care Expense |
|---|---|---|---|---|---|---|---|
| Inpatient Revenue ( $) | 40.9% | 27.7% | 1.1% | 29.8% | 0.5% | 100.0% | |
| | 14,087,780 | 9,569,034 | 370,532 | 10,292,442 | 165,867 | 34,485,655 | 560,122 |
| Outpatient Revenue ( $) | 16.4% | 21.0% | 0.9% | 61.2% | 0.5% | 100.0% | |
| | 16,210,270 | 20,793,143 | 894,230 | 60,599,070 | 465,398 | 98,962,111 | 1,214,599 |

Total Charity Care Expense: 1,774,721

Total Charity Care as % of Net Revenue: 1.3%

**Peru Hospital: 2021 Hospital Profile Report**

Inpatients and Outpatients Served by Payor Source

| | Medicare | Medicaid | Other Public | Private Insurance | Private Pay | Charity Care | Totals |
|---|---|---|---|---|---|---|---|
| Inpatients | 54.2% | 18.0% | 1.8% | 23.4% | 1.9% | 0.7% | |
| | 897 | 297 | 30 | 387 | 32 | 11 | 1,654 |
| Outpatients | 35.5% | 7.2% | 0.4% | 51.3% | 5.6% | 0.1% | |
| | 53567 | 10859 | 570 | 77436 | 8491 | 161 | 151,084 |

Financial Year Reported: ########## to 12:00:00 AM

Inpatient and Outpatient Net Revenue by Payor Source

| | Medicare | Medicaid | Other Public | Private Insurance | Private Pay | Totals | Charity Care Expense |
|---|---|---|---|---|---|---|---|
| Inpatient Revenue ( $) | 66.7% | 7.8% | 1.9% | 20.3% | 3.2% | 100.0% | |
| | 11,359,714 | 1,328,720 | 329,093 | 3,462,723 | 545,645 | 17,025,895 | 23,657 |
| Outpatient Revenue ( $) | 30.7% | 6.5% | 5.7% | 54.4% | 2.6% | 100.0% | |
| | 21,934,645 | 4,646,922 | 4,085,804 | 38,882,970 | 1,877,216 | 71,427,557 | 171,366 |

Total Charity Care Expense: 195,023

Total Charity Care as % of Net Revenue: 0.2%

[14]Hospital Profiles: https://hfsrb.illinois.gov/inventories-data.html

As a tax-exempt, charitable organization, OSF appears to be abandoning the health care needs of the Ottawa community (and all of Eastern LaSalle County) in favor of continued robust profit growth. Years of sustained asset growth supports our claims that OSF is hoarding funds to accumulate excessive assets and reserves, without clear plans to utilize them in furtherance of its tax-exempt mission (through expenditures in support of the region's community health needs). As shown below, OSF's assets have grown from 2.6 billion in 2012 when OSF took over Ottawa's hospital to 6.4 billion in 2024.[15] CHO has accumulated additional relevant materials, and we would be happy to provide these materials to the OAG if interested.

**OSF HEALTHCARE SYSTEM AND SUBSIDIARIES**

Consolidated Balance Sheets

September 30, 2012 and 2011

(In thousands)

| Assets | 2012 | 2011 |
|---|---|---|
| Current: | | |
| Cash and cash equivalents | $ 120,094 | 131,751 |
| Patients' and residents' accounts receivable, net of allowance for doubtful accounts of approximately $149,952 in 2012 and $133,862 in 2011 | 469,299 | 351,210 |
| Other | 86,329 | 66,583 |
| Total current assets | 675,722 | 549,544 |
| Investments | 712,329 | 627,987 |
| Assets limited as to use | 202,836 | 199,461 |
| Property and equipment, net | 936,207 | 893,970 |
| Restricted assets | 41,292 | 59,536 |
| Other assets | 68,623 | 52,254 |
| Total assets | $ 2,637,009 | 2,382,752 |
| **Liabilities and Net Assets** | | |

**OSF HEALTHCARE SYSTEM AND SUBSIDIARIES**

Consolidated Balance Sheets

September 30, 2024 and 2023

(In thousands)

| Assets | 2024 | 2023 |
|---|---|---|
| Current assets: | | |
| Cash and cash equivalents | $ 350,375 | 284,355 |
| Receivables: | | |
| Patient accounts receivable | 528,809 | 532,107 |
| Due from third party reimbursement programs | 14,070 | 23,921 |
| Other | 67,846 | 51,676 |
| Total receivables | 610,725 | 607,704 |
| Board designated assets for self-insurance | 55,380 | 56,250 |
| Inventory | 95,628 | 84,579 |
| Prepaid expense | 43,831 | 32,323 |
| Total current assets | 1,155,939 | 1,065,211 |
| Investments | 2,114,440 | 1,848,854 |
| Board designated assets for self-insurance, net of current portion | 260,353 | 195,368 |
| Assets limited as to use | 208,779 | 211,212 |
| Property and equipment, net | 2,178,447 | 2,076,203 |
| Operating lease right of use assets | 147,061 | 147,676 |
| Financing lease right of use assets | 23,774 | 18,257 |
| Goodwill | 64,780 | 64,951 |
| Deferred compensation assets | 114,815 | 88,820 |
| Venture capital investments | 74,870 | 76,691 |
| Other assets | 70,667 | 34,157 |
| Total assets | $ 6,413,925 | 5,827,400 |
| **Liabilities and Net Assets** | | |

[15] OSF Financial Statements available on https://emma.msrb.org/

Ottawa's hospital is not only doing well financially; in recent years it has received numerous quality awards and accolades – some specific to the departments that OSF is closing (ICU & OB):

- Blue Cross Blue Shield: "Blue Distinction Center+ for Maternity Care" (2025)
- Healthgrades: "Critical Care Excellence Award" (2025)
- Becker's Hospital Review: "100 Great Community Hospitals" (2025)
- The Chartis Center for Rural Health: "Top 100 Rural & Community Hospital in the United States" (2025, 2023, 2022)
- Leapfrog Hospital Safety Grade: "A-Rating" (Spring 2025, Fall 2024, Spring 2024)

**Key Concerns to Investigate:**

OSF clearly has a monopoly in our region and their poor planning raises concerns about patient safety, service affordability and hospital staff working conditions. It places an undue burden on patients and caregivers who will have to travel longer distances in potentially treacherous winter weather. And it abuses tax-payer funded resources like police and EMS. We believe there are numerous concerns worth investigating, some of the most obvious listed below:

1) **Med/Surg Capacity & Transfers:** Ottawa's med/surg unit has an average daily census ("ADC") of 34 patients[16], meaning OSF's future plans for 12 beds are flawed from the start and will result in regular patient transports. We have also learned through discussions with OSF that they only staff 37 beds (far less than the licensed number of 54), which limits capacity and creates an environment where more patients already need to be transferred out when beds are full. We believe that if more of the licensed beds were staffed and open that more patients would be able to be treated in Ottawa – resulting in fewer transports, reduced cost to patients and less reliance on EMS. In order to understand the broader impacts of patient travel, we have requested patient origin data from OSF, but so far, they have been unwilling to provide this information.

