

BY EMAIL

Collin Anderson
(309) 826-1437
collin.anderson@carle.com

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

Re: Certificate of Need Application- The Carle Foundation Hospital- 16 Medical-Surgical Bed Addition

Dear John:

Please find attached a Certificate of Need permit application to modernize the second floor of Carle Foundation Hospital's ("CFH") Center Building ("CB2") to add 16 semi-private inpatient medical-surgical beds and 22 observation bays. A check for the application processing fee was sent last week under separate cover.

Given the extent of CFH's capacity constraints, which were compounded by recent inpatient service reductions at the other hospital located in Urbana (pursuant to CON permit #25-026), the Applicants hereby request expedited review of the attached application for permit on or before the November 5, 2026 HFSRB meeting. The Applicants seek to address CFH's access issues as quickly as possible, as it is a critical hospital for a very broad region.

Thank you for your time and consideration of this application. If you have any questions or need any additional information to complete your review, please feel free to contact me as needed.

Sincerely,

A handwritten signature in black ink, appearing to read 'Collin Anderson', with a long horizontal flourish extending to the right.

Collin Anderson

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: The Carle Foundation Hospital- 16 Medical-Surgical Bed Addition			
Street Address: 611 W. Park St.			
City and Zip Code: Urbana 61801			
County: Champaign	Health Service Area: HSA-4	Health Planning Area: D-1	

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

Exact Legal Name: The Carle Foundation d/b/a Carle Health	
Street Address: 611 West Park Street	
City and Zip Code: Urbana 61801	
Name of Registered Agent: James Leonard	
Registered Agent Street Address: 611 West Park Street	
Registered Agent City and Zip Code: Urbana 61801	
Name of Chief Executive Officer: James Leonard	
CEO Street Address: 611 West Park Street	
CEO City and Zip Code: Urbana 61801	
CEO Telephone Number: (217) 383-3311	

Type of Ownership of Applicants

☒ Non-profit Corporation ☐ For-profit Corporation ☐ Limited Liability Company ☐ Other	☐ Partnership ☐ Governmental ☐ Sole Proprietorship
○ Corporations and limited liability companies must provide an Illinois certificate of good standing. ○ Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.	
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: Collin Anderson
Title: Strategic Planning Coordinator II
Company Name: The Carle Foundation
Address: 611 W. Park Street Urbana, IL 61801
Telephone Number: 217-902-5521
E-mail Address: Collin.Anderson@Carle.com

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

Name: Kara Friedman
Title: Attorney
Company Name: Aronberg Goldgehn
Address: 225 W. Washington St. Suite 2800 Chicago, IL 60606
Telephone Number: (312) 755-3157
E-mail Address: Kfriedman@agdgllaw.com

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: The Carle Foundation Hospital- 16 Medical-Surgical Bed Addition			
Street Address: 611 W. Park St.			
City and Zip Code: Urbana 61801			
County: Champaign	Health Service Area: HSA-4	Health Planning Area: D-1	

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

Exact Legal Name: The Carle Foundation Hospital	
Street Address: 611 West Park Street	
City and Zip Code: Urbana 61801	
Name of Registered Agent: James Leonard	
Registered Agent Street Address: 611 West Park Street	
Registered Agent City and Zip Code: Urbana 61801	
Name of Chief Executive Officer: James Leonard	
CEO Street Address: 611 West Park Street	
CEO City and Zip Code: Urbana 61801	
CEO Telephone Number: (217) 383-3311	

Type of Ownership of Applicants

☒ Non-profit Corporation ☐ For-profit Corporation ☐ Limited Liability Company ☐ Other	☐ Partnership ☐ Governmental ☐ Sole Proprietorship
○ Corporations and limited liability companies must provide an Illinois certificate of good standing. ○ Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.	
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Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Collin Anderson
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Telephone Number: (312) 755-3157
E-mail Address: Kfriedman@agdgllaw.com

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: Collin Anderson
Title: Strategic Planning Coordinator II
Company Name: Carle Health
Address: 611 West Park Street, Urbana, IL 61801
Telephone Number: (217) 902-5521
E-mail Address: Collin.Anderson@Carle.com

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: The Carle Foundation Hospital
Address of Site Owner: 611 West Park Street, Urbana, IL 61801
Street Address or Legal Description of the Site: 611 West Park Street, Urbana, IL 61801
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: The Carle Foundation Hospital	
Address: 611 West Park Street, Urbana, IL 61801	
☒ Non-profit Corporation ☐ For-profit Corporation ☐ Limited Liability Company ☐ Other	☐ Partnership ☐ Governmental ☐ Sole Proprietorship
○ Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. ○ Partnerships must provide the name of the state in which 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.

The Carle Foundation Hospital (“CFH”) and The Carle Foundation d/b/a Carle Health (the “Applicants”) seek authority to modernize the second floor of CFH’s Center Building (“CB2”) located at 611 West Park Street, Urbana, IL 61801 in order to add 16 semi-private inpatient medical-surgical (“med/surg”) beds and 22 observation bays (the “Project”). The Project will increase the CFH med/surg bed complement from 351 to 367. The Project includes the relocation of non-clinical space currently located on CB2 (e.g. simulation lab for Graduate Medical Education and support offices for Security, Trauma, and Airlife helicopter medical transport team) to CFH’s Lower Level. It also includes complete demolition and reconstruction of approximately 14,100 SF of patient care space, infrastructure upgrades, and new mechanical systems, including an air handling unit (“AHU”) that replaces eight existing AHUs.

The Project is a substantive project, according to applicable rules, because it proposes a change in bed capacity.

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	\$75,000	\$0	\$75,000
Site Survey and Soil Investigation	\$0	\$0	\$0
Site Preparation	\$0	\$0	\$0
Off Site Work	\$0	\$0	\$0
New Construction Contracts	\$0	\$0	\$0
Modernization Contracts	\$11,464,338	\$5,713,798	\$17,178,136
Contingencies	\$970,147	\$303,930	\$1,274,077
Architectural/Engineering Fees	\$855,000	\$370,000	\$1,225,000
Consulting and Other Fees	\$389,315	\$57,847	\$447,162
Movable or Other Equipment (not in construction contracts)	\$3,128,471	\$341,432	\$3,469,903
Bond Issuance Expense (project related)	\$724,417	\$642,846	\$1,367,263
Net Interest Expense During Construction (project related)	\$171,018	\$151,761	\$322,779
Fair Market Value of Leased Space or Equipment	\$0	\$0	\$0
Other Costs to Be Capitalized	\$1,063,091	\$7,900,000	\$8,963,091
Acquisition of Building or Other Property (excluding land)	\$0	\$0	\$0
TOTAL USES OF FUNDS	\$18,840,797	\$15,481,614	\$34,322,411
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$3,745,957	\$2,086,482	\$5,832,439
Pledges	\$0	\$0	\$0
Gifts and Bequests	\$0	\$0	\$0
Bond Issues (project related)	\$15,094,840	\$13,395,132	\$28,489,972
Mortgages	\$0	\$0	\$0
Leases (fair market value)	\$0	\$0	\$0
Governmental Appropriations	\$0	\$0	\$0
Grants	\$0	\$0	\$0
Other Funds and Sources	\$0	\$0	\$0
TOTAL SOURCES OF FUNDS	\$18,840,797	\$15,481,614	\$34,322,411
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): December 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 <u>ATTACHMENT 8</u>, 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.
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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: Carle Foundation Hospital			CITY: Urbana, IL		
REPORTING PERIOD DATES: From: 1/1/25 to: 12/31/25					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	351	22,283	111,099	+16	367
Obstetrics	35	3,379	6,733	n/a	35
Pediatrics	20	1,026	3,408	n/a	20
Intensive Care	58	2,156	9,670	n/a	58
Comprehensive Physical Rehabilitation	20	373	4,907	n/a	20
Acute/Chronic Mental Illness					
Neonatal Intensive Care	25	400	5,420	n/a	25
General Long-Term Care					
Specialized Long-Term Care					
Long Term Acute Care					
Other (identify)					
TOTALS:	509	29,617	141,237	n/a	525

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 The Carle Foundation Hospital.

