



October 17, 2025

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

Re: Project 25-013 OSF Saint Elizabeth Medical Center – Ottawa, Discontinuation of ICU and OB

Dear Chairwoman Savage and Mr. Kniery:

OSF HealthCare has made significant efforts over the past several months to work collaboratively with the City of Ottawa and the Citizens for Healthcare in Ottawa (CHO) group regarding our regional health care model within the C-02 planning area. In good faith, we explored an alternative option to maintain inpatient ICU services at the current Ottawa facility—an offer intended to demonstrate our commitment to the community and address concerns raised by local leaders.

We met with the group on September 15, during which several community participants acknowledged the need to move obstetric services to Peru and emphasized the importance of retaining ICU services in Ottawa. In response to the comments made at that meeting, OSF HealthCare met following that meeting and, in a continued effort to find common ground, wrote a formal offer to keep the ICU open in Ottawa. This proposal was to keep ICU open in Ottawa for as long as the current facility was licensed and operational as an acute care facility if there was support by the City/CHO to relocate inpatient OB services in Ottawa and consolidate those services in Peru.

We met again with the City/CHO on October 1 to offer that proposal as a balanced solution that serves the best interests of all parties. The City/CHO continued to ask questions about our previously deferred CON building a new facility in Ottawa. We continued to redirect focus on the current CON regarding OB and ICU, and a copy of that proposal is attached, along with the responses received from the City and CHO group. It is unfortunate that proposal was not accepted as OSF HealthCare has always approached this work with compassion and transparency. Included in this correspondence are our comments related to inaccuracies of CHO's Analysis of OB and ICU data we provided to the HFSRB back in July 2025.

Given these circumstances, OSF HealthCare will proceed with our original Certificate of Need application for the discontinuation of the ICU and OB as submitted, without modification, for consideration at the Board's



November 18 meeting. We remain steadfast in our commitment to provide high-quality, sustainable, and coordinated care for the residents of the C-02 planning area, consistent with our Mission and the long-term viability of health care delivery in this region. This approach reflects the benefits of OSF's regional model, ensuring access to the right level of care, close to home, and aligns with the Health Facilities and Services Review Board's previously expressed support for a coordinated regional strategy during its approval of the Peru expansion.

Sincerely,

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

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



Proposal to Endorse State Approval of Clinical Services Delivery Model at OSF Saint Elizabeth Medical Center (Ottawa and Peru)

September 22, 2025

In the interest of moving forward with the provision of clinical services at Saint Elizabeth Medical Center – Ottawa and Peru campuses, OSF offers the following to representatives of the City of Ottawa and CHO.

Background

OSF and representatives of Ottawa and CHO have been meeting over the past year and a half, and regularly following the HFSRB March 2025 meeting. At that meeting, HFSRB approved deferral until March, 2026 the review of permit applications to replace the SEMC-Ottawa hospital, and to discontinue the existing hospital upon the opening of the new facility. Consistent with a related permit application approved in August 2024, OSF has opened a centralized ICU unit at SEMC-Peru in August, 2025. OSF is awaiting review of permit application 25-013 at the November 18 HFSRB meeting. Upon that review, OSF will operationalize OB at SEMC-Peru.

The meetings with the community since March, 2025 have provided the opportunity for all parties to share data and points of view. Unfortunately, a common understanding has not been achieved. The community focus has been primarily on Ottawa and towns in eastern LaSalle County. Starting with its initial communications about its clinical plans, OSF has explained its planned investments as a regional plan, serving LaSalle, Bureau, Putnam Counties and the Elmira and Osceola townships of Stark County. In part, the plan responds to the recent closures of two St. Margaret's Health hospitals in Peru and nearby Spring Valley and the resulting lack of inpatient care in that part of the region. The OSF plan includes centralizing ICU and OB services at SEMC-Peru and discontinuing those services at SEMC-Ottawa. In spite of open discussion and good intentions, the parties have not reached agreement on common ground.

Proposal

As a result, the parties agree to disagree. In order to move forward, OSF offers this proposal to **keep the existing ICU unit at SEMC-Ottawa open for the foreseeable future, rather than close the unit. The new 8-bed ICU service is and will remain open at SEMC-Peru. OSF still intends to discontinue the OB service in Ottawa, following review of the permit application for discontinuation by the HFSRB and operationalization of the 11 bed OB unit at SEMC-Peru.**

Commitments

In order to implement this offer, **all** of the following conditions are necessary to be agreed in advance by all parties:

- OSF will continue to operate ICU beds at SEMC-Ottawa.
- Based on clinical appropriateness, at times it will be necessary to transfer some ICU

patients from Ottawa to Peru or another facility for higher acuity ICU needs.

- OSF will prepare a modification to permit application 25-013, removing ICU as a service to be discontinued at SEMC-Ottawa; the permit application will continue to list OB as a service being discontinued, upon the opening of the new OB service at SEMC-Peru.
- **City of Ottawa and CHO will submit written letters of support for the revised plan to maintain ICU and discontinue OB at SEMC-Ottawa, and will testify at future public hearing(s) in support of the plan.** Support will be a complete endorsement and will not contain any conditions or statements of dissatisfaction.
- OSF will submit its modification of permit application 25-013 to HFSRB upon receipt of the City's and CHO's submission of support. The modification will remove ICU as a service being discontinued at SEMC-Ottawa. **Letters of support must be provided to OSF to be included with OSF's submission of the modification.** Time is of the essence given the schedule for the HFSRB staff to review.
- A critical condition is to maintain the schedule to review the permit application at the November 18 HFSRB meeting. Consequently, City of Ottawa and CHO must reach agreement, provide letters of support within approximately the next week, enabling OSF to submit its permit modification and arrange for a public hearing in a timeframe that allows the project to remain on schedule for November 18 review.
- **If there is not agreement or if a delay in completing the agreement prevents the Modification from being submitted for review at the November 18 HFSRB meeting, OSF will pursue review of the existing permit application, unmodified, on November 18.**

Conclusion

OSF makes this offer and submits this Agreement in good faith and in order to reach common ground with the City of Ottawa and CHO.

