

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
APPLICATION FOR PERMIT

25-020  
**RECEIVED**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

MAY 20 2025

This Section must be completed for all projects.

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

**Facility/Project Identification**

Facility Name:	Alton Memorial Hospital		
Street Address:	One Memorial Drive		
City and Zip Code:	Alton, IL 62002		
County:	Madison	Health Service Area:	11
		Health Planning Area:	F-01

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

Exact Legal Name:	Alton Memorial Hospital
Street Address:	One Memorial Drive
City and Zip Code:	Alton, IL 62002
Name of Registered Agent:	Illinois Corporation Service
Registered Agent Street Address:	801 Adlai Stevenson Drive:
Registered Agent City and Zip Code:	Springfield, IL 62703
Name of Chief Executive Officer:	David A. Braasch
CEO Street Address:	One Memorial Drive
CEO City and Zip Code:	Alton, IL 62002
CEO Telephone Number:	618/463-7301

**Type of Ownership of Applicants**

<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
<input type="checkbox"/> Other	

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

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

**Primary Contact** [Person to receive ALL correspondence or inquiries]

Name:	Jacob M. Axel
Title:	President
Company Name:	Axel & Associates, Inc.
Address:	348 Chicory Lane Buffalo Grove, IL 60089
Telephone Number:	312/969-4752
E-mail Address:	jacobmaxel@msn.com
Fax Number:	

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
APPLICATION FOR PERMIT**

**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**

**This Section must be completed for all projects.**

**Facility/Project Identification**

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Street Address:	One Memorial Drive		
City and Zip Code:	Alton, IL 62002		
County:	Madison	Health Service Area:	11
		Health Planning Area:	F-01

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

Exact Legal Name:	BJC Health System d/b/a BJC HealthCare
Street Address:	4901 Forest Park Avenue Suite 1200
City and Zip Code:	St. Louis, MO 63108
Name of Registered Agent:	CSC-Lawyers Incorporating Service Company
Registered Agent Street Address:	2201 Bolivar Street
Registered Agent City and Zip Code:	Jefferson City, MO 65101
Name of Chief Executive Officer:	Richard J. Liekweg
CEO Street Address:	4901 Forest Park Avenue Suite 1200
CEO City and Zip Code:	St. Louis, MO 63108
CEO Telephone Number:	618/463-7311

**Type of Ownership of Applicants**

- ☒ Non-profit Corporation  
☐ For-profit Corporation  
☐ Limited Liability Company  
Other

- ☐ Partnership  
☐ Governmental  
☐ Sole Proprietorship

☐

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

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Address:	348 Chicory Lane Buffalo Grove, IL 60089
Telephone Number:	312/969-4752
E-mail Address:	jacobmaxel@msn.com
Fax Number:	

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

Name:	none
Title:	
Company Name:	
Address:	
Telephone Number:	
E-mail Address:	
Fax Number:	

### Post Permit Contact

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

Name:	David Braasch
Title:	President
Company Name:	Alton Memorial Hospital
Address:	One Memorial Drive Alton, IL 62002
Telephone Number:	618/463-7311
E-mail Address:	David.Braasch@bjc.org
Fax Number:	

### Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Alton Memorial Hospital
Address of Site Owner:	One Memorial Drive Alton, IL 62002
Street Address or Legal Description of the Site:	One Memorial Drive Alton, IL 62002
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.	
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

### Operating Identity/Licensee

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

Exact Legal Name:	Alton Memorial Hospital		
Address:	One Memorial Drive Alton, IL 62002		
<input checked="" type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental
<input type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship
<input type="checkbox"/>	Other		
<ul style="list-style-type: none"><li>Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li><li>Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.</li><li>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</li></ul>			
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

### Organizational Relationships

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

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

### Flood Plain Requirements

[Refer to application instructions.]

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

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

### Historic Resources Preservation Act Requirements

[Refer to application instructions.]

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

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

## DESCRIPTION OF PROJECT

### 1. Project Classification

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

Part 1110 Classification :

☐ Substantive

☒ Non-substantive

## 2. Narrative Description

In the space below, provide a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

The proposed project is limited in scope, and designed to replace the applicant hospital's perioperative services, including its surgical suite, pre-operative areas, post-operative recovery areas, and related support areas. These areas were designed during the 1980s, and have undergone no substantive improvements or updating over the past forty years.

The time required for the completion of the project, as well as the project's cost exceed that of many similar projects, with the increased time and cost requirements being directly the result of the complexity of the project, the need to maintain the operations of the peri-operative areas during the updating, and the inability to substantially expand the perioperative services into adjacent space currently occupied by the hospital's Emergency Department.

The project is classified as "non-substantive" because it does not involve any HFSRB-designated services.

## Project Costs and Sources of Funds

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

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$455,700	\$9,300	\$465,000
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts	\$24,263,740	\$974,000	\$25,237,740
Contingencies	\$2,183,737	\$87,660	\$2,183,737
Architectural/Engineering Fees	\$2,072,700	\$42,300	\$2,115,000
Consulting and Other Fees	\$686,000	\$14,000	\$700,000
Movable or Other Equipment (not in construction contracts)	\$7,000,000	\$140,000	\$7,140,000
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs to Be Capitalized	\$11,270,000	\$230,000	\$11,500,000
Acquisition of Building or Other Property (excluding land)			
<b>TOTAL USES OF FUNDS</b>	<b>\$47,931,877</b>	<b>\$1,497,260</b>	<b>\$49,341,477</b>
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$47,931,877	\$1,497,260	\$49,341,477
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$47,931,877</b>	<b>\$1,497,260</b>	<b>\$49,341,477</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

### Related Project Costs

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

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

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

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

Estimated start-up costs and operating deficit cost is \$ \_\_\_\_\_.

### Project Status and Completion Schedules

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

Indicate the stage of the project's architectural drawings:

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

Anticipated project completion date (refer to Part 1130.140): September 2027

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

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

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

### State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable?

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

**Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.**



## Cost Space Requirements

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

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

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

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

## Facility Bed Capacity and Utilization

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

FACILITY NAME: Allton Memorial Hospital		CITY: Alton, Illinois			
REPORTING PERIOD DATES: From: January 1, 2023 to: December 31, 2023					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	117	5,251	21,571	None	117
Obstetrics	28	828	1,865	None	28
Pediatrics	4	0	0	None	4
Intensive Care	12	598	3,571	None	12
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long-Term Care					
Specialized Long-Term Care					
Long Term Acute Care					
Other ((identify))					
TOTALS:	161	6,677	27,007	None	161

## CERTIFICATION

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

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

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

DAVID BRAASCH

SIGNATURE

DAVID BRAASCH

PRINTED NAME

PRESIDENT

PRINTED TITLE

Notarization:

Subscribed and sworn to before me  
this 7 day of May, 2025

April N. Becker

Signature of Notary

Seal

OFFICIAL SEAL  
APRIL N BECKER  
NOTARY PUBLIC, STATE OF ILLINOIS  
My Commission Expires 05-22-2028

\*Insert the EXACT legal name of the applicant

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
PRINTED TITLE

Notarization:

Subscribed and sworn to before me  
this \_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Signature of Notary

Seal

## CERTIFICATION

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- o in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist).
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist).
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
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knowledge and belief. The undersigned also certifies that the fee required for this application is  
sent herewith or will be paid upon request.



