

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

25-051
RECEIVED

DEC 16 2025

HEALTH FACILITIES &
SERVICES REVIEW BOARD

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: OSF Saint Francis Medical Center - Pediatric Clinics Relocation		
Street Address: 800 N.E. Glen Oak Avenue		
City and Zip Code: Peoria, 616		
County: Peoria	Health Service Area: 2	Health Planning Area: C-01

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

Exact Legal Name: OSF Healthcare System d/b/a OSF Saint Francis Medical Center
Street Address: 530 N.E. Glen Oak Avenue
City and Zip Code: Peoria 61637
Name of Registered Agent: Danielle McNear
Registered Agent Street Address: 124 SW Adams Street
Registered Agent City and Zip Code: Peoria 61602
Name of Chief Executive Officer: Robert C. Sehring
CEO Street Address: 124 SW Adams Street
CEO City and Zip Code: Peoria 61602
CEO Telephone Number: 309-655-2850

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: Mark E. Hohulin
Title: Senior Vice President, Healthcare Analytics
Company Name: OSF HealthCare System
Address: 124 SW Adams Street, Peoria 61602
Telephone Number: 309-308-9656
E-mail Address: mark.e.hohulin@osfhealthcare.org
Fax Number: 309-308-0530

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

Name: Megan Zakrzewski
Title: President
Company Name: OSF Healthcare Children's Hospital of Illinois
Address: 530 NE Glen Oak Avenue, Peoria 61637
Telephone Number: 309-655-3722
E-mail Address: megan.l.zakrzewski@osfhealthcare.org
Fax Number: 309-624-7602

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: Mark E. Hohulin

Title: Senior Vice President, Healthcare Analytics

Company Name: OSF HealthCare System

Address: 124 SW Adams Street

Telephone Number: 309-308-9656

E-mail Address: mark.e.hohulin@osfhealthcare.org

Fax Number: 309-308-0530

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: OSF Healthcare System

Address of Site Owner: 124 SW Adams Street, Peoria, Illinois 61602

Street Address or Legal Description of the Site: 530 NE Glen Oak Avenue, Peoria, Illinois 61637

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: OSF Healthcare d/b/a OSF Saint Francis Medical Center

Address: 530 N.E. Glen Oak Avenue, Peoria, Illinois 61637

- | | | | | |
|-------------------------------------|---------------------------|--------------------------|---------------------|--------------------------------|
| <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 organized and the name and address of each partner specifying whether each is a general or limited partner.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

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

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

Flood Plain Requirements

[Refer to application instructions.]

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

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT

1. Project Classification

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

Part 1110 Classification :

- ☐ Substantive
- ☒ Non-substantive

2. Narrative Description

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

OSF HealthCare System d/b/a Saint Francis Medical Center proposes to convert the former OSF Healthcare Ministry Headquarters at 800 NE Glen Oak Avenue, Peoria to consolidate pediatric outpatient services now housed at several sites in Peoria.

The relocated services include physician offices and clinics. The relocated physician offices, clinics and associated services are not hospital-related programs. Hence, these components of the project are non-clinical. Imaging services include x-ray and ultrasound, and a lab are categorized as clinical.

The total project size is 62,180 departmental gross square feet (dgsf). Of this total, 2,424 dgsf is clinical; 59,756 dgsf is non-clinical space. The project is the combination of modernization of 56,520 dgsf of existing space, and construction of 5,660 dgsf of new space.

Clinical space (2,424 dgsf) is entirely the modernization of existing space. Non-clinical space includes 54,096 dgsf of modernized space and 5,660 dgsf of new construction. The new construction is primarily 5 (five) stories of elevators and stairwells (counting the lower level), with small amounts of support areas and mechanical/building systems/housekeeping.

Total cost of the project is \$53,777,398. The project is expected to be completed by March 31, 2028.

The project is considered non-substantive because it does not establish a new health care facility or include inpatient 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			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)			
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			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS			
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS			
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

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

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

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

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

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

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): March 31, 2028

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.

Cancer Registry: Due to change in software currently catching up entries.

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
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON-REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

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

Facility Bed Capacity and Utilization

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

FACILITY NAME: Saint Francis Medical Center		CITY: Peoria			
REPORTING PERIOD DATES: From: January 1, 2024 to: December 31, 2024					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	419	18,373	131,482	0	419
Obstetrics	52	2,870	8,938	0	52
Pediatrics	40	1,826	9,897	0	40
Intensive Care	91	5,887	24,147	0	91
Comprehensive Physical Rehabilitation	0	0	0	0	0
Acute/Chronic Mental Illness	0	0	0	0	0
Neonatal Intensive Care	40	466	12,086	0	40
General Long-Term Care	0	0	0	0	0
Specialized Long-Term Care	0	0	0	0	0
Long Term Acute Care	0	0	0	0	0
Other ((identify))	0	0	0	0	0
TOTALS:	642	29,422	186,550	0	642

CERTIFICATION

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


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

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


SIGNATURE

Robert C. Sehring
PRINTED NAME

Chief Executive Officer
PRINTED TITLE


SIGNATURE

Michael A. Cruz, MD
PRINTED NAME

Chief Operating Officer
PRINTED TITLE

Notarization:

Subscribed and sworn to before me

this 16th day of October 2025



Signature of Notary

Seal



Notarization:

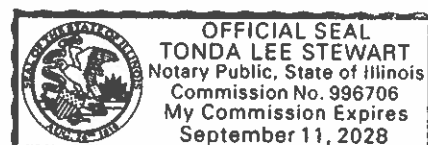
Subscribed and sworn to before me

this 16th day of October 2025



Signature of Notary

Seal



*Insert the EXACT legal name of the applicant

CERTIFICATION

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

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

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



SIGNATURE

Kimberly Russo
PRINTED NAME

Chief Executive Officer, Central Region
PRINTED TITLE

Notarization:

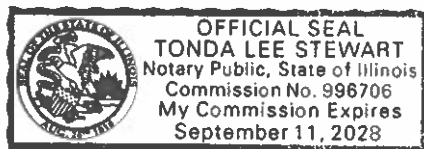
Subscribed and sworn to before me

this 16th day of October 2025



Signature of Notary

Seal



SIGNATURE

Meg Zakrzewski
PRINTED NAME

President
PRINTED TITLE

Notarization:

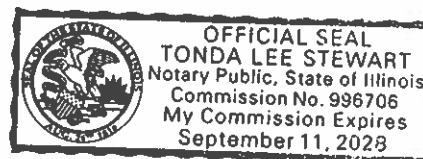
Subscribed and sworn to before me

this 16th day of October 2025



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: Not applicable

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.

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

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]:**

\$53,777,398

<p>_____</p> <p>_____</p>	<p>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> <p>g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.</p>
<p>\$53,777,398</p>	<p>TOTAL FUNDS AVAILABLE</p>
<p>APPEND DOCUMENTATION AS <u>ATTACHMENT 34</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</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.