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

SIGNATURE

James Leonard, M.D.
PRINTED NAME

President and CEO
PRINTED TITLE

SIGNATURE

Dennis Hesch
PRINTED NAME

Executive Vice President and System CFO
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 15th day of July, 2026

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant



Notarization:

Subscribed and sworn to before me
this 15th day of July, 2026

Signature of Notary

Seal



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- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of The Carle Foundation d/b/a Carle Health.

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SIGNATURE

James Leonard, M.D.
PRINTED NAME

President and CEO
PRINTED TITLE

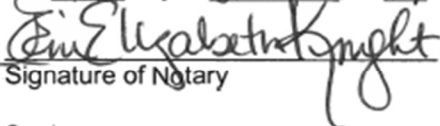

SIGNATURE

Dennis Hesch
PRINTED NAME

Executive Vice President and System CFO
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 15th day of July, 2024


Signature of Notary

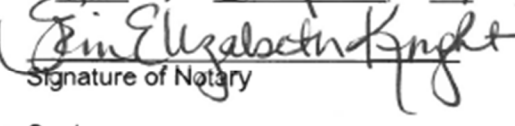
Seal

*Insert the EXACT legal name of the applicant



Notarization:

Subscribed and sworn to before me
this 15th day of July, 2024


Signature of Notary

Seal



SECTION II. DISCONTINUATION

This Section is applicable to the discontinuation of a health care facility or the discontinuation of more than one category of service in a 6-month period. If the project is solely for a discontinuation of a health care facility the **Background of the Applicant(s) and Purpose of Project MUST** be addressed. **A copy of the Notices listed in Item 7 below MUST be submitted with this Application for Discontinuation** <https://www.ilga.gov/legislation/ilcs/documents/002039600K8.7.htm>

Criterion 1110.290 – Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any that are to be discontinued.
2. Identify all the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued and the length of time the records will be maintained.
6. Provide copies of the notices that were provided to the local media that would routinely be notified about facility events.
7. **For applications involving the discontinuation of an entire facility, provide copies of the notices that were sent to the municipality in which the facility is located, the State Representative and State Senator of the district in which the health care facility is located, the Director of Public Health, and the Director of Healthcare and Family Services. These notices shall have been made at least 30 days prior to filing of the application.**
8. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 90 days following the date of discontinuation.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for the discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.290(b) for examples.

IMPACT ON ACCESS

1. Document whether the discontinuation of each service or of the entire facility will have an adverse effect upon access to care for residents of the facility's market area.
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within the **geographic service area**.

APPEND DOCUMENTATION AS **ATTACHMENT 10**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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	MET STANDARD?
YEAR 1					
YEAR 2					

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

UNFINISHED OR SHELL SPACE:

Provide the following information:

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

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

ASSURANCES:

Submit the following:

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

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

SECTION VI. SERVICE SPECIFIC REVIEW CRITERIA

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

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

- Applicants proposing to establish, expand and/or modernize the Medical/Surgical, Obstetric, Pediatric and/or Intensive Care categories of service must submit the following information:
- Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
☒ Medical/Surgical	351	367

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

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

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.200(g) - Assurances	X	X	
APPEND DOCUMENTATION AS <u>ATTACHMENT 19</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

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

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

VII. 1120.120 - AVAILABILITY OF FUNDS

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

\$5,832,439	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion.
_____	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated timetable of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated timetable of receipts.
\$28,489,972	d)	Debt – a statement of the estimated terms and conditions (including the debt time, variable or permanent interest rates over the debt time, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated. 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate. 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc. 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment.

	5) For any option to lease, a copy of the option, including all terms and conditions.
_____	e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent.
_____	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt.
_____	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$34,322,411	TOTAL FUNDS AVAILABLE

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

SECTION VIII. 1120.130 - FINANCIAL VIABILITY

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

Financial Viability Waiver

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

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

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

Variance

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

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

SECTION IX. 1120.140 - ECONOMIC FEASIBILITY

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

A. Reasonableness of Financing Arrangements

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

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

B. Conditions of Debt Financing

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

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

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (List below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	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 <u>ATTACHMENT 37</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.									

SECTION X. SAFETY NET IMPACT STATEMENT

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

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

Safety Net Impact Statements shall also include all the following:

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

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

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

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

SECTION X. CHARITY CARE INFORMATION

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

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

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

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

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

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

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

INDEX OF ATTACHMENTS			
ATTACHMENT NO.			PAGES
1	Applicant Identification including Certificate of Good Standing		27-29
2	Site Ownership		30
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.		31
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.		32
5	Flood Plain Requirements		33
6	Historic Preservation Act Requirements		34
7	Project and Sources of Funds Itemization		35-36
8	Financial Commitment Document if required		37
9	Cost Space Requirements		38
10	Discontinuation		39
11	Background of the Applicant		40-43
12	Purpose of the Project		44-68
13	Alternatives to the Project		69
14	Size of the Project		70
15	Project Service Utilization		71
16	Unfinished or Shell Space		72
17	Assurances for Unfinished/Shell Space		72
18	Relationship to Master Design Project		n/a
	Service Specific:		
19	Medical Surgical Pediatrics, Obstetrics, ICU		74-76
20	Comprehensive Physical Rehabilitation		n/a
21	Acute Mental Illness		n/a
22	Open Heart Surgery		n/a
23	Cardiac Catheterization		n/a
24	In-Center Hemodialysis		n/a
25	Non-Hospital Based Ambulatory Surgery		n/a
26	Selected Organ Transplantation		n/a
27	Kidney Transplantation		n/a
28	Subacute Care Hospital Model		n/a
29	Community-Based Residential Rehabilitation Center		n/a
30	Long Term Acute Care Hospital		n/a
31	Clinical Service Areas Other than Categories of Service		n/a
32	Freestanding Emergency Center Medical Services		n/a
33	Birth Center		n/a
	Financial and Economic Feasibility:		
34	Availability of Funds		77
35	Financial Waiver		78
36	Financial Viability		79
37	Economic Feasibility		80-84
38	Safety Net Impact Statement		85-86
39	Charity Care Information		87
40	Flood Plain Information		33

ATTACHMENT 1

Attached hereto as Attachment 1 are Good Standing Certificates issued by the Illinois Secretary of State for:

1. The Carle Foundation d/b/a Carle Health
2. The Carle Foundation Hospital



To all to whom these Presents Shall Come, Greeting:

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

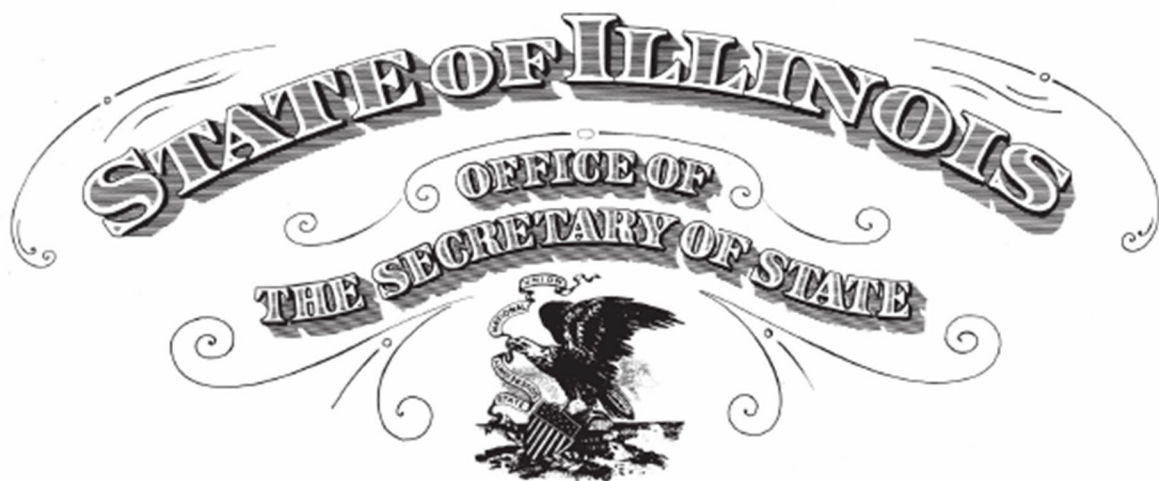
THE CARLE FOUNDATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 06, 1946, ADOPTED THE ASSUMED NAME CARLE HEALTH ON DECEMBER 16, 2019, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, 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 20TH day of AUGUST A.D. 2025 .