SIGNATURE

Rusty Ingram

PRINTED NAME

Director of Operations.

PRINTED TITLE

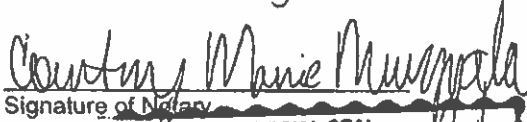
SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 13 day of May

Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_

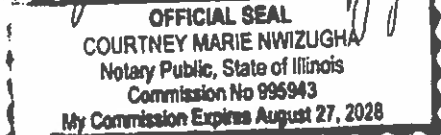


Signature of Notary

Signature of Notary

Seal

Seal



\*Insert the EXACT legal name of the applicant

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- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of BJC Health System d/b/a BJC HealthCare \* in accordance with the requirements and procedures of the Illinois Health

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

Christy Moore  
SIGNATURE

Christy Moore  
PRINTED NAME

VP Strategic Planning  
PRINTED TITLE

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 15 day of May

Brittany Nicole Compton  
Signature of Notary

Seal

Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Signature of Notary

Seal

\*Insert the EXACT legal name of the applicant



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- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist).
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- in the case of a sole proprietor, the individual that is the proprietor.

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SIGNATURE

PRINTED NAME  
Greg Bratcher

PRINTED TITLE  
Director, Gov Relations/Planning

Notarization:  
Subscribed and sworn to before me  
this 14 day of MAY 2025

Signature of Notary MARY K. NAKAZONO  
Notary Public, Notary Seal

Seal

State of Missouri  
St. Louis County  
Commission # 12480396  
My Commission Expires 07-25-2028

SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_ day of \_\_\_\_

Signature of Notary

Seal

\*Insert the EXACT legal name of the applicant

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

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

#### 1110.110(a) – Background of the Applicant

READ THE REVIEW CRITERION and provide the following required information:

##### BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. For the following questions, please provide information for each applicant, including corporate officers or directors, LLC members, partners, and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
  - a. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application.
  - b. A certified listing of each applicant, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted, or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. Unless expunged, provide details about the conviction, and submit any police or court records regarding any matters disclosed.
  - c. A certified and detailed listing of each applicant or person charged with fraudulent conduct or any act involving moral turpitude.
  - d. A certified listing of each applicant with one or more unsatisfied judgements against him or her.
  - e. A certified and detailed listing of each applicant who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency.
4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
5. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant can submit amendments to previously submitted information, as needed, to update and/or clarify data.

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

## Criterion 1110.110(b) & (d)

### PURPOSE OF PROJECT

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

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

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

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

### ALTERNATIVES

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

Alternative options must include:

- A) Proposing a project of greater or lesser scope and cost.
- B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes.
- C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
- D) Provide the reasons why the chosen alternative was selected.

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

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



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

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

READ THE REVIEW CRITERION and provide the following information:

#### SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. This must be a narrative and it shall include the basis used for determining the space and the methodology applied.
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:
  - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies and certified by the facility's Medical Director.
  - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.
  - c. The project involves the conversion of existing space that results in excess square footage.
  - d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

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

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

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

#### PROJECT SERVICES UTILIZATION:

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

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

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

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

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

**UNFINISHED OR SHELL SPACE:**

Provide the following information:

1. Total gross square footage (GSF) of the proposed shell space.
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area, or function.
3. Evidence that the shell space is being constructed due to:
  - a. Requirements of governmental or certification agencies; or
  - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
  - a. Historical utilization for the area for the latest five-year period for which data is available; and
  - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT 16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**ASSURANCES:**

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT 17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The following Sections DO NOT need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18-month period prior to the submittal of the application):

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

## **VII. 1120.120 - AVAILABILITY OF FUNDS**

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

**not applicable**

	<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> <li>1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and</li> <li>2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion.</li> </ol>
	<p>b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated timetable of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.</p>
	<p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated timetable of receipts.</p>
	<p>d) Debt – a statement of the estimated terms and conditions (including the debt time, variable or permanent interest rates over the debt time, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:</p> <ol style="list-style-type: none"> <li>1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated.</li> <li>2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate.</li> <li>3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.</li> <li>4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment.</li> <li>5) For any option to lease, a copy of the option, including all terms and conditions.</li> </ol>
	<p>e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent.</p>
	<p>f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt.</p>



## SECTION VIII. 1120.130 - FINANCIAL VIABILITY

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

### **Financial Viability Waiver**

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

**not applicable, "proof of "A" bond rating provided**

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

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

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

Variance

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

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

## SECTION IX. 1120.140 - ECONOMIC FEASIBILITY

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

### A. Reasonableness of Financing Arrangements

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

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
  - A) A portion or all the cash and equivalents must be retained in the balance sheet asset accounts to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
  - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

**not applicable, "proof of "A" bond rating provided**

### B. Conditions of Debt Financing

**not applicable, no debt to be incurred**

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

- 1) That the selected form of debt financing for the project will be at the lowest net cost available.
- 2) That the selected form of debt financing will not be at the lowest net cost available but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors.
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

**C. Reasonableness of Project and Related Costs**

Read the criterion and provide the following:

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

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

\* Include the percentage (%) of space for circulation

**D. Projected Operating Costs**

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

**E. Total Effect of the Project on Capital Costs**

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

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



## SECTION X. SAFETY NET IMPACT STATEMENT

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

not applicable

1. The project's material impact, if any, on essential safety net services in the community, *including the impact on racial and health care disparities in the community*, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in each community, if reasonably known by the applicant.

**Safety Net Impact Statements shall also include all the following:**

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

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

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
Charity (cost in dollars)			
Inpatient			
Outpatient			
<b>Total</b>			

MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
<b>Medicaid (revenue)</b>			
Inpatient			
Outpatient			
<b>Total</b>			

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

## SECTION X. CHARITY CARE INFORMATION

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

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

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

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

CHARITY CARE			
	2022	2023	2024
Net Patient Revenue	\$160,127,653	\$169,709,037	\$180,132,788
Amount of Charity Care (charges)	\$25,862,367	\$53,501,314	\$51,342,252
Cost of Charity Care	\$915,063	\$1,146,423	\$3,200,586

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

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

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

1. Applicant: Alton Memorial Hospital One Memorial Drive  
(Name) (Address)  
(City) Alton (State) (ZIP Code) 62002 (Telephone Number) 618/463-7301

2. Project Location: same as above  
(Address) (City) (State)  
Madison  
(County) (Township) (Section)

3. You can create a small map of your site showing the FEMA floodplain mapping using the FEMA Map Service Center website (<https://msc.fema.gov/portal/home>) by entering the address for the property in the Search bar. If a map, like that shown on page 2 is shown, select the **Go to NFHL Viewer** tab above the map. You can print a

copy of the floodplain map by selecting the  icon in the top corner of the page. Select the pin tool icon  and place a pin on your site. Print a FIRMETTE size image.