City Commissioners

Wayne A. Eichelkraut, Jr.
Accounts & Finance

Thomas G. Ganiere
Public Health & Safety

CITY OF OTTAWA

ROBERT HASTY
MAYOR

City Commissioners

Marla K. Pearson
Streets & Public Improvements

Brent F. Barron
Public Property



10/9/2025

Robert Sehring
Chief Executive Officer
OSF HealthCare
124 SW Adams Street
Peoria, Illinois 61602-1320

Dear Mr. Sehring,

On behalf of the Ottawa City Council, I would like to begin by acknowledging that, though our organizations have thus far agreed to disagree on key issues, we are encouraged by OSF's willingness to continue working toward a mutual path forward. Your recent proposal reflects genuine effort to find common ground, and we deeply appreciate that commitment.

With that said, the City does not feel it can agree to the additional terms requested by OSF at this time, given where the overall project currently stands. Specifically, the request for the City's "complete endorsement" without any conditions or statements of dissatisfaction is difficult when the future of SEMC-Ottawa remains unclear.

When Commissioner Ganiere proposed a one-year pause on changes in Ottawa while OSF focused on the transition in Peru, the intent was for a *complete* pause—not one that was piecemealed. As the current proposal is structured, we do not see a meaningful difference from what has previously been offered, particularly since OSF's enhanced plan still envisions 20 medical-surgical beds with 4 designated for intermediate care should the Health Facilities & Services Review Board approve OSF's requests.

For that reason, we do not view this proposal as a true compromise. While we appreciate the inclusion of continued ICU services "for the foreseeable future," we also recognize that, functionally, this proposal is neither better nor worse than what was previously on the table.

That said, if OSF were to put additional parameters around its future intent for SEMC-Ottawa, the City would be more willing to consider agreeing to the terms as presented. We believe the data already indicates that the ongoing need for SEMC-Ottawa is closer to the City's original proposal submitted last December than to what is currently being proposed by OSF. Additional clarity and commitment on this point would go a long way toward bridging the gap between our positions.

We want to emphasize how much we value the efforts OSF is making to explore a resolution. The City of Ottawa remains committed to negotiating in good faith to meet the needs of OSF and, most importantly, the communities both of our institutions serve.

Thank you again for your continued engagement. We look forward to working together toward a solution that ensures sustainable, high-quality health care for Ottawa residents.

Sincerely,

A handwritten signature in blue ink, appearing to read "Hasty".

Robert M. Hasty
Mayor, City of Ottawa

cc: Ottawa City Council

October 9, 2025

Mr. Robert Sehring
Chief Executive Officer
OSF HealthCare
124 SW Adams Street
Peoria, Illinois 61602-1320

**RE: Response to OSF Proposal to Endorse State Approval of Clinical Services Reduction at OSF HealthCare
Saint Elizabeth Medical Center ("Ottawa Hospital")**

Dear Mr. Sehring,

We want to thank you for the October 1 meeting among representatives of Citizens for Healthcare in Ottawa ("CHO"), the City of Ottawa, and OSF HealthCare. As you know, this meeting was convened at your request to discuss the attached written proposal made by OSF HealthCare ("Proposal"). In context, the meeting was the latest in a series of discussions held at the request of the Illinois Health Facilities and Services Review Board ("HFSRB"), to facilitate OSF HealthCare hearing and adjusting to concerns from the community about planned services reductions at the Ottawa Hospital. We believe these discussions have been productive, and hope they continue in the good faith manner that has prevailed to date.

The Proposal. In the Proposal, OSF HealthCare offers to modify pending CON Permit Application 25-013, currently tentatively scheduled to be considered by the HFSRB at its November 18 meeting, to remove from the application ICU as a service to be discontinued at the Ottawa Hospital, subject to numerous conditions laid out in the Proposal. Permit Application 25-103 would continue to seek discontinuation of OB services at the Ottawa Hospital. In addition, CON Permit Application 24-011, which proposes a replacement hospital for the Ottawa Hospital, would continue to exclude ICU and OB services from the replacement hospital. More broadly, OSF HealthCare is proposing to relocate OB and ICU services to its hospital campus in Peru, 17 miles to the west.

We understand OSF's offer to be that it will keep some form of ICU services at the current Ottawa Hospital facility for the "foreseeable future" by removing proposed discontinuation of ICU services at the current facility in Project 25-013. However, there is no commitment that the replacement facility would have ICU services, nor is there any commitment as to the number of ICU beds that will remain in place at the current facility or that staffing and ancillary resources will support robust ICU care. And, of course, the Proposal continues to contemplate discontinuation of all OB services at the Ottawa Hospital.



Limited though the offer in the Proposal might be, OSF HealthCare conditions it on CHO and the City of Ottawa immediately and proactively submitting to OSF HealthCare unconditional letters of support for the revised plan to maintain ICU and discontinue OB services at the Ottawa Hospital, and agreeing to testify in support of this plan at future public hearings. "Support will be a complete endorsement and will not contain any conditions or statements of dissatisfaction." OSF HealthCare will submit a modification to Project 25-013 only after receiving the unconditional letters of support. The Proposal indicates that if CHO and the City of Ottawa do not immediately and fully meet all these unconditional support requirements, OSF HealthCare will proceed with the current version of the application for Project 25-013 on November 18.

CHO Response to the Proposal. We want to reiterate our appreciation for the Proposal, and for the constructive dialogue through community meetings that preceded it. We have very carefully considered the Proposal, and have consulted with a variety of advisors and stakeholders about it. For the reasons summarized below, however, we must decline to accept the Proposal or comply with OSF HealthCare's conditions. We hope this does not preclude OSF HealthCare, CHO and the City of Ottawa continuing our fruitful discussions about the future of health care in Ottawa.

Most fundamentally, we are profoundly concerned that in meeting the conditions in your Proposal, we would be failing our mission to voice the compelling reasons why the Ottawa community needs and deserves a hospital with OB and ICU services while also failing to respect the role of the HFSRB in making health care planning decisions in Illinois based on the best information available. We are not the first community group in Illinois to organize in opposition to a proposed dramatic reduction in health care services, and many before us have made their concerns known to the HFSRB (and have had their concerns taken seriously by the HFSRB). That is healthy, and represents the health planning process in action as overseen by the HFSRB. Our understanding is that many applicants over time have modified CON applications based on community concerns and the HFSRB's interest in them. However, we are aware of no prior instance in which an applicant has pre-conditioned such a CON modification on unqualified written and public hearing support by the community groups raising those concerns.