2) **Restricting Patient Choice:** There are already regular complaints of patients having to be transferred from Ottawa to other OSF sites for care when beds at Ottawa are full. Compounding this are reports from patients that OSF will not transfer patients outside of their system (to a competitor facility) even when requested by a patient. For example, a patient in the emergency room had to be transferred (due to beds being full in Ottawa) and requested to be transferred to Northwestern, since the patient had an established cardiovascular team there. However, this patient was told Northwestern did not have any open beds. This patient decided to leave on their own and drive to a Northwestern hospital, which did in fact have a bed.

3) **Regional Hospital Bed Shortage:** OSF seems unwilling to address the shortage of 24 medical/surgical beds in region C0-2. This shortage, as depicted in tables above, is based on the IHFSRB's determination of needing 124 med/surg beds in region C0-2. OSF plans will only provide for 100 med/surg beds.

   Ottawa's ICU unit has an ADC of 3.9 patients, with a peak census of all 5 licensed beds being utilized at a given time. We have heard many patient stories about having to wait in the ER to be transferred to an ICU bed in another facility because the ICU in Ottawa is full. Clinical experts have also spoken about the patient safety issues in regards to patients suffering complications from surgery that would require ICU level care, but not having an ICU on site.

[16] 2024 and 2025 YTD ADC data provided by OSF to City of Ottawa

Furthermore, and as mentioned above, OSF is deceptive in stating that they will have a total of 15 ICU beds in the region, since the 7 ICU beds in Princeton and Mendota are not staffed at ICU levels and have an ADC near 0. Meaning, there will be only 8 staffed ICU beds in the C0-2 region if OSF's plans are approved; despite the region's needs being determined by the IHFSRB to be 14 ICU beds.

4) **Behavioral Health:** Ottawa falls into Planning Area "HSA-2" for the category of acute mental illness ("AMI"); HSA-2 is a 13-county region, much larger than the C0-2 planning region for other bed categories like med/surg. Despite there being a surplus of 161 behavioral health beds throughout this region, OSF has planned to double the AMI service in Ottawa by constructing all private rooms (a change from the dual occupancy rooms that exist today). Growth in the AMI unit will require use of med/surg beds for medical clearance and possibly ICU beds for detox and observation prior to admittance to the AMI unit. This will make it more likely that patients coming to Ottawa's emergency department will end up being transferred if med/surg beds are full with behavioral health patients. Additionally, if ICU is needed for detox, the patient will have to be transferred off site (if OSF closes the ICU in Ottawa) and then transported back to Ottawa for care – further complicating the patient's experience and also incurring added costs.

**Inventory of Health Care Facilities and Services and Need Determinations**

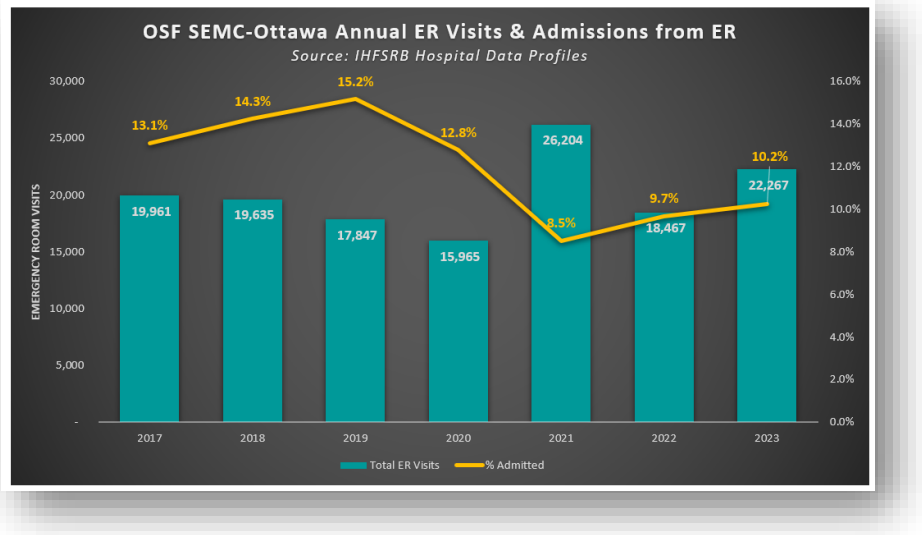
Illinois Department of Public Health
Illinois Health Facilities and Services Review Board

12/18/2023
Page E - 4

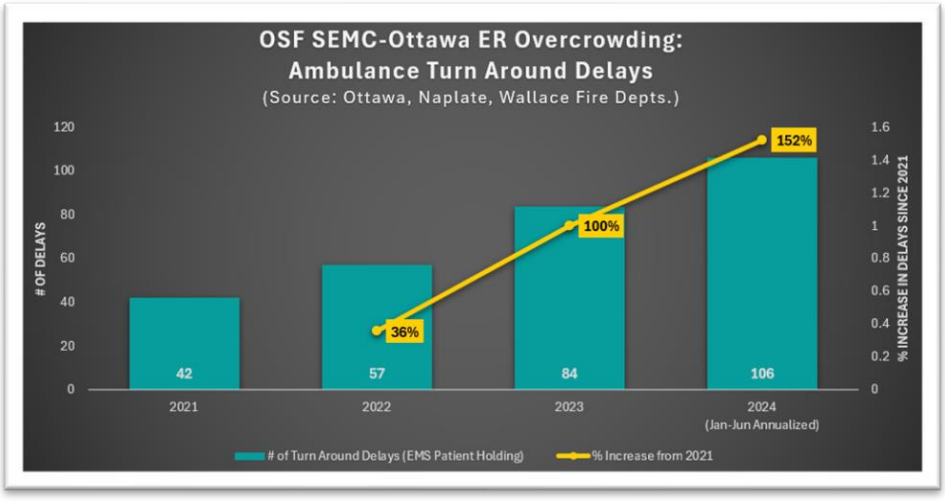
**ACUTE MENTAL ILLNESS CARE CATEGORY OF SERVICE**
**Existing Beds, Beds Needed, and Additional Beds Needed or Excess Beds**
**By Planning Area**