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

IS THE PROJECT SITE LOCATED IN A SPECIAL FLOOD HAZARD AREA: Yes\_\_\_ No X

IS THE PROJECT SITE LOCATED IN THE 500-YEAR FLOOD PLAIN?

If you are unable to determine if the site is in the mapped floodplain or 500-year floodplain, contact the county or the local community building or planning department for assistance.

If the determination is being made by a local official, please complete the following:

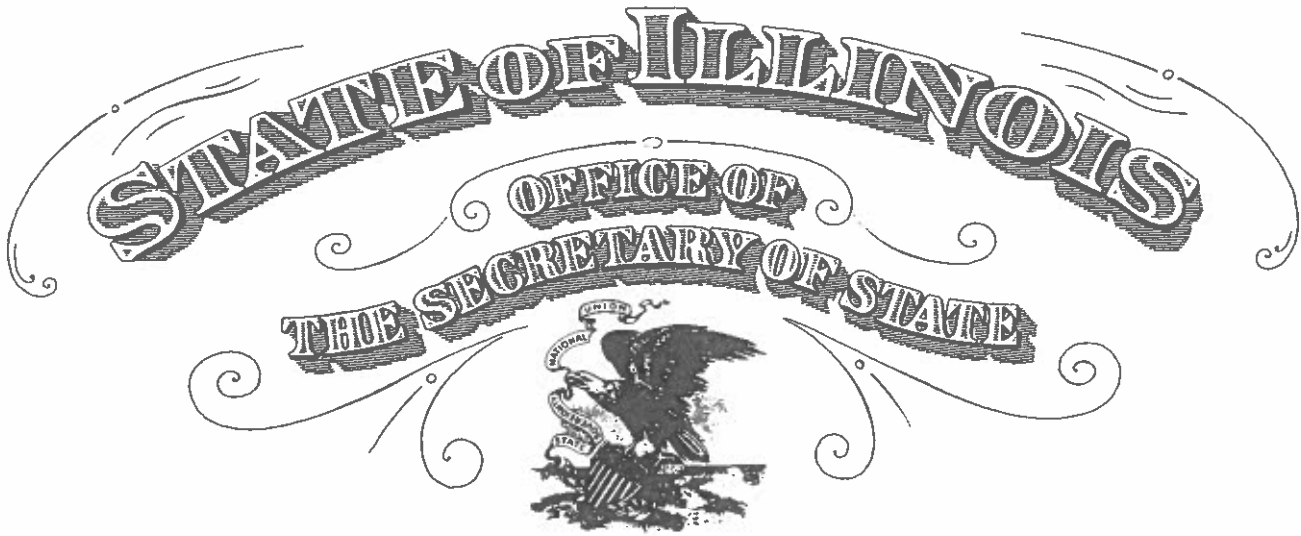
FIRM Panel Number: \_\_\_\_\_ Effective Date: \_\_\_\_\_

Name of Official: \_\_\_\_\_ Title: \_\_\_\_\_

Business/Agency: \_\_\_\_\_ Address: \_\_\_\_\_  
(City) (State) (ZIP Code) (Telephone Number)

Signature: \_\_\_\_\_ Date: \_\_

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



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

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

ALTON MEMORIAL HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 08, 1936, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 3RD day of FEBRUARY A.D. 2025 .***

Authentication #: 2503401650 verifiable until 02/03/2026

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

*Alexi Giannoulis*

SECRETARY OF STATE

ATTACHMENT 1

# STATE OF MISSOURI



**John R. Ashcroft**  
**Secretary of State**

**CORPORATION DIVISION**  
**CERTIFICATE OF GOOD STANDING**

I, JOHN R. ASHCROFT, Secretary of State of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

***BJC HEALTH SYSTEM***  
***N00045883***

was created under the laws of this State on the 11th day of May, 1992, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 15th day of July, 2024.

  
Secretary of State



Certification Number: CERT-07152024-0024

ATTACHMENT 1

## SITE OWNERSHIP

With the signatures provided on the Certification pages of this Certificate of Need ("CON") application, the applicants attest that the site of the proposed project is owned by Alton Memorial Hospital.



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

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

ALTON MEMORIAL HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 08, 1936, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 3RD day of FEBRUARY A.D. 2025 .***

Authentication #: 2503401650 verifiable until 02/03/2026

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

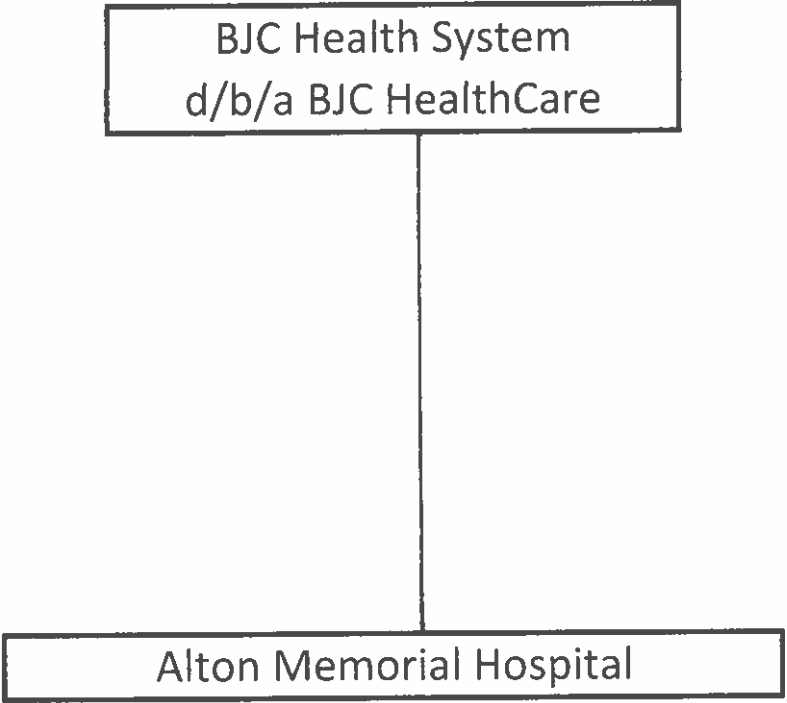
*Alexi Giannoulis*

SECRETARY OF STATE

ATTACHMENT 3



ORGANIZATIONAL CHART



## FLOOD PLAIN REQUIREMENTS

With the signatures provided on the Certification pages of this Certificate of Need application, the applicants confirm that the project addressed through this Certificate of Need application, and located at 1 Memorial Drive in Alton, Illinois, complies with the requirements of Executive Order #2006-5. A map confirming such, and provided by FEMA is attached.

# FEMA Flood Map Service Center: Search By Address

Navigation

Search

MSC Home (/portal/)

MSC Search by Address  
(/portal/search)

MSC Search All Products  
(/portal/advanceSearch)

MSC Products and Tools  
(/portal/resources/productsandtools)

Hazus  
(/portal/resources/hazus)

LOMC Batch Files  
(/portal/resources/lomc)

Product Availability  
(/portal/productAvailability)

MSC Frequently Asked  
Questions (FAQs)  
(/portal/resources/faq)

MSC Email Subscriptions  
(/portal/subscriptionHome)

Contact MSC Help  
(/portal/resources/contact)

Enter an address, place, or coordinates: ?

