

ORIGINAL

14-004

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD RECEIVED
APPLICATION FOR PERMIT

JAN 28 2014

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Facility/Project Identification

Facility Name:	Centegra Hospital - Woodstock		
Street Address:	3701 Doty Road		
City and Zip Code:	Woodstock 60098		
County:	McHenry	Health Service Area:	HSA-08
		Health Planning Area:	A-10

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:	Memorial Medical Center – Woodstock d/b/a Centegra Hospital - Woodstock
Address:	3701 Doty Road, Woodstock, IL 60098
Name of Registered Agent:	Mr. Michael S. Eesley, FACHE
Name of Chief Executive Officer:	Mr. Michael S. Eesley, FACHE
CEO Address:	385 Millennium Drive, Crystal Lake, IL 60012
Telephone Number:	(815)788-5825

Type of Ownership of Applicant/Co-Applicant

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

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

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:	Ms. Hadley Streng
Title:	Director of Planning and Business Development
Company Name:	Centegra Health System
Address:	385 Millennium Drive, Crystal Lake, IL 60012
Telephone Number:	(815)788-5858
E-mail Address:	hstreng@centegra.com
Fax Number:	(815)788-5263

Additional Contact

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

Name:	Ms. Andrea Rozran
Title:	Principal
Company Name:	Diversified Health Resources, Inc.
Address:	65 E. Scott Street, Chicago, IL 60610
Telephone Number:	(312)266-0466
E-mail Address:	arozran@diversifiedhealth.net
Fax Number:	(312)266-0715

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:	Centegra Health System
Address:	385 Millennium Drive, Crystal Lake, IL 60012
Name of Registered Agent:	Mr. Michael S. Eesley, FACHE
Name of Chief Executive Officer:	Mr. Michael S. Eesley, FACHE
CEO Address:	385 Millennium Drive, Crystal Lake, IL 60012
Telephone Number:	(815)788-5825

Type of Ownership of Applicant/Co-Applicant

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

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

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

Additional Contact

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

Name:	Mr. Daniel J. Lawler
Title:	Partner
Company Name:	Barnes & Thornburg, LLP
Address:	1 N. Wacker Drive, Suite 4400, Chicago, IL 60606
Telephone Number:	(312)214-4861
E-mail Address:	daniel.lawler@btlaw.com
Fax Number:	(312)759-5646

Post Permit Contact

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

Name:	Ms. Hadley Streng
Title:	Director, Planning and Business Development
Company Name:	Centegra Health System
Address:	385 Millennium Drive, Crystal Lake, IL 60012
Telephone Number:	(815)788-5858
E-mail Address:	hstreng@centegra.com
Fax Number:	(815)788-5263

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Memorial Medical Center – Woodstock d/b/a Centegra Hospital - Woodstock
Address of Site Owner:	3701 Doty Road, Woodstock, IL 60098
Street Address or Legal Description of Site:	Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, 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 <u>ATTACHMENT-2</u> , 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:	Memorial Medical Center – Woodstock d/b/a Centegra Hospital - Woodstock	
Address:	3701 Doty Road, Woodstock, IL 60098	
<input checked="" type="checkbox"/> Non-profit Corporation <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Partnership <input type="checkbox"/> Governmental <input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o 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. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. 		
APPEND DOCUMENTATION AS <u>ATTACHMENT-3</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.		

Organizational Relationships

Provide (for each co-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 #2005-5 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 #2005-5 (<http://www.hfsrb.illinois.gov>).

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 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

Substantive

Non-substantive

2. Narrative Description

Provide in the space below, 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.

This project proposes to discontinue the Obstetric Category of Service, which has 14 authorized beds, and to establish the Acute Mental Illness Category of Service with 34 authorized beds at Memorial Medical Center - Woodstock d/b/a Centegra Hospital - Woodstock.

The current space for the Obstetric Category of Service, which is the Obstetric Nursing Unit, as well as the Labor/Delivery/Recovery Suite and Newborn Nurseries, which are clinical service areas that are not categories of service, will be modernized into an Acute Mental Illness Unit as part of this project.

This CON application is being submitted simultaneously with a CON application to discontinue the Acute Mental Illness (AMI) Category of Service at Memorial Medical Center - Woodstock d/b/a Centegra Specialty Hospital - Woodstock, South Street in order to relocate that hospital's AMI Service to Centegra Hospital - Woodstock.

Both Centegra Specialty Hospital - Woodstock, South Street and Centegra Hospital - Woodstock are located in the same planning area (Planning Area 8 A-10) for the AMI Category of Service. The hospitals are located 4 miles apart, and the travel time between them is approximately 8 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)).

After Centegra Hospital - Woodstock's Obstetric Category of Service is discontinued, its caseload will be consolidated with the existing Obstetric Category of Service at Centegra Hospital - McHenry. Both hospitals are located in the same planning area (Planning Area A-10) for the Obstetric Category of Service. The hospitals are located 9 miles apart, and the travel time between them is approximately 17 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 510(d)(2)).

Centegra Specialty Hospital - Woodstock, South Street, Centegra Hospital - Woodstock, and Centegra Hospital - McHenry are owned and operated by Centegra Health System.

This project is "Substantive" in accordance with the Illinois Health Facilities Planning Act (20 ILCS 3960/12(8)(b)) because it proposes to both discontinue a service and establish a new service.

Implementation of this project is contingent upon receipt of a CON permit by Centegra Specialty Hospital - Woodstock, South Street for the discontinuation of the AMI Category of Service. The AMI Category of Service at Centegra Specialty Hospital - Woodstock, South Street, which has 36 authorized beds, will be discontinued when the AMI Category of Service becomes operational at Centegra Hospital - Woodstock, which is anticipated to occur by June 30, 2015.

The discontinuation of Centegra Hospital - Woodstock's Obstetric Category of Service is anticipated to occur by June 30, 2014, after a CON permit is granted for this application.

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 equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$65,000	\$0	\$65,000
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	\$2,850,000	\$0	\$2,850,000
Contingencies	\$427,500	\$0	\$427,500
Architectural/Engineering Fees	\$237,000	\$0	\$237,000
Consulting and Other Fees	\$201,600	\$0	\$201,600
Movable or Other Equipment (not in construction contracts)	\$343,320	\$0	\$343,320
Bond Issuance Expense (project related)	\$82,448	\$0	\$82,448
Net Interest Expense During Construction (project related)	\$94,609	\$0	\$94,609
Fair Market Value of Leased Space or Equipment	\$0	\$0	\$0
Other Costs To Be Capitalized	\$0	\$0	\$0
Acquisition of Building or Other Property (excluding land)	\$0	\$0	\$0
TOTAL USES OF FUNDS	\$4,301,477	\$0	\$4,301,477
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$0	\$0	\$0
Pledges	\$0	\$0	\$0
Gifts and Bequests	\$0	\$0	\$0
Bond Issues (project related)	\$4,301,477	\$0	\$4,301,477
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	\$4,301,477	\$0	\$4,301,477
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	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Purchase Price:	\$ _____	
Fair Market Value:	\$ _____	
The project involves the establishment of a new facility or a new category of service		
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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 \$ <u>8,186</u> .		