The Illinois General Assembly has charged the HFSRB with health planning decisions, to be made in the best interests of Illinois citizens and in accordance with the Illinois Health Facilities Planning Act. That process, to be effective, assumes a voice for all impacted constituents. While we certainly would be pleased if OSF HealthCare modified its application for Project 25-013 to remove ICU from the services to be discontinued because it is the right thing to do, we do not believe it is appropriate for CHO or the City of Ottawa to agree to be muzzled wholesale as a condition to such modification. Indeed, we think you should consider withdrawing the application entirely because the data shows that both ICU and OB services are needed and appropriately utilized at the Ottawa Hospital. And we certainly believe that HFSRB should be afforded the opportunity to



have the full range of information and perspectives at its disposal, including those from the Ottawa community, before deciding on any application to dramatically reduce health care services in Ottawa.

We will not take time in this correspondence to detail the substance of our concerns regarding the proposed discontinuation of OB and ICU services at the Ottawa Hospital. However, enclosed you will find a copy of CHO's data analysis provided to OSF in August (using the "Supplemental Information" that OSF had provided to HFSRB on July 22, 2025), which illustrates data-driven concerns about the plans for discontinuation and relocation of Ottawa's OB and ICU.

- At a high level, and as you know, there were over 650 deliveries at the Ottawa Hospital in 2024, and it is on track for the same robust number of deliveries in 2025. Relocating these services to Peru would take them away from the highest concentration of OB patients, which makes no sense for clinical quality, patient safety, or OB program development. Furthermore, plans to move OB from Ottawa to Peru seem to ignore the fact that Ottawa's hospital has been the market leader for the C0-2 region, even prior to the hospital closures in Peru and Spring Valley.
- There were approximately 1,400 ICU patient days at the Ottawa Hospital in 2024, and it is on track for about the same volume in 2025. Eliminating ICU services would have an adverse impact on patient safety, strain Ottawa municipal resources, and take these critical services away from a service area with high utilization levels. Furthermore, the number of OSF facilities located outside of the CO-2 region, yet treating ICU patients from within the area, seems to indicate a lack of available ICU beds within the region.

We hope you can appreciate our position. Again, we remain interested in further good faith negotiation efforts in order to meet the needs of both OSF Healthcare and the communities that it serves within the region, however we feel that the timeline proposed by OSF in this instance does not allow for enough time to ensure thoughtful communication and decision making between all stakeholders.

Best regards,

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

Attachments: 1) OSF HealthCare Proposal ("Proposal")
2) CHO Data Analysis

Analysis of OB Data provided by OSF in July 2025
(same supplemental data submitted to IHFSRB on July 22, 2025)

Patient Origin data was supplied for the OB service line in Region C-02, which looks at the number of patients treated from the region, by zip code, and to which facility they sought care.

OSF has stated in their IHFSRB applications that they are projecting OB volumes to increase from 642 cases at SEMC in 2024 to 1,043 by 2028; this translates to an increase in market share of 28% (up from 44% in 2024 to 72% in 2028). Based on these projections it makes sense to analyze growth ability from a service area standpoint, since OSF will need to re-capture patients leaving the region to achieve their projection goals (OSF SEMC Ottawa is the only OB unit within the CO-2 region, so all other facilities would be considered patient "outmigration").

Using the patient origin data, I applied a standard industry rule of 75% cumulative patient origin to define a Primary Service Area ("PSA"); 85% to define a Secondary Service Area ("SSA"). Since these volumes are based strictly on OB patients, it may be slightly different than standard area definitions used by the OSF system to define their service area in C-02. Using the above criteria, the areas were defined as follows:

Table 1. Service Area Definition

Source: OSF GRID-Comdata		Saint Elizabeth Medical Center Ottawa			cumulative % of total			75% = Primary Service Area (based on 2024 cumulative %)			85% = Secondary Service Area (based on 2024 cumulative %)		
ZIP_CODE Patient City	Patient County	2022		2023		2024		2022		2023		2024	
		2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
61350 OTTAWA, IL	LA SALLE	110	94	103				28%	17%	16%			
61364 STREATOR, IL	LA SALLE	129	108	103				61%	36%	32%			
61301 LA SALLE, IL	LA SALLE	17	64	74				66%	48%	44%			
61342 MENDOTA, IL	LA SALLE	26	45	72				72%	56%	55%			
61354 PERU, IL	LA SALLE	16	39	48				76%	63%	62%			
61356 PRINCETON, IL	BUREAU	7	26	40				78%	67%	69%			
61362 SPRING VALLEY, IL	BUREAU	8	26	33				80%	72%	74%			
61348 OGLESBY, IL	LA SALLE	4	26	20				81%	77%	77%			
61341 MARSELLES, IL	LA SALLE	16	15	18				85%	79%	80%			
61322 DEPUE, IL	BUREAU	1	13	16				86%	82%	82%			
61326 GRANVILLE, IL	PUTNAM	5	9	14				87%	83%	84%			
61373 UTICA, IL	LA SALLE	7	6	13				89%	84%	86%			

As depicted in the table below, in 2024, 1,056 patients were hospitalized for OB services from SEMC's primary and secondary service areas

- 908 patients were from SEMC's primary service area ("PSA")
- 148 patients were from SEMC's secondary service area ("SSA")
- The split of patients in "eastern" and "western" zip codes within the total service area is essentially equal (517 East vs. 514 West)

If OB is relocated to Peru, there will be an estimated 25 hours of added travel time spread across patients in the service area. Note: This does not account for added travel time for MFM appointments or other testing requirements that will be located in Peru, instead of Ottawa.

- If patient origin trends hold, more patients in both the Primary and Secondary Service Area zip codes will be forced to travel for services if OB moves from Peru to Ottawa
- Ottawa and Streator have the largest volumes in the region, and have some of the lowest market share rates at SEMC. OSF needs to recapture these patients to meet projection goals; creating an additional burden of increased driving distance seems illogical to support growth goals.