One Memorial Drive Alton, Illinois

Search

Whether you are in a high risk zone or not, you may need [flood insurance](https://www.fema.gov/national-flood-insurance-program) (<https://www.fema.gov/national-flood-insurance-program>) because most homeowners insurance doesn't cover flood damage. If you live in an area with low or moderate flood risk, you are 5 times more likely to experience flood than a fire in your home over the next 30 years. For many, a National Flood Insurance Program's flood insurance policy could cost less than \$400 per year. Call your insurance agent today and protect what you've built.

Learn more about [steps you can take](https://www.fema.gov/what-mitigation) (<https://www.fema.gov/what-mitigation>) to reduce flood risk damage.

## Search Results—Products for ALTON, CITY OF

Show ALL Products » (<https://msc.fema.gov/portal/availabilitySearch?addcommunity=170437&commu>

The flood map for the selected area is number **1704370005C**, effective on **5/1/1984**

### MAP IMAGE



(<https://msc.fema.gov/portal/viewProduct?productID=1704370005C>)



([https://msc.fema.gov/portal/downloadProduct?](https://msc.fema.gov/portal/downloadProduct?productTypeID=FINAL_PRODUCT&productSubTypeID=FIRM_PANEL&productID=1704370005)

[productTypeID=FINAL\\_PRODUCT&productSubTypeID=FIRM\\_PANEL&productID=1704370005](https://msc.fema.gov/portal/downloadProduct?productTypeID=FINAL_PRODUCT&productSubTypeID=FIRM_PANEL&productID=1704370005)

### Changes to this FIRM ?

- Revisions (0)
- Amendments (14)
- Revalidations (0)

You can choose a new flood map or move the location pin by selecting a different location on the locator map below or by entering a new location in the search field above. It may take a minute or more during peak hours to generate a dynamic FIRMette.

+

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≡



PIN



Approximate location based on user input  
and does not represent an authoritative  
property location

MAP PANELS



Selected FloodMap Boundary



Digital Data Available



No Digital Data Available



Unmapped

OTHER AREAS



Area of Minimal Flood Hazard Zone X



Effective LOMRs



Area of Undetermined Flood Hazard Zone D



Otherwise Protected Area



Coastal Barrier Resource System Area

SPECIAL FLOOD  
HAZARD AREAS



**Without Base Flood Elevation (BFE)**  
Zone A, V, A99



**With BFE or Depth**



**Regulatory Floodway** Zone AE, AO, AH, VE, AR

OTHER AREAS OF  
FLOOD HAZARD



0.2% Annual Chance Flood Hazard. Areas  
of 1% annual chance flood with average  
depth less than one foot or with drainage  
areas of less than one square mile Zone X



Future Conditions 1% Annual  
Chance Flood Hazard Zone X



Area with Reduced Flood Risk due to  
Levee. See Notes. Zone X



Area with Flood Risk due to Levee Zone D

# Axel & Associates, Inc.

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MANAGEMENT CONSULTANTS

April 25, 2025

Illinois Dept. of Natural Resources  
Illinois State Historic Preservation Office  
**ATTN: Review and Compliance/Old State Capitol**  
1 Old State Capitol Plaza  
Springfield, IL 62701

RE: Proposed Internal Renovation  
Alton Memorial Hospital

To Whom It May Concern:

I am in the process of developing a Certificate of Need application, to be filed with the Illinois Health Facilities Services and Review Board, and I am in need of a determination of applicability from your agency.

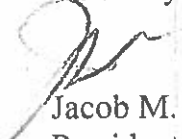
The project involves the renovation of the peri-operative services at Alton Memorial Hospital in Alton. The hospital appears to have been constructed in the 1980s, there do not appear to be any structures of historical significance near the site, and the project will have no impact on surrounding buildings.

I have enclosed a map of the site, and pictures of the hospital.

A letter from your office, confirming that the Preservation Act is not applicable to this project would be greatly appreciated.

Should you have any questions, I may be reached at the phone number below.

Sincerely,



Jacob M. Axel  
President

enclosures

---

ATTACHMENT 6

# PROJECT COSTS AND SOURCES OF FUNDS

## PROJECT COSTS

Pre-planning Costs		
Evaluation of Alternatives	\$ 120,000	
Pre-Arch. Function Plan	\$ 95,000	
Internal Approval Process	\$ 100,000	
Misc./Other	<u>\$ 150,000</u>	
		\$ 465,000
Modernization Contracts		
please see ATTACHMENT 9		\$ 25,237,710
Contingency (modernization)		\$ 2,183,737
Architectural and Engineering		
Design	\$ 1,690,000	
Document Preparation	\$ 85,000	
Interface with Agencies	\$ 65,000	
Project Monitoring	\$ 100,000	
Misc./Other	<u>\$ 175,000</u>	
		\$ 2,115,000
Consulting & Other Fees		
Local approvals	\$ 42,000	
CON-Related	\$ 80,000	
Project Management	\$ 329,000	
Interior Design	\$ 49,000	
Equipment Planning	\$ 100,000	
Misc./Other	<u>\$ 100,000</u>	
		\$ 700,000
Movable Equipment		
Surgery	\$ 4,200,000	
Stage 1 Recovery	\$ 1,050,000	
Stage 2 Recovery	\$ 1,240,000	
Echocardiography	\$ 25,000	
Cardiac Catheterization	\$ 25,000	
IT-Related	\$ 600,000	
		\$ 7,140,000
Other Costs		
Roof and Ductpoint Replacem	\$ 2,800,000	
Renovation Phasing	\$ 1,800,000	
Off Hours Labor	\$ 4,000,000	
Owner Directed	\$ 2,000,000	
Air Handler	<u>\$ 900,000</u>	
		<u>\$ 11,500,000</u>
TOTAL		\$ 49,341,477

PROJECT COSTS AND SOURCES OF FUNDS

**SOURCES OF FUNDS**

Cash and Securities	\$ 49,429,137
---------------------	---------------

<b>TOTAL</b>	<b>\$ 49,429,137</b>
--------------	----------------------

## Cost Space Requirements

	Dept./Area Reviewable/Clinical	Gross Square Feet			Amount of Proposed Total Square Feet That is:				Vacated Space
		Cost	Existing		Proposed	New Const.	Modernized	As Is	
	Surgery	\$ 33,952,314	13,785	16,092			16,092	758	
	Stage 1 Recov/Cath Prep/Recc	\$ 4,353,869	3,237	3,473			3,473		
	Pre-Op/Stage 2 Recovery	\$ 8,667,057		11,192			11,037	155	
	Echocardiography*	\$ 479,319	548	548			548		
	Cardiac Catheterization*	\$ 479,319		1,835			1,835		
		\$ 47,931,877	17,570	33,140			32,985	913	
	*non-clinical areas only								
	<b>Non-Reviewable/Non-Clin.</b>								
	Public Areas	\$ 1,227,753					1,950		
	Mechanical Spaces*	\$ 269,507					1,346		
	Misc. Support	\$ 1,497,260					485		
							3,781		
	<b>PROJECT TOTAL</b>	\$ 49,429,137					36,766	913	
	*cost included in project cost (ATT 37)								



## BACKGROUND OF THE APPLICANT

Applicant BJC HealthCare maintains “ultimate control” of three hospitals in Illinois:

- Memorial Hospital, located in Belleville
- Memorial Hospital-East, located in Shiloh
- Alton Memorial Hospital, located in Alton

In addition, BJC Healthcare holds a 50% ownership interest in The Rehabilitation Institute of Southern Illinois, located in Shiloh.