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:
<input type="checkbox"/> None or not applicable <input type="checkbox"/> Preliminary <input checked="" type="checkbox"/> Schematics <input type="checkbox"/> Final Working
Anticipated project completion date (refer to Part 1130.140): <u>December 31, 2015</u>
Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):
<input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed. <input type="checkbox"/> Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies <input checked="" type="checkbox"/> Project obligation 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

Are the following submittals up to date as applicable:
<input checked="" type="checkbox"/> Cancer Registry <input checked="" type="checkbox"/> APORS <input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted <input checked="" type="checkbox"/> All reports regarding outstanding permits
Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **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 department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

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 following this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which the data are 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: Centegra Hospital – Woodstock		CITY: Woodstock			
REPORTING PERIOD DATES:		From: January 1, 2012		to: December 31, 2012	
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	60	4535	16477	None	60
Obstetrics	14	1007	2438	-14	0
Pediatrics	0	0	0	0	0
Intensive Care*	12	763	2291	None	12
Comprehensive Physical Rehabilitation	0	0	0	0	0
Acute/Chronic Mental Illness	0	0	0	+34	34
Neonatal Intensive Care	0	0	0	0	0
General Long Term Care	0	0	0	0	0
Specialized Long Term Care	0	0	0	0	0
Long Term Acute Care	0	0	0	0	0
Other ((identify) Dedicated Observation	0	0	1664	0	0
TOTALS*:	86	6151	22870	+20	106

*Consistent with the 2012 IDPH Annual Hospital Profile, ICU Admissions includes 609 Direct Admissions and 154 transfers. Total Admissions includes ICU Direct Admissions only.

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) 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 manger 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 for Permit is filed on the behalf of Memorial Medical Center – Woodstock d/b/a Centegra Hospital - Woodstock* 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 for permit 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 permit application fee required for this application is sent herewith or will be paid upon request.



 SIGNATURE
Michael S. EESLEY

 PRINTED NAME
CEO

 PRINTED TITLE



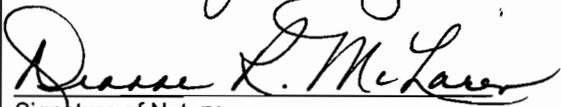
 SIGNATURE
JASON SCIARRO

 PRINTED NAME
PRESIDENT / COO

 PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 17th day of January, 2014

Notarization:
Subscribed and sworn to before me
this 17th day of January, 2014



 Signature of Notary



 Signature of Notary

Seal

Seal

*Insert EXACT legible name of applicant



CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

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

This Application for Permit is filed on the behalf of Centegra Health System * in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit 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 permit application fee required for this application is sent herewith or will be paid upon request.


SIGNATURE

Michael S. Easley
PRINTED NAME

CEO
PRINTED TITLE


SIGNATURE

JASON SCIARRO
PRINTED NAME

President / COO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 17th day of January, 2014


Signature of Notary

Seal



*Insert EXACT COPY of this seal in the space provided

Notarization:
Subscribed and sworn to before me
this 17th day of January, 2014


Signature of Notary

Seal



SECTION II. DISCONTINUATION

This Section is applicable to any project that involves discontinuation of a health care facility or a category of service. **NOTE:** If the project is solely for discontinuation and if there is no project cost, the remaining Sections of the application are not applicable.

Criterion 1110.130 - 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 is to be discontinued.
2. Identify all of 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. 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 60 days following the date of discontinuation.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.130(b) for examples.

IMPACT ON ACCESS

1. Document that the discontinuation of each service or of the entire facility will not 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 45 minutes travel time of the applicant facility.
3. Provide copies of impact statements received from other resources or health care facilities located within 45 minutes travel time, that indicate the extent to which the applicant's workload will be absorbed without conditions, limitations or discrimination.

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.

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

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 certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. 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.**
4. 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 the information has been 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 is able to 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.

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, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as 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 age and condition and 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 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** of 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 1110.234 - 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.**
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;
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
 - c. The project involves the conversion of existing space that results in excess square footage.

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.

C. Criterion 1110.730 - Acute Mental Illness and Chronic Mental Illness

- Applicants proposing to establish, expand and/or modernize Acute Mental Illness and Chronic Mental Illness category 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
<input checked="" type="checkbox"/> Acute Mental Illness	0	34
<input type="checkbox"/> Chronic Mental Illness		

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

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.730(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.730(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.730(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.730(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.730(b)(5) - Planning Area Need - Service Accessibility	X		
1110.730(c)(1) - Unnecessary Duplication of Services	X		
1110.730(c)(2) - Maldistribution	X		
1110.730(c)(3) - Impact of Project on Other Area Providers	X		
1110.730(d)(1) - Deteriorated Facilities			X
1110.730(d)(2) - Documentation			X
1110.730(d)(3) - Documentation Related to Cited Problems			X
1110.730(d)(4) - Occupancy			X
1110.730(e(1)) - Staffing Availability	X	X	
1110.730(f) - Performance Requirements	X	X	X
1110.730(g) - Assurances	X	X	X
APPEND DOCUMENTATION AS <u>ATTACHMENT-22</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)

VIII. - 1120.120 - Availability of Funds

Not applicable because Centegra Health System has an A- Bond Rating.

The applicant shall document that 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:**

	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: <ol style="list-style-type: none"> 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 time table 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 time table of receipts;
	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: <ol style="list-style-type: none"> 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.
		TOTAL FUNDS AVAILABLE

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

IX. 1120.130 - Financial Viability

Not applicable because Centegra Health System has an A- Bond Rating.

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 of the projects 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-37, 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.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (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.

2. 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 38, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 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 of the cash and equivalents must be retained in the balance sheet asset accounts in order 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

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)	
AMI	n/a	\$188.12	n/a	n/a	15,150	n/a	n/a	\$2,850,000	\$2,850,000
Contingency	n/a	\$28.22	n/a	n/a	n/a	n/a	n/a	\$427,500	\$427,500
TOTALS	n/a	\$216.34	n/a	n/a	15,150	n/a	n/a	\$3,277,500	\$3,277,500

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

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

XI. Safety Net Impact Statement

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:

1. 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.
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 a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of 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 43.

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

Total			
Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT-40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XII. Charity Care Information

Charity Care information **MUST** be furnished for ALL projects.

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.