Authentication #: 2523200978 verifiable until 08/20/2026
Authenticate at: <https://www.ilsos.gov>

Alexi Giannoulis
SECRETARY OF STATE



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

THE CARLE FOUNDATION HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MAY 28, 1982, 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 29TH day of JULY A.D. 2025 .

Authentication #: 2521000594 verifiable until 07/29/2026
Authenticate at: <https://www.ilsos.gov>

Alexi Giannoulis
SECRETARY OF STATE

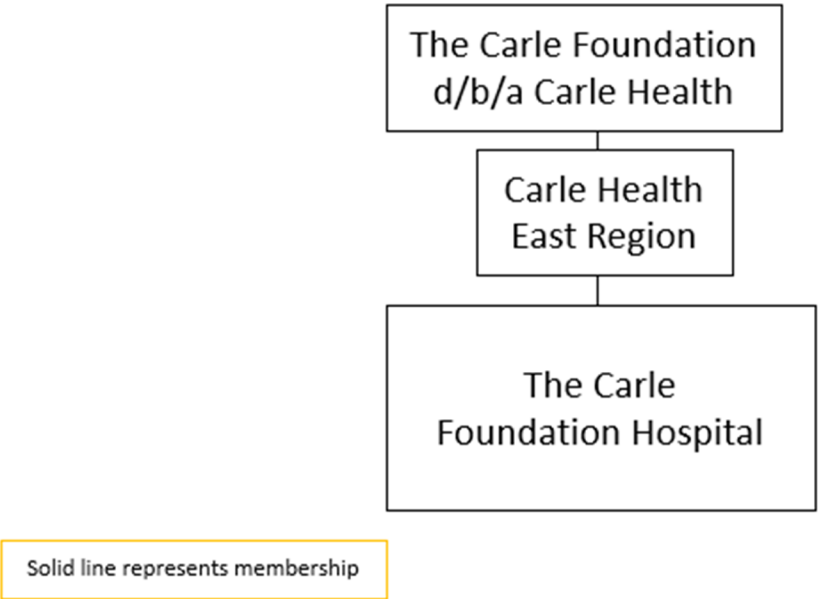
ATTACHMENT 2
Site Ownership

By signing the certification pages within this application, the Applicants attest that The Carle Foundation Hospital owns the property at 611 West Park Street, Urbana, IL 61801.

ATTACHMENT 3
Operating Entity/Licensee

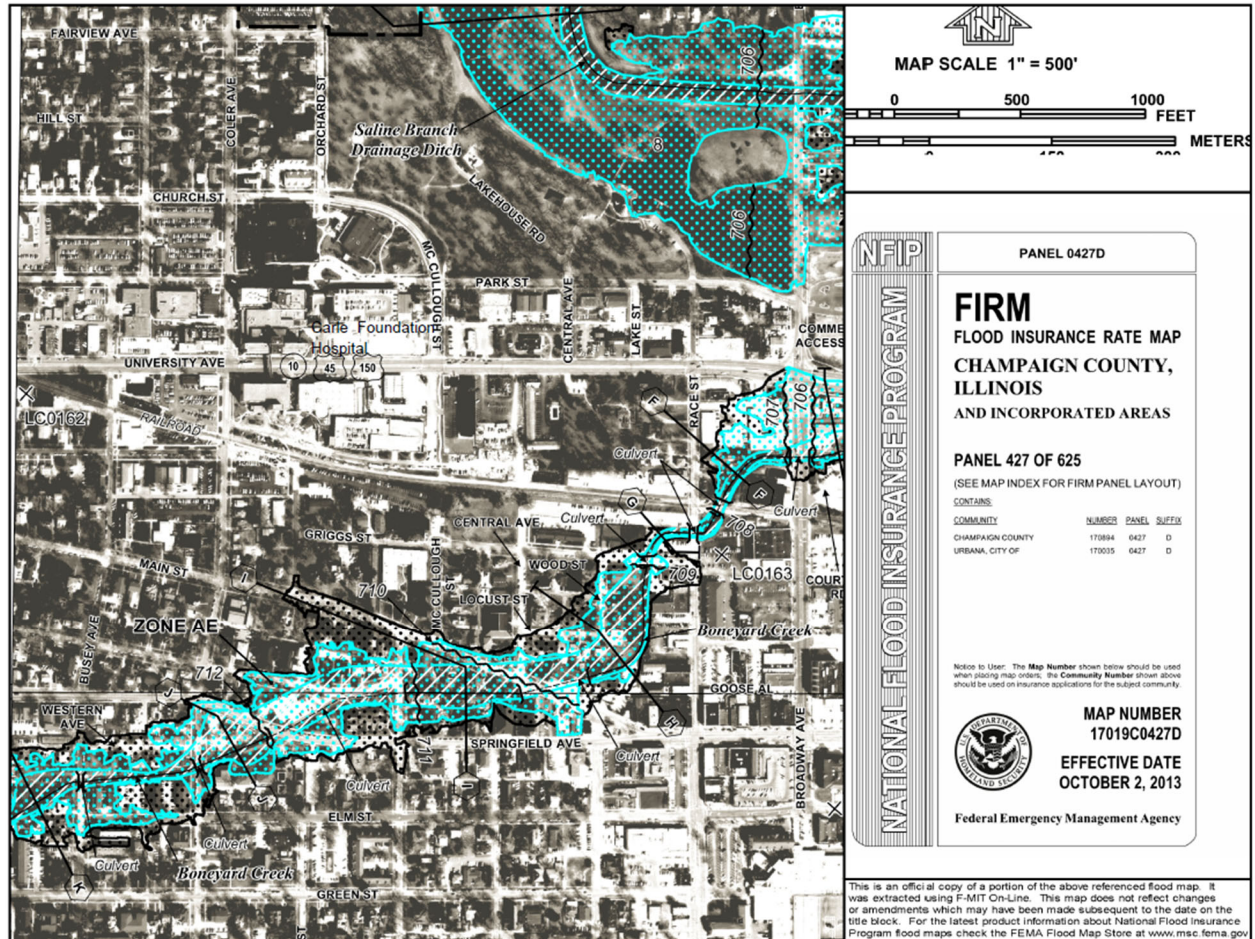
The Carle Foundation Hospital is the licensee and operator of the Carle Foundation Hospital. Copies of its license and accreditation are attached at Attachment- 11.

ATTACHMENT 4
Organizational Relationships



ATTACHMENT 5 Flood Plain Requirements

The site of the proposed project complies with the requirements of Illinois Executive Order #2005-5. Please see the following FEMA National Flood Hazard Layer map documenting that the project site is not located in a Special Flood Hazard Area.



ATTACHMENT 6 **Historic Resources Preservation Act Requirements**

The Applicants plan to modernize the 2nd floor of Center Building in an existing hospital to enable the addition of medical-surgical and observation beds. A letter from the Illinois Historic Preservation Agency stating that the proposed project complies with the requirements of the Historic Resources Preservation Act is included as part of this Attachment- 6.



Illinois
Department of
**Natural
Resources**

JB Pritzker, Governor • Natalie Phelps Finnie, Director
One Natural Resources Way • Springfield, Illinois 62702-1271
www.dnr.illinois.gov

Champaign County
Urbana
CON - Carle Foundation Hospital
611 W. Park St.

IHFSTRB, SHPO Log #006051926

May 20, 2026

Collin Anderson
Carle Health
611 W. Park St.
Urbana, IL 61801

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 properties exist within the project area. Our office did not conduct an archaeological review because no ground disturbing activity is included in the application.