Table 2. Travel Times by Service Area

Patient Origin - Obstetric Inpatients by Zip Code of Residence										= "Eastern Zips"		= "Western Zips"		= "Central Zips"		Time Impact For All Patients (in minutes)												
Planning Area C02, La Salle, Bureau, Putnam & Stark Townships										CY2022-2024		Source: OSF GRID-Compdata		Saint Elizabeth Medical Center Ottawa			SEMC % by Zip Code			Miles to		Variance		2024 Patient Origin				
ZIP CODE	PSA / SSA	Patient City	Patient County	2022			2023			2024			2022			2023			2024			Ottawa	Peru	Ottawa	Peru	Zip to Ottawa	Zip to Peru	Variance
				2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	Ottawa	Peru	Ottawa	Peru	Zip to Ottawa	Zip to Peru	Variance
61350	PSA	OTTAWA, IL	LA SALLE	242	242	241	110	94	103	45.50%	38.80%	42.70%	0	19	19	-19	-19	-19	PSA	0	4579	-4579						
61364	PSA	STREATOR, IL	LA SALLE	202	206	199	129	108	103	63.90%	52.40%	51.80%	18	30	12	-12	-12	-12	PSA	3582	5970	-2388						
61301	PSA	LA SALLE, IL	LA SALLE	72	113	112	17	64	74	23.60%	56.60%	66.10%	15	8	-7	7	-7	-7	PSA	1680	896	784						
61342	PSA	MENDOTA, IL	LA SALLE	62	88	111	26	45	72	41.90%	51.10%	64.90%	26	17	-9	9	-9	-9	PSA	2886	1887	999						
61356	PSA	PRINCETON, IL	BUREAU	60	72	86	7	26	40	11.70%	36.10%	46.50%	37	20	-17	17	-17	-17	PSA	3182	1720	1462						
61354	PSA	PERU, IL	LA SALLE	90	72	81	16	39	48	17.80%	54.20%	59.30%	19	0	-19	19	-19	-19	PSA	1539	0	1539						
61362	PSA	SPRING VALLEY, IL	BUREAU	37	49	46	8	26	33	21.60%	53.10%	71.70%	22	5	-17	17	-17	-17	PSA	1012	230	782						
61348	PSA	OGLESBY, IL	LA SALLE	25	44	32	4	26	20	16.00%	59.10%	62.50%	18	5	-13	13	-13	-13	PSA	576	160	416						
61341	SSA	MARSELLES, IL	LA SALLE	67	70	77	16	15	18	23.90%	21.40%	23.40%	11	30	19	-19	-19	-19	SSA	847	2310	-1463						
61322	SSA	DEPUCE, IL	BUREAU	12	19	24	1	13	16	8.30%	68.40%	66.70%	31	12	-19	19	-19	-19	SSA	744	288	456						
61326	SSA	GRANVILLE, IL	PUTNAM	19	19	22	5	9	14	26.30%	47.40%	63.60%	28	9	-19	19	-19	-19	SSA	616	198	418						
61373	SSA	UTICA, IL	LA SALLE	21	15	25	7	6	13	33.30%	40.00%	52.00%	14	12	-2	2	-2	-2	SSA	350	300	50						
							PSA			908																		
				SSA			148			Total			1056															
				East			517			West			514			Central			25			Total			1056			

Table 3b. Outmigration by Direction (C-02 Planning Region)

Distribution of Obstetric Patients by Hospital Residents of Planning Area C02, La Salle, Bureau, Putnam & Stark Townships CY2022-2024								
Facility	% Change						Location	Direction
	2022	2023	2024	23-22	24-23	24-22		
OSF SEMC	390	559	642	43.3%	14.8%	64.6%	Ottawa	na
MORRIS HOSPITAL AND HEALTH	179	260	243	45.3%	-6.5%	35.6%	Morris	East
OSF SFMC	136	207	174	52.2%	-15.9%	27.9%	Peoria	South
CARLE METHODIST*	35	49	55	40.0%	12.2%	57.1%	Aurora	North
RUSH COPLEY	42	39	40	-7.1%	2.6%	-4.8%	New Lenox	East
SILVER CROSS HOSPITAL	27	31	40	14.8%	29.0%	48.1%	Sterling	West
CGH MEDICAL CENTER*	20	28	36	40.0%	28.6%	80.0%	Dixon	West
OSF SKMC*	10	63	35	530.0%	-44.4%	250.0%	Bloomington	South
OSF SJMC	16	16	26	0.0%	62.5%	62.5%	Naperville	North
ENDEAVOR EDWARD	14	18	21	28.6%	16.7%	50.0%	Aurora	North
PRIME MERCY*	12	27	18	125.0%	-33.3%	50.0%	Normal	South
CARLE BROMENN	6	22	18	266.7%	-18.2%	200.0%	Rockford	North
MERCYHEALTH JAVON BEA RIV	4	2	16	-50.0%	700.0%	300.0%	DeKalb	North
NORTHWESTERN KISHWAUKE	9	13	14	44.4%	7.7%	55.6%	Maywood	North
LOYOLA UNIVERSITY MEDICAL	5	7	13	40.0%	85.7%	160.0%	Galesburg	West
OSF SMMC*	13	14	7	7.7%	-60.0%	-46.2%	Joliet	East
PRIME ST JOSEPH JULIET	13	5	7	-61.5%	40.0%	-46.2%	Moline	West
UNITYPOINT TRINITY MOLINE*	5	6	5	20.0%	-16.7%	0.0%	Silvis	West
MERCYONE GENESIS MEDICAL	4	4	5	0.0%	25.0%	25.0%	Geneva	North
NORTHWESTERN DELNOR*	6	5	2	-16.7%	-60.0%	-66.7%	Peru	West
ST MARGARETS PERU	255	0	0	-100.0%		-100.0%	Spring Valley	West
ST MARGARETS SPRING VALLEY	45	0	0	-100.0%		-100.0%	Pontiac	South
OSF SJWAMC	20	15	0	-25.0%	-100.0%	-100.0%	Sandwich	North
NORTHWESTERN VALLEY WEL	19	1	0	-94.7%	-100.0%	-100.0%		
ALL OTHER PROVIDERS	28	40	34	42.9%	-15.0%	21.4%		
Total	1,313	1,431	1,451	9.0%	1.4%	10.5%		
OSF Total	840	874	884					
OSF Share	64%	61%	61%					

Source: OSF GRID-Compdata

*Not listed in "Ottawa, Marseilles, Streator" data set (to left)

Patients Historically Traveling	Patients from C-02			% of C-02 Share		
	2022	2023	2024	2022	2023	2024
North	111	112	124	8.5%	7.8%	8.5%
East	219	296	290	16.7%	20.7%	20.0%
South	213	309	273	16.2%	21.6%	18.8%
West	352	115	88	26.8%	8.0%	6.1%

Note: Ottawa SEMC not included in any directional total (in order to illustrate outmigration)

In both Tables 3a and 3b above, the data illustrates that patients who are not seeking care in Ottawa are historically traveling East and South for OB care, not West. Reversing patient migration trends to the West will likely take increased effort and spending, as opposed to building up Ottawa's existing OB unit (already recognized for quality maternal care).