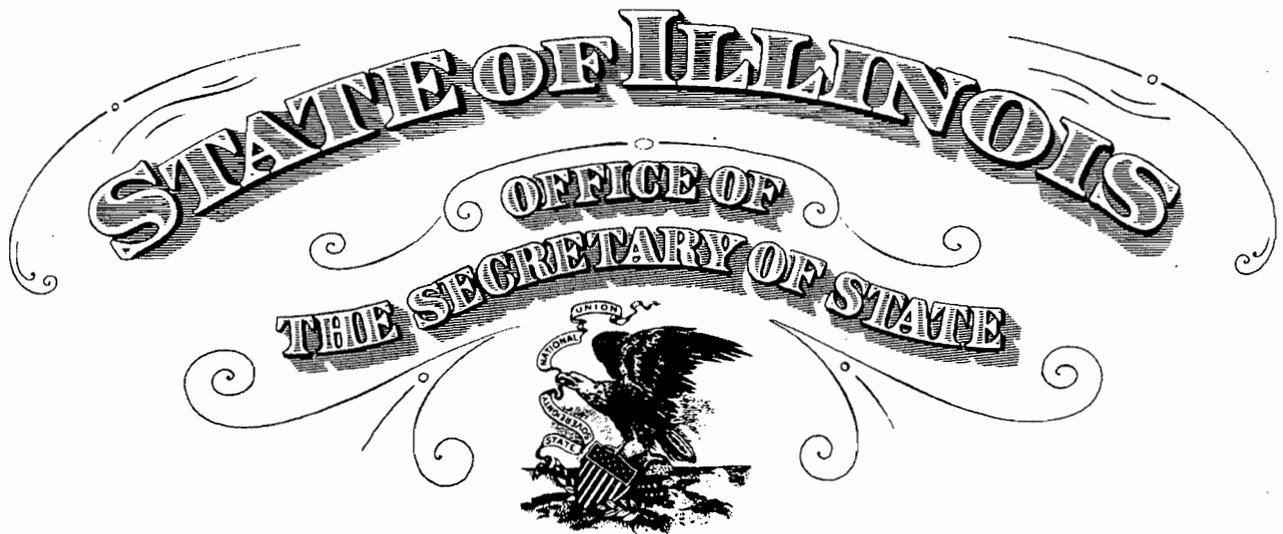
A table in the following format must be provided for all facilities as part of Attachment 44.

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

APPEND DOCUMENTATION AS ATTACHMENT-41, 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 attachments included as part of the project's application for permit:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant/Coapplicant Identification including Certificate of Good Standing	24-25
2	Site Ownership	26-32
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	33
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	34-35
5	Flood Plain Requirements	36-40
6	Historic Preservation Act Requirements	41-42
7	Project and Sources of Funds Itemization	43-46
8	Obligation Document if required	
9	Cost Space Requirements	47
10	Discontinuation	48-53
11	Background of the Applicant	54-71
12	Purpose of the Project	72-85
13	Alternatives to the Project	86-88
14	Size of the Project	89
15	Project Service Utilization	90-91
16	Unfinished or Shell Space	
17	Assurances for Unfinished/Shell Space	
18	Master Design Project	
19	Mergers, Consolidations and Acquisitions	
	Service Specific:	
20	Medical Surgical Pediatrics, Obstetrics, ICU	
21	Comprehensive Physical Rehabilitation	
22	Acute Mental Illness	92-109
23	Neonatal Intensive Care	
24	Open Heart Surgery	
25	Cardiac Catheterization	
26	In-Center Hemodialysis	
27	Non-Hospital Based Ambulatory Surgery	
28	Selected Organ Transplantation	
29	Kidney Transplantation	
30	Subacute Care Hospital Model	
31	Children's Community-Based Health Care Center	
32	Community-Based Residential Rehabilitation Center	
33	Long Term Acute Care Hospital	
34	Clinical Service Areas Other than Categories of Service	
35	Freestanding Emergency Center Medical Services	
	Financial and Economic Feasibility:	
36	Availability of Funds	
37	Financial Waiver	
38	Financial Viability	
39	Economic Feasibility	114-115
40	Safety Net Impact Statement	116-133
41	Charity Care Information	134-136



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

MEMORIAL MEDICAL CENTER-WOODSTOCK, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 09, 1914, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1334401716

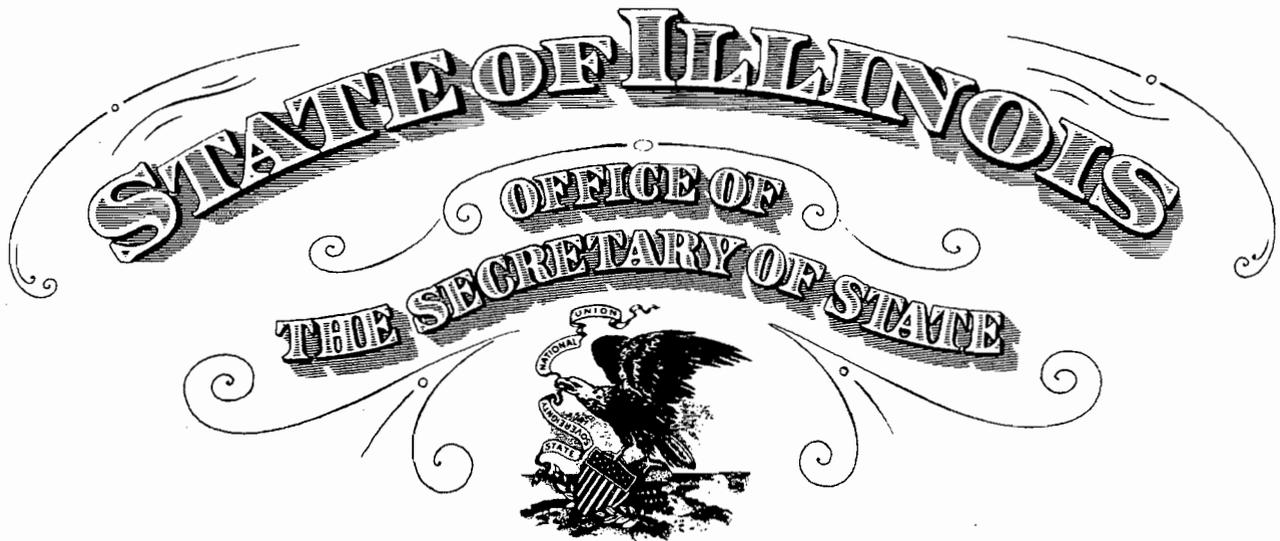
Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 10TH day of DECEMBER A.D. 2013

Jesse White

SECRETARY OF STATE

ATTACHMENT-1, PAGE 1



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

CENTGRA HEALTH SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JUNE 01, 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 10TH day of DECEMBER A.D. 2013 .