In accordance with Review Criterion 1130.520.b.3, Background of the Applicant, and with the signatures placed on the Certification page, the applicants assure the Illinois Health Facilities and Services Review Board that neither of the two applicants nor any subsidiary entity has had any adverse actions against it during the three (3) year period prior to the filing of this application.

In addition, the applicants authorize the State Board and Agency access to information to verify documentation or information submitted in response to the requirements of Review Criterion 1130.520.b.3 or to obtain any documentation or information which the State Board or Agency finds pertinent to this Certificate of Need application.

## PURPOSE OF THE PROJECT

The focus of the proposed project is the modernization of Alton Memorial Hospital's outdated perioperative areas, including its surgical suite, pre-operative and recovery areas. In doing so, the applicants will be improving the hospital's ability to provide health care services to the community it serves, thereby improving the well-being of that population. The proposed project will involve the renovation and replacement of operating rooms as well as the renovation of pre-op, recovery and support areas.

For planning purposes, and consistent with the HFSRB's identification of an applicable "normal travel radius" the residents of the 243 ZIP Code areas located within nineteen miles of the hospital serve as the planning area population. The table on the following page identifies that 19-mile radius area, which consists of all or parts of three Illinois counties, extending into Missouri. This area has a population of approximately 439,000 people.

<b>ZIP</b>	<b>City</b>	<b>State</b>	<b>County</b>
62002	ALTON	IL	MADISON
62010	BETHALTO	IL	MADISON
62012	BRIGHTON	IL	MACOUPIN
62014	BUNKER HILL	IL	MACOUPIN
62018	COTTAGE HILLS	IL	MADISON
62021	DORSEY	IL	MADISON
62022	DOW	IL	JERSEY
62024	EAST ALTON	IL	MADISON
62025	EDWARDSVILLE	IL	MADISON
62026	EDWARDSVILLE	IL	MADISON
62028	ELSAH	IL	JERSEY
62030	FIDELITY	IL	JERSEY
62034	GLEN CARBON	IL	MADISON
62035	GODFREY	IL	MADISON
62040	GRANITE CITY	IL	MADISON
62046	HAMEL	IL	MADISON
62048	HARTFORD	IL	MADISON
62052	JERSEYVILLE	IL	JERSEY
62067	MORO	IL	MADISON
62079	PIASA	IL	MACOUPIN
62084	ROXANA	IL	MADISON
62087	SOUTH ROXANA	IL	MADISON
62095	WOOD RIVER	IL	MADISON
62097	WORDEN	IL	MADISON

62685	SHIPMAN	IL	MACOUPIN
63031	FLORISSANT	MO	SAINT LOUIS
63032	FLORISSANT	MO	SAINT LOUIS
63033	FLORISSANT	MO	SAINT LOUIS
63034	FLORISSANT	MO	SAINT LOUIS
63135	SAINT LOUIS	MO	SAINT LOUIS
63136	SAINT LOUIS	MO	SAINT LOUIS
63137	SAINT LOUIS	MO	SAINT LOUIS
63138	SAINT LOUIS	MO	SAINT LOUIS
63373	PORTAGE DES SIOUX	MO	SAINT CHARLES
63386	WEST ALTON	MO	SAINT CHARLES

While the area described above consists of 243 ZIP Code areas, the hospital's surgical patient population is significantly more concentrated. During CY2024, ten Illinois ZIP Code areas accounted for 87.6% of AMH's surgical patients, ten Missouri ZIP Code areas accounted for 0.4% of the surgical patients, and 12.0% of the hospital's surgical patients resided in other Illinois ZIP Code areas.

The goal of the proposed project is to reach project completion on schedule and on approved budget.

## ALTERNATIVES

Two alternatives to the proposed project were considered, and after evaluation, both were believed to be inferior to the proposed project. The first alternative was the full replacement of the peri-operative services at a new location within or as an addition to the hospital, and the second alternative involved the coupling of an ASTC with a portion of the hospital's peri-operative areas.

The first alternative identified above was dismissed because there was no suitable site within the existing hospital to re-locate the peri-operative services, and the capital cost associated with the construction of an addition to the hospital to house the services was too costly. Had this alternative been selected, however, the issues related to using the existing services while renovation was underway would have been eliminated. The second alternative was dismissed because it would result in duplicative facilities and equipment, and most importantly duplicity of staffing. The quality of care provided would be very similar, regardless of the alternative selected. The operating costs of the first alternative would be similar to those of the proposed project, while those of the second alternative would be significantly higher, due primarily to duplicative staffing. The capital costs associated with either of the dismissed alternatives would be considerably higher than that of the proposed project, due primarily to new construction being more costly than renovation, and the availability of needed gas lines in the current site. Last, patient accessibility would not be impacted, regardless of the choice.

## SIZE OF PROJECT

The amount of space allocated to the various functions included in the proposed project are necessary, not excessive, and to a significant extent driven by the existing structure. The project involves no new construction. Consistent with HFSRB practices, function-specific space allocations that are reasonable are not required to be consistent with the standards identified in Section 1110 APPENDIX B when the allocation of space is, to an extent, driven by the existing structure, as is the case with this project. Also impacting the proposed project's space allocation is the necessity that the perioperative functions remain in operation during construction, which will be addressed in two phases.

The functional areas impacted by the proposed project are primarily the surgical suite, Stage 1 recovery, and the Stage 2 recovery area (also used for the pre- and post-procedure care of cardiac catheterization patients). Approximately 2,400sf of non-clinical space currently allocated to cardiac catheterization and echocardiography are being re-allocated to the peri-operative functions.

The only functional areas included in the project that the HFSRB has standards for are the surgical suite, Phase I post-anesthesia recovery, Phase II post-anesthesia recovery, and cardiac catheterization.

The table on the following page identifies the proposed space allocation and HFSRB standard for each area identified in the table above.

DEPARTMENT/SERVICE	PROPOSED DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
Surgery	16,092	17,600	1,508	YES
Stage 1 Recovery	3,473	2,700	773	N/A*
Stage 2 Recovery	11,192	16,400	5,208	YES
Cardiac Catheterization	1,835	1,800	35	N/A*
*overage the result of existing design				

## PROJECT SERVICES UTILIZATION

The proposed project involves only one clinical area having a utilization target identified in Section 1110. APPENDIX B, that being the surgical suite, which has a target utilization of 1,500 hours per operating room. The hospital currently has seven “general” ORs, used by a variety of surgical specialties, and one OR used exclusively for urological procedures. The proposed project consists of nine “general” ORs, and one OR to be used for urological procedures. Per HFSRB practice, consistency with the utilization of a single “specialty” room is not applicable.