- Morris Hospital is SEMC's greatest competitor, and is located 25 miles east of Ottawa and 40 miles east of Peru. Of the 243 patients out-migrating to Morris Hospital, the vast majority (63%) come from the three-zip focus area of Ottawa/Streator/Marseilles in Eastern LaSalle Co.
- In 2022 all SEVEN sites West of Ottawa accounted for 352 cases; this is 38 fewer cases than at Ottawa's hospital alone (390 total cases in 2022)
- Additional data would be required to analyze analysis patient condition to determine if travel was due to needing a higher level of care

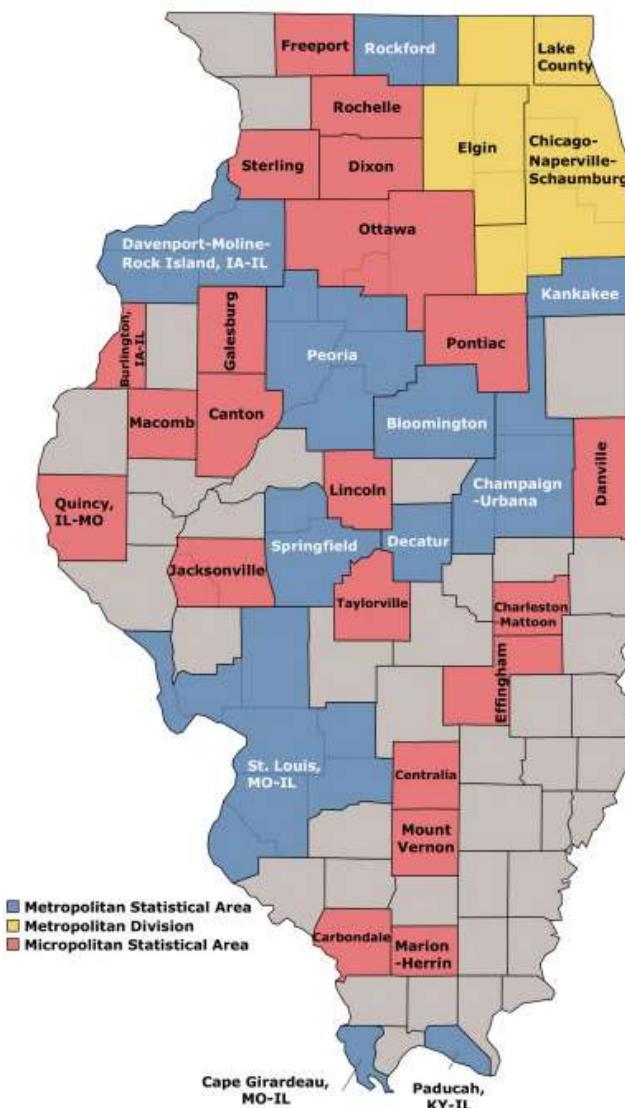
Analyzing Metropolitan and Micropolitan Statistical Data (OSF data tab “OB-5”)

- Not one example provided shows a distance as great as the 17 miles between Ottawa and Peru
- Sterling & Dixon are only 12.9 miles apart and support 2 OB centers
- Ottawa has always had a higher ADC than Peru and Spring Valley; years of comparable data below:

<u>OB Unit Location</u>	<u>Lic. OB Beds</u>	<u>Average Daily Census</u>
Ottawa	14	3.8 YTD '25; 3.9 in '24; 3.6 in '23; 2.7 in '22; 3.1 in '21; 2.9 in '20
Peru	11	1.9 in 2021 (last recorded data available); 2.2 in 2020
Spring Valley	10	1.5 in 2020 (last recorded data available); unit closed in 2021
Sterling	10	2.7 in 2023 (last year of publicly available data)
Dixon	7	2.3 in 2023 (last year of publicly available data)

Source: IHFSRB Hospital Profiles

Map of 2020-based Illinois Metropolitan and Micropolitan Area Delineations



Based on the list of hospital locations provided by OSF in Tab "OB-5", and according to the Illinois Department of Employment Security, Ottawa is the largest MICropolitan Statistical Area from the locations OSF presented.

As illustrated in Table 4 below:

- Ottawa's MSA is nearly 3x the size of the next closest Micro area in Sterling
- The Ottawa MSA at one point had been named "Ottawa-Peru" (in 2010), but has since been changed to only "Ottawa" (another nod to Ottawa's natural choice as a hub-hospital location). According to IDES, "The naming convention for Micropolitan Areas is the same as for Metropolitan Areas, with the largest community presented first. As of July 2023, there are of total of 538 Micropolitan Statistical Areas in the U.S. In Illinois, there are 21 Micropolitan Statistical Areas"
- The Ottawa MICropolitan statistical area is relatively comparable in size to the Bloomington METROpolitan statistical area (McClean County); 149K residents in Ottawa; 171K in Bloomington
 - The Bloomington METRO S.A. offers 2 hospitals with OB departments and 42 licensed OB beds (Carle BroMenn with 30 beds; OSF St. Joseph with 12 beds)
- In comparison to the hospital locations provided by OSF in Tab "OB-5", the Ottawa MICRO S.A. will be the most underserved region in terms of OB beds per population (see "Beds per Pop" column of data)

Table 4. Additional Data on Metropolitan and Micropolitan Statistical Areas Highlighted by OSF in tab OB-5