| Planning Areas | Existing Beds | Calculated Beds Needed | Additional Beds Needed | Existing Excess Beds |
|---|---|---|---|---|
| HSA 1 | 66 | 73 | 7 | 0 |
| HSA 2 | 247 | 86 | 0 | 161 |
| HSA 3 | 182 | 136 | 0 | 46 |
| HSA 4 | 147 | 136 | 0 | 11 |
| HSA 5 | 55 | 64 | 9 | 0 |
| HSA 6 - AREA A-01 | 463 | 221 | 0 | 242 |
| HSA 6 – AREA A-02 | 713 | 552 | 0 | 161 |
| HSA 6 – AREA A-03 | 251 | 119 | 0 | 132 |
| HSA 6 & 7 – AREA A-04 | 171 | 125 | 0 | 46 |
| HSA 7 – AREA A-05 | 270 | 218 | 0 | 52 |
| HSA 7 – AREA A-06 | 370 | 206 | 0 | 164 |
| HSA 7 – AREA A-07 | 573 | 502 | 0 | 71 |
| HSA 7 – AREA A-08 | 21 | 53 | 32 | 0 |
| HSA 8 – AREA A-09 | 174 | 113 | 0 | 61 |
| HSA 8 – AREA A-10 | 34 | 34 | 0 | 0 |
| HSA 7 & 8 – AREA A-11 | 30 | 46 | 16 | 0 |
| HSA 8 & 9 – AREA A-12 | 95 | 44 | 0 | 51 |
| HSA 9 – AREA A-13 | 167 | 132 | 0 | 35 |
| HSA 9 – AREA A-14 | 89 | 58 | 0 | 31 |
| HSA 10 | 54 | 29 | 0 | 25 |
| HSA 11 | 170 | 65 | 0 | 105 |
| **STATE TOTALS** | **4,342** | **3,012** | **64** | **1,394** |

5) **Emergency Care:** The current Emergency Department is licensed for 9 stations, but operates as many as 13 during busy hours. The plans are for the new ED to include 10 stations. Emergency Department volumes at Ottawa's hospital had been slowly declining prior to the COVID-19 pandemic, peak ED volumes were experienced in 2021, and volumes rose again in 2023 when Peru and Spring Valley hospitals closed (see graph below).

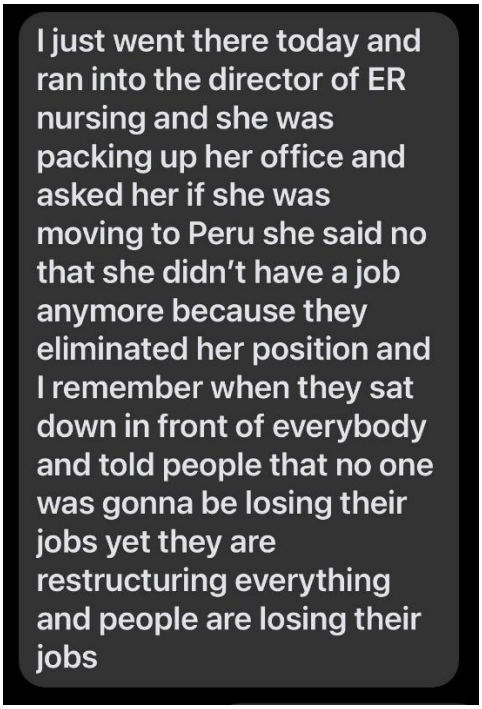



Ottawa's fire chief shared concerning data about wait times that EMS has experienced over the past several years when ambulances arrive at Ottawa's emergency department. These wait times assess the number of patients who were delayed in receiving care due to the ER being overcrowded; these delays also represent times that ambulances were essentially out of commission as they "held" patients on the rigs until space became available in the emergency room.




*Note: This data only includes patient transports from Ottawa, Naplate and Wallace EMS; it does not include patients who were transported by neighboring town ambulance services, which would increase the total # of delays.*

6) **Workers:** Employees will be forced to travel for work if they want to maintain their jobs. Especially those in surgical services, intensive care and labor/delivery as OSF plans to move these services from Ottawa to Peru. There will be no pay differential for employees who are being required to work in Peru despite taking the position in Ottawa. Furthermore, reports from staff members at Ottawa's hospital claim that people are being told their positions are at risk of elimination as OSF "regionalizes" certain positions (a screen shot below is provided from a text exchange with a concerned citizen regarding the Emergency Department Director; this information was shared with CHO the week of July 14th).




7) **Surgical Services:** OSF has plans for 2 operating rooms in Ottawa, compared to the 5 they have today (a 60% reduction). And although it will operate like an Ambulatory Surgery Center, OSF has said (when pressed with questioning about billing) that they will still be billing patients under hospital-outpatient department rates. Effectively this means that patients will be paying more for lower acuity services.

8) **Abuse of Taxpayer Resources:** OSF did not factor in the amount of city resources they will need to make their plans operational, for example:
   a. ***Policing non-criminal patients:*** OSF already takes advantage of the Ottawa PD, calling officers with complaints regarding patient behavior. This practice takes officers off the streets for hours for non-criminal activity. Additional patient volumes expected for mental health services will even further exacerbate this issue.
   b. ***Ambulance transports:*** Three ambulances are in operation in Ottawa; 1 brand new and paid for by tax revenue. When Ottawa's hospital is full (as it inevitably will be based on data presented above), the city's EMS providers will have to regularly take patients to Peru or farther away for treatment. Each time this happens our community is at risk if another emergency were to happen when an ambulance is out of town. This practice also impacts the wear and tear on tax-payer funded vehicles.

9) **Women's Health Care / Catholic Ethical and Religious Directives ("ERDs"):** It's impossible to ignore the impacts that a Catholic health system monopoly will have on women's health care delivery and patient outcomes. In one example, women who are already in the hospital giving birth would not be allowed to have a tubal ligation, since it goes against the churches ERDs. In that scenario a patient would have to be discharged and schedule the procedure at another (non-OSF) facility – thus adding both undue burden and cost to the patient. Catholic health systems have a notoriously difficult time recruiting obstetricians due to these limitations as well.

10) **Sale of Hospital vs. Demolition:** As stated in the CON application 24-013 (sourced earlier), OSF intends to demolish Ottawa's current hospital facility. They cite a report on the facility's condition as a deciding factor, but when asked for access to the report OSF said they will not make it public. The former hospital president has told community members that he believed the hospital was in good working order when OSF acquired the facility in 2012. Perhaps OSF believes the hospital holds no value, since they paid no price for it, but the citizens of this community deserve to know if another health system would be willing to purchase the facility and operate it with services at or near levels that exist today. Because OSF holds a complete monopoly in this region, we deserve to have a competitor option. Without that option, OSF will continue to draw the provider-delivery landscape in the ways it works best for their organization – which from experience is putting profits over patients. If they intend to demolish the facility, what harm is there in first finding out if another willing and able buyer would come to the table. The only harm would come in the form of less revenue to OSF if patients were to choose another system – but as we all know – competition is best for patient choice and service options.

11) **Profits Over Patients:** As a tax-exempt, charitable organization, OSF appears to be abandoning the health care needs of the Ottawa community (and all of Eastern LaSalle County) in favor of continued robust profit growth. Years of sustained asset growth supports our claims that OSF is hoarding funds to accumulate excessive assets and reserves, without clear plans to utilize them in furtherance of its tax-exempt mission (through expenditures in support of the region's community health needs). Relatedly,

Thank you for your willingness to consider this request for civil investigation. Please let me know if we can answer any additional questions or provide additional supporting information.

3/18/25 IHFSRB Transcript



affirmative.

CHAIRWOMAN SAVAGE: So that is approved. Thank you.