Jesse White

Authentication #: 1334401648

Authenticate at: <http://www.cyberdriveillinois.com>

SECRETARY OF STATE

ATTACHMENT-1, PAGE 2

Commitment for Title Insurance

American Land
Title Association
Commitment - 1966

TICOR TITLE INSURANCE COMPANY, a California corporation, herein called the Company, for a valuable consideration, hereby commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefor; all subject to the provisions of Schedule A and B and to the Conditions and Stipulations hereof.

This Commitment shall be effective only when the identity of the proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A hereof

by the Company, either at the time of the issuance of this Commitment or by subsequent endorsement.

This Commitment is preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate 180 days after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company.

This Commitment shall not be valid or binding until countersigned below by an authorized signatory of the Company.

Issued by:
NORTHERN LAND TITLE CORPORATION
766 RUSSELL COURT
WOODSTOCK, IL 60098
(315) 338-6570

TICOR TITLE INSURANCE COMPANY

By



President

Attest



Secretary



Authorized Signatory

SCHEDULE A

Commitment No.: M26305 AMENDED II.

Effective Date of Commitment: MARCH 19, 2002 @ 1:05 P.M.

Your Reference:

Prepared For: BELL, BOYD & LLOYD

Inquiries Should be Directed to: HERBERT J SCHILLER
(815) 338-6570

1. POLICY OR POLICIES to be issued:

ALTA OWNER'S POLICY - FORM B - 1987

PROPOSED INSURED:

ALTA Loan Policy 1987

AMOUNT: \$ 1,000,000.00

PROPOSED INSURED:

TO BE DETERMINED

2. The estate or interest in the land described or referred to in this Commitment and covered herein is:

Fee Simple.

3. Title to said estate or interest in said land is at the effective date hereof vested in:

MEMORIAL MEDICAL CENTER-WOODSTOCK, AN ILLINOIS NOT FOR PROFIT CORPORATION

Tiior Title Insurance Company

SCHEDULE A CONTINUED

Commitment No. M26305

4. The land referred to in this Commitment is located in the County of MCHENRY State of Illinois and described as follows:

THAT PART OF THE SOUTHWEST QUARTER OF THE NORTHEAST AND PART OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND PART OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER ALL IN SECTION 22 TOWNSHIP 44 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN BEING DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 22; THENCE SOUTH 00 DEGREES 14 MINUTES 59 SECONDS WEST (ASSUMED BEARING) ALONG THE WEST LINE THEREOF, 66.00 FEET; THENCE SOUTH 89 DEGREES 39 MINUTES 08 SECONDS EAST ALONG A LINE PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 22, A DISTANCE OF 811.40 FEET TO THE CENTER LINE OF U.S. ROUTE 14; THENCE SOUTH 40 DEGREES 00 MINUTES 33 SECONDS EAST, ALONG SAID CENTER LINE, 77.10 FEET; THENCE SOUTHEASTERLY CONTINUING ALONG SAID CENTER LINE 900.00 FEET ALONG A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 8594.40 FEET, THE CHORD OF SAID CURVE BEARS SOUTH 43 DEGREES 00 MINUTES 32 SECONDS EAST, 899.59 FEET TO A POINT OF COMPOUND CURVATURE; THENCE SOUTHEASTERLY 545.70 FEET ALONG SAID CENTER LINE AND SAID COMPOUND CURVE TO THE LEFT, HAVING A RADIUS OF 1014.50 FEET, THE CHORD OF SAID CURVE BEARS SOUTH 61 DEGREES 25 MINUTES 07 SECONDS EAST, 539.14 FEET; THENCE SOUTH 76 DEGREES 49 MINUTES 42 SECONDS EAST ALONG SAID CENTER LINE, 76.73 FEET TO A LINE 708.47 FEET EAST OF (AS MEASURED AT RIGHT ANGLES) AND PARALLEL WITH THE WEST LINE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 22 AND THE POINT OF BEGINNING; THENCE SOUTH 76 DEGREES 49 MINUTES 42 SECONDS EAST CONTINUING ALONG SAID CENTER LINE, 628.08 FEET TO THE EAST LINE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 22; THENCE SOUTH 00 DEGREES 06 MINUTES 33 SECONDS WEST ALONG SAID EAST LINE, 30.80 FEET, THENCE NORTH 76 DEGREES 49 MINUTES 42 SECONDS WEST, 40.99 FEET TO THE WEST LINE OF DOTY ROAD AS DEDICATED TO THE CITY OF WOODSTOCK AND RECORDED AUGUST 17, 1994 AS DOCUMENT NO. 94R048603; THENCE SOUTH 00 DEGREES 08 MINUTES 50 SECONDS WEST ALONG THE WEST LINE OF DOTY ROAD PER SAID DOCUMENT NO. 94R048603, A DISTANCE OF 958.32 FEET TO THE NORTH LINE OF MEMORIAL DRIVE AS DEDICATED PER SAID DOCUMENT NO. 94R048603; THENCE NORTH 89 DEGREES 51 MINUTES 10 SECONDS WEST ALONG SAID NORTH LINE OF MEMORIAL DRIVE, 866.24 FEET (RECORD 866.39 FEET); THENCE WESTERLY 49.82 FEET CONTINUING ALONG SAID NORTH LINE OF MEMORIAL DRIVE, BEING A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 480.00 FEET, THE CHORD OF SAID CURVE BEARS NORTH 86 DEGREES 52 MINUTES 46 SECONDS WEST, 49.80 FEET TO THE NORTHWEST CORNER OF SAID MEMORIAL DRIVE; THENCE WESTERLY, NORTHWESTERLY AND NORTHERLY 704.73 FEET, CONTINUING ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 480.00 FEET, THE CHORD OF SAID CURVE BEARS NORTH 41 DEGREES 50 MINUTES 44 SECONDS WEST, 643.12 FEET TO A POINT OF REVERSE CURVATURE; THENCE NORTHERLY 79.95 FEET ALONG SAID REVERSE CURVE TO THE LEFT, HAVING A RADIUS OF 756.93 FEET, THE CHORD OF SAID CURVE BEARS NORTH 02 DEGREES 48 MINUTES 45 SECONDS WEST, 79.95 FEET TO A LINE 300.00 FEET SOUTH OF (AS MEASURED AT RIGHT ANGLES) AND PARALLEL WITH THE NORTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER AND THE NORTH LINE OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 22; THENCE SOUTH 89 DEGREES 40 MINUTES 08 SECONDS ALONG SAID PARALLEL LINE, 778.07 FEET TO A LINE 708.47 FEET EAST OF (AS MEASURED AT RIGHT ANGLES) AND PARALLEL WITH THE WEST LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER AND THE WEST LINE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 22; THENCE NORTH 00 DEGREES 10 MINUTES 42 SECONDS EAST ALONG SAID PARALLEL LINE, 563.51 FEET TO THE POINT OF BEGINNING, ALL IN MCHENRY

Ticor Title Insurance Company

COUNTY, ILLINOIS.