The utilization of the general ORs at the hospital increased from 5,138 hours in 2020 to 6,360 hours in 2024, an average increase of 5.9% per year. Utilization is projected to continue to increase with the proposed replacement of the peri-operative facilities, and for a number of reasons. Perhaps the strongest rationale for projected utilization growth as a result of this project is the fact that many residents of the service area are electing to travel to Missouri hospitals for surgery, rather than remain in Alton (out-migration to Missouri by Madison and Jersey County, Illinois residents increased from 8,120 cases in 2021 to 8,914 cases in 2023). And, it is believed that there are two primary reasons for the high level of out-migration. First, the scope of surgical procedures that can be performed at Alton Memorial Hospital is limited due to the physical constraints of the surgical suite, and particularly the operating rooms; and second, the age of the surgical suite, and particularly issues such as the size of the operating rooms and equipment limitations caused by the size of the surgical suite, causes difficulties for the hospital in the competitive recruitment of surgeons.

In attempting to project future utilization resulting from this project, Missouri Hospital Association-sponsored 2023 patient origin data was used, and two methodologies were utilized.



The projections are viewed as being conservative, in that they are based on patients traveling for surgical care to Missouri from only Madison and Jersey Counties.

The first methodology was based on Madison and Jersey County residents traveling to all Missouri hospitals. During 2023, there were 8,914 such patients, 63% of which received their surgery at applicant BJC HealthCare hospitals in Missouri. Using Alton Memorial's 1.5 hours per case (2024 AHQ data), the out-migration consumed 13,371 hours of OR time. If AMH were to "bring back" 50% of the out-migrating patients (6,685 hours), and based on AMH's 4,313 cases (6,360 hours) in 2024, 13,045 hours of OR time would be consumed at AMH ( $6,685 + 6,360 = 13,045$ ), requiring nine ORs, as proposed and based on the HFSRB target utilization rate.

The second methodology was limited to a "return" of Madison and Jersey County patients from only applicant BJC HealthCare's hospitals in Missouri. Because of BJC HealthCare's ability to "direct" the patients of their system-employed surgeons, the assumption used in this methodology is that 70% of the patients currently operated on at the BJC HealthCare hospitals (3,961 patients requiring 5,941 hours) would be operated on at AMH (with no patients coming from other Missouri hospitals). As such, 12,301 hours of OR time ( $5,941 + 6,360$ ) of OR time would be consumed at AMH, requiring nine ORs, as proposed and based on the HFSRB target utilization rate.

The utilization projections displayed in the required table below are based on the two projections discussed above, as well as the following assumptions: 1) the project will be completed in September, 2027, 2) utilization will increase a rate of 5.5% a year through 2026 (a reduction in the historical growth rate to lend conservatism to utilization estimate), 3) utilization will increase by 10% in 2027, by 30% during 2028 (the first full year following project completion), and by 25% during 2029.

	Historical Hours 2024	Projected Hours 2029	STATE STANDARD	MET STANDARD?
General ORs (9)	6,360	12,653	12,000	YES
Urology OR (1)	434	863	N/A	N/A

## CLINICAL SERVICE AREAS OTHER THAN CATEGORIES OF SERVICE

The table below identifies changes that will be made related to treatment areas not categorized as “categories of clinical services” by the HFSRB. (Note: the number of holding stations used by the cardiac catheterization program is being reduced from six bays to five bays. No services are provided in these bays, rather they are simply holding bays.) As noted in the table, the hospital’s inventory of operating rooms will be increased by two, Phase 1 Post Anesthesia Recovery Stations will be reduced by one, and Phase 2 Stations (also used for pre-and post-procedure care for cardiac catheterization patients) will be increased by sixteen.

Please refer to ATTACHMENT 14 for a discussion of the need to replace the existing perioperative facilities, including aged and outdated facilities, the lowering of patient out-migration to Missouri hospitals, and the recruitment of surgeons; as well as the need to increase surgical capacity and historical growth/projected utilization.

Service	# Existing Key Rooms	# Proposed Key Rooms
<input type="checkbox"/> Class C Operating Room	8	10
<input type="checkbox"/> Post Anesthesia Recovery- Stage 1	11	10
<input type="checkbox"/> Post Anesthesia Recovery-Stage 2	15	30

## CREDIT OPINION

18 July 2024



Send Your Feedback

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## BJC Health System

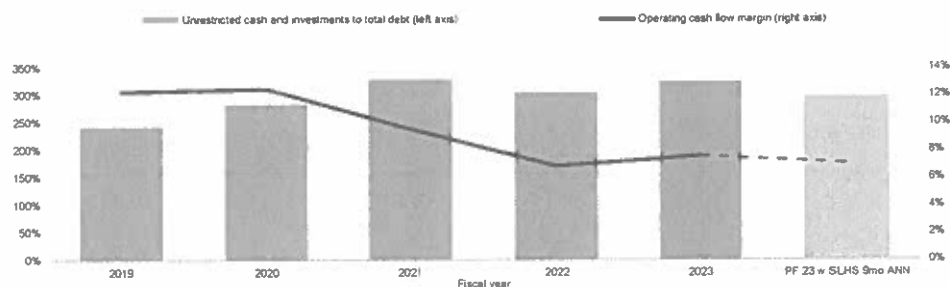
### Update to credit analysis

#### Summary

BJC Health System (BJC, Aa2 stable) benefits from its prominent reputation as a leading academic medical center with a long-standing affiliation with Washington University School of Medicine (WUSM). BJC's scale and geographic presence is enhanced by its January 1 merger with Saint Luke's Health System (SLHS), another academic-oriented system in Kansas City. The merger brings some dilution, but days cash and cash to debt metrics will remain strong, with restricted cash providing additional cushion. Operating cash flow (OCF) margins, constrained by high labor costs, will likely reach 9% over the next two to three years. Favorable cash metrics will counterbalance risks of illiquid investments, complex debt, and somewhat elevated debt to cash flow for the rating category. Beyond sector wide high labor costs, lackluster performance at Memorial Hospital, and limited growth prospects in St. Louis are challenges.

#### Exhibit 1

Despite moderation, strong cash to debt will provide offset while margins recover to solid levels



Fiscal 2019 includes Boone Hospital. Fiscal 2023 pro-forma includes BJC and SLHS 9 month interims ended 9/30/23 annualized.  
Source: Moody's Ratings

## Credit strengths

- » Strong reputation as a top AMC, bolstered by long-standing affiliation with WUSM
- » Leading market position in metro St. Louis augmented by presence in Kansas City
- » Despite merger-related dilution, days cash and cash to debt ratios will remain very favorable, enhanced by substantial foundation cash
- » Anticipated ongoing recovery in operating performance to solid levels, albeit below historical highs
- » Recent rise in inpatient volume and positive outpatient trends, which will benefit from ambulatory service expansion

## Credit challenges

- » Industry headwinds, including high labor costs, will result in OCF margin recovery to below historical highs
- » Complex debt structure includes significant exposure to puttable, self-liquidity, balloon debt, and multiple swaps
- » High levels of alternative investments are less liquid and may require cash; mitigated by active management of funds
- » Debt to cash flow is somewhat higher than typical for the rating category
- » Although SLHS merger reduces reliance on St. Louis, Kansas City market is very crowded

## Rating outlook

The stable outlook reflects our expectation that BJC will show continuous improvement and approach 8.5% operating cash flow margins within the next 12 to 18 months. The outlook further reflects our view that BJC will maintain favorable cash metrics and that debt to cash flow will moderate as operating performance improves.