IL Hospital Location from OB-5 Tab	Metro or Micro SA	MSA Definition (County(ies))	MSA Population Size (2020)	# of OB Units	# of Lic. OB Beds	Beds per Pop
Galesburg	Micro	Knox	49967	1	9	0.0001801
Dixon	Micro	Lee	34145	1	7	0.0002050
Sterling	Micro	Whiteside	55691	1	10	0.0001796
Ottawa	Micro	LaSalle; Bureau; Putnam	148539	1	11	0.0000741
Rockford	Metro	Boone; Winnebago	338798	3	67	0.0001978
Peru	n/a	part of Ottawa MSA	-			
Spring Valley	n/a	part of Ottawa MSA	-			
Silvis	n/a	part of Davenport-Moline-Rock Island MSA	-			
Moline	Metro	Henry; Mercer; Rock Island	209655	2	39	0.0001860
Springfield	Metro	Menard; Sangamon	208640	2	59	0.0002828
Peoria	Metro	Marshall; Peoria; Stark; Tazewell; Woodford	368782	2	74	0.0002007
Bloomington	Metro	McLean	170954	2	42	0.0002457
Normal	n/a	part of Bloomington MSA	-			
Urbana	Metro	Champaign; Ford; Piatt	236072	2	35	0.0001483

Bottom Line:

Given the analysis above, it's hard to understand why OSF would choose to invest so heavily in relocating an existing OB department to another facility; the data does not seem to support the decision making and raises questions as to the real reason behind closing a unit that has been recognized for quality care, in a hospital that has been owned and operated for over a decade, in favor of relocating to previously bankrupt facility recently purchased by the system. Patient experience does not seem to be a leading decision point.

Analysis of ICU Data provided by OSF in July 2025
(same supplemental data submitted to IHFSRB on July 22, 2025)

Note: Data was not provided in Excel (only PDF); additional analysis can be completed if Excel version provided

According to data provided by OSF in “Attachment ICU-1”, in 2024 there were 1,170 patients from the CO-2 region who were admitted from the ED into the ICU (“ED Flag & ICU Flag” filter in COMPdata). This was an 11% increase in the number of ICU patients from the prior year (1,053 in 2023).

- As shown in Table 1 below, of the 1,170 ICU patients from region C-02 in 2024, the zip codes with the highest volume of patients are from Ottawa (224); Streator (158); and Marseilles (105)
 - LaSalle and Peru combined had 158 ICU patients (66 fewer patients than Ottawa alone)

Table 1. Attachment ICU-1 Analysis of ICU Patient Volumes in Region C-02

Patient Origin - ICU Inpatients by Zip Code of Residence									
Planning Area C02, La Salle, Bureau, Putnam & Stark Townships									
Based on ED Flag & ICU flag									
CY 2022-2024									
Source: OSF GRID-Compdata									
Saint Elizabeth Medical Center Ottawa									
SEMC % by Zip Code									
2022 2023 2024									
ZIP_CODE	PATIENT CITY	PATIENT COUNTY	2022	2023	2024	2022	2023	2024	
61350	OTTAWA, IL	LA SALLE	252	208	224	157	141	137	62.3% 67.8% 61.2%
61364	STREATOR, IL	LA SALLE	173	180	158	102	92	70	59.0% 51.1% 44.3%
61341	MARSEILLES, IL	LA SALLE	98	87	105	43	33	42	43.9% 37.9% 40.0%
61354	PERU, IL	LA SALLE	65	60	80	3	19	35	4.0% 28.8% 40.7%
61301	LA SALLE, IL	LA SALLE	70	85	72	6	34	35	8.6% 40.0% 48.6%
61342	MENDOTA, IL	LA SALLE	39	43	45	3	1	0	7.7% 2.3% 0.0%
61356	PRINCETON, IL	BUREAU	50	36	45	0	2	2	0.0% 5.6% 4.4%
61360	SENECA, IL	LA SALLE	27	42	45	1	4	1	3.7% 9.5% 2.2%
60551	SHERIDAN, IL	LA SALLE	31	30	38	6	6	2	13.4% 20.0% 5.3%
61362	SPRING VALLEY, IL	BUREAU	56	25	36	1	7	15	1.6% 28.0% 41.7%
60518	EARLVILLE, IL	LA SALLE	21	21	26	7	2	12	33.3% 9.5% 46.2%
61373	UTICA, IL	LA SALLE	8	8	25	5	5	12	62.5% 62.5% 48.0%

According to data provided by OSF in “Attachment ICU-2”, which looks at facilities treating patients:

- SEMC Ottawa treated the highest number of patients residing in CO-2 (423 total; 36% share), followed by OSF St. Francis in Peoria (218 total; 19% share), Morris Hospital (123 total; 11% share), and OSF St. Anthony in Rockford (76 total; 6% share)
- As shown in Table 2 below, OSF as a system treated 70% of the market across 10 facilities.
- OSF’s argument about patient outmigration for ICU services should be looked at more closely, with the assumption that patients treated from region CO-2 at other OSF hospitals outside of the region were likely transferred due to lack of ICU beds in the region.

Table 2. Attachment ICU-2 Analysis of OSF Hospital ICU Patient Volumes

OSF Hospital	# ICU Patients from CO-2 in 2024	Market Share
SEMC-Ottawa	423	36%
SFMC	218	19%
SAMC	76	6%
SPMC	29	2%
SJUWAMC	21	2%
SCMC	20	2%
SJMC	19	2%
SKMC	4	0.3%
SEMC-Peru	4	0.3%
SMMC	1	0.1%
Total OSF	815	70%
Total in C-02	1170	

- OSF will maintain an ICU in Princeton, which had only 45 patients needing ICU care in 2024 (5x less than the number of patients in Ottawa alone)
- OSF will maintain an ICU in Mendota, which also had only 45 patients needing ICU care in 2024 (5x less than the number of patients in Ottawa alone)



October 17, 2025

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

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

Re: OSF Comments on CHO's Analysis of OB and ICU data provided by OSF in July, 2025

Dear Chairwoman Savage and Mr. Kniery:

On July 22, 2025, OSF submitted Supplemental Information to HFSRB regarding historic volumes of ICU and OB services used by residents of the C-02 region (LaSalle County, Bureau County, Putnam County, and the Elmira and Osceola Townships of Stark County), and patient origin data associated with these volumes. Citizens for Healthcare in Ottawa ("CHO") reviewed the Supplemental Information, and submitted comments as an attachment to their October 9 letter to OSF Healthcare Chief Executive Officer, Robert Sehring. The letter and attachments were posted on the State's web-site for the project (#25-013) on October 9.