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, AIA
Deputy State Historic Preservation Officer

ATTACHMENT 7

Detailed Project Costs

Use of Funds	Clinical	Nonclinical	Total
Preplanning Costs	\$75,000	\$0	\$75,000
Preliminary Design	\$75,000	\$0	\$75,000
Site Survey and Soil Investigation	\$0	\$0	\$0
Site Preparation	\$0	\$0	\$0
Off Site Work	\$0	\$0	\$0
New Construction Costs	\$0	\$0	\$0
Modernization Contracts	\$11,464,338	\$5,713,798	\$17,178,136
Contingencies	\$970,147	\$303,930	\$1,274,077
Architectural/Engineering Fees	\$855,000	\$370,000	\$1,225,000
Architectural Engineering	\$855,000	\$370,000	\$1,225,000
Consulting and Other Fees	\$389,315	\$57,847	\$447,162
IDPH Permits	\$11,900	\$0	\$11,900
City Permits	\$177,415	\$57,847	\$235,262
Commissioning	\$200,000	\$0	\$200,000
Movable and Other Equipment (not in construction contracts)	\$3,128,471	\$341,432	\$3,469,903
Equipment General	\$2,091,571	\$18,493	\$2,110,064
Furniture	\$457,415	\$124,564	\$581,979
Security Access/Cameras	\$250,000	\$0	\$250,000
IT/Telecom	\$279,485	\$198,375	\$477,860
Signs/Wayfinding	\$50,000	\$0	\$50,000
Bond Issuance Expense (Project related)	\$724,417	\$642,846	\$1,367,263
Net Interest Expense During Construction (Project related)	\$171,018	\$151,761	\$322,779
Fair Market Value of Leased Space or Equipment	\$0	\$0	\$0
Other Costs to be Capitalized	\$1,063,091	\$7,900,000	\$8,963,091
Demolition ¹	\$863,091	\$0	\$863,091
Exterior Modifications ²	\$200,000	\$0	\$200,000
Air Handling Unit ³	\$0	\$7,900,000	\$7,900,000
Acquisition of Building or Other Property (Excluding land)	\$0	\$0	\$0
Total Uses of Funds	\$18,840,797	\$15,481,614	\$34,322,411

¹**Demolition of existing non-clinical space** – The existing non-clinical space currently located on CB2 (e.g. simulation lab for Graduate Medical Education and support offices for Security, Trauma, and Airline helicopter medical transport team) must be completely demolished prior to reconstruction; this is not a cosmetic renovation but a full gut of a highly built-out environment.

²**Exterior Modifications**– Conversion of the existing non-clinical space into inpatient rooms requires the addition of windows in rooms that do not currently have them. This work requires careful structural planning to prevent the wall from collapsing. The process involves creating an opening, supporting the load above, and properly weatherproofing the new windows.

³**Air Handling Unit**– The Project includes the equipment and installation expenses to replace eight aging Air Handling Units (“AHU”) with a single, larger unit. Center Building 2 uses one of

the existing AHUs while the other seven support other spaces throughout CFH. This AHU work is being completed in one installation and, therefore, cannot be separated from the Project.

ATTACHMENT 8
Active CON Permits

The Carle Foundation has the following active permits:

CON 24-034: Champaign Surgery Center- Mattis Avenue

- The CON permit for project 24-034 was approved on March 18, 2025.

CON 24-035: Champaign Surgery Center

- The CON permit for project 24-035 was approved on January 23, 2025.

CON 26-024: Carle Richland Memorial Hospital HOPD Building Olney

- The CON permit for project 26-024 was approved on July 9, 2026.

ATTACHMENT 9

Cost Space Requirements

The Applicants plan to modernize the 2nd floor of Center Building in an existing hospital to enable the addition of medical-surgical and observation beds. The Project also involves the relocation of non-clinical services to the lower level of the hospital.

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area (list below)	Cost	Existing	Total Upon Project Completion	New Const.	Modernized	As Is	Vacated as a result of this project
Reviewable							
Medical-Surgical	\$10,142,001	7,591	7,591	0	7,591	0	0
Observation	\$8,698,796	6,511	6,511	0	6,511	0	0
Total Reviewable	\$18,840,797	14,102	14,102	0	14,102	0	0
Non-Reviewable							
Enabling Project (Support Services)	\$15,481,614	14,670	14,670	0	14,670	0	0
Total Non-Reviewable	\$15,481,614	14,670	14,670	0	14,670	0	0

ATTACHMENT 10
Discontinuation

n/a

ATTACHMENT 11

Background of Applicants

1. A listing of all healthcare facilities owned or operated by Carle Health, including licensing, and certification.

The following is a list of all Illinois healthcare facilities (as that term is defined in the Act) owned by Carle Health:

- The Carle Foundation Hospital
 - License Number: 003798
 - Accreditation Identification Number: 119139-2012-AHC-USA-NIAHO
- Richland Memorial Hospital, d/b/a Carle Richland Memorial Hospital
 - License Number: 004788
 - Accreditation Identification Number: HFAP ID: 175621
- Hoopeston Community Memorial Hospital, d/b/a Carle Hoopeston Regional Health Center
 - License Number: 004200
 - Accreditation Identification Number: 128702-2012-AHC-USA-NIAHO
- Carle BroMenn Medical Center
 - License Number: 0005645
 - Accreditation Identification Number: 189504-2018-AHC-USA-NIAHO
- Carle Eureka Hospital
 - License Number: 0005652
 - Accreditation Identification Number: 189647-2018-AHC-USA-NIAHO
- Champaign SurgiCenter, LLC
 - License Number: 7002959
 - Accreditation Identification Number: 119139-2012-AHC-USA-NIAHO
- Carle Danville Surgery Center
 - License Number: 7002439
 - Accreditation Identification Number: 119139-2012-AHC-USA-NIAHO
- The Center for Orthopedic Medicine, LLC d/b/a Center for Outpatient Medicine, LLC
 - License Number: 7002116
 - Accreditation Identification Number: AAAHC #109077

- The Center for Orthopedic Medicine, LLC d/b/a BroMenn Care and Comfort Suites
 - License Number: 4000025
 - Accreditation Identification Number: AAAHC #109077
- The Methodist Medical Center of Illinois
 - License Number: 001834
 - Accreditation Identification Number: Joint Commission ID # 7407
- Proctor Hospital
 - License Number: 001925
 - Accreditation Identification Number: Joint Commission ID # 7409
- Pekin Memorial Hospital
 - License Number: 001594
 - Accreditation Identification Number: Joint Commission ID # 7408

2. A listing of all health care facilities owned (at least 5%) and/or operated in Illinois by Carle Health.

Carle Health also has non-controlling interests in the following health facilities.

- Central Illinois Endoscopy Center, LLC
 - License Number: 7003155
 - Accreditation Number: AAAHC Accreditation # 876E592A86339
- Renal Intervention Center
 - License Number: 371387622
 - Accreditation Number: AAAHC Accreditation # 24085

3. Attestation.

Carle Health attests that in the last three years prior to the filing of this CON application, there has been no “adverse action” (as that term is defined in 77 IAC 1130.140) against any Illinois health care facility owned and operated by Carle Health and subject to HFSRB jurisdiction.

4. Authorization.

HFSRB and IDPH are hereby authorized by Carle Health to access any documents necessary to verify the information submitted within this application relating to Carle Health, including, but not limited to: official records of IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.



**ILLINOIS DEPARTMENT OF
PUBLIC HEALTH** **HF134955**

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Sameer Vohra, MD,JD,MA
Director

Issued under the authority of
the Illinois Department of
Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
12/31/2026		0003798
General Hospital		
Effective: 01/01/2026		

The Carle Foundation Hospital
611 West Park Street
Urbana, IL 61801

The face of this license has a colored background. • Printed by Authority of the State of Illinois • P.O. #4025001 2M 4/25

← **DISPLAY THIS PART IN A
CONSPICUOUS PLACE**

Exp. Date 12/31/2026

Lic Number 0003798

Date Printed 10/17/2025

Validation Num

The Carle Foundation Hospital

611 West Park Street

Urbana, IL 61801

FEE RECEIPT NO.

Attachment 11



HEALTHCARE CERTIFICATE

Certificate no.:
10000467101-MSC-CMS-USA

Initial certification date:
29 June, 2012

Valid:
29 June, 2024 – 29 June, 2027

This is to certify that the management system of

Carle Foundation Hospital

611 W. Park St., Urbana, IL, 61801, USA

has been found to comply with the requirements of the:

NIAHO® Hospital Accreditation Program

Pursuant to the authority granted to DNV Healthcare USA Inc. by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, this organization is deemed in compliance with the Medicare Conditions of Participation for Hospitals (42 C.F.R. §482).