Now we are going to move on E-02 and E-03. E-02 is OSF Saint Elizabeth Medical Center in Ottawa, HSA-II; and then E-03, OSF Saint Elizabeth Medical Center in Ottawa, HSA-II.

So may I have a motion to defer the request to defer Project 24-011 and Project 24-013. 24-011 was for the establishment of a replacement hospital for 12 months, and Project 24-013 was for the discontinuation of a hospital for 12 months.

So may I have a motion for both in one.

MEMBER LEGRAND: So moved. LeGrand.

MEMBER FOX: So moved. Fox.

CHAIRWOMAN SAVAGE: Okay. So new group of folks. So if you could please introduce yourselves, spell your name for the court reporter, and then she will swear you in.

MR. HOHULIN: Mark Hohulin, M-A-R-K H-O-H-U-L-I-N.

MR. QUERCIAGROSSA: August Querciagrossa, A-U-G-U-S-T Q-U-E-R-C-I-A-G-R-O-S-S-A.

MS. TROMPETER: Dawn Trompeter, D-A-W-N T-R-O-M-P-E-T-E-R.

MR. WEBER: Ralph Weber, R-A-L-P-H W-E-B-E-R.

(Interruption by the reporter.)

CHAIRWOMAN SAVAGE: B, as a boy.

(The parties were duly sworn.)

CHAIRWOMAN SAVAGE: Thank you.

Now, Mike or George, if you could give us the State Board staff reports for E-02 and 3.

MR. CONSTANTINO: Thank you, Madam Chair.

The applicants are requesting an additional 12 months for Projects 24-011 and 24-013. Before the projects are considered by the State Board, the proposed deferral allows the applicants to meet with representatives from the City of Ottawa and develop an enhanced plan for services offered at the replacement hospital.

To date, Ottawa officials have not supported the applicant's reasonable plan

for healthcare delivery and the role of Saint Elizabeth Medical Center in relation to the plan.

Thank you, Madam Chair.

CHAIRWOMAN SAVAGE: Thank you, Mike.

If you'd like to proceed.

MR. QUERCIAGROSSA: Thank you, Madam Chair.

Again, thank you to the Board for allowing us to be here today. We have a couple twofold, not only to ask for the deferral, but also to give you an update on the regional plan that the Board heard last August and approved in Peru. Dawn will be sharing some of that information as well.

Our request today is to continue a 12-month extension deferral for the two permit applications. I'm just going to give the Board just the background.

As the staff reported, last April we submitted three CON projects that really centered around that regional plan that we brought back to the Board, and it was really around stabilizing the services within C-02.

That was predicated by the closure of two St. Margaret's hospitals, one in Spring Valley and one in Peru, and that was in 2023.

OSF did purchase the Peru campus through bankruptcy in November of 2023, and then we renamed that Saint Elizabeth Medical Center Peru; and our two Saint Elizabeth campuses today, our hospitals, Ottawa and Peru, operate under one combined license.

Those three permit applications that I mentioned -- I'll just review them. The reopening of Peru was CON 1, and that was a modernization and expanded 8-bed ICU, 11-bed OB service, and 45 medical/surgical beds. That permit application was approved by this Board in August of 2023, and it really enabled us to relocate the ICU and OB services now in Ottawa to Saint Elizabeth in Peru, which is a distance of 17 miles.

The second CON in the third of the ones before you today, the replacement hospital in Ottawa with a smaller footprint, which did not include ICU or OB. It did maintain the 26 acute mental illness beds, but

did reduce the overall medical/surgical beds to 12. That project was over $120 million at the time, a year ago.

The third was after the construction of the new hospital in Ottawa, we would downsize -- or we would discontinue the existing campus, the facility, and sunset that.

It's the last two that we're bringing to you for deferral. And we've spent an enormous amount of time over, I would say, the last 12 months.

The project implemented a regional plan for the C-02. To remind the Board, this is the counties of LaSalle, Bureau, Putman, and two ZIP codes in Stark.

Peru is in the center of C-02. That's the City of Peru. Relocating ICU, OB really brings everything to the center and reduces disparity to the west. We would call that in our regional model the hub, and that's what we proposed to the Board.

But there are important spokes within that delivery system, including

Saint Paul Medical Center in Mendota, a critical access hospital; Saint Clair Medical Center in Princeton, a critical access hospital; the proposed downsized facility in Ottawa, Saint Elizabeth Medical Center. And we cannot forget the importance of the Center for Health, which is the freestanding emergency room and outpatient services in the town of Streator, all located around that hub.

Our regional plan was to ask for really to approve all three at the same time, but unfortunately, as you know and the Board is aware, we had opposition on this project. So we deferred the two Ottawa projects last August and then in September, which was granted, and now we're doing an additional request for a 12-month deferral.

But as -- as we spent time through not only the public hearing, the deferral process, we have been meeting with officials, you heard that this morning, very diligently. That started last summer.

And, you know, through our listening sessions both at the public hearing,

we did propose an enhanced plan, but it would have been a modification to the current CON. We call it an enhanced plan; never came to the Board. But it was to increase to a 20-bed facility in Ottawa. And in that 20-bed, 4 of those 20 beds would be intermediate to talk about challenges in moving ICU to the middle.

We still feel today that our 12-bed met the needs of the region, but, again, with feedback we did take that to heart, and we did make that modification. And, again, working with the city throughout the whole time and community members on that enhancement plan.

However, today, as you heard already earlier, the Ottawa officials have not supported a regional plan for healthcare delivery and that important role that Saint Elizabeth's in Ottawa plays within the whole ecosystem.

I do have a letter that I'll leave with the Board from the mayor of Ottawa, Rob Hasty, that was dated on March the 7th of 2025 that the -- that he is writing on behalf

of the City of Ottawa to formally express our agreement, the City of Ottawa, to extend the existing CON for OSF Saint Elizabeth for the additional 12 months. So I'll leave that for the Board as referenced as well.

We are requesting that extension. It's not only to give time to, you know, work with the officials, but it's really allowing us to continue to work to get Peru stood up.

Dawn's going to give you that timeline because that's not anticipated because of the enhancement modernization of the ICU. We're moving from 8 beds Ottawa -- or 5 beds in Ottawa to 8 beds in the region. That project's going to be finished early summer with an opening in August should everything go well, and we have another CON that we'll be discussing here shortly.

But it does give us an opportunity to get Peru going. And really anything less than 12 months doesn't finish that part of the project, which is really important to the hub.

So I'm going to turn it over to

Dawn. She is the president of both Saint Elizabeth Ottawa, Peru, Center for Health, and Mendota today. So she's got a big responsibility, and you heard some of our quality metrics.

Thank you, Dawn and team.

MS. TROMPETER: Thanks, AG. Dawn Trompeter.

Good morning. I would like to give you a brief report on Ottawa and Peru since the approval last August that AG mentioned.

That approval enabled us to start work on expanding the intensive care services at Saint Elizabeth Medical Center in Peru from 4 to 8 beds in anticipation of accommodating the shift of patients from the ICU service at Saint Elizabeth in Ottawa this summer. The ICU modernization work should be complete sometime in July.