## Factors that could lead to an upgrade

- » Greater geographic diversity
- » Lower leverage, including debt to cash flow and cash to debt sustained below 1.5x and over 375%, respectively
- » Substantial improvement in days cash to over 400 days
- » Short-term rating: not applicable

## Factors that could lead to a downgrade

- » Inability to show improvement and approach OCF margins of around 8.5% (excluding integration costs) in the next 12-18 months
- » Rise in leverage, including debt to cash flow or cash to debt sustained above 2.75x or below 250%, respectively
- » Further sustained decline in days cash to below 275 days
- » Short-term rating based on self-liquidity: material decline in daily liquidity, decline in BJC's overall credit quality, or decline in BJC's debt and treasury management
- » Short term rating based on enhancement: we downgrade the short-term CR Assessment of the Bank; we downgrade the rating of BJC Health System

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moodys.com> for the most updated credit rating action information and rating history.

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## Key indicators

Exhibit 2

### BJC Health System

	2019	2020	2021	2022	2023 PF (w SLHS 2023 9 mo annualized)	
Operating Revenue (\$ 000)	5,721,600	5,586,800	6,018,500	6,311,700	6,990,900	9,457,893
3 Year Operating Revenue CAGR (%)	6.3	3.8	4.2	3.3	7.8	6.8
Operating Cash Flow Margin (%)	12.3	12.5	9.6	6.8	7.6	7.0
PM: Medicare (%)	42.6	42.3	42.2	43.2	43.9	45.7
PM: Medicaid (%)	13.2	15.4	16.5	17.9	18.2	17.4
Days Cash on Hand	356	467	446	380	373	327
Unrestricted Cash and Investments to Total Debt (%)	243.1	284.0	329.9	305.4	325.1	297.7
Total Debt to Cash Flow (x)	2.1	2.2	2.2	2.7	2.4	2.5

Based on audited financial statements for fiscal year end December 31.

Fiscal 2019 includes Boone Hospital. Fiscal 2023 pro-forma includes BJC and SLHS 9 month interims ended 9/30/23 annualized.

Fiscal 2020 includes Medicare Accelerated Payments of \$480 million, deferred payroll taxes of \$91 million, and amounts due to Boone Hospital of \$54 million. Excluding these items, days cash on hand and unrestricted cash and investments to total debt would be about 421 days and 256%, respectively.

Fiscal 2021 includes Medicare Accelerated Payments of \$319 million and deferred payroll taxes of \$43 million. Excluding these items, days cash on hand and unrestricted cash and investments to total debt would be about 427 days and 316%, respectively.

Fiscal 2022 includes Medicare Accelerated Payments of \$9 million. Excluding this item, days cash on hand and unrestricted cash and investments to total debt would be about 379 days and 305%, respectively.

Source: Moody's Ratings

## Profile

BJC owns and operates 24 facilities in Missouri and Illinois. In metropolitan St. Louis, the system is anchored by its two academic hospitals, Barnes-Jewish Hospital and St. Louis Children's Hospital and its long-standing affiliation with Washington University's School of Medicine. BJC merged with Saint Luke's Health System, located in Kansas City, MO on January 1, 2024.

## Detailed credit considerations

### Market position

BJC's strong brand and national recognition of its academic hospitals, Barnes-Jewish Hospital and St. Louis Children's Hospital is bolstered by its affiliation with Washington University School of Medicine (WUSM). The affiliation with WUSM differentiates BJC with payers as a crucial network provider in a largely fee for service environment. This will support BJC's leading inpatient share (~40%) in its primary service area of metro St. Louis. Its merger with Saint Luke's Health System (SLHS) in Kansas City (KC), provides diversification into a new market. Although SLHS is a key quaternary player and is the primary teaching hospital for University of Missouri-Kansas City School of Medicine, the KC market remains very competitive, with HCA leading in share.

BJC aims to also expand its community hospital and outpatient presence via partnerships, joint ventures, and acquisitions. Outpatient volume growth shows promise, and inpatient trends have recently improved. However, population growth in the St. Louis metro market has been very limited. Memorial Hospital in southern Illinois will continue to face challenges including faculty recruitment issues, but performance is reportedly improving.

### Operating performance and liquidity

Although recent post-merger performance has been somewhat below-budget, BJC expects to achieve OCF margins approaching 8.5% by fiscal 2025 and 9% in fiscal 2026 (excluding integration costs). Headwinds will likely result in margin recovery below historical highs but approaching the double-digit range. Management's focus will be on implementing initiatives to offset higher permanent staff salaries and continuing to reduce contract labor costs. Medicare Advantage plan denials, exacerbated by an aging population, present another headwind. Although there is population growth in KC, SLHS has a higher Medicare mix than legacy BJC. Management also foresees an improvement in volume, as staff shortages and length of stay bottlenecks have moderated.

5-4

BJC expects to receive 340B benefits from moving WU infusion sites under BJC beginning mid-2024, which will contribute to better margins. Previously below what we typically see for AMCs, BJC's new 340B gains will augment legacy SLHS's benefits. BJC continues to provide significant financial support to WUSM, paying for purchased services and leased facilities, as well as a variable amount based on the net income of the flagship AMC facilities. In 2017, BJC committed to provide \$200 million in funds over a ten year period to WUSM, in exchange for a ceiling on variable rate payments associated with its three AMC facilities. This total amount was expensed (below the operating line in 2017), but BJC has paid \$20 million in cash each year, which we have not historically included as an operating expense.

#### Liquidity

The system will maintain significant unrestricted and restricted cash and investments (~\$8 billion and \$1.7 billion respectively, at March 31, 2024), providing a counterbalance to high levels of alternative investments. Post-merger, days cash will be diluted but still remain favorable, in the low-300 day range. A significant portion of BJC's total investments will be allocated to less liquid assets, with a major focus on private equity and hedge funds. Despite about \$976 million in unfunded commitments, management expects future distributions to cover any calls.

#### Debt structure and legal covenants

BJC's post-merger debt to cash flow will decline from the mid-2x range (which will place the metric more in line with peers) as OCF margins improve. Post-merger cash to debt will remain strong, but moderate to the 300% range.

BJC will have adequate coverage under its MTI's financial covenant requiring minimum debt service coverage of 1.1 times. Its MTI includes force majeure language. Further, its debt service coverage/rate covenant test will (1) allow a 3-year average of investment earnings to be used; (2) exclude balloon indebtedness; and (3) exclude short-term borrowings (such as CP) with maturities of less than one year.

#### Debt structure

BJC's complex debt structure includes a material amount of puttable, balloon and self-liquidity debt. In addition to the 46% of total debt that is eligible for smoothing, BJC will maintain self-liquidity debt (about \$238 million as of June 30, 2024) and SBPA debt (about \$68 million as of June 30, 2024), which will represent another 11% of BJC's direct debt.