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

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

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

Variance

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

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

SECTION IX. 1120.140 - ECONOMIC FEASIBILITY

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

A. Reasonableness of Financing Arrangements

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

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

B. Conditions of Debt Financing

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

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

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (List below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	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]:

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

Safety Net Impact Statements shall also include all the following:

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

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

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

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

SECTION X. CHARITY CARE INFORMATION

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

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

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

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

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

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

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: OSF HealthCare System d/b/a OSF Saint Francis Medical Center 530 Northeast Glen Oak Ave
(Name) (Address)

Peoria Illinois 61637 309-655-2000

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

2. Project Location: 800 Northeast Glen Oak Avenue Peoria Illinois
(Address) (City) (State)
Peoria Peoria

3. (County) (Township) (Section)

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.

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



APPROXIMATE SCALE



NATIONAL FLOOD INSURANCE PROGRAM

FIRM

FLOOD INSURANCE RATE MAP

CITY OF
PEORIA,
ILLINOIS
PEORIA COUNTY

PANEL 20 OF 20

COMMUNITY-PANEL NUMBER
170536 0020 B

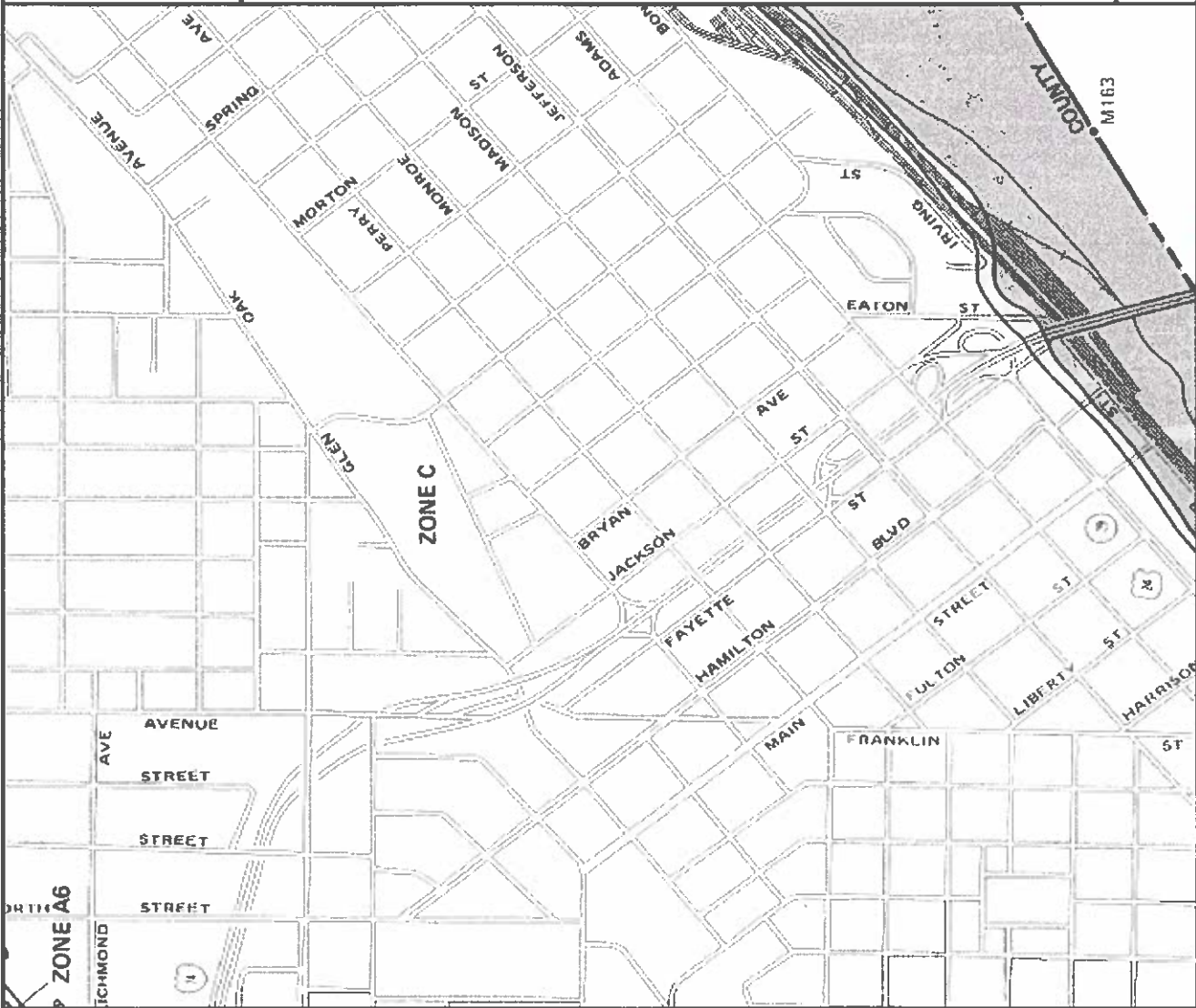
EFFECTIVE DATE:
FEBRUARY 1, 1980



U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

FEDERAL INSURANCE ADMINISTRATION

This is an official copy of a portion of the above referenced flood map. It was extracted using FIRM On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date of the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.fema.gov



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

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant Identification including Certificate of Good Standing	25-26
2	Site Ownership	27
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	28
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	29
5	Flood Plain Requirements	30-31
6	Historic Preservation Act Requirements	32
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19	Comprehensive Physical Rehabilitation	
20	Acute Mental Illness	
21	Open Heart Surgery	
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**Section I, Identification, General Information and Certification
Applicants**

Certificate of Good Standing – OSF Healthcare System

File Number

0107-414-8



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

OSF HEALTHCARE SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 02, 1880, 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.



Authentication #: 2503802492 verifiable until 02/05/2026
Authenticate at: <https://www.sos.gov>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 5TH day of FEBRUARY A.D. 2025 .

Alexi Giannoulis
SECRETARY OF STATE

Attachment 1

**Section I, Identification, General Information and Certification
Applicants**

Certificate of Good Standing – OSF Saint Francis Medical Center

File Number

0107-414-8



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

OSF HEALTHCARE SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 02, 1880, ADOPTED THE ASSUMED NAME OSF SAINT FRANCIS MEDICAL CENTER ON APRIL 16, 2020, 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 5TH day of FEBRUARY A.D. 2025 .

Authentication #: 2503602392 verifiable until 02/05/2026
Authenticate at: <https://www.isos.gov>

Alexi Giannoulis
SECRETARY OF STATE

Attachment 1



OSF[®] HEALTHCARE

October 15, 2025

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

Re: Site Ownership

Dear Chair Savage:

I affirm that OSF Healthcare System is the owner of the property at 800 N.E. Glen Oak Avenue, Peoria IL 61637.

If you have any questions about the ownership of the property, please contact Mark Hohulin, Senior Vice President, Healthcare Analytics, at 309-308-9656, or at mark.e.hohulin@osfhealthcare.org.