ALSO INCLUDING A
THE EAST 39.00 FEET (AS MEASURED AT RIGHT ANGLES) OF THE FOLLOWING-DESCRIBED
PROPERTY HEREINAFTER BEING REFERRED TO AS THE "UNDERLYING PROPERTY");
THE EAST 314.02 FEET (AS MEASURED AT RIGHT ANGLES) OF THE WEST 708.47 FEET (AS
MEASURED AT RIGHT ANGLES) OF THE NORTH 300.00 FEET (AS MEASURED AT RIGHT ANGLES) OF
THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 22, TOWNSHIP 44 NORTH,
RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN; TOGETHER WITH THE EAST 314.02 FEET
(AS MEASURED AT RIGHT ANGLES) OF THE WEST 708.47 FEET (AS MEASURED AT RIGHT ANGLES)
OF THAT OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER LYING SOUTH OF THE CENTER
LINE OF U.S. ROUTE 14 IN SECTION 22, TOWNSHIP 44 NORTH, RANGE 7, EAST OF THE THIRD
PRINCIPAL MERIDIAN, MCHENRY COUNTY, ILLINOIS.

ALSO INCLUDING B
COMMENCING AT THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER
OF SAID SECTION 22; THENCE SOUTH 00 DEGREES 14 MINUTES 59 SECONDS WEST (ASSUMED
BEARING) ALONG THE WEST LINE THEREOF, 66.00 FEET; THENCE SOUTH 89 DEGREES 39 MINUTES
08 SECONDS EAST ALONG A LINE PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER
OF THE NORTHWEST QUARTER OF SAID SECTION 22, A DISTANCE OF 811.40 FEET TO THE CENTER
LINE OF U.S. ROUTE 14; THENCE SOUTH 40 DEGREES 00 MINUTES 32 SECONDS EAST, ALONG SAID
CENTER LINE, 77.10 FEET; THENCE SOUTHEASTERLY CONTINUING ALONG SAID CENTER LINE,
900.00 FEET ALONG A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 8594.40 FEET, THE
CHORD OF SAID CURVE BEARS SOUTH 43 DEGREES 00 MINUTES 32 SECONDS EAST, 899.59 FEET
TO A POINT OF COMPOUND CURVATURE; THENCE SOUTHEASTERLY 290.06 FEET ALONG SAID
CENTERLINE AND SAID COMPOUND CURVE TO THE LEFT, HAVING A RADIUS OF 1014.50 FEET, THE
CHORD OF SAID CURVE BEARS SOUTH 54 DEGREES 11 MINUTES 59 SECONDS EAST, 289.08 FEET
TO A LINE 394.45 FEET EAST OF (AS MEASURED AT RIGHT ANGLES) AND PARALLEL WITH THE
WEST LINE OF THE NORTHEAST QUARTER AND THE WEST LINE OF THE SOUTHEAST QUARTER OF
SAID SECTION 22; THENCE SOUTH 00 DEGREES 10 MINUTES 42 SECONDS WEST ALONG SAID
PARALLEL LINE, 668.01 FEET TO A LINE 300.00 FEET SOUTH OF (AS MEASURED AT RIGHT
ANGLES) AND PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION
22, ALSO BEING THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 40 MINUTES 08 SECONDS
WEST, 157.00 FEET; THENCE NORTH 00 DEGREES 10 MINUTES 42 SECONDS EAST, 130.85 FEET;
THENCE SOUTH 89 DEGREES 40 MINUTES 08 SECONDS EAST, 157.00 FEET; THENCE SOUTH 00
DEGREES 10 MINUTES 42 SECONDS WEST, 130.85 FEET TO THE POINT OF BEGINNING, ALL IN
MCHENRY COUNTY, ILLINOIS.

Ticor Title Insurance Company

PARCEL 3: THE EAST 39.00 FEET (AS MEASURED AT RIGHT ANGLES) OF THE FOLLOWING DESCRIBED PROPERTY HEREINAFTER BEING REFERRED TO AS THE "UNDERLYING PROPERTY": THE EAST 314.02 FEET (AS MEASURED AT RIGHT ANGLES) OF THE WEST 708.47 FEET (AS MEASURED AT RIGHT ANGLES) OF THE NORTH 300.00 FEET (AS MEASURED AT RIGHT ANGLES) OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 22, TOWNSHIP 44 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN; TOGETHER WITH THE EAST 314.02 FEET (AS MEASURED AT RIGHT ANGLES) OF THE WEST 708.47 FEET (AS MEASURED AT RIGHT ANGLES) OF THAT PART OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER LYING SOUTH OF THE CENTER LINE OF U.S. ROUTE 14 IN SECTION 22, TOWNSHIP 44 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN, MCHENRY COUNTY, ILLINOIS.

Ticor Title Insurance Company

SCHEDULE B

Commitment No. M26305

I. The following are the requirements to be complied with:

1. Instruments necessary to create the estate or interest to be insured must be properly executed, delivered and duly filed for record.

II. Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

2. Standard Exceptions:

- (a) Rights or claims of parties in possession not shown by the public records.
- (b) Easements, or claims of easements, not shown by the public records.
- (c) Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey or inspection of the premises.
- (d) Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

3. SPECIAL EXCEPTIONS:

- 1. GENERAL TAXES FOR THE YEAR 2001 and 2002, NOT YET DUE AND PAYABLE.
PERMANENT REAL ESTATE INDEX NO.: 13-22-401-008; 13-22-401-006; 13-22-300-008.
- 2. RIGHTS OF WAY FOR DRAINAGE DITCHES, TILES, FEEDERS AND LATERALS, IF ANY.
- 3. RIGHTS OF THE STATE OF ILLINOIS, THE MUNICIPALITY AND THE PUBLIC IN AND TO THAT PART OF THE LAND WHICH MAY FALL IN STREETS AND HIGHWAYS.
- 4. GAS LINE EASEMENT GRANTED TO NORTHERN ILLINOIS GAS COMPANY BY INSTRUMENT RECORDED AUGUST 28, 1961 AS DOCUMENT NO. 390632 OVER PART OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 22.
- 5. RIGHTS OF THE PUBLIC, THE STATE OF ILLINOIS AND THE MUNICIPALITY IN AND TO SO MUCH OF THE LAND ACQUIRED FOR ROAD PURPOSES BY INSTRUMENT RECORDED APRIL 18, 1924 IN BOOK 8 OF MISCELLANEOUS RECORDS, PAGE 103.
- 6. RIGHTS OF THE PUBLIC, THE STATE OF ILLINOIS AND THE MUNICIPALITY IN AND TO THAT PART OF THE LAND, IF ANY, TAKEN OR USED FOR ROAD PURPOSES. (AFFECTS THAT PART OF THE LAND FALLING IN U.S. ROUTE 14 AND DOTY ROAD)

CONTINUED

Ticor Title Insurance Company

 No. 2-C
 Waiver
 NLTC
 Date 3/28/02

7. COVENANTS, CONDITIONS AND RESTRICTIONS MADE BY AMCORE BANK N.A. AS TRUSTEE UNDER TRUST NO. 772 AND AMCORE BANK N.A. WOODSTOCK, AS TRUSTEE UNDER TRUST NO. 3025 AND MEMORIAL HOSPITAL (OMITTING ANY SUCH COVENANT, CONDITION OR RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN UNLESS AND ONLY TO THE EXTENT THAT SAID COVENANT (A) IS EXEMPT UDER CHAPTER 42, SECTION 3607 OF THE UNITED STATES CODE OR (B) RELATES TO HANDICAP BUT DOES NOT DISCRIMINATE AGAINST HANDICAPPED PERSONS), AS CONTAINED IN AN INSTRUMENT RECORDED SEPTEMBER 7, 1990 AS DOCUMENT NO. 90R 033347.