Place and date:
Cincinnati, OH, 04 June, 2024



For the issuing office:
DNV Healthcare USA Inc.
4435 Aicholtz Road, Suite 900, Cincinnati,
OH, 45245, USA



Kelly Proctor
Management Representative

Lack of fulfillment of conditions as set out in the Certification Agreement may render this Certificate invalid.
ACCREDITED UNIT: DNV Healthcare USA Inc., 4435 Aicholtz Road, Suite 900, Cincinnati, OH, 45245, USA - TEL: +1 513-947-8343. www.dnvhealthcare.com

Attachment 11

ATTACHMENT 12

Purpose of Project

Overview of Purpose

The purpose of this project is to address Carle Foundation Hospital's ("CFH") current capacity constraints, which were compounded by recent inpatient service reductions at the other hospital located in Urbana (OSF Sacred Heart Medical Center- Urbana) to enable continued access to tertiary care for patients in East Central Illinois. In September 2025, OSF Sacred Heart Medical Center- Urbana reduced its services as follows (pursuant to CON permit #25-026):

- Reduced med/surg beds from 110 to 25 (reduction of 85 beds)
- Discontinued inpatient pediatric category of service (reduction of 6 beds)
- Discontinued inpatient intensive care unit category of service (reduction of 15 beds)
- Discontinued inpatient comprehensive physical rehabilitation category of service (reduction of 25 beds)
- Discontinued cardiac catheterization category of service
- Discontinued open heart category of service

The above service reductions at Sacred Heart Medical Center- Urbana resulted in a significant influx of med/surg, step-down, observation, and cardiology patients at CFH and have compounded the capacity constraints it was already facing. Without additional med/surg and observation beds, CFH does not have enough bed capacity to meet its current demand for inpatient and observation services.

By way of background, CFH is a crucial provider in a large service area. It is a 509-bed tertiary care hospital with physicians practicing in 50+ specialties, a Level 1 trauma center, one of only three Comprehensive Stroke Centers in downstate Illinois, a Level III Perinatal Center, and an IDPH-designated Regional Hospital Coordinating Center. It is also the largest provider of Medicaid and charity care in the D-01 planning area. Due to its Level 1 trauma status and the broad array of specialized tertiary and advanced care services it offers, it is a critical hospital in a very broad region.

Since there is not any equivalent provider in the HSA 4 or HSA 5 planning areas, CFH treats higher acuity patients with longer average lengths of stay ("ALOS"). Given the large number of high acuity patients served by CFH, beds do not turn over as quickly as they do at facilities serving lower acuity patients. Accordingly, CFH's patient mix reduces the number of available beds and increases utilization. As the only hospital in the region providing specialized services, such as neuroscience services, cardiovascular services, various leading-edge technologies and advanced cancer treatments, CFH will continue to attract higher acuity patients requiring specialized care, which will contribute to increasing utilization in the future. In the absence of CFH, patients would need to travel to Chicago, Springfield, Peoria, or St. Louis to access the specialized healthcare offered at CFH.

As outlined in further detail in Attachment 12, CFH has been operating above the State Board's 90% utilization standard for medical/surgical units. Further, although CFH's historical utilization alone is sufficient to justify the proposed med/surg beds, the Applicants believe that CFH's projected med/surg utilization will exceed historical utilization given the consistent growth CFH has experienced over the past three years since the end of the COVID-19 pandemic.

The Project will also reduce the number of med/surg patients that CFH must divert due to lack of capacity. CFH has diverted well over 2,000 med/surg patients during each of the past three years and 2026 diversions are on pace to exceed those of past years. The resulting outmigration means loved ones must travel farther and cannot visit as frequently. Less frequent family visits can reduce emotional well-being, hinder communication with care staff, and make discharge more complicated.

Further, additional beds will assist with managing patient flow from the point of admission to discharge. The Project will add 22 observation beds to ensure that patients receive the appropriate level of care delivered during their stay and/or after a visit to the emergency department (ED). Managing patients in observation beds who need short-term monitoring and decision support allows the hospital to optimize bed usage and reduce overcrowding in the emergency department. It also helps to prevent unnecessary hospital admissions, reduces health care costs, and decreases patient wait times. The observation beds will allow for continued protocol-based evaluation and treatment as clinicians monitor patient's care needs for continuity of care. The additional med/surg beds will also improve patient flow. In particular, that capacity is vital following transition from more complex units, such as the ICU.

Document that the Project will provide health care services that improve the health care or well-being of the market area population to be served.

As shown in Attachment- 12A, 50.5% of CFH's med/surg admissions originated from the Hospital's primary service area. The Applicants do not expect the Project to alter the catchment area for these services.

Define the planning area or market area, or other, per the applicant's definition.

The geographic service area for the Project consists of those Illinois areas within 17 miles of the proposed site. A map of this area is attached as Attachment- 12A. Distances from the Project site to the market area borders are as follows:

- East: Fithian, Illinois (17 miles)
- South: Villa Grove, Illinois (17 miles)
- West: Monticello, Illinois (17 miles)
- North: Rantoul, Illinois (17 miles)

Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the Project.

CFH's existing capacity constraints were compounded by recent inpatient service reductions at the other hospital located in Urbana (OSF Sacred Heart Medical Center-Urbana). In September 2025, OSF Sacred Heart Medical Center- Urbana reduced its services as follows (pursuant to CON permit #25-026):

- Reduced med/surg beds from 110 to 25 (reduction of 85 beds)
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- Discontinued cardiac catheterization category of service
- Discontinued open heart category of service

The above service reductions at Sacred Heart Medical Center- Urbana resulted in a significant influx of med/surg, step-down, observation, and cardiology patients at CFH and have compounded the capacity constraints it was already facing. Without additional med/surg and observation beds, CFH does not have enough bed capacity to meet its current demand for inpatient and observation services.

Cite the sources of the information provided as documentation.

- Carle performs ongoing internal utilization studies based on internal reporting.
- IHA Compdata
- US Census Bureau
- Sg2 Market Estimates and Demand Forecasts
- HFSRB Hospital Profiles
- HFSRB Inventories and Data
- Healthcare literature regarding current trends

Detail how the Project will address or improve the previously referenced issues as well as the population's health status and well-being.

As discussed in greater detail above, CFH plans to modernize the 2nd floor of its Center Building to enable the addition of medical-surgical and observation beds. The Project will support continued access to specialized inpatient care for residents of the geographic area.

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

CFH's prevailing objective is to maintain access to inpatient care by ensuring it has sufficient med/surg and observation beds to serve the geographic service area. This goal can be achieved at the time of project completion.

ATTACHMENT 12A

The following zip codes represent the patient origin for the Project based on 2025 medical-surgical admissions at Carle Foundation Hospital. As documented below, 50.5% of the encounters originate from within the 17-Mile GSA.

Zip	Count
61821	1,744
61832	1,502
61822	1,398
61802	1,386
61866	1,047
61820	887
61801	882
61853	724
61874	514
61856	411
61953	398
60942	359
61873	346
61834	345
60957	332
61938	329
61846	274
61920	258
61880	254
61883	216
61956	193
61944	185
61858	182
61843	159
61817	150
62401	146
61910	137
61833	135
61849	133
61911	128
60936	127
61842	120
61854	117
61864	116
61878	116
62450	116

61877	111
61841	107
61847	105
60963	101
61951	95
60970	94
61813	94
60948	89
61942	89
61701	88
61913	88
61865	83
60924	81
60953	81
61859	80
62521	80
62526	80
61704	79
61727	75
61761	75
47932	74
61924	68
61884	67
61919	65
60960	64
61844	63
61876	61
62454	61
61863	57
62448	57
61875	55
62565	55
61870	54
61812	52
61840	52
60949	51
62411	50
61872	49
61816	46
62420	45
60918	44

61814	44
61862	39
62428	38
60955	37
61943	36
60952	35
61850	35
61912	35
62501	35
62522	35
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62468	28
62471	28
61770	27
60973	26
61882	25
61917	25
61929	24
62439	24
60959	23
61815	23
61932	23
62442	22
60915	21
62467	21
62839	21