Sincerely,

Robert C. Sehring, Chief Executive Officer
OSF Healthcare System
124 S.W. Adams Street
Peoria, IL 61602

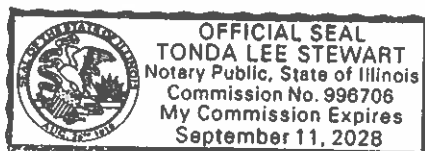
Notarization:

Subscribed and sworn to before me

this 16 day of October 2025

Signature of Notary

Seal



Attachment 2

Section I, Identification, General Information and Certification
Operating Entity/Licensee

Certificate of Good Standing – OSF Saint Francis Medical Center

File Number

0107-414-8



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

OSF HEALTHCARE SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 02, 1880, ADOPTED THE ASSUMED NAME OSF SAINT FRANCIS MEDICAL CENTER ON APRIL 16, 2020, 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 5TH day of FEBRUARY A.D. 2025 .

Authentication #: 2503802392 verifiable until 02/05/2026
Authenticate at: <https://www.sos.gov>

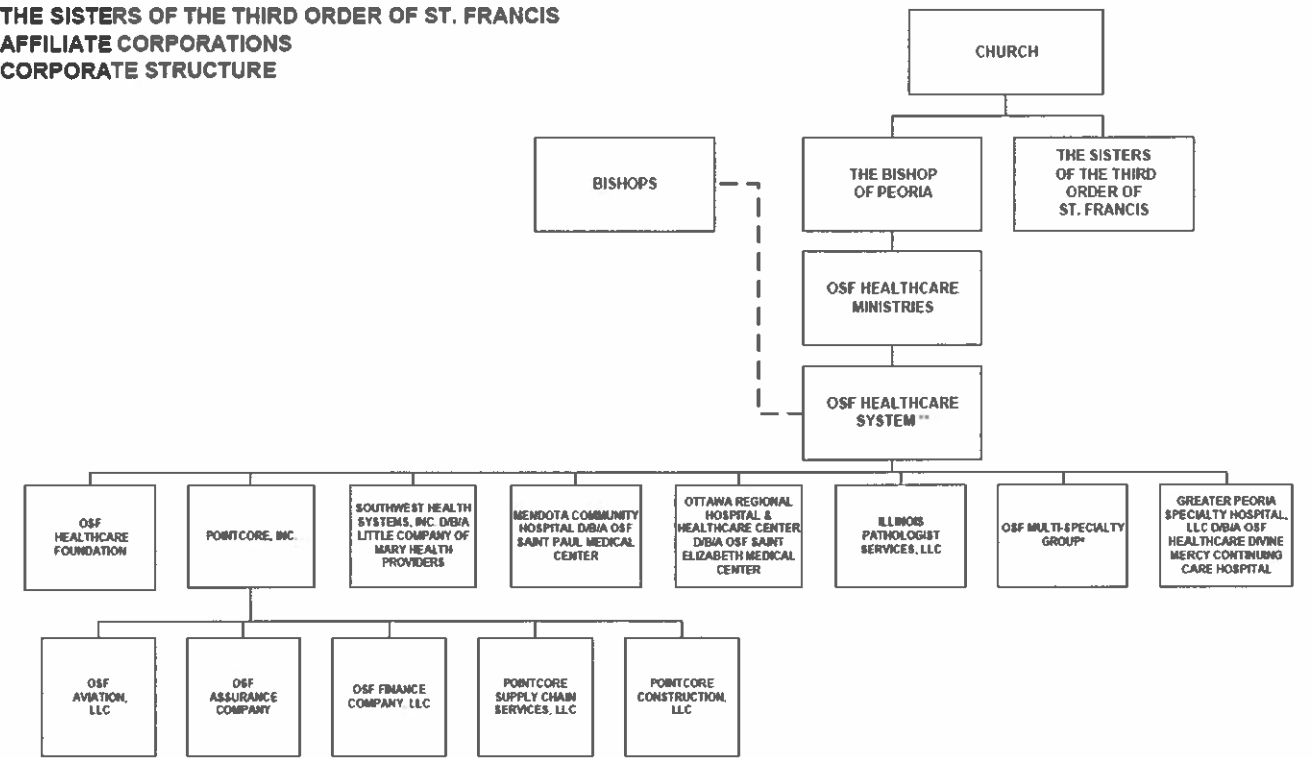
Alexi Giannoulis
SECRETARY OF STATE

Attachment 3

Section I, Identification, General Information and Certification
Organizational Relationships

Organization Chart – OSF Healthcare System

THE SISTERS OF THE THIRD ORDER OF ST. FRANCIS
AFFILIATE CORPORATIONS
CORPORATE STRUCTURE



** OSF Healthcare System

OSF St. Francis Hospital – Escanaba, Michigan
OSF Little Company of Mary Medical Center – Evergreen Park
OSF Saint James-John W. Albrecht Medical Center – Pontiac
OSF St. Joseph Medical Center – Bloomington
OSF Heart of Mary Medical Center – Urbana
OSF Sacred Heart Medical Center – Danville
OSF Saint Francis Medical Center – Peoria
OSF Saint Anthony Medical Center – Rockford
OSF Saint Clare Medical Center – Princeton
OSF Saint Luke Medical Center – Kenosha
OSF St. Mary Medical Center – Galesburg
OSF Holy Family Medical Center – Mommsouth
OSF Saint Anthony’s Health Center – Alton
OSF Saint Katharine Medical Center – Dixon
OSF Home Care Services

* OSF Multi-Specialty Group
OSF Medical Group
OSF OnCall

Legend:
———— Direct Responsibility
- - - - - Advisory

Section I, Identification, General Information and Certification
Flood Plain Requirements

The site at 800 N.E. Glen Oak Avenue, Peoria, IL 61637 complies with the requirements of Illinois Executive Order #2006-5. The site is located north of OSF Saint Francis Medical Center (530 NE Glen Oak Avenue, Peoria, Illinois 61637). As shown in the documentation from the FEMA Flood Map Service Center attached at Attachment 5. The interactive map for Panel 1705360020B reveals that this area is located in an area of minimal flood hazard (Zone C).

Section I, Identification, General Information and Certification

Flood Plain Requirements



**Section I, Identification, General Information and Certification
Historic Preservation Act Requirements**



**Peoria County
Peoria
CON-OSF Saint Francis Medical Center
800 N.E. Glen Oak Ave.**

IHFSTRB, SHPO Log #009090525

September 10, 2025

**Mark Hohulin
Saint Francis Medical Center
530 N.E. Glen Oak Ave.
Peoria, IL 61637**

This letter is to inform you that we have reviewed the information provided concerning the referenced project. Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact Steve Dasovich, Cultural Resources Manager, at 217/782-7441 or at Steve.Dasovich@illinois.gov.