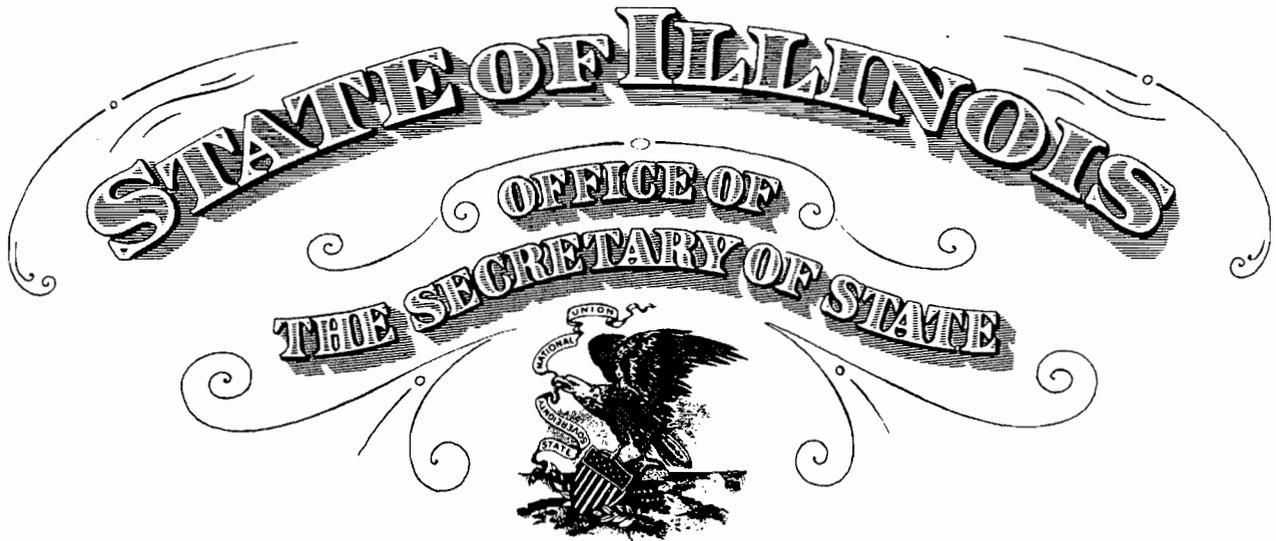
SAID COVENANTS, CONDITIONS AND RESTRICTIONS DO NOT PROVIDE FOR A REVERSION OF TITLE IN THE EVENT OF A BREACH THEREOF.

8. EASEMENT IN FAVOR OF THE CITY OF WOODSTOCK, AN ILLINOIS MUNICIPAL CORPORATION, FOR THE PURPOSE OF CONSTRUCTING, LAYING AND MAINTAINING SANITARY SEWAGE FACILITIES AND WATER MAIN FACILITIES RECORDED APRIL 14, 1994 AS DOCUMENT NO. 94R 024650 AFFECTING PART OF THE LAND, AND THE TERMS AND PROVISIONS CONTAINED THEREIN.
9. RIGHTS OF THE PUBLIC, THE STATE OF ILLINOIS AND THE MUNICIPALITY IN AND TO SO MUCH OF THE LAND ACQUIRED FOR ROAD PURPOSES BY INSTRUMENT RECORDED AUGUST 17, 1994 AS DOCUMENT NO. 94R 048603.
10. EASEMENT AGREEMENT ENTERED INTO BY AND BETWEEN MEMORIAL MEDICAL CENTER - WOODSTOCK, AN ILLINOIS NOT-FOR-PROFIT CORPORATION AND NIMED CORP., AN ILLINOIS NOT-FOR-PROFIT CORPORATION AS CONTAINED IN AN INSTRUMENT RECORDED MARCH 6, 2002 AS DOCUMENT NO. 2002R0021542, AND THE PROVISIONS AND CONDITIONS CONTAINED THEREIN.

NOTE: AMENDED AND RESTATED AGREEMENT DATED MARCH 15, 2002 AND RECORDED MARCH 19, 2002 AS DOCUMENT NO. 2002R0025730.

11. THE MORTGAGE WHICH WE HAVE BEEN ASKED TO INSURE SHOULD BE PLACED OF RECORD AND OUR SEARCHES CONTINUED TO COVER THE RECORDING.
12. NOTE: OUR LOAN POLICY WHEN ISSUED, WILL CONTAIN AN ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT.

**** Schedule B consists of 2 pages ****



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

MEMORIAL MEDICAL CENTER-WOODSTOCK, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 09, 1914, 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 10TH day of DECEMBER A.D. 2013 .

Jesse White

Authentication #: 1334401716

Authenticate at: <http://www.cyberdriveillinois.com>

SECRETARY OF STATE

ATTACHMENT-3

I.
Organizational Relationships

This project has 2 co-applicants: Centegra Hospital – Woodstock and Centegra Health System.