This white paper provides OSF's comments to the State, in rebuttal to some of the analysis and conclusions by CHO. In addition, OSF discussed these concerns directly with the CHO and the Ottawa City Council representatives at one of our regularly scheduled meetings.

The major finding is that CHO's perspective is oriented toward patients residing in eastern LaSalle County (mostly Ottawa, Marseilles and Streator), whereas OSF's perspective is that of the broader needs of the C-02 region. This white paper explains how these two perspectives result in different conclusions, although based on the same data. OSF's regional plan, confirmed by the data, is that the planning area C-02 is better served by the relocation of ICU and OB to Peru and the expansion of medical/surgical services there.

The section headings (underlined) in this paper are the same topic headings that CHO uses in their comments that were attached to their October 9 letter. In the interest of brevity, their analysis and tables are not repeated here, but can be found in their paper, now posted on the project web-site.

Comment on Service Area Definition

The CHO Analysis suggests redefining the planning area for the project. It references a "standard industry rule of 75% cumulative patient origin to define a Primary Service Area ("PSA"); 85% to define a Secondary Service Area ("SSA"). CHO identifies an 8-zip code PSA and a 4-zip code SSA. There is no "rule" that this definition should be applied to CON projects. In fact, section 1110.110 of the CON permit application form states that the Purpose of the Project section should "2. Define the planning area or market area, or other relevant area, *per the applicant's definition.*" (Emphasis added.)

Consistent with its approach to *planning for the region*, OSF chose to define the planning area as the State's Hospital Planning Area C-02, composed of not just LaSalle County, but also all of Bureau County, Putnam County and the Elmira and Osceola Townships of Stark County. This larger region has over 60 zip codes, compared to the 8 zip codes in the PSA and 4 zip code SSA suggested by CHO. Using the State's Planning Area facilitates the use of State data and calculations on the C-02 area accurately identifies geographic access to needed services.

While acknowledging that three of the 12 zip codes are from eastern Bureau County and one from Putnam County (closer to Peru than to Ottawa), the suggestion of a PSA and SSA of smaller size focuses more on the local needs of eastern LaSalle County, and the bias (focus) of CHO on that area. OSF has stressed from the beginning of its project planning for Ottawa and Peru that the emphasis is on the *region*. PSAs and SSAs are typically used for strategic planning and marketing purposes. It is not standard nor applicable in assessing access to services for a regional population.

CHO's Table 1 reveals flaws of CHO's PSA/SSA approach in analyzing access. Six of the cities included in their self-selected PSA include the sister cities of LaSalle and Peru, along with four others that are geographically closer to SEMC-Peru than to SEMC-Ottawa. Of the patients living in the 12 zip codes included in the PSA/SSA analysis, 224 OB admissions at the Ottawa Campus were from Ottawa/Streator/Marseilles, while 330 were from Peru and other cities closer to the Peru Campus than the Ottawa Campus. The analysis left out another 88 admissions where the vast majority are patients from cities geographically closer to Peru than Ottawa. (224 + 330 + 88 = 642 OB patients admitted at SEMC-Ottawa in 2024.)

Table 2. Travel times by Service Area

Table 2 shows 1,056 OB admissions of PSA/SSA residents to *any* facility. Of the 1,056 patients residing in the 12 zip codes, 517 were from LaSalle/Streator/Marseilles, while 539 were from Peru and other cities geographically closer to the Peru Campus than the Ottawa Campus. In addition, 395 OB admissions were left out of the analysis, with the clear majority from cities being geographically closer to the Peru Campus than the Ottawa Campus.

CHO's definition of Eastern and Western zip codes is also flawed as it leaves out almost 30% of OB admissions from residents of the C-02 Region.

In reviewing the drive-time analysis, only three cities in the PSA/SSA (Ottawa, Streator and Marseilles) have longer drive times to the Peru Campus vs the Ottawa Campus. The balance of cities included in the analysis have a shorter drive time to the Peru Campus. The latter group had over 100 additional OB admissions in 2024 than did patients from Ottawa/Streator/Marseilles.

Again, this analysis left out an additional 88 admissions from cities geographically closer to the Peru Campus than to the Ottawa Campus. It is highly likely that including these OB admissions in the drive time analysis would eliminate the quoted annual 25-hour patient travel time difference with the relocation of services to the Peru Campus.

There is no mention in the CHO analysis that 154 patients from Ottawa, Streator and Marseilles received inpatient OB care at Morris Hospital in 2024. This group would still have reduced travel times to Peru versus Morris. It should have been mentioned that the patients from Ottawa who received care at Morris (26 miles from Ottawa) will be closer to Peru (17 miles from Ottawa). Similarly, patients from Streator who received care at Morris (38 miles from Streator) will be closer to Peru (28 miles from Streator). Patients from Marseilles who choose to go to Peru instead of to Morris will have an 8-mile increase (20 miles Marseilles to Morris, compared to 28 miles from Marseilles to Peru). (Source: Google Maps Distances between Places)

Once again, the focus of CHO has been on Ottawa/Streator/Marseilles. The re-opening of OB at Peru continues to serve those communities, but also resolves significant access for residents of Bureau and Putnam Counties, which had minimal access to OB care following the closures of the two St. Margaret's Hospitals.

CHO's analysis of travel time changes shows the difference of travel times to Ottawa and travel times to Peru for the 12 zip codes in its defined PSA and SSA. The numbers show an increase of 1,524 minutes from 17,014 to 18,538. This is a slight increase of 9%. These 1,524 minutes are a total of 25.4 hours, over the time period of one year. That is an average of just 4 minutes per day.

OSF has not done an analysis of what the difference would be if it were calculated for the entire region, counting zip codes in the west/central and western areas. But the beneficial travel time improvement for those patients would likely over-compensate for the additional 1,524 minutes in this analysis.

Once again, the shift of services from Ottawa to Peru is a plan for improved access to the vast majority of those in the region.