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61928	19
60966	18
61811	18
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62424	18
60914	17
60933	17
61764	17
62479	17
61554	16
61739	16
61745	16
61753	16
61803	16
61826	16
61940	16
62451	16
47928	15
47993	15
61741	15
61852	15
62549	15
47974	14
47987	14
61830	14
62462	14
62557	14
62656	14
62824	14
60928	13
62458	13
47951	12
61364	12
61845	12
62418	12
62421	12
62469	12
62535	12
61530	11

61726	11
61756	11
62868	11
61744	10
61848	10
61925	10
61930	10
62426	10
62431	10
62440	10
62445	10
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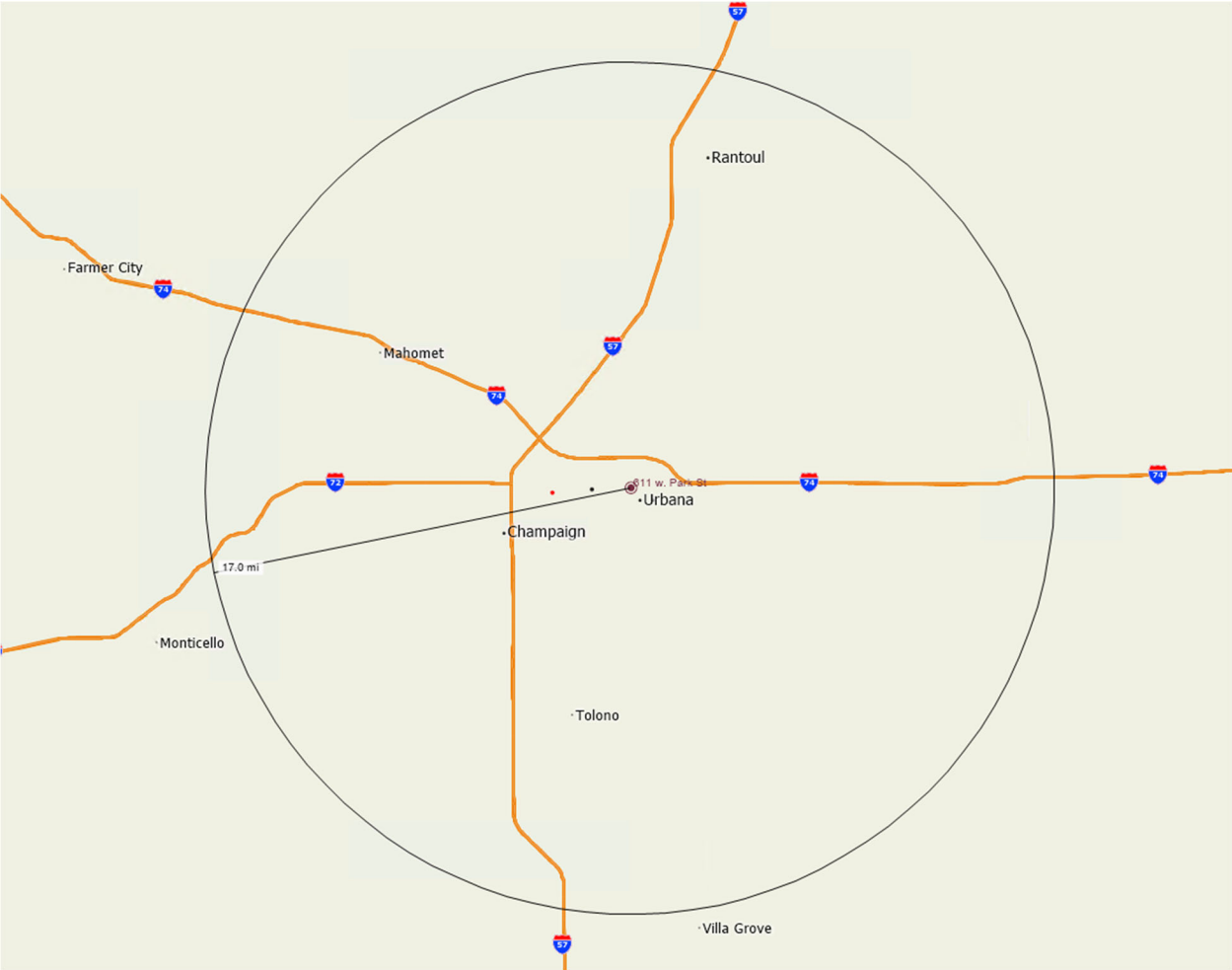
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83860	1
84328	1
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85054	1
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89521	1
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92586	1
92886	1
94506	1
94606	1
96734	1
97478	1
97720	1
98034	1
98115	1
99223	1
Total	22,283

ATTACHMENT 12B
Geographic Service Area (17-Mile Radius)



ATTACHMENT 13

Alternatives

The Applicants plan to modernize the 2nd floor of Center Building in an existing hospital to enable the addition of medical-surgical beds and observation bays. The Applicants believe that the Project is the most effective and least costly alternative to the other alternatives considered when balancing access and quality with costs. The following narrative consists of a comparison of the proposed project to alternative options.

The Applicants have considered the following alternatives:

Do nothing (\$0)

This option would not address Carle Foundation Hospital's existing capacity constraints, which were compounded by recent inpatient service reductions at the other hospital located in Urbana (OSF Sacred Heart Medical Center- Urbana). Further, it would not reduce the 2,000+ med/surg diversions that CFH has experienced over each of the past three years. It would also not improve patient flow from the point of admission to discharge.

Under this option, access, quality, patient satisfaction, and operational efficiency would be adversely affected. For these reasons, this alternative was rejected.

Vertically expand existing Carle Tower building to add greater than 16 med/surg beds (\$100,000,000)

This alternative was considered due to the magnitude of CFH's current and projected capacity constraints. However, the Applicants opted to first pursue the quickest and lowest cost alternative to address the urgent need for beds as timely as possible. The Applicants are considering additional options in addition to the Project.

Construct a replacement hospital on another site in Champaign-Urbana to add greater than 16 med/surg beds (\$375,000,000)

This alternative was considered due to the magnitude of CFH's current and projected capacity constraints. However, due to future uncertainties, the Applicants opted for a more measured approach. As space needs evolve, the Applicants will have a few options to consider.

Modernize the 2nd floor of Center Building to enable the addition of medical-surgical beds (Proposed). (\$34,322,411)

The Applicants ultimately decided to modernize the 2nd floor of Center Building in an existing hospital to enable the addition of medical-surgical and observation beds. The chosen option will promote continued access to tertiary care for patients in East Central Illinois, reduce med/surg diversions at CFH, and improve operational efficiency within the hospital.

ATTACHMENT 14

Size of Project

The Applicants plan to modernize the 2nd floor of Center Building in an existing hospital to enable the addition of medical-surgical and observation beds. Appendix B of Section 1110 of the Administrative Code documents that the maximum square footage per bed for a medical-surgical unit is 660 dgsf/bed. The Project proposes conversion of 7,591 dgsf of existing space into a 16-bed med/surg unit, which is under the state standard.

There is no size standard for observation beds under the State Board's rules.

ATTACHMENT 15

Project Services Utilization

The proposed project will include spaces for 16 additional med/surg licensed beds for a total of 367 med/surg beds. As shown in Table 1110.120 below, CFH's 2025 med/surg average daily census ("ADC"), including med/surg observation days and dedicated observation unit days was 336.3 (122,736 patient days). Given the State Board's 90% utilization standard, this recent historical ADC would justify 373.6 beds. Accordingly, the proposed 367 med/surg bed capacity complies with the State Board's occupancy rate standard.

Table 1110.120
Historical Medical/Surgical Bed Utilization

Year	M/S Admissions	M/S IP Days	M/S Observation Days ¹	Dedicated Observation Unit Days	Total Med/Surg Days	M/S ADC	Med/Surg Diversions	Lost Days due to Med/Surg Capacity Diversions ²	Lost ADC due to Med/Surg Capacity Diversions ²
2023	19,063	93,861	12,392	1,376	107,629	294.9	2,356	11,747	32.2
2024	21,590	106,133	9,604	1,803	117,540	322.0	2,694	13,432	36.8
2025	22,283	111,099	10,387	1,250	122,736	336.3	2,159	10,764	29.5

¹Excludes Dedicated Observation Unit patient days, as they are reported separately on the annual hospital questionnaire.