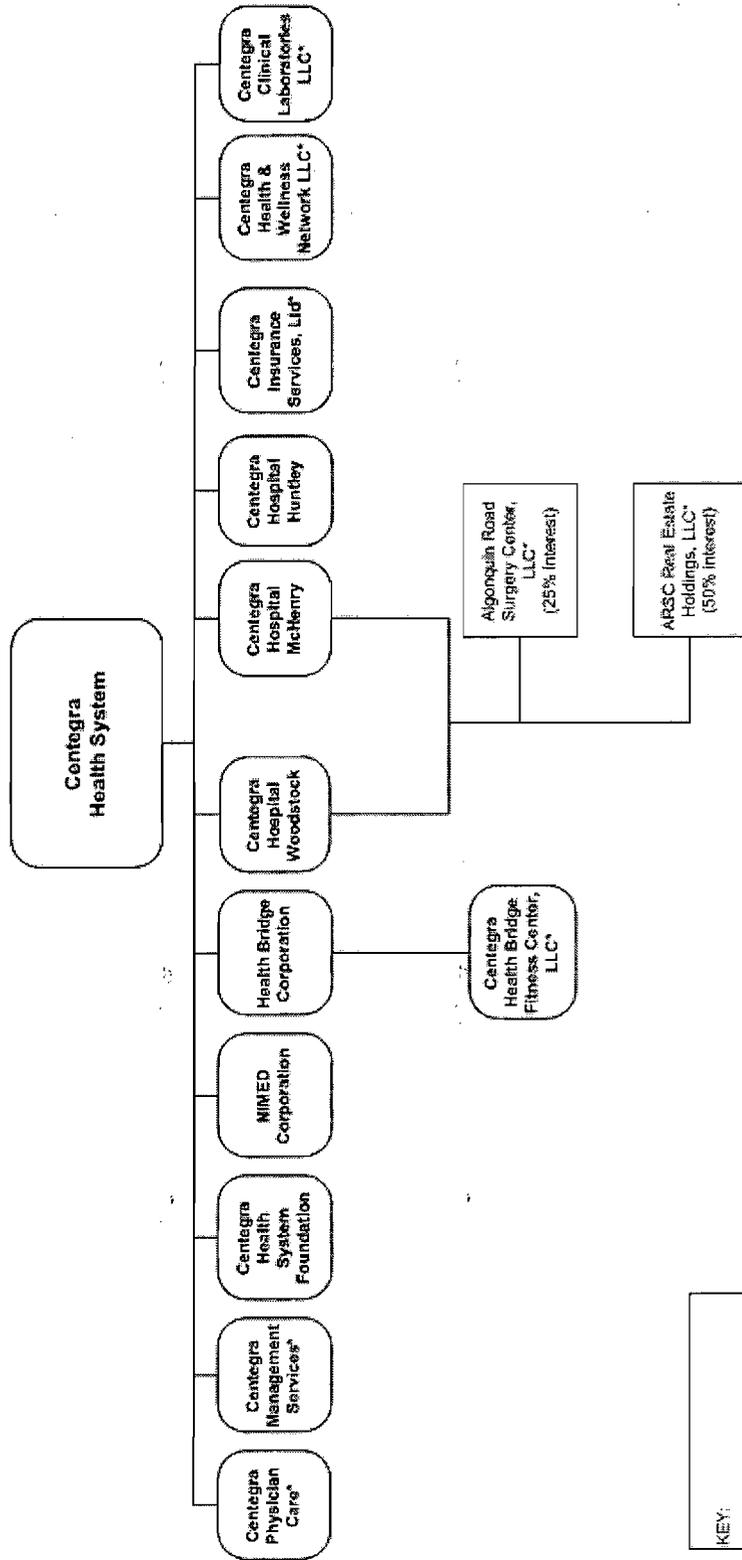
As will be seen on the Organizational Chart that appears on the following page and as discussed in Attachment 11, Centegra Health System is the sole corporate member of Centegra Hospital – Woodstock.

Centegra Health System currently operates 3 hospitals: Northern Illinois Medical Center d/b/a Centegra Hospital - McHenry; Memorial Medical Center – Woodstock d/b/a Centegra Hospital - Woodstock; and Memorial Medical Center - Woodstock d/b/a Centegra Specialty Hospital - Woodstock, South Street. Centegra Health System also is the sole corporate member of Centegra Hospital – Huntley which was granted a CON permit by the Illinois Health Facilities and Services Review Board on July 24, 2012 but is not yet operational.

Revenue bonds for the project will be issued in the name of the Centegra Health System.

A Corporate Organization Chart will be found on the next page.

CORPORATE STRUCTURE AND GOVERNANCE
 The following chart depicts the corporate relationships among the
 System and its affiliates.



KEY: _____ Affiliate Relationship
 * Indicates Non 501(c)(3) entities

I.
Flood Plain Requirements

The following pages of this Attachment include the most recent documents regarding Centegra Hospital - Woodstock's compliance with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas.

These documents include an Illinois State Water Survey Special Flood Hazard Area Determination dated December 5, 2007, stating that the hospital currently known as Centegra Hospital - Woodstock (formerly Centegra Memorial Medical Center), located at 3701 Doty Road in Woodstock, is not located in a Special Flood Hazard Area. A Flood Insurance Rate Map (FIRM) for Centegra Hospital - Woodstock, documenting the same is attached.

A review of the FEMA website indicates that, as of December 26, 2013, this FEMA Flood Insurance Rate Map remains effective and that no update to this map is currently scheduled.

A statement attesting to the project's compliance with the requirements of Illinois Executive Order #2006-5, Construction Activities in Special Flood Hazard Areas, is found on Page 5 of this Attachment.



Illinois State Water Survey

Main Office • 2204 Griffith Drive • Champaign, IL 61820-7495 • Tel (217) 333-2210 • Fax (217) 333-6540
Peoria Office • P.O. Box 697 • Peoria, IL 61652-0697 • Tel (309) 671-3196 • Fax (309) 671-3106



Special Flood Hazard Area Determination pursuant to Governor's Executive Order 5 (2006) (supersedes Governor's Executive Order 4 (1979))

Requester: Michael I. Copelin
Address: Copelin Health Care Consulting, 42 Birch Lake Dr.
City, state, zip: Sherman, IL 62684 Telephone: (217) 496-3712

Site description of determination:

Site address: Centegra Memorial Medical Center buildings including proposed Women's Pavilion**
3701 Doty Rd.
City, state, zip: Woodstock, IL 60098
County: McHenry Sec $\frac{1}{4}$: NW $\frac{1}{4}$ of SE $\frac{1}{4}$ Section: 22 T. 44 N. R. 7 E. PM: 3rd
Subject area: The area bounded by Doty Road on the east, U.S. 14 on the north, Memorial Drive on the south, and on the west the west line of the E 900 ft of the W $\frac{1}{4}$ of the E $\frac{1}{4}$ of Sec. 22, T44N R07E, 3rd P.M., McHenry County IL.
****This determination does not include the entire hospital property. Any future construction or grading activity south of existing Memorial Drive will require IDNR Office of Water Resources permit review.**

The area described above** IS NOT located in a Special Flood Hazard Area or a shaded Zone X floodzone.
Floodway mapped: No Floodway on property: No
Sources used: FEMA Flood Insurance Rate Map (FIRM, copy attached); KahlerSlater ground floor plan 07-0920 excerpt.
Community name: City of Woodstock, IL Community number: 170488
Panel/map number: 17111C0200 J Effective Date: November 16, 2006
Flood zone: X [unshaded] Base flood elevation: N/A ft NGVD 1929

- N/A a. The community does not currently participate in the National Flood Insurance Program (NFIP). NFIP flood insurance is not available; certain State and Federal assistance may not be available.
- N/A b. Panel not printed: no Special Flood Hazard Area on the panel (panel designated all Zone C or unshaded X).
- N/A c. No map panels printed: no Special Flood Hazard Areas within the community (NSFHA).