Sincerely,

Carey L. Mayer
**Carey L. Mayer, AIA
Deputy State Historic Preservation Officer**

Section I, Identification, General Information and Certification
Projects 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	\$30,000	\$670,000	\$700,000
Site Survey and Soil Investigation	\$0	\$125,000	\$125,000
Site Preparation	\$50,000	\$3,201,799	\$3,251,799
Off Site Work	\$0	\$0	\$0
New Construction Contracts	\$0	\$3,610,100	\$3,610,100
Modernization Contracts	\$969,600	\$30,831,481	\$31,801,081
Contingencies	\$96,000	\$3,070,000	\$3,166,000
Architectural/Engineering Fees	\$106,500	\$1,705,925	\$1,812,425
Consulting and Other Fees	\$129,442	\$1,164,985	\$1,294,427
Movable or Other Equipment (not in construction contracts)	\$868,500	\$3,091,500	\$3,960,000
Bond Issuance Expense (project related)	\$44,853	\$845,080	\$889,933
Net Interest Expense During Construction (project related)	\$102,520	\$1,931,613	\$2,034,133
Fair Market Value of Leased Space or Equipment	\$0	\$0	\$0
Other Costs to Be Capitalized	\$113,250	\$1,019,250	\$1,132,500
Acquisition of Building or Other Property (excluding land)	\$0	\$0	\$0
TOTAL USES OF FUNDS	\$2,510,665	\$51,266,733	\$53,777,398
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)	\$2,510,665	\$51,266,733	\$53,777,398
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$2,510,665	\$51,266,733	\$53,777,398
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Project Cost and Sources of Funds Supporting Narrative

Pre-planning Costs \$700,000

Pre-planning costs include clinical pre-planning during the strategic planning phase, including concept development and feasibility studies by an architectural consultant, a medical equipment planner, and a construction manager to estimate high-level capital costs related to long term financial planning. \$30,000 of cost is related to clinical components of the project.

Site Survey and Soil Investigation \$125,000

The site survey and soil investigation work includes site survey to determine property lines and local setback requirements. Soil boring samples will be utilized to determine existing soil types, locations, and depths.

Site Preparation \$3,251,799

The site preparation work includes interior & exterior selective building demolition, and mobilization costs. \$50,000 of cost is related to clinical components of the project.

New Construction costs \$3,610,100

The new construction portion of the project includes construction of a 4-story and lower level 5,660 sq ft addition, with code-compliant elevators, elevator lobby, and support spaces. There is no clinical space in the new addition. Construction costs include contractor's overhead and fees. The existing building is currently designed and functions for administration and office space and requires new code compliant elevators.

New elevators, elevator lobby, and support space: 5,660 dgsf at a cost of \$3,610,100 = \$637.83 per sq ft. All new construction is non-clinical space.

Modernization costs \$31,801,081

The construction contract for the modernization portion of the project covers the conversion of 56,520 dgsf of space. 54,096 dgsf is non-clinical; 2,424 dgsf on the lower level and 1st floor is clinical space, accommodating x-ray rooms, ultrasound, and lab space.

X-ray: 1,078 dgsf at a cost of \$431,200 = \$400 per sq ft

Ultrasound: 382 dgsf at a cost of \$152,800 = \$400 per sq ft

Lab: 964 dgsf at a cost of \$385,600 = \$400 per sq ft

The modernization cost line item includes all costs to build out the space including contractor's overhead and fees.

With a clinical area total modernization cost of \$969,600 and the total clinical space modernized at 2,424 dgsf, the average cost per modernized clinical square foot is \$400.

Of the total \$400 per sq ft, approximately \$70/sf is attributable to construction requirements that are not associated with a typical medical office building modernization project as outlined below.

1. All modernization that is taking place is currently business occupancy and office space, within an unoccupied building. Therefore, infrastructure required to support these new patient care areas need to be added or extended. Some examples include upgrading of electrical needs for the x-ray and ultrasound machines, additional under-slab plumbing for patient bathrooms, and new exhaust and mechanical systems to comply with the required air exchanges needed.
2. Upgraded flooring, wall protection, and ceiling systems to withstand heavy duty wear and tear with the ability to maintain infection prevention measures. These finishes are not standard in other general spaces and typically have a premium cost in comparison to other less-specialized spaces.

Modernization costs continued:

3. Due to the complexity of this project and the building being vacant, there are many unknown conditions that will not be discovered until construction begins. For this reason, we have included allowances for remediation of mold and hazardous materials. A portion of this project is located below grade and has the potential to have pre-existing hazardous materials that will need to be mitigated.

Contingencies \$3,166,000

The project costs are currently based off schematic design phase. There are many complexities to this project that require further evaluation. As a result, the project includes an 8.9% contingency for the combined new construction and modernization work totaling \$35,411,181.

Total clinical modernization cost of \$969,600

Clinical contingency of \$96,000, 9.9% of \$969,600 modernization

Total clinical contingency is \$96,000, as shown on the Project Costs and Sources of Funds table.

The remaining contingency of \$3,070,000 is assigned for the non-clinical areas of the project. This contingency is 8.9% of \$34,441,581 for the total of non-clinical new construction and non-clinical modernization.

A/E fees \$1,812,425

The architectural and engineering fees cover the cost of programming, interior design, schematic design, design development, construction documentation and construction administration.

Clinical modernization cost of \$969,600 plus contingency of \$96,000 = Total of \$1,065,600

Clinical A/E fees \$106,500, (9.9% of total clinical modernization plus contingency)

9.9% compares favorably to the range of 6.90-10.36% for modernization projects under \$1,250,000.

Non-clinical modernization cost of \$30,831,481 plus contingency of \$2,768,700 allocated to non-clinical modernization = total of \$33,600,181. \$1,517,487 of the total \$1,705,925 A/E fees for non-clinical components is associated with modernization. \$1,517,487 is 4.52% of total non-clinical modernization plus contingency. 4.52% compares favorably to the range of 4.50-6.76% for modernization of clinical service facilities under \$40,000,000.

Non-clinical construction cost of \$3,610,100 plus contingency of \$301,300 allocated to non-clinical construction = total of \$3,911,400. \$188,438 of the total \$1,705,925 A/E fees for non-clinical components are associated with non-clinical new construction. \$188,438 is 4.82% of total non-clinical new construction plus contingency. 4.82% compares favorably to the range of 5.57-8.37% for new construction of facilities under \$5,000,000.

Consulting and other fees \$1,294,427

The consultant fees include the following:

- Program management services
- Commissioning Consultant (Building Systems)
- Water Management Testing and consultation
- FF&E Design
- IT/IM Project management services
- Construction management
- CON advisory services

The project fees include costs associated with the following reviews and permits:

- CON filing fee
- City of Peoria building permit application fee

Equipment and furnishings \$3,960,000

Equipment costs are projected to be as follows:

Total Clinical		\$525,000
X-ray	\$400,000	
Ultrasound	\$125,000	
Other Movable/Nonclinical Equipment		\$3,435,000
Exam rooms – patient exam tables	\$1,260,000	
chairs	\$420,000	
Cafeteria tables, chairs	\$50,000	
Patient registration, waiting areas	\$75,000	
Conference room tables, chairs	\$60,000	
Other	\$1,570,000	

Bond Issuance Expense \$889,933**Net interest expense during construction \$2,034,133**

The project will be funded through debt financing. Interest payments are estimated at \$2,034,133.

Other Capital Costs \$1,132,500

IT (\$987,500)

Computers, peripherals, printers, applications / licensing, network equipment and cabling.

Signage (\$145,000)

New interior room identification signage and wayfinding signage for the new construction.