BJC's unenhanced VMIG 1 and P-1 ratings are based on the adequacy of liquid investments to support un-remarketed variable rate bonds and maturing commercial paper as well as management processes to ensure timely payment. Weekly debt obligations are adequately covered by daily liquid assets, with a coverage that is over eight times the variable rate demand obligations (as of June 30, 2024), even after excluding the largest money market fund. The enhanced VMIG 1 rating is based upon (i) Moody's short-term Counterparty Risk (CR) Assessment of U.S. Bank National Association, which is currently P-1(cr); and (ii) the likelihood of termination of the liquidity facility without payment of the Bonds. Events, which would cause the liquidity facility to terminate without payment of the Bonds, are directly related to the credit quality of BJC.

#### Debt related derivatives

BJC will also continue to have exposure to an extensive derivative program with ten total swaps with a notional amount of about \$1.43 billion as of December 31, 2023. Eight of these are floating-to-fixed and two are fixed-to-floating rate swaps, and counterparties are well diversified, helping to mitigate exposure. BJC posted \$7 million of collateral at December 31, 2023. BJC also has a securities lending program, under which \$100.6 million of collateral was posted at December 31, 2023.

#### Pensions

BJC's adjusted leverage will be burdened by a moderate unfunded defined benefit obligation and operating leases. At fiscal year end 2023, legacy BJC's pension plan was unfunded by about \$390.3 million. SLHS had no pension liabilities. Legacy BJC's operating leases totaled about \$193 million in fiscal 2023 while legacy SLHS's were about \$178 million in fiscal 2022. Using these figures, combined cash to adjusted debt is estimated to be about 232%, which is in line with the rating.

#### Legal security

Bonds are secured by a joint and several obligation of the Obligated Group, which consists of hospitals owned and operated by BJC Health System. SLHS joined BJC's obligated group in February 2024. Under certain circumstances, substitution of the master trust indenture (MTI) is permitted.

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## ESG considerations

BJC Health System's ESG credit impact score is CIS-2

Exhibit 3

### ESG credit impact score

CIS-2



ESG considerations do not have a material impact on the current rating.

Source: Moody's Ratings

ESG considerations have an immaterial effect on BJC's credit. The system has moderate exposure to industry-wide demographic and societal trends, but its status as an academic medical center with market presence in two key regions in Missouri post-merger with Saint Luke's Health System (SLHS), history of good financial oversight, and strong unrestricted cash levels help to mitigate this risk.

Exhibit 4

### ESG issuer profile scores

ENVIRONMENTAL  
E-2



SOCIAL



GOVERNANCE  
G-2



Source: Moody's Ratings

#### Environmental

Credit exposure to environmental risk is immaterial, in line with sector norms. BJC operates 24 hospitals in Missouri and Illinois, with two key sites located in the City of St. Louis, and its newest sites located in Kansas City. Both cities have limited exposure to physical climate risks, including heat stress and extreme rainfall, and are taking steps to mitigate flood risk.

#### Social

Credit exposure to social considerations is generally in line with the sector norm. BJC has moderate exposure to demographic and societal trends, with high reliance on governmental payers and regulatory changes. Human capital risk and labor challenges are also in line with the industry. However, the organization's exposure to customer relations compares favorably to the sector norm, reflecting its scale and regional market strength, which is supported by its academic partnerships with both Washington University School of Medicine and University of Missouri-Kansas City.

#### Governance

Credit exposure to governance considerations is immaterial and in line with the sector norm. Post-merger, legacy SLHS's CFO is now the full system's CFO, while legacy BJC's CFO is the system's President. Despite these transitions, we expect BJC to remain committed to achieving very solid operating performance. The team carefully manages its long-term capital plan even as it pursues expansion opportunities beyond its current primary service area. BJC has high exposure to less liquid alternative investments, which carry potential calls on cash. However, management expects distributions to cover any calls over a multi-year period and these investments do provide a buffer against down markets. BJC's 22-member board has staggered 3-year terms. BJH holds two seats, while each other



founding member (Christian Health Services Development Corporation, SLCH, Missouri Baptist Medical Center) gets one. SLHS holds eight seats until end of 2026, then three seats thereafter. Protestant Memorial Medical Center, Inc. (DBA Memorial Hospital) occupies one seat until end of 2025.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

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REPORT NUMBER 1410688

ATTACHMENT 34

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

	Cost/Sq. Ft.		DGSF			DGSF			New Const. \$	Modernization \$	Total Cost
	New	Mod.	New	Circ.	Mod.	Circ.	Mod.	Circ.			
<b>Reviewable/Clinical</b>											
Surgery	\$ 935.00				16,092				\$ 15,046,020	\$ 15,046,020	
Stage 1 Recov/Cath Prep/Rec	\$ 600.00				3,473				\$ 2,083,800	\$ 2,083,800	
Pre-Op/Stage 2 Recovery	\$ 560.00				11,037				\$ 6,180,720	\$ 6,180,720	
Echocardiography*	\$ 400.00				548				\$ 219,200	\$ 219,200	
Cardiac Catheterization*	\$ 400.00				1,835				\$ 734,000	\$ 734,000	
	\$ 735.60				32,985				\$ 24,263,740	\$ 24,263,740	
contingency	\$ 66.20								\$ 2,183,737	\$ 2,183,737	
	\$ 801.80								\$ 26,447,477	\$ 26,447,477	
*non-clinical areas only											
<b>Non-Reviewable/Non-Clin.</b>											
Public Areas	\$ 400.00				1,950				\$ 780,000	\$ 780,000	
Mechanical Spaces	\$ 90.00				1,675				\$ 150,432	\$ 150,432	
Misc. Support	\$ 90.00				485				\$ 43,569	\$ 43,569	
	\$ 400.00				2,435				\$ 974,001	\$ 823,569	
contingency	\$ 36.00								\$ 87,660	\$ 87,660	
									\$ 1,061,661	\$ 1,061,661	
<b>TOTAL</b>	\$ 776.66				35,420				\$ 27,509,137	\$ 27,509,137	

PROJECTED OPERATING COSTS  
and  
TOTAL EFFECT OF THE PROJECT ON CAPITAL COSTS

**Alton Memorial Hospital--2019 projection**  
**YEAR 2 OPERATING COST per CASE**

Adjusted Patient Days: 46,891

Salaries and Benefits  
Medical Supplies

per adj. pt. day

~~13,320~~  
\$0 24,446,484  
\$ 21.30

**YEAR 2 CAPITAL COST per CASE**

Adjusted Patient Days: 46,891

Interest Expense,  
Depreciation & Amort.

per adj. pt. day

\$

PROJECTED OPERATING COSTS  
and  
TOTAL EFFECT OF THE PROJECT ON CAPITAL COSTS

**Alton Memorial Hospital--2019 projection**  
**YEAR 2 OPERATING COST per CASE**

Adjusted Patient Days: 46,891

Salaries and Benefits	\$13,763,321
Medical Supplies	<u>\$10,683,166</u>
	\$24,446,487
per adj. pt. day	\$ 521.35

**YEAR 2 CAPITAL COST per CASE**

Adjusted Patient Days: 46,891

Interest Expense, Depreciation & Amort.	\$ 10,723,498
per adj. pt. day	\$ 228.69