Meanwhile, based on the plan as previously discussed with IDPH and the Health Facility Service Review Board staff, we have over the past 11 months been implementing a

phased reopening of other services at Peru.

In April last year, we opened two of the existing medical/surgical beds and the emergency department and those services that support those two areas. By mid-June we expanded to 12 med/surg beds and began providing outpatient services in Peru.

In May outpatient surgery will be started. Consistent with permit application 24-014, in mid-August this year we will relocate ICU and OB from Saint Elizabeth Medical Center in Ottawa to Saint Elizabeth Medical Center in Peru.

As part of that relocation, we are finalizing a permit application for discontinuing ICU and OB in Ottawa. Discontinuing those services is already part of permit application 24-013, the discontinuation of the entire hospital in Illinois -- in Ottawa.

But because we are here today requesting the deferral of that application and the replacement hospital permit application, we need to submit a separate

application to discontinue ICU and OB, timed with the opening of those two services at Saint Elizabeth Medical Center in Peru this August.

In Ottawa all other clinical services are continuing. That includes inpatient med/surg, inpatient behavorial health, the emergency department, surgery, diagnostic imaging, lab, outpatient care, respiratory, pharmacy. These are meant to be incorporated in the replacement hospital.

The 12-month deferral, as AJ mentioned, will allow us time to assess these plans going forward.

Meanwhile, we have been tracking utilization at the two hospitals for 2024. I am pleased to report that our patient utilization for last year tracked closely to what had been projected in the permit applications. For example, for ICU in Ottawa, we projected an average daily census of 4.6; actual 3.9. For OB in Ottawa, we projected an ADC of 4.65; actual was 4.0.

In addition to ICU and OB, the

subject of this deferral request, I'm happy to report that our projection of 2,732 med/surg admissions in Ottawa in 2024 is within five of our actual 2,727 admissions.

This experience supports our statements that bed capacity --

(Interruption by the reporter.)

MS. TROMPETER: -- bed capacity in the regional plan is going to be sufficient to accommodate area needs.

All of this data are from our preliminary work on the AHQ that we will be submitting within the month.

And thank you, and we're open to any questions.

CHAIRWOMAN SAVAGE: Okay. Does anyone have any questions?

Mr. Budde.

MEMBER BUDDE: So if you achieve this enhanced plan that you talked about that's not in the CON we have now, will that be a resubmission of the CON? Or I'm not sure if that --

MR. QUERCIAGROSSA: I'm going to turn

that to Ralph. He knows more about that.

MR. WEBER: Yes, Mr. Budde, it would be a modification of that permit application.

(Interruption by the reporter.)

MR. WEBER: Ralph Weber.

CHAIRWOMAN SAVAGE: And then just to be clear, the mayor's letter that you are speaking of, if you could give that to the staff before you leave.

Okay. Other questions?

Mr. Gary.

MEMBER KAATZ: Gary Kaatz. I'm a little puzzled about three things. The first one, what was in the CON that was approved in 2012 that was brought up in the public session this morning, and are we -- are we backing out of that?

The second thing is I was impressed with the community members and the pride they showed. They knew about Leapfrog, they knew about the top 100 hospitals in the world. You see tremendous pride in this community.

And number three, you guys have

done a nice job on your regionalization plan. You're a smart organization. You're going to put 120 million, or whatever, right, into a new facility; right?

I got to believe there's a way you can bring all those three together, and I'm just jumping to the conclusion that it might make sense if you step back for a minute, refile a new CON that encompassed all this and brought the mayor and somebody else from the community with you when you presented it.

What's wrong with my thinking? Help me with that.

MR. QUERCIAGROSSA: Thank you for the question. AJ Querciagrossa. I'll do my best, and my colleagues can jump in.

I think that the reference to the 2012 is when the Community Hospital of Ottawa joined OSF HealthCare. I think the challenge is healthcare has changed since 2012. I think the statement continues to be made on behalf of the community that OSF promised to never change services.

I don't think that's what we determined or is adding on the application form. We all know that healthcare continues to advance and evolve.

It was really this regional plan has been very thoughtful. We talked to you about the two hospitals most recently closing, but there was a third hospital that closed in this region in the City of Streator. Overbedded on the inpatient side. And we're still at odds to the right number of inpatient beds.

Our proposal really was to bring really important services in the regional plan to the middle. It does reduce services in Ottawa for OB and ICU, but what we've brought forward last summer was we believe we can keep more patients in the region in ICU at an 8-bed level.

And our commitment to the Board is we're all ready and we have posted for four critical care pulmonologists to serve that ED, as we mentioned, because we believe with the capacity constraints across the state, keeping

patients local is better than maybe overwhelming some of the tertiary centers.

So I would say healthcare has changed in 2012.

The second one is I do believe the City of Ottawa community members are very passionate about their city. We have not been able to get them beyond that Peru is 17 miles from Ottawa for inpatient beds. I don't know that we'll ever get there. But we did take a formal approach from the health system.

We used the data, and you've heard Dawn, we've done pretty good with the data on our submissions. That's a hard -- hard work when you have facilities closing and making assumptions last year. Now we have real data, and we're pretty darn close.

We believe that our regional plan -- we're seeing it now even with enhanced flu that capacity is not challenged in the region, as Dawn mentioned; that the 12 beds was probably accurate. We would have to come back with an enhanced plan at 20 and convince the Board that that's adequate based on the

standards.

It won't meet the current today's standards. But we do believe in it because with the feedback it's really understanding what types of patients are served in ICU as an example, right. They're not -- they're different, right. There's different levels.

Intermediate care was a compromise; that we thought we don't have that in Ottawa today. It would keep critically ill patients in Ottawa who needed to be in Ottawa, but if you needed a higher level of care, you would be close by 17.

So, again, community members, passion. I think that is -- we still believe in our regionalization plan, to your question. I think it also -- you know, as construction of the new middle, we've gotten feedback from the community council of Ottawa, the mayor, is let Peru stand up on what we're proposing. And that's what we're kind of committed to.

We have to kind of wait and see because the beds are still -- I don't want to call it volatile because that's a hard word,

but it's really about -- it is moving the right resources. And it is -- you know, I'm very concerned about some of the comments that we hear, and you all have heard this, is staffing and personnel.

This is not just around the personnel, nurses, our PCTs, all of that. Think about OB and the provision of OB in two communities 17 miles apart. And I want to pause.

In today's environment, that would require eight OB-GYNs in a market that has two. And that's why the regional plan allowed members from Princeton to the west, another 20 miles, today they drive an hour to birth babies if they choose Ottawa or Peoria or the Quad Cities.

In our western edge of Bureau County, for OB it does make sense to move it to the middle. And I do believe we have a fighting chance to advance ICU care within the C-02 planning.

So I hope that answers some of the questions.

MEMBER KAATZ: It does. Could I just ask another one following that? Currently there were five ICU beds at Ottawa.

Did you have an intensivist at that ICU?