Section I, Identification, General Information and Certification
Cost Space Requirements

Department/Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Sq Ft That Is:			
		Existing	Proposed	New Const	Modernized	As Is	Vacated
Construction Costs							
CLINICAL/REVIEWABLE							
Imaging							
x ray	431,200		1,078		1,078		
ultrasound	152,800		382		382		
Lab	385,600		964		964		
Subtotal Clinical	969,600		2,424		2,424		
NON-REVIEWABLE							
Exam/treatment	9,026,100		13,372		13,372		
Support/workstations			10,591				
-New Const	271,260			396			
-Modernized	6,117,000				10,195		
Supplies/storage	1,058,046		2,346		2,346		
Mech, bldg system, hskeep			9,557				
-New Const	575,400			840			
-Modernized	4,986,124				8,717		
Administration	587,208		1,138		1,138		
Circulation			21,171				
-New Const	2,763,440			4424			
-Modernized	7,871,090				16,747		
Restrooms	1,185,913		1,581		1,581		
Subtotal Non-Clinical	34,441,581		59,756	5660	54,096		
TOTAL CONSTRUCTION	35,411,181		62,180				
-New Construction	3,610,100			5,660			
-Modernized	31,801,081				56,520		

Section I, Identification, General Information and Certification
Cost Space Requirements

Department/Area	Cost
Other Proj Costs	
Preplanning Costs	700,000
Site Survey / Soil	125,000
Site Preparation	3,251,799
Off Site Work	
Contingencies - Clinical	96,000
Contingencies – non-clinical	3,070,000
A/E fees	1,812,425
Consulting, fees	1,294,427
Equipment & furnishings	
-Med Equipment	525,000
-Movable equipment & FF&E	3,435,000
Bond Issuance Expense	889,933
Net Int Exp Dur Construction	2,034,133
FMV leased space, equipment	
Other Capital Costs	
-IT	987,500
-artwork	
-signage	145,000
Subtotal	18,366,217
TOTAL PROJECT COSTS	53,777,398

Section III, Background, Purpose of the Project, and Alternatives -Information Requirements
Criterion 1110.110(a), Background of the Applicant

Neither the Centers for Medicare and Medicaid Services nor the Illinois Department of Public Health ("IDPH") has taken any adverse action involving civil monetary penalties or restriction or termination of participation in the Medicare or Medicaid programs against any IDPH licensed health care facilities owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of this application.

A list of health care facilities owned or operated by the Applicant in Illinois, including licensing and certification information is attached at Attachment – 11A.

Certification that no adverse action has been taken against any IDPH licensed health care facilities owned or operated by the Applicant in Illinois within three years preceding the filing of this application is attached at Attachment – 11B.

An authorization permitting the Illinois Health Facilities and Services Review Board ("State Board") and IDPH access to any documents necessary to verify information submitted, including, but not limited to official records of IDPH or other State agencies; and the records of nationally recognized accreditation organizations is attached at Attachment – 11B.

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. – 11C

OSF Healthcare System List of Facilities in Illinois

OSF HealthCare Holy Family Medical Center

1000 W. Harlem Avenue

Monmouth, Illinois 61462

License #: 0005439, Expiration 4/11/26

Joint Commission: Critical Access Hospital-no Joint Commission Certificate

OSF HealthCare Saint Francis Medical Center

530 NE Glen Oak Avenue

Peoria, Illinois 61637

License #: 0002394, Expiration 12/31/26

Joint Commission: 4/22/23, 36 months

OSF HealthCare Saint Anthony's Health Center

One Saint Anthony's Way

Alton, Illinois 62002-0340

License #: 0005942, Expiration 10/31/26

Joint Commission: 11/2/23, 36 months

OSF HealthCare Saint James-John W. Albrecht Medical Center

2500 W. Reynolds Street

Pontiac, Illinois 61764

License #: 0005264, Expiration 3/2/26

Joint Commission: 4/8/23, 36 months

OSF HealthCare St. Joseph Medical Center

2200 E. Washington Street

Bloomington, Illinois 61701

License #: 0002535, Expiration 12/31/25

Joint Commission: 3/25/23, 36 months

OSF HealthCare Saint Anthony Medical Center

5666 E. State Street

Rockford, Illinois 61108-2472

License #: 0002253, Expiration 12/31/25

Joint Commission: 3/11/23, 36 months

OSF HealthCare Saint Luke Medical Center

1051 West South Street

Kewanee, Illinois 61443

License #: 0005926, Expiration 3/31/26

Joint Commission: Critical Access Hospital-no Joint Commission Certificate

OSF HealthCare Saint Elizabeth Medical Center – Ottawa and Peru

1100 E. Norris Drive

925 West Street

Ottawa, Illinois 61354

License #: 0005520, Expiration 5/14/26

Joint Commission: 6/3/23, 36 months-Ottawa/Peru

OSF Healthcare System List of Facilities in Illinois - continued

OSF Saint Elizabeth Medical Center Freestanding Emergency Center

111 Spring Street

Streator, Illinois 61364

License #: 22006, Expiration 8/8/26

Joint Commission: 6/3/23, 36 months (included with Saint Elizabeth Medical Center)

OSF HealthCare St. Mary Medical Center

3333 N. Seminary Street

Galesburg, Illinois 61401

License #: 0002675, Expiration 12/31/26

Joint Commission: 2/24/23, 36 months

OSF HealthCare Saint Paul Medical Center

1401 E. 12th Street

Mendota, Illinois 61342

License #: 0005819, Expiration 12/6/26

Joint Commission: Critical Access Hospital-no Joint Commission Certificate

OSF Healthcare Sacred Heart Medical Center

812 N. Logan Avenue

Danville, Illinois 61832

License #: 0006072, Expiration 2/1/26

Joint Commission: 5/26/23, 36 months

OSF HealthCare Heart of Mary Medical Center

1400 W. Park Street

Urbana, Illinois 61801

License #: 0006080, Expiration 2/1/26

Joint Commission: 10/6/23, 36 months

OSF Little Company of Mary Medical Center

2800 W. 95th Street

Evergreen Park, Illinois 60805

License #: 0006163, Expiration 1/31/26

Joint Commission: 1/17/28, 36 months

OSF Saint Clare Medical Center

530 Park Avenue East

Princeton, Illinois 61356

License #: 006254, Expiration 6/30/26

Joint Commission: Critical Access Hospital-no Joint Commission Certificate

OSF Divine Mercy Continuing Care Hospital

500 W. Romeo B. Garrett Avenue

Peoria, Illinois 61605

License #: 0006262, Expiration 9/30/26

Joint Commission: 2/22/28, 36 months

OSF Saint Katharine Medical Center

403 E. First Street

Dixon, Illinois 61021

License #: 006420, Expiration 12/31/26

Joint Commission: Not JC Certified



OSF[®] HEALTHCARE

October 15, 2025

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


Dear Chairwoman Savage:

I hereby certify that no adverse action has been taken against OSF Healthcare System ("OSF") or any facility owned or operated by OSF, directly or indirectly, within three years prior to the filing of this application. For the purpose of this letter, the term "adverse action" has the meaning given to it in the Illinois Administrative Code, Title 77, Section 1130.

I hereby authorize the Health Facilities and Services Review Board ("Board") and the Illinois Department of Public Health ("IDPH") to access any documentation they find necessary to verify any documentation or information submitted, including but not limited to official records of IDPH or other State agencies and the records of nationally recognized accreditation organizations. I further authorize the Board and IDPH to obtain any additional documentation or information that the Board or IDPH deems necessary to process the application.