²Assumes Average Length of Stay of 5.0 (CFH's 2025 med/surg ALOS)

Although CFH's historical utilization alone is sufficient to justify the proposed med/surg beds, the Applicants believe that CFH's projected med/surg utilization will exceed the historical utilization described above given the consistent growth it has experienced over the past three years since the end of the COVID-19 pandemic. CFH's total med/surg and med/surg observation patient days increased by 14.0% from CY 2023 to CY 2025 (107,629 to 122,736 days). The Applicants anticipate this growth will continue in the future. Assuming this 6.8% compounded annual growth rate continues from 2025 to 2028 when the unit opens, CFH's 2028 med/surg ADC would be 409.7. Further, Table 1110.120 above shows the number of med/surg diversions CFH has experienced over the last three years due to lack of capacity. If each of these diversions were instead an admission with an average length of stay of 5.0 days (CFH's med/surg ALOS), then CFH would have an additional ADC of 29.5 for a total 2028 projected med/surg ADC of 439.2.

Section 1100.520 of the Administrative Code documents the established occupancy standard for a hospital with 200+ medical/surgical beds. The table below summarizes the proposed beds, projected volume, applicable state standard, and the Project's compliance with the state standard.

Category of Service	Proposed Beds	Historical Med/Surg Patient Days	State Standard Occupancy Rate	Projected Occupancy Rate	Met Standard?
Medical/Surgical	367	122,736 days	90%	91.6%	Yes

The proposed project will also involve modernization for observation beds. There is no utilization standard for observation beds under the State Board's rules.

ATTACHMENT 16-17
Unfinished or Shell Space

The proposed project does not entail unfinished or shell space, so this section is not applicable.

ATTACHMENTS 20-33

Not Applicable

ATTACHMENT 19
Section V, Service Specific Review Criteria
Medical Surgical

Criterion 1110.200 (b) (2) – Service to Planning Area Residents

1. 1110.200(b)(2) - Planning Area Need - Service to Planning Area Residents

The Applicants propose to add 16 medical-surgical licensed beds. The additional med/surg beds are necessary to satisfy the increased demand for med/surg services at CFH. A map of CFH's service area is attached as Attachment- 12B. As shown in Attachment- 12A, 50.5% of CFH's med/surg admissions originated from the 17-mile GSA. The Applicants do not expect the Project to alter the catchment area for these services.

Geographic Service Area (17-Mile Radius)

ZIP	Name	State	Population
61843	Fisher	IL	1,934
61840	Dewey	IL	612
61866	Rantoul	IL	13,470
61847	Gifford	IL	1,144
61862	Penfield	IL	581
61859	Ogden	IL	1,227
61873	Saint Joseph	IL	5,779
61878	Thomasboro	IL	1,127
61822	Champaign	IL	27,642
61802	Urbana	IL	20,293
61821	Champaign	IL	28,611
61820	Champaign	IL	40,599
61801	Urbana	IL	27,891
61874	Savoy	IL	8,811
61853	Mahomet	IL	14,831
61854	Mansfield	IL	1,299
61884	White Heath	IL	973
61875	Seymour	IL	846
61872	Sadorus	IL	620
61851	Ivesdale	IL	279
61856	Monticello	IL	8,226
61880	Tolono	IL	4,367
61863	Pesotum	IL	844
61956	Villa Grove	IL	2,960
61864	Philo	IL	2,003
61877	Sidney	IL	1,106

61852	Longview	IL	172
61816	Broadlands	IL	377
61849	Homer	IL	1,961
61844	Fithian	IL	1031
61812	Armstrong	IL	322
Total			221,938

Source: U.S. Census Bureau, ACS Demographic and Housing Estimates 2024 *available at data.census.gov* (last visited February 26, 2026).

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

The Applicants propose to add 16 medical-surgical licensed beds. The additional beds are necessary to reduce high utilization over the past two years at CFH and to meet the projected demand for med/surg services in the future. As shown in Table 1110.200(b)(4) below, CFH's med/surg occupancy rate has exceeded the State standard (90%) each of the past two years.

Table 1110.200 (b) (4) Historical Medical/Surgical Bed Utilization						
Year	M/S Authorized CON Beds	M/S IP Days	M/S Observation Days*	Med/Surg Unit Days	Med/Surg ADC	Occupancy Rate
2024	331	106,133	9,604	115,737	317.1	95.8%
2025	351	111,099	10,387	121,486	332.8	94.8%
*excludes Dedicated Observation Unit days						

Because no additional volumes are needed to justify the bed increase based on utilization standards, the volume projections within this application do not require additional referrals. By signing the certification pages within this application, the Applicants attest the current volumes will be maintained or increase.

1110.200(e) - Staffing availability

Carle Health has evaluated the staffing needs associated with the Project and does not anticipate any issues meeting licensure and accreditation requirements. The following factors will bolster CFH's ability to hire clinical personnel to staff the proposed medical/surgical beds:

- CFH has attained the Magnet with Distinction recognition as one of the highest-performing organizations in terms of nursing excellence and high-quality patient care.
- CFH has multiple ongoing recruitment and retention initiatives including the following:
 - Carle Student Nurse Internship Program- a seven-week paid internship open to nursing students entering their final year of a nursing program

- Our nationally accredited Nurse Residency Program demonstrates consistently strong outcomes. Throughout the first 3 to 4 months of employment, each new grad has a chance to be trained and precepted on a variety of CFH's medical-surgical units. They are then placed on the unit where the match seems the best for their interests.
- Competitive salary scale with various options.
- Incentive program to cover open shifts.
- Robust international nurse recruitment program.

1110.200(f) - Performance Requirements

CFH is located in the Champaign-Urbana Metropolitan Statistical Area ("MSA"). The minimum bed capacity for a medical-surgical category of service within an MSA is 100 beds. The proposed project will result in a 367 med/surg bed unit. Accordingly, this criterion is met.

1110.200(g) - Assurances

By signing the certification pages within this application, the Applicants attest that CFH's medical/surgical category of service will achieve target utilization by the second year after project completion.

ATTACHMENT 34
Availability of Funds

The Applicants have the following bond rating and are, therefore, not required to address Section 1120.120 Availability of Funds.

- AA- from S&P Global (July 30, 2025), included as part of Attachment- 35.

ATTACHMENT 35

Financial Viability Waiver

The Applicants have the following bond rating and, therefore, qualify for a financial viability waiver:

- AA- from S&P Global (July 30, 2025), included as part of Attachment- 35.

S&P Global
Ratings

RatingsDirect®

Research Update:

Carle Foundation, IL ICR And Debt Rating Affirmed At 'AA-'; Outlook Is Negative

July 30, 2025

Overview

- S&P Global Ratings affirmed its 'AA-' issuer credit rating (ICR) on [Carle Foundation, Ill.](#) (Carle FD), as well as its 'AA-' long-term rating and underlying rating on various issuances of the [Illinois Finance Authority's](#) bonds, issued for Carle FD.
- We also affirmed our 'AA-/A-1+' dual ratings on Carle FD's series 2021D revenue bonds. The long-term component of the rating reflects the long-term rating on Carle FD while the short-term component of the rating reflects our assessment of the standby bond purchase agreements provided by The Northern Trust Co. to provide liquidity support for the series 2021D bonds.
- We also affirmed our 'AA+/A-1' joint criteria rating on Illinois Finance Authority's series 2016B taxable variable-rate demand revenue bonds issued for Carle FD. The long-term component of the rating reflects the application of joint criteria, assuming low correlation between the underlying rating (SPUR) on Carle FD and the LOC provider, Barclays Bank PLC. S&P Global Ratings based the short-term component of the rating on the liquidity provided by Barclays Bank PLC.

Primary contact

Marc Bertrand
Chicago
1-312-233-7116
marc.bertrand
@spglobal.com

Secondary contact

Suzie R Desai
Chicago
1-312-233-7046
suzie.desai
@spglobal.com

ATTACHMENT 36
Financial Viability

As documented above, the applicants have an AA- Bond Rating. Accordingly, the Applicants are not required to address Section 1120.130 Financial Viability.