MS. TROMPETER: No. This is Dawn. We had a hospitalist, and then we had an eICU that had those intensivists --

MEMBER KAATZ: Right.

MS. TROMPETER: -- on the tele, yeah.

MEMBER KAATZ: But in your new regionalization plan, Peru will now have an 8-bed ICU and staffed 24/7 with trained pulmonologists as ICUs? I'm sorry. As intensivists?

MS. TROMPETER: Yeah. So we have open positions and are currently recruiting for four. Now, I'm not going to tell you day one that's what they'll have because it takes a while. But that is the goal, to have the intensivists plus the eICU available, and then we'll have hospitalists for the med/surg and so forth.

Can I go back and clarify one of

the answers to your question, too? On the CON from 2012 -- and I -- Bob Eschbach said this. I respect Bob, always have.

The 2012 CON and that whole transaction, I was at the hospital at that point too. There was a stipulation in there that we -- or a promise in there from OSF that we would not change services, but there was a period of time -- and I believe it was five years, which is more than the standard two years, and obviously since then we've gone through a pandemic and a lot of other things. But that's what was in the information.

MEMBER KAATZ: So you've got to convince the community that an ICU, even though it's 17 miles down the road, you're going to have intensivists now, it's of a size that you can operate a real ICU, right? I'm sorry to be so casual.

I've never seen a project, I don't think, in my life where you're proposing to build a new facility and drop 120 to 130 million dollars into the community and they're opposing it.

MS. TROMPETER: It would be 154 with the 20 beds.

MEMBER KAATZ: And they're opposing it. You've got to figure out a way to educate and get them on board.

MR. QUERCIAGROSSA: Mr. Kaatz, thank you. We've spent an enormous amount of time. We're not going to stop because we do believe in the regional plan. I think we -- our request today really is we need to wait. Again, we need to continue conversations. Peru, moving it to the middle is an important step in the ecosystem of this C-02. That -- if everything goes well and our new CON to the Board, all of that, that could happen as early as August. But then it's going to take a ramp-up to get going. So, again, that's why deferring less than that -- and that's at least five months out today, six months. That's what we were thinking. It isn't really just to continue to kick the can. It's we'll show you the continued data of bed utilization. 45 beds in

Peru is more than we -- we had. And then we would have 20 or 12 in Ottawa. And so those combined at 20 and 45 is more med/surg beds than we would have in the region open today.

MEMBER KAATZ: How many births are you anticipating at Peru when the OB service is centralized there?

MS. TROMPETER: I had -- I can tell you. Yeah, there was 672 for 2024.

MEMBER KAATZ: Just at Peru?

MS. TROMPETER: Oh, no. This would be for -- it's only at Ottawa now. And so that's what we have. And then -- I don't know if there's a projected --

MEMBER KAATZ: And do you have nurse-midwives in the community?

MS. TROMPETER: Yes. We have nurse-midwives, OBs, family medicine OB.

MEMBER KAATZ: Oh, your family medicine do deliveries also?

MS. TROMPETER: There's an FM-OB trained physician, board-certified, yeah.

MS. QUERCIAGROSSA: That's an important comment. Sorry, Mr. Kaatz.

And, again, as we look here, we do -- we're continuing to try to use those disciplines in the regional model, right, because it's very important in the shortage. So midwives, family medicine OB trained, family medicine OB trained with Cesarean, and then the OB-GYNs.

So, again, we've been blessed to hire a brand-new OB-GYN Cesarean trained in this region. And we're going to continue to kind of work to that so the deliveries in the middle support the needs of the women in our community.

MEMBER KAATZ: Thank you.

MR. WEBER: Regarding the -- Weber. Regarding the projected OB volume, I don't have the number here, but I think it was between a thousand and 1,100. And in 2024, it's gone to 672.

MR. QUERCIAGROSSA: And, again, the number, it's very difficult when you go back and look at the births at St. Margaret's in Spring Valley and Peru combined. They have a significant amount of deliveries that we have

not seen in the recent years. And so, again, using that data to come up with -- you know, I think our goal is to get upwards of 800. That's we believe a good ecosystem.

It's going to be women choosing to come to the middle from the west, not choosing to go elsewhere, and really kind of stabilizing that. I think the numbers will play themselves out over 6 to 12 months and then we'll be able to put more data before you.

CHAIRWOMAN SAVAGE: When it comes to OB, I mean, you can imagine people who are wanting to give birth, 17 miles, at least at this rate, that could take an hour to get somewhere.

So how is traffic between Peru and Ottawa or this west side that you're speaking of?

MR. QUERCIAGROSSA: This has also been a sticking point I think with community members.

We're in rural America. So if I'm in a blizzard in a snowstorm, it's going to take us longer. We have either Route 6 or

Interstate 80 to get us there. In a normal, no emergency vehicles, closing down the highway, 20 to 25 minutes.

CHAIRWOMAN SAVAGE: And do you have home birth in Ottawa, that you know of?

MR. QUERCIAGROSSA: I do not believe we do today.

CHAIRWOMAN SAVAGE: That's too bad.

Okay.

MEMBER TANKSLEY: Sure. I just wanted to get a little more insight into what you guys are doing to work with the community. You mentioned "I'm not sure if they're ever going to get there," and so that causes a little bit of hesitance in me.

I'd like to know if you are -- are members of the community or something part of your board? Are they engaged in any other ways? Or what is that strategy to -- not just educating them, because they seem like very educated people.

So what is the strategy in getting their buying into what you're proposing?

CHAIRWOMAN SAVAGE: And when you talk about it, you can talk about the police and fire, who clearly we're finding that they didn't feel like you were engaging enough.

MR. QUERCIAGROSSA: I'm going to let you start on that because it's a little disappointing to hear from police and fire today because I think we have done work.

MS. TROMPETER: Can you say the first one again?

MEMBER TANKSLEY: Yeah, no, I'm just -- because perception is reality, right. So their perception is that it hasn't been done. I think it has to be addressed.

So I'm just asking are they members of the board? What kind of discussion do you guys have or strategy for planning to move this forward given that you -- if you can get these 12 months?

Like, you still are stating that "I'm not sure if they're ever going to come along." So how does that influence the Board to say, yes, in 12 months you're going to be in a space where this is actually happening?

MS. TROMPETER: A couple different answers on that. So, yes, we do have -- community members are on our community council, and they are very much educated on this plan and support it, particularly the enhanced plan.

We also have had a meeting with all of the chamber invites -- invitees and went through kind of just the state of rural healthcare as well. In addition to that, we've been meeting with the mayor, two city council persons, three members of the CHO opposition group, and along with two members of our community council went through probably 20 pages or more of questions over several different sessions on that.

And so I think, you know, in meeting with and talking to the mayor and the councilmen, their support, much like ours for asking for the 12-month deferral, is really let's get that regional plan open, the ICU, the OB, the 45 beds at Peru, and then let's just see the number so that then we can come back and they can feel more comfortable that

it really will support the communities.