If you have any questions, please contact Mark Hohulin, Senior Vice President, Healthcare Analytics, at 309-308-9656 or at mark.e.hohulin@osfhealthcare.org.

Sincerely,


Robert C. Sehring, Chief Executive Officer
OSF Healthcare System
124 S.W. Adams Street
Peoria, IL 61602

Notarization:

Subscribed and sworn to before me

this 16th day of October 2025


Signature of Notary

Seal



Attachment 11B

Section I, Identification, General Information and Certification
Current Projects

OSF Healthcare Current Projects			
Project Number	Name	Project Type	Completion Date
23-008	US Healthvest/OSF HealthCare System	Construction of AMI Hospital	December 31, 2026
25-026	OSF Heart of Mary Medical Center	Discontinuation of Pediatrics, ICU, Comprehensive Physical Rehab, Open Heart Surgery, Cardiac Catheterization	January 1, 2026

Section III, Background, Purpose of the Project, and Alternatives -Information Requirements
Criterion 1110.110(b), Background of the Applicant

OSF HealthCare System d/b/a Saint Francis Medical Center proposes to convert the former OSF Healthcare Ministry Headquarters at 800 NE Glen Oak Avenue, Peoria to consolidate pediatric outpatient services now housed at several sites in Peoria.

The integrated care delivery model at OSF Saint Francis Medical Center – Children's Hospital of Illinois enhances care quality by ensuring proximity, collaboration, and continuity of services for pediatric patients and their families.

The relocated services include physician offices and clinics. The relocated physician offices, clinics and associated services are not hospital-related programs. Hence, these components of the project are non-clinical. Imaging services include x-ray and ultrasound and a lab are categorized as clinical.

The total project size is 62,180 departmental gross square feet (dgsf). Of this total, 2,424 dgsf is clinical; 59,756 dgsf is non-clinical space. The project is the combination of modernization of 56,520 dgsf of existing space, and construction of 5,660 dgsf of new space.

Clinical space (2,424 dgsf) is entirely the modernization of existing space. Non-clinical space includes 54,096 dgsf of modernized space and 5,660 dgsf of new construction. The new construction is primarily 4 stories of elevators and stairwells, with small amounts of support areas and mechanical/building systems/housekeeping.

Section III, Background, Purpose of the Project, and Alternatives -Information Requirements
Criterion 1110.110(d), Background of the Applicant

Three viable alternatives were identified for the project

1.a. Modernize the Hillcrest Location

Modernize the current Hillcrest facility which currently has several pediatric clinics to functionally accommodate its existing physician office/clinic programs and services. However, the site is too small to adequately house all programs and services, limiting future growth and operational efficiencies.

1.b. Secure a New "Green-Field" Site

Develop a contemporary facility on a new green-field site to house the physician office/clinic programs and services. No available location is proximate to the OSF Saint Francis Medical Center campus, which compromises the integrated care delivery model.

1.c. Modernize the 800 NE Glen Oak Building (Former OSF HQ)

Modernize the vacated 800 NE Glen Oak building to accommodate the relocated pediatric physician office/clinic programs and services. The facility is proximate to OSF Saint Francis Medical Center and provides an opportunity for functional integration.

Alternative 1.a.: Modernize Hillcrest - \$30,000,000

Was rejected because the Hillcrest site is too small to house all pediatric programs and services. Modernization would extend the timeline due to replacement of MEP infrastructure while maintaining operations. In addition, the limited footprint restricts future expansion, resulting in constrained patient access and ongoing operational inefficiencies.

Alternative 1.b.: Green-Field Site - \$80,000,000

Was rejected because a suitable green-field site is not available near the OSF Saint Francis Medical Center campus. Any available site in the Peoria area would be several miles away, compromising the integrated care delivery model, reducing access for families, and increasing operating costs.

Alternative 1.c.: Modernize 800 NE Glen Oak (Former OSF HQ) - \$53,777,398

This alternative is considered the most feasible because:

- a. The vacated facility is located adjacent to the OSF Saint Francis Medical Center campus.
- b. The building provides adequate space for integrated pediatric programs and services.
- c. Operating costs are judged the lowest of the three alternatives.
- d. The site enhances patient and family access while maintaining proximity to core hospital-based pediatric services.

Alternative Comparison

The integrated care delivery model at OSF Saint Francis Medical Center – Children's Hospital of Illinois enhances care quality by ensuring proximity, collaboration, and continuity of services for pediatric patients and their families. After careful evaluation, **Alternative 1.c – Modernize the 800 NE Glen Oak building – was chosen as it best fits the needs of the project and is the most feasible option.** Each of the alternatives was evaluated against this model, taking into account patient access, quality of care, and financial implications.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.120(a), Size of the Project

SIZE OF THE PROJECT

The project is the combination of modernization of 56,520 dgsf (departmental gross sq. ft.) of existing space, and new construction of 5,660 dgsf of new space. The total project size is 62,180 dgsf. Of this total, 2,424 dgsf is clinical; 59,756 dgsf is non-clinical space. The table shows the distribution of space by function.

Clinical space (2,424 dgsf) is entirely the modernization of existing space. Non-clinical space includes 5,660 dgsf of new construction and 54,096 dgsf of modernized space. The new construction is primarily 5 (five) stories of elevators and stairwells (counting the lower level), with small amounts of support areas and mechanical/building systems/housekeeping.

Department/Service	Proposed DGSF	State Standard (dgsf)	Difference	Met Standard?
Clinical Space				
Imaging				
- xray	1,078 dgsf	1,300/unit = 1,300 dgsf	222 dgsf	Yes
- ultrasound	382 dgsf	900/unit x 1 = 900 dgsf	518 dgsf	Yes
Lab	964 dgsf	NA		NA
Total Clinical	2,424 dgsf			
Non-clinical				
Exam/treatment	13,372 dgsf	NA		NA
Support/workstations	10,591 dgsf	NA		NA
Supplies/storage	2,346 dgsf	NA		NA
Mech, bldg syst, hskip	9,557 dgsf	NA		NA
Administration	1,138 dgsf	NA		NA
Circulation	21,171 dgsf	NA		
Restrooms	1,581 dgsf	NA		
Total Non-clinical	59,756 dgsf			
Total dgsf	62,180 dgsf			

The proposed project meets the State standards for the clinical services.
There is no shelled space in the proposed project.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.120(b), Project Services Utilization

Project Service Utilization

The utilization criterion is only applicable to projects that involve hospital services under licensure of the Illinois Hospital Licensing Act for which standards are set pursuant to Appendix B of Part 1110 of the Illinois Health Facilities and Services Review Board rules. The OSF Saint Francis Medical Center Pediatric Clinics relocation will consist of primarily physician offices and clinic space limited to outpatient clinical diagnostic services consisting of imaging and laboratory.