The primary structures in the subject area**:

- N/A d. Is located in a Special Flood Hazard Area. Any activity on the property must meet State, Federal, and local floodplain development regulations. Federal law requires that a flood insurance policy be obtained as a condition of a federally-backed mortgage or loan that is secured by the building.
- N/A e. Is located in shaded Zone X or B (500-yr floodplain). Conditions may apply for local permits or Federal funding.
- X f. Is not located in a Special Flood Hazard Area or a 500-year floodplain. (Flood insurance may still be available.)
- N/A g. A determination of the building's exact location cannot be made on the current FEMA flood hazard map.
- N/A h. Exact structure location is not available or was not provided for this determination.

Note: This determination is based on the current Federal Emergency Management Agency (FEMA) flood hazard map for the community. This letter does not imply that the referenced property will or will not be free from flooding or damage. A property or structure not in a Special Flood Hazard Area may be damaged by a flood greater than that predicted on the FEMA map or by local drainage problems not mapped. This letter does not create liability on the part of the Illinois State Water Survey, or employee thereof for any damage that results from reliance on this determination. This letter does not exempt the project from local stormwater management regulations.

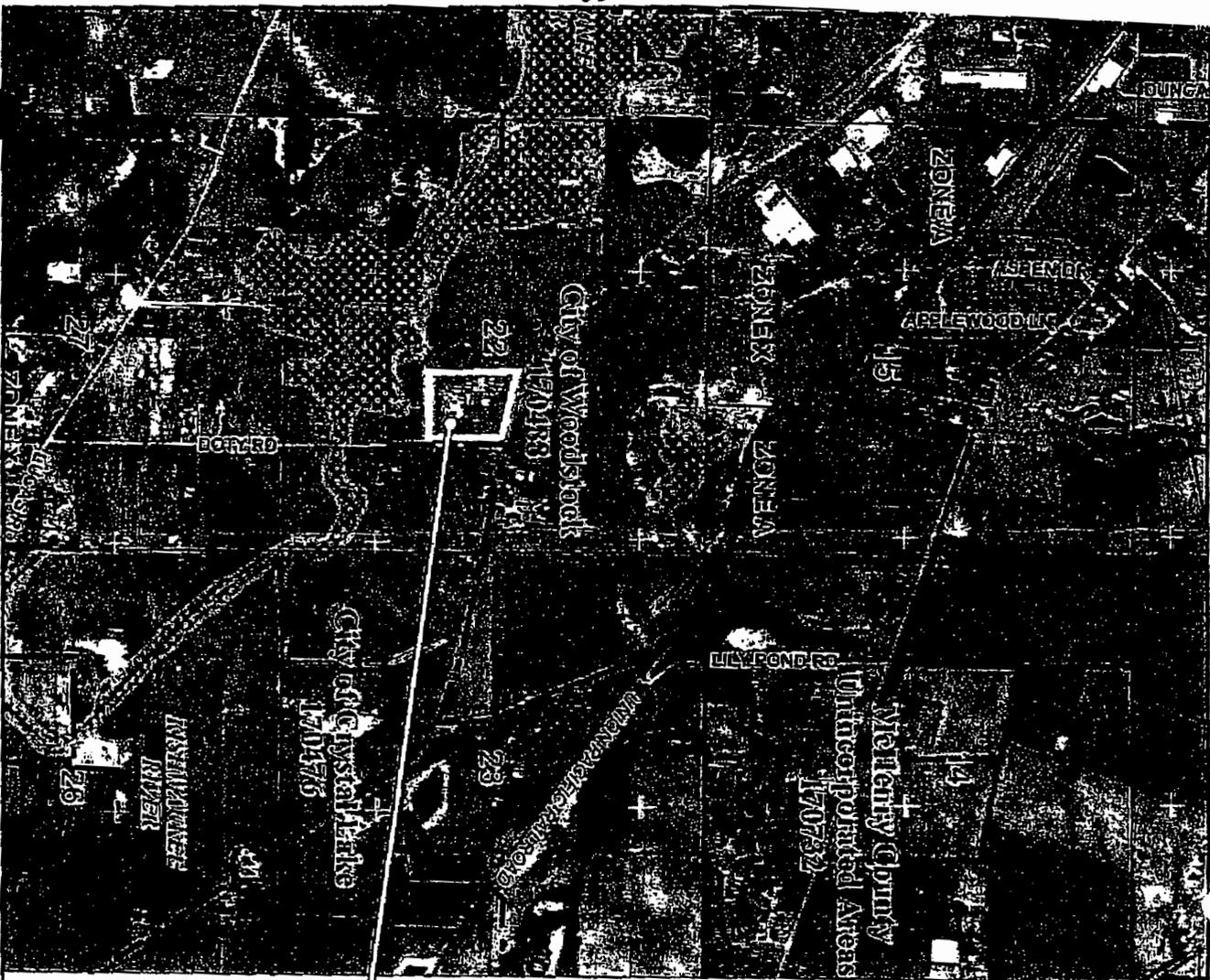
Questions concerning this determination may be directed to Bill Saylor (217/333-0447) at the Illinois State Water Survey. Questions concerning requirements of Governor's Executive Order 5 (2006), or State floodplain regulations, may be directed to John Lentz (847/608-3100 x2022) at the IDNR Office of Water Resources.

William Saylor
William Saylor, CFM IL-02-00107, Illinois State Water Survey

Title: ISWS Surface Water & Floodplain Information Date: 12/5/2007

Printed on recycled paper

ATTACHMENT-5, PAGE 2



SUBJECT AREA

JOINS PANEL 0215

5 COUNT

NATIONAL FLOOD INSURANCE PROGRAM

FIRM

PANEL 0200J

FLOOD INSURANCE RATE MAP

MCHENRY COUNTY, ILLINOIS AND INCORPORATED AREAS

PANEL 200 OF 365

(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

COUNTY	PANEL	SHEET
DEKALB	170877	0200
JEFFERSON	170416	0200
MONROE	170772	0200
WOODRUFF	170615	0200
WOODSTOCK	170488	0200

Notice to User: The Map Number shown below should be used when placing map orders; the Community Number shown above should be used on insurance applications for the subject community.

MAP NUMBER
1711C0200J

EFFECTIVE DATE
NOVEMBER 16, 2006

Federal Emergency Management Agency



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

MAP NUMBER
17111C0200J

EFFECTIVE DATE
NOVEMBER 16, 2006



1% annual chance floodplain boundary
0.2% annual chance floodplain boundary
Floodway boundary
Zone D boundary
CBRS and OPA boundary

boundary dividing Special Flood-Hazard Areas of different Base Flood Elevations, flood depths or flow velocities.