MR. QUERCIAGROSSA: If I might add -- thank you, Dawn -- we spent a lot of time, hours and hours, meeting with, I would say, a diverse group. I think one time the mayor of Marseilles showed up. So, again, it's not even just Ottawa.

To be remiss, the City of Ottawa did submit a counterproposal on our enhanced plan, but there were really challenges in that for us. So to hear testimony today and things to say that we were ingenuous or, you know, not honest is a little disheartening to me personally because of the time commitment we've all spent on this project.

The challenge in the project was as good fiduciary members of the city, they were trying to get to a cost point, because it's 154 million in the enhanced plan, but the reduction was on the backs of behavioral health beds, and we're not going to do that. That wasn't what we wanted to do. You heard that.

I was very fascinated by some of

the testimony on another project this morning is we have the same problem in the current building in Ottawa that we brought forward to you. There are no private beds in the current hospital.

So we have our license today for 26 beds, but on an average daily census of under 20 because of female, male, and all of that. So we recognize the need in that application, and that was just not -- and we were really genuine in saying this wasn't a negotiation. We're trying to get you on board.

It wasn't a wager. We are the experts in healthcare, whether they want to believe it or not, and I feel bad saying that, but we've spent an enormous amount of time in this region.

And the corollary is Dawn lives in the region. I live on the fringe of the region. This is personal for us too because we're going to use this ecosystem one day.

And so, again, we've spent an enormous amount of time. We're optimistic, is

what I would say, that we can continue to show that the numbers do work and patients are not impacted negatively.

So thank you for those questions. I appreciate it.

MS. TROMPETER: This is Dawn.

I want to go back to your question on the EMS and the fire and the police. Chief Wilson is no longer the chief anymore, but that was from before. We did work with, and we actually did follow through on a commitment that we told them. We had hired another security person around the clock, so we now have two around the clock.

And then the -- just for some clarification, we have a separate contract for ambulance transfers, you know, between the two, and any tertiary facilities. It does not utilize the EMS resources within the City of Ottawa at all. It's a separate contract that we have specifically for patient transports.

MR. QUERCIAGROSSA: I might add one comment, and I hate to belabor this, but it's really important.

There are no cath labs in this plan. It doesn't mean that we don't want a cath lab. It means there aren't any in Ottawa or Peru today. And so when we hear things like EMS having to go farther to go to Peru, if somebody's in a critical stroke or heart attack, they're going to go to the closest emergency room and then the staff's going to do that.

So I want the Board to know that it isn't they aren't going to get, you know, stinted in Peru, because that service today does not exist. There are those services in Morris, those services in Peoria, the suburbs, Rockford. I mean -- Dixon.

So, again, I think the fighting chance on the regional model is to determine what are the next services. The first was critical pulmonary care, and there are more coming. So, again, it gives us a fighting chance to actually provide more services in the region.

I hope that might help.

CHAIRWOMAN SAVAGE: When did you last

meet with the community board and the police and the fire?

MS. TROMPETER: February. Or not with the police and fire, with the -- well, the community -- the community council we meet with ongoing every two months, but they -- the city -- the mayor and the two councilmen and so forth, we met with February.

MR. QUERCIAGROSSA: February 14th, Valentine's Day.

MS. TROMPETER: Oh, yeah, it was the 14th. And then we have -- we're scheduling -- we've committed -- both sides committed to every two months just keeping a meeting together to look at the numbers and so forth.

MR. QUERCIAGROSSA: And I think that's important, Gary, to your question. We've committed to the city council and others that our data is complicated, but we want to bring that information just on the work that we do today on the issues of community health within the region to the city council.

And so we'll do this and continue to meet every other month and continue to -- I

would say educate, and I don't mean it in a negative way, but on healthcare, and really what's happening on the impact on the region too.

And our commitment is we're going to grow with the region. This isn't a fixed plan. We'll pivot as we need to based on the data and the need and the utilization because we're committed.

CHAIRWOMAN SAVAGE: And then you kind of mentioned this before, but normally our Board rules are a six-month deferral. What are you going to significantly do differently for the 12-month deferral that we don't usually do?

MR. QUERCIAGROSSA: Again, the biggest is get Peru optimized. That's the biggest change other than in addition to what we've already talked about. The enhanced plan is on the table at a 20-bed unit in Ottawa. And, again, we need the numbers to continue to support the right bed count within the region.

So that -- I don't know that that's going to answer significantly. I think we'll continue to do that, work that we

already started when we came.

MR. HOHULIN: This is Mark Hohulin.

I would say in addition for a modification, over that time period we're going to have to look at the escalation in costs and the time period that it's going to take to do that. So some of that would have to change with our current application. If we go forward with an enhanced plan, what does that cost. So we have to redo some sections of the plan.

CHAIRWOMAN SAVAGE: Other questions by Board members or staff?

Monica.

MEMBER HENDRICKSON: Also from this region of the state, and, you know, geographically speaking, yes, Peru is very much the center of a compass in kind of how it appears. And the distance, likewise, you know, 17 miles in Chicago suburbs is completely different than 17 miles in this part of the state.

But I also would -- one comment for my question is I think what you're hearing

from a lot of your community members is self-identity. You know, in a -- I grew up in the Chicagoland, and so moving from one suburb to another or different township, you're not noticing that you're leaving. Here you know that you leave. You leave your basketball team colors from your high school, you enter into your archnemesis. I mean, that happens in our communities.

So I think what you're hearing is this lack of understanding -- and no offense -- from your commentary today is a little bit laced with not understanding the system, this self-identity that they're feeling that is getting lost.

And so, respectfully, I know OSF structures with their community boards. And so I would also advocate that you are adding more of that lens into that conversation, experience in those areas, versus the selection process you normally use for those boards, and at all levels of a community, not necessarily those that -- that can afford expert aspects of it.

Having said that, I did -- I didn't fully understand whether or not you answered the question previously, which is why not come back with just another CON? The enhanced plan, which is it there, is it not there, will it look ...

What's -- what is the rationale of -- recognizing all these challenges that you keep coming up with, what will a 12-month deferral actually gain versus just coming back with a fresh start?

MR. HOHULIN: This is Mark Hohulin again.

I think, again, we want to use what we have to date as a starting point, knowing that there's going to need some changes to that modification. Rather than start from scratch, we can just take what we've already began with and make those enhancements.

Starting from scratch too puts us back in line, costs us another application fee. All of those things come into play by starting all over again. And we feel like we're still making progress and making

movement, and modification of a plan during this time period makes the most sense to us.

MEMBER HENDRICKSON: But why 12 months? Why not a shorter time here, like six months? If you're already in this process, why does it have to be the full year?

MR. QUERCIAGROSSA: Again, with feedback that we had from officials and through those discussions, we really need this -- I don't know if convince is the right word. Continue to show the data.

And Peru not being open fully with ICU and OB really complicates the discussion because we're using still hypothetical from closures of hospitals. So that, as Dawn mentioned, is slated through other approvals that we're going to be submitting, that won't happen before August.