	Historic Utilization*				Projected Utilization			
	2022	2023	2024	2025	2026	2027	2028	2029
Clinical Services								
Imaging								
- xray	2,815	3,267	3,405	3,507	3,612	3,721	3,721	3,832
- ultrasound	479	433	358	328	338	348	348	358
Lab	7,318	7,684	7,278	7,642	7,871	8,107	8,107	8,351

Note *: based on imaging and lab volumes at the various current office and clinic locations that are being consolidated at the pediatrics clinic building.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.120(d), Unfinished or Shell Space

The project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.120(e), Assurances

The project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section VI, Service Specific review Criteria**Criterion 1110.200, 205, 210, 220, 225, 230, 235, 240, 245, 250, 260, 265, 270, 275, 280**

The Project does not involve any of the following services. Therefore, the associated sections are not applicable.

- Medical/Surgical, Pediatrics, Obstetrics and ICU
- Comprehensive Physical Rehabilitation
- Acute Mental Illness
- Open Heart Surgery
- Cardiac Catheterization
- In-Center Hemodialysis
- Non-Hospital Based Ambulatory Surgery
- Selected Organ Transplantation
- Kidney Transplantation
- Subacute Care Hospital Model
- Community-Based Residential Rehabilitation Center
- Long Term Acute Care Hospital
- Clinical Service Areas Other than Categories of Service
- Freestanding emergency Center Medical Services
- Birth Center

Section VII, Availability of Funds
Criterion 1120.120 - Availability of Funds

Attached as Attachment – 34 is the most recent bond rating from Fitch Rating Agency affirming an A+ bond rating for OSF HealthCare System. Accordingly, this requirement is not applicable.

Section VII, Availability of Funds
Criterion 1120.120 - Availability of Funds

Attached as Attachment – 34 is the most recent bond rating from Fitch Rating Agency affirming an A+ bond rating for OSF HealthCare System. Accordingly, this requirement is not applicable.



RATING ACTION COMMENTARY

Fitch Affirms OSF HealthCare System 's (IL) Bonds at 'A+'; Outlook Stable

Wed 19 Mar, 2025 - 3:45 PM ET

Fitch Ratings - Chicago - 19 Mar 2025: Fitch Ratings has affirmed the bonds issued by the Illinois Finance Authority on behalf of OSF HealthCare System's (OSF) at 'A+' and its Issuer Default Rating (IDR) at 'A+'. The Rating Outlook is Stable.

RATING ACTIONS				
ENTITY / DEBT	RATING			PRIOR
OSF Healthcare System (IL)	LT IDR	A+	Affirmed	A+
OSF Healthcare System (IL) /General Revenues/1 LT	LT	A+	Affirmed	A+
Page 1 of 1 10 rows				

VIEW ADDITIONAL RATING DETAILS

The 'A+' rating reflects OSF's leading market position its core primary service area (PSA) around Peoria, with assets distributed among multiple markets throughout Illinois. Liquidity remains sound, and OSF's operating margins continued to show improvement in FY 2024.

The Stable Outlook considers Fitch's expectation that OSF will sustain continued operating improvements. Longer term, OSF is anticipated to maintain an operating EBITDA margin around 7% and strengthen its liquidity.

SECURITY

Revenue bonds are secured by a security interest in the unrestricted receivables of the obligated group (OG). The OG represents the vast majority of assets and operating revenues.

KEY RATING DRIVERS

Revenue Defensibility - 'bbb'

Broad Reach with Market Lead in Peoria

OSF has a broad reach across multiple markets in Illinois. The system is the distinct leader in the core PSA around Peoria and has distinctly leading market positions for many high-end services (e.g., OSF has the only children's hospital between Chicago and St. Louis). OSF is actively working to grow its market share, particularly focusing on strategic regions like Peoria and the I-80 corridor.

OSF has established strategic partnerships, joint ventures, and targeted acquisitions to enhance their platform. Fitch expects they will focus on growth initiatives, including expanding services like the Cancer Institute and strengthening provider networks, which remain crucial to the system.

OSF's primary competition in the broad central Illinois market is Carle Foundation (IDR: AA-). OSF competes with other health systems in other markets, such as its Little Company of Mary (LCOM) hospital, which operates in the competitive Chicago market, and in Rockford, IL.

Population trends in many of OSF's more populous service areas are stagnant to declining, although the service area economy is considered to be generally stable. OSF's combined Medicaid and self-pay consistently accounts for less than 25% of gross revenue (including 22.5% in FY24), even though OSF has a large children's hospital.

Operating Risk - 'bbb'

Continued Operational Improvements

OSF's operating results showed continued improvement in FY24 (audited as of Sept. 30), with an adjusted operating margin of 0.2% and operating EBITDA margin of 4.8%. OSF had a \$15 million improvement in operating income from FY23 to FY24, mainly driven by increased reimbursement rates and effective value-based contracts. The system achieved \$64 million in operational efficiency improvements in FY24, and forecast an additional \$30 million in improvements for FY25, continuing their focus on cost management.

Long term, management is targeting an approximately 2% operating margin. To achieve its operating goals, OSF will focus on strategies such as enhancing physician and advanced practice provider retention and increasing investment in workforce development programs. OSF will also focus on advancing regional care models, expanding ambulatory footprints, and maturing academic partnerships to strengthen their healthcare delivery. OSF Ventures continues to invest in innovations that improve patient outcomes and reduce healthcare costs, supporting strategic growth through enhanced service offerings.

OSF's capital spending is manageable over the forward look at approximately \$2.1 billion. OSF is committed to maintaining liquidity, with targets of no less than 150% cash to total debt and no less than 225 days cash on hand in the near term. As such, capital spending will be driven by cashflow generated as OSF sustains its operational improvements. OSF has no near-term plans of new debt.

Financial Profile - 'a'

Strong Capital-Related Ratios Maintained Even in Stress Case

Fitch expects OSF's capital-related ratios to be strong, including in a forward-looking stress case.

At FYE24, OSF's direct debt measured nearly \$1.8 billion and unrestricted cash and investments was nearly \$2.8 billion. OSF has a defined benefit (DB) Church pension, which was 86% funded at FYE24. Fitch considers adjusted debt to be only the portion of a DB pension below 80% funded, making adjusted debt equal to direct debt. Net adjusted debt (adjusted debt minus unrestricted cash and investments) was favorably negative at FYE24. Liquidity remains robust, with about 231 days cash on hand at FYE24.

Fitch expects OSF's financial profile to be strong, including in a forward-looking stress case. Based on FY24 results, net adjusted debt-to-adjusted EBITDA was favorably negative at -2.5x and cash-to-adjusted debt was about 154%. In the forward-looking stress scenario,

net adjusted debt-to-adjusted EBITDA remains favorably negative and cash-to-adjusted debt remains above 125% throughout the stress scenario.

Asymmetric Additional Risk Considerations

There are no asymmetric risks associated with the rating.

OSF's debt is 81% fixed rate. The series 2018B&C variable rate demand obligations (VRDO) are supported by letters of credit (LOC) from TD Bank, which expire in 2028. MADS coverage was 3.6x based on FY24. The MTI includes a minimum 1.1x debt service coverage covenant. OSF has four floating-to-fixed payor swaps.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

--Failure to continue material operating improvement, particularly if the operating EBITDA margin were expected to be sustained below 6% for an extended period;

--Compression in liquidity such that cash-to-adjusted debt failed to exceed 120% in the forward-looking stress case.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

--Improvement in operating metrics in the coming years, such that the operating EBITDA margin were expected to be sustained in the 8%-9% range;

--Improved liquidity, such that cash-to-adjusted debt exceeds 190%, even in forward-looking stress case.