Table 3a. Outmigration by Direction (3-Zip Focus Area: Ottawa/Marseilles/Streator)

The OSF OB market share in Ottawa/Streator/Marseilles referenced in the analysis is largely driven by the proximity of Morris Hospital just east of LaSalle County (not in C-02) and their OB office in Ottawa. The split in the OB market share between OSF and Morris is long standing and demonstrates that Ottawa/Streator/Marseilles are well served today and will continue to be even after the relocation of inpatient OB services to the Peru Campus. On the other side, the rest of C-02 will have significantly improved access from this move.

The CHO Analysis correctly points out the split of OB patients in eastern (517) and western (514) zip codes. The fact that volumes from the two areas are virtually the same helps reinforce the case for location of the OB service at SEMC-Peru, centrally located in the C-02 planning area. (See attached map, Attachment #1)

The attached map also shows the population of the eastern region (37,661) compared to the population of the central/western area (49,573), further supporting the case for a regional approach to planning and Peru as the hub for services. The Peru Campus is geographically located at the center of the C-02 Region and provides improved access to the majority of residents living in the region.

CHO references that there were just 15 OB patients from Ottawa/Streator/Marseilles at St. Margaret's Health - Peru in 2022.

This point by CHO again attempts to overstate the unlikely access issues of the three communities in eastern LaSalle County. 2022 was the final year for providing OB service at St. Margaret's Health - Peru, not a typical year from which to draw conclusions. It had 271 total OB admissions that year, down from 362 in 2020, with most of those 362 patients coming from the central and western zip codes. 15 patients from Ottawa/Streator/Marseilles were only 5.5% of its declining volume. It is wrong to infer that the new OB service will have the same small percentage of its OB volume from the three eastern LaSalle municipalities. The data also supports that the regional plan addresses the need for OB services from the west/central and western areas of C-02.

Table 3b. Outmigration by Direction (C-02 Planning Region)

CHO notes that OSF's table on patient outmigration shows that most patients who leave the area for OB inpatient care travel east and south, not west.

That is true. The closing of St. Margaret's Health's two hospitals' OB units created a health care desert in the area. Western OB units outside of C-02 (located Sterling, Dixon, Galesburg, Moline and Silvis) are not close. Several of those units have less capacity and greater drive times than the larger units to the east and south. One might say there are no units to the west that are comparable to the large units east and south.

This very point adds rationale to the regional model of moving OB from Ottawa slightly to the west, to give women in the western areas of C-02 and beyond an option for care in the central rather than eastern area of C-02.

Analyzing Metropolitan and Micropolitan Statistical Data (OSF data tab OB-5)

CHO comments that OSF's analysis did not provide any examples of a distance as great as the 17 miles between Ottawa and Peru, and that Sterling and Dixon are only 12.9 miles apart and support two OB centers.

OSF's intent was to show that there are few situations in Illinois outside of Metropolitan Statistical Areas (MSAs) where hospital OB services can exist within 17 miles of one another (less than or equal to the distance between Peru and Ottawa), not more than that distance. OSF's table showed that there were recently three (in Galesburg, in Peru-Spring Valley, and in Sterling-Dixon). In 2025, there is only one, Sterling-Dixon. OSF pointed out that the aggregate ADC is only 5.0 patients at the combined 17 OB beds at CGH Medical Center in Sterling (10) and at Saint Katherine in Dixon (7), hardly enough volume to sustain two centers. OSF's point is made: It is not feasible to maintain two hospital OB units in short proximity to one another.

OSF included situations of small distances between OB units in larger Metropolitan Statistical Areas to make the point that larger population centers can sustain more closely located units. Less populated locations cannot.

Table 4. Additional Data on Metropolitan and Micropolitan Statistical Areas Highlighted by OSF in tab OB-5.

CHO states that the Ottawa MicroSA is nearly 3 times larger than the next closer MicroSA (containing Sterling), and that the Ottawa MicroSA is nearly the size of the Bloomington Metropolitan Statistical Area.

CHO tries to stretch Ottawa's status as a Micropolitan Statistical Area to something larger than it is. Illinois' MSAs are designated by the State of Illinois (IDES). Ottawa MicroSA is designated appropriately. It includes the three counties that are entirely contained in State Hospital Planning Area C-02: LaSalle, Bureau and Putnam. It is not just LaSalle County. LaSalle and Peru are part of the MicroSA. If CHO wants to promote multi-county regional planning, like OSF has done with this project, it should do so consistently, and investigate the larger 3 county/ 60 zip code area, as OSF has done.

As to CHO's claim that the OB beds to population ration is the lowest among selected MicroSAs in Illinois, that is, in part, the result of being bordered by the Chicago-Naperville-Schaumburg Division MSA and the Elgin Division MSA. In part, the concentration of hospitals in those areas explains the significant migration for care and the lower OB bed ratio in the Ottawa MicroSA.

Table 1. Attachment ICU-1 Analysis of ICU Patient Volumes in Region C-02

CHO states that the highest volumes of ICU patients residing in C-02 are from Ottawa (224), Streator (158) and Marseilles (105), and that LaSalle and Peru had 158. (Year 2024)

The ICU volumes from other towns in central and western LaSalle County, Bureau and Putnam Counties are substantial and add significantly to the volumes projected at SEMC-Peru. To compare Ottawa/Streator/Marseilles volumes to only LaSalle/Peru is an incorrect partial picture.

CHO's reference to lack of ICU beds in the region is a condition that is addressed by the expansion of the ICU unit from 4 to 8 beds at SEMC-Peru. According to the State's most recent *Inventory of Health Facilities and Services and Need Determinations*, December 18, 2023, there is a need for 14 ICU beds in planning area C-02. There will be a total of 15 ICU beds: 8 at SEMC-Peru, 4 at Saint Paul Medical center in Mendota, and 3 at Saint Clare Medical Center in Princeton. There is available space to add capacity to the 8-bed unit at SEMC-Peru, if needed in the future. It is important to note that there will continue to be transfers of patients to hospital ICU units outside of C-02 when more advanced treatment is required than locally available.

Table 2. Attachment ICU-2 Analysis of OSF Hospital ICU Patient Volumes

CHO states that OSF will maintain an ICU in Princeton and also in Mendota. This statement is correct.

AT THE CENTER OF YOUR CARE