And, again, it took us 12 months to rebuild an 8-bed ICU, which is not a bad timeline. So it's really the timing of that. Six months won't give us answers to the question of moving services to the middle.

CHAIRWOMAN SAVAGE: Other questions?

Okay. George, if you would call the roll.

MR. ROATE: Thank you, Madam Chair.

Motion made by Ms. LeGrand, seconded by Mr. Fox.

Mr. Budde.

MEMBER BUDDE: Yeah, based on the report and the conversation today, which I appreciate the questions from my colleagues, I will vote yes.

MR. ROATE: Thank you.

Mr. Burnett.

CHAIRWOMAN SAVAGE: If I could clarify one thing. This vote is about the 24-011 because we have to do two separate votes. So they are related, but just so you know.

MEMBER HENDRICKSON: Sorry. For clarification, I thought we took the motion together, though.

CHAIRWOMAN SAVAGE: We are, but we have to vote separately.

MEMBER BURNETT: Yes, based upon today's testimony.

MR. ROATE: Thank you.

Mr. Fox.

MEMBER FOX: Yes. And I'd like to add I appreciated the public testimony today, and of course I appreciate the applicant's testimony.

MR. ROATE: Thank you.

Ms. Hendrickson.

MEMBER HENDRICKSON: Based on the testimony provided today and also knowing how OSF operates in my own community and such a strong partner, and I hope those communications can improve, I do vote yes.

MR. ROATE: Thank you.

Mr. Kaatz.

MEMBER KAATZ: Well, although I like the idea -- and you bring up some good points about the cost. I obviously like the idea of coming back and submitting a brand-new CON with residents from your community as part of the presentation.

I think you're doing -- I think that OSF is attempting to do some very good things long term, and I haven't seen such an impassioned community at the same time. I mean, you could be working with a community

that didn't care. I'm not sure I've ever heard of a hospital board that knew much about top 100 hospitals in the world component, and Leapfrog certainly.

So you have a smart community. They want to do good. They're proud. You guys are a well-resourced organization and intelligent and forward thinking. Somehow you just got to -- and I wish I knew the answer. I don't. Somehow I'm looking for you to get together with the community and figure out a way that we can go forward with this project.

So although I'm inclined to vote no because I like the idea of submitting a fresh CON, I will vote yes because I believe you're doing the right thing and I believe you will involve the community in the right way.

MR. ROATE: Thank you.

Ms. LeGrand.

MEMBER LEGRAND: I will also vote yes based on the staff report and the testimony today. And I did listen to what your community says, and they do love you guys really and they want you guys to do well for

them.

MR. ROATE: Thank you.

Dr. Tanksley.

MEMBER TANKSLEY: Okay. So I too will vote yes. However -- and I just have to say, your community is broken, and they need to be involved. And I'm not sure -- I'm not as intimately familiar with the way that you choose your board. There are some OSFs in my community as well as there is throughout the entire state of Illinois, but they are -- you know, I don't know who sits on that board, right.

And so clearly there's a disconnect between the community members you have on your board and the community who chose to drive here to testify and to -- you know, all of those things.

So that being said, I vote yes. However, you have 12 months. I don't know if this is something the Board can request, but I am going to just throw it out there, if there is some way that you all through that 12 months continue to let us know how those

conversations are going.

Because if in three months we're not sure if they're going to ever come along, it's still the conversation, and then after six months we're not sure they're going to still come along, it's still the conversation, then perhaps, you know, us going against our Board rules here is -- you know, it's not something that we should consider in the future.

So I'd like to just in some way know how things are going as you continue through this 12-month process.

MR. ROATE: Thank you.

Chairwoman Savage.

CHAIRWOMAN SAVAGE: And I too have some reservations, but I will vote yes based on a lot of what my colleagues have said, especially Dr. Tanksley. And I think, you know, it's going to be mandatory that you give us updates. And, you know, being that you were surprised by what the fire and police said, that, you know, they're usually pretty straight shooters, pardon the pun, but

nonetheless.

So if that's -- if it's true that your own, I guess, internal ambulance service is not going to impact the EMS, it seems odd that they don't know that. So clearly some better communication, different communication.

It would seem maybe every month you need to meet to get this resolved because if you meet every other month that's what's delaying this even further. I know you're very busy. I'm sure your community members are also very busy. And I think, you know, to move this along, much to her -- Dr. Tanksley's point, is that, you know, we can't be going on for 12 months talking to people, talking to people. I mean, you can make a business decision without them, but, you know, you would want the community support, I'm sure.

So how can you get that? And I think more frequent communication would be better than what you currently have and some different communication.

MS. DOMINGUEZ: And I will say, those reports to the Board, you can send them

through staff like you usually do.

CHAIRWOMAN SAVAGE: That was a yes vote, George.

MR. ROATE: Yes, ma'am.

That's eight votes in the affirmative.

CHAIRWOMAN SAVAGE: Okay. So that is approved with that condition to please give us monthly updates on where you're at with all of this.

So now we're going to move on to 24-013.

So, George, for that, can you please call the vote for that.

MR. ROATE: Yes, ma'am.

Motion made by Ms. LeGrand, seconded by Mr. Fox.

Mr. Budde.

MEMBER BUDDE: I vote yes.

MR. ROATE: Thank you.

Mr. Burnett.

MEMBER BURNETT: Yes.

MR. ROATE: Thank you.

Mr. Fox.

MEMBER FOX: Yes.
MR. ROATE: Thank you.
Ms. Hendrickson.
MEMBER HENDRICKSON: Yes.
MR. ROATE: Thank you.
Mr. Kaatz.
MEMBER KAATZ: Yes.
MR. ROATE: Thank you.
Ms. LeGrand.
MEMBER LEGRAND: Yes.
MR. ROATE: Thank you.
Dr. Tanksley.
MEMBER TANKSLEY: Yes.
MR. ROATE: Thank you.
Chairwoman Savage.
CHAIRWOMAN SAVAGE: Yes.
MR. ROATE: Thank you.
That's eight votes in the affirmative.
CHAIRWOMAN SAVAGE: So that is approved.
And, Blanca.
MS. DOMINGUEZ: So built into your time frame, that modification, when you're at the point -- because we don't want to keep coming

in for deferrals when we already know that modification is going to be your avenue, if that changes, you know, go ahead and take the appropriate action as far as, you know, rescinding and/or asking for a new application. Please build that into that 12-month deferral.

MR. QUERCIAGROSSA: Thank you.

CHAIRWOMAN SAVAGE: Thank you.

Okay. So now we are moving on to H-01. That will be OSF Saint Elizabeth Hospital in O'Fallon again, HSA -- XI I guess it would be.

May I have a motion to approve Project 24-032 for the establishment of a medical office building in ASTC.

MEMBER LEGRAND: LeGrand.

CHAIRWOMAN SAVAGE: May I have a second.

MEMBER KAATZ: Second.

CHAIRWOMAN SAVAGE: Mr. Kaatz is second.

Okay. You've all been, I think, sworn in before. He was sworn in before. Yes? Okay.

Do you want them to repeat their