PROFILE

OSF is a large integrated health system headquartered in Peoria, IL. The system operates 17 hospitals (including a children's hospital) in three regions: the Central Region, centered on Peoria, IL where the flagship OSF Saint Francis Medical Center referral center is located; the Eastern Region, inclusive of on Urbana, Danville, Bloomington, and the Chicago south suburbs; and the Western Region, centered on Galesburg and Rockford (and inclusive of Ottawa, Peru and suburban St. Louis operations). OSF's total operating revenue approached \$4.2 billion in audited FY24 (September 30 FYE).

Sources of Information

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

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

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

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

Additional information is available on www.fitchratings.com

PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

[U.S. Not-For-Profit Hospitals and Health Systems Rating Criteria \(pub. 12 Nov 2024\)](#)
(including rating assumption sensitivity)

[U.S. Public Sector, Revenue-Supported Entities Rating Criteria \(pub. 10 Jan 2025\)](#) (including rating assumption sensitivity)

APPLICABLE MODELS

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

Portfolio Analysis Model (PAM), v2.0.1 (1)

<https://www.fitchratings.com/research/us-public-finance/fitch-affirms-esf-healthcare-system-4-bonds-at-a-outlook-stable-19-03-2025>

5/6

ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

[Solicitation Status](#)

[Endorsement Policy](#)

ENDORSEMENT STATUS

Illinois Finance Authority (IL)

EU Endorsed, UK Endorsed

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers.

Please read these limitations and disclaimers by following this link:

<https://www.fitchratings.com/understandingcreditratings>. In addition, the following <https://www.fitchratings.com/rating-definitions-document> details Fitch's rating definitions for each rating s

[READ MORE](#)

SOLICITATION STATUS

The ratings above were solicited and assigned or maintained by Fitch at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

ENDORSEMENT POLICY

Fitch's international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be. Fitch's approach to endorsement in the EU and the UK can be found on Fitch's [Regulatory Affairs](#) page on Fitch's website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.

Section VIII, Financial Viability
Criterion 1120.130 – Financial Viability Waiver

Attachment – 34 is the most recent bond rating from Fitch Rating Agency affirming an A+ bond rating for OSF HealthCare System. Accordingly, this requirement is not applicable.

Section IX, Economic Feasibility Review Criteria
Criterion 1120.140(a) – Reasonableness of Financing Arrangements

The Applicant has an A+ bond rating from Fitch Ratings. Accordingly, this criterion is not applicable.

Section IX, Economic Feasibility Review Criteria
Criterion 1120.140(b) – Conditions of Debt Financing

Attached, as Attachment 37B, is a letter from Kirsten Largent, Chief Financial Officer, OSF Healthcare System, certifying the selected form of debt financing for the project will be at the lowest net cost available, or if not, it will be more advantageous due to the terms, such as pre-payment privileges, lack of security interest, loan timing, or other reasons.



OSF[®] HEALTHCARE

October 15, 2025

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

Dear Chairwoman Savage:

My name is Kirsten Largent. As Chief Financial Officer, OSF HealthCare System, I attest the selected form of debt financing for the project will be at the lowest net cost available, or if not, it will be more advantageous due to the terms, such as pre-payment privileges, lack of security interest, loan timing, or other reasons.

Sincerely,

Kirsten Largent, Chief Financial Officer
OSF Healthcare System
124 S.W. Adams Street
Peoria, IL 61602

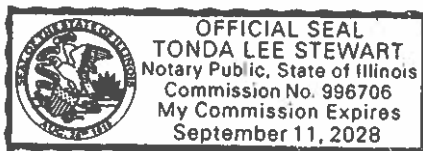
Notarization:

Subscribed and sworn to before me

this 16th day of October 2025

Signature of Notary

Seal



Attachment 36B

Section IX, Economic Feasibility Review Criteria
Criterion 1120.140(c) – Reasonableness of Project and Related Costs

C. Reasonableness of Project Cost

Department	COST AND SQUARE FOOT BY DEPARTMENT								
	A	B	C	D	E	F	G	H	I
	Cost / Sq ft		DGFS		DGSF		Const \$	Mod \$	Total Cost
	New	Mod	New Const	Circ %	Mod	Circ %	(A x C)	(B x E)	(H + I)
CLINICAL									
Imaging									
x-ray		\$400			1,078	17%		\$431,200	\$431,200
ultrasound		\$400			382	17%		\$152,800	\$152,800
Lab		\$400			964	17%		\$385,600	\$385,600
<i>Subtotal Clinical</i>		\$400			2,424	17%		\$969,600	\$969,600
NON-CLINICAL									
Exam/treatment		\$675			13,372			\$9,026,100	\$9,026,100
Support/work stations	\$685	\$600	396		10,195		\$271,260	\$6,117,000	\$6,388,260
Supplies/storage		\$451			2,346			\$1,058,046	\$1,058,046
Mech, bldg systems, hs	\$685	\$572	840		8,717		\$575,400	\$4,986,124	\$5,561,524
Administration		\$516			1,138			\$587,208	\$587,208
Circulation	\$625	\$470	4,424		16,747		\$2,763,440	\$7,871,090	\$10,634,530
Restrooms		\$750			1,581			\$1,185,913	\$1,185,913
<i>Subtotal Non-clinical</i>	\$638	\$570	5,660		54,096		\$3,610,100	\$30,831,481	\$34,441,581
TOTAL	\$638	\$563	5,660		56,520		\$3,610,100	\$31,801,081	\$35,411,181

IX, Economic Feasibility Review Criteria
Criterion 1120.140(d) – Projected Operating Costs

This criterion is applicable to projects or portions thereof that involve hospital-related clinical departments or services, and the Project does not involve hospital services.

Section IX, Economic Feasibility Review Criteria
Criterion 1120.140(e) – Total Effect of the Project on Capital Costs

This criterion is applicable to projects or portions thereof that involve hospital-related clinical departments or services, and the Project does not involve hospital services.

Section X, Safety Net Impact Statement

This project is non-substantive. Accordingly, this criterion is not applicable.

Section X, Charity Care Information

The table below provides charity care information for all OSF Healthcare System and OSF Saint Francis Medical Center located in the State of Illinois that are owned and operated by the Application.

CHARITY CARE – OSF Healthcare System

	2022	2023	2024
Net Patient Revenue	\$3,211,070,549	\$3,524,731,069	\$3,919,387,589
Amount of Charity Care (charges)	\$217,695,250	\$202,685,043	\$222,074,659
Cost of Charity Care	\$54,215,573	\$47,392,624	\$48,997,480

CHARITY CARE – Saint Francis Medical Center

	2022	2023	2024
Net Patient Revenue	\$1,324,457,080	\$1,480,654,352	\$1,578,005,773
Amount of Charity Care (charges)	\$ 82,726,111	\$78,178,837	\$83,263,310
Cost of Charity Care	\$17,877,112	\$15,942,481	\$15,951,290