ATTACHMENT 37A
Reasonableness of Financing Arrangements

As documented above, the applicants have an AA- Bond Rating. Accordingly, the Applicants are not required to address Section 1120.140(a) Reasonableness of Financing Arrangements.

ATTACHMENT 37B
Conditions of Debt Financing

By signing the certification pages within this application, the Applicants attest that the selected form of debt financing the Project will be the lowest net cost available.

ATTACHMENT 37C
Reasonableness of Project and Related Costs

The table below shows the cost and gross square foot allocation for all clinical departments impacted by the proposed project.

Cost and Gross Square Feet by Department of Service									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost / sf		Gross sf		Gross sf		Const \$ (A x C)	Mod \$ (B x E)	
	New	Mod	New	Circ	Mod	Circ			
Med/Surg & Observation	\$812.96	14,102						\$11,464,338	\$11,464,338
Clinical Contingency	\$68.79	14,102						\$970,147	\$970,147
Total Clinical	\$881.75	14,102						\$12,434,485	\$12,434,485

The values in column C reflect the total gross square footage
Circulation is 14.0% of the gross square footage.

The following is documentation regarding whether the estimated project costs are reasonable and in compliance with the state standards, as defined in Section 1120.140 (C) of the Administrative Code,

1. Preplanning costs are 0.5% of the sum of new construction, modernization, contingency, and equipment costs, which is under the state standard of 1.8%. Therefore, this item is compliant with the state standard.
2. There are no Site Survey, Soil Investigation, and Site Preparation costs associated with the Project.
3. There is no state standard for Off-site Work.
4. There is no New Construction associated with the Project.
5. Modernization and contingency costs are estimated at \$881.75 per gross square foot. The Applicants acknowledge that this exceeds the \$716.35 per square foot cost benchmark based on RSMeans; however, this standard is not representative of the Project for the reasons outlined below:
 - Because construction will occur within an operational hospital, the scope requires overtime, enhanced infection prevention measures, and careful phasing to maintain uninterrupted patient care. These requirements increase both complexity and cost compared with a standard project site.
 - The expansion has a small footprint, which prevents the Project from benefiting from economies of scale typically available to mid-sized or larger projects. As a result, costs per square foot are higher because material and labor efficiencies are limited and fixed costs such as permitting, site

preparation, project management, design, and administrative support are spread across fewer square feet. The limited work area also constrains the number of trades and tradespeople that can work concurrently, extending the schedule and increasing overall cost.

- Construction costs are also affected by the availability of qualified construction firms and labor for hospital projects in Central Illinois. The modest size of the local market limits vendor competition, which can reduce pricing pressure and increase costs.
- Given geopolitical events, including conflict in Iran and potential tariff changes under the Trump administration, construction costs per square foot are inflated to allow for price increases and potential supply chain impacts.

6. Contingencies are 8.5% of Modernization contracts, compared with the state standard of 10%-15% for modernization projects in the schematics stage. Therefore, this item is compliant with the state standard.
7. Architectural and Engineering Fees for new construction are 6.88% of the sum of modernization contracts and the contingency budget. This is within the state standard of a range of 5.87%-8.81% for a modernization budget under \$15,000,000. Therefore, this item is compliant with the state standard.
8. There is no state standard for Consulting and Other Fees.
9. There is no state standard for Movable or Other Equipment (Not in Construction Contracts) costs in a hospital.
10. There is no state standard for Bond Issuance Expense.
11. There is no state standard for Net Interest Expense.
12. There is no Fair Market Value of Leased Space or Equipment associated with the proposed project.
13. There is no state standard for Other Costs to Be Capitalized.
14. There is no Acquisition of Building or Other Property cost associated with the proposed project. Therefore, this item is not applicable.

ATTACHMENT 37D & 37E**Projected Operating Costs & Total Effect of the Project on Capital Costs**

The table below provides information regarding costs as they relate to 12,705 patient days (91.6% occupancy of 16 additional med/surg beds and 22 observation bays).

Line 5 of the table addresses criterion 1120.140(d), Projected Operating Costs.

Line 4 of the table addresses criterion 1120.140(e), Total Effect of the Project on Capital Costs.

Review Criteria Relating to Economic Feasibility		
1	Units of Service (2030 Projected)	12,705
2	Total Capital Cost (2030 Projected)	\$2,399,000
3	Total Operating Cost (2030 Projected)	\$49,402,000
4	Capital Cost per Unit of Service	\$188.82
5	Operating Cost per Unit of Service	\$3,888.41

ATTACHMENT 38

Safety Net Impact Statement

The Applicants plan to modernize the 2nd floor of Center Building in an existing hospital to enable the addition of medical-surgical and observation beds. No services are being discontinued or added. The addition of additional med/surg and observation beds is not expected to have any adverse impact on safety net services in the community or on the ability of any other health care provider to deliver services but rather will enhance the delivery of care to vulnerable patient groups.

This Safety Net Impact Statement addresses the following requirements:

The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.

Carle Health and The Carle Foundation Hospital ("CFH") are both Illinois not-for-profit corporations with a rich history of serving vulnerable and underserved patient populations. As the largest provider of Medicaid and charity care in the D-01 planning area, CFH is an integral provider of safety net services to residents in east central Illinois. CFH is the only hospital in the region providing many specialized services, such as neuroscience services, cardiovascular services, Level I Trauma, Level III Perinatal, and various leading-edge technologies and advanced cancer treatments. Without these specialized services, residents would have to travel to Chicago, Springfield, Peoria, and St. Louis to receive tertiary care. As discussed in the Purpose of the Project narrative, it is critical that CFH remains accessible to patients. Without additional medical/surgical beds, demand will continue to exceed CFH's current medical/surgical bed complement.

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.

The proposed addition of medical/surgical beds at Carle will not adversely impact the ability of other providers or health care systems to serve patients seeking safety net services. As stated in Attachment 11, no other hospital in East Central Illinois provides the same level of specialized care as CFH. CFH is a 509-bed tertiary care hospital with physicians practicing in 50+ specialties, a Level 1 trauma center, one of only three Comprehensive Stroke Centers in downstate Illinois, a Level III Perinatal Center, and an IDPH-designated Regional Hospital Coordinating Center. Patients come to Carle to receive specialized care that is not provided at any other hospital in the region. The Applicants do not believe there will be any adverse impact on other providers or health care systems to cross-subsidize safety net services.

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

The Project does not include the discontinuation of a facility or service. As a result, an analysis regarding how reduced services will impact the community is not applicable.

Safety Net Impact Statements shall also include:

For the three fiscal years prior to the application, the applicant must also provide certification describing the amount of charity care provided by the applicant;

For the three fiscal years prior to the application, a certification of the amount of charity care provided to Medicaid patients;

Any information the applicant believes is directly relevant to safety net services.

Charity Care Information

Charity Care (# of patients)	CY23	CY24	CY25
Inpatient	1,844	2,460	2,088
Outpatient	135,811	105,971	110,000
Total	137,655	108,431	112,088
Charity Care (cost)	CY23	CY24	CY25
Inpatient	\$3,698,431	\$6,017,015	\$6,917,043
Outpatient	\$9,121,267	\$11,953,043	\$13,926,113
Total	\$12,819,698	\$17,970,058	\$20,843,156

Medicaid Information

Medicaid (# of patients)	CY23	CY24	CY25
Inpatient	5,689	6,065	5,941
Outpatient	411,954	377,857	373,069
Total	417,643	383,922	379,010
Medicaid (Revenue)	CY23	CY24	CY25
Inpatient	\$95,578,712	\$68,131,137	\$93,161,121
Outpatient	\$91,052,976	\$87,128,249	\$130,140,816
Total	\$186,631,688	\$155,259,386	\$223,301,937

ATTACHMENT 39
Charity Care

Charity care figures for Carle Foundation Hospital for the latest three audited fiscal years are provided in the table below:

Carle Foundation Hospital

	2023	2024	2025
Net Patient Revenue	\$1,233,276,000	\$1,374,681,312	\$1,573,871,209
Amount of Charity Care (charges)	\$63,023,085	\$96,431,287	\$113,537,805
Cost of Charity Care	\$12,819,698	\$17,970,058	\$20,843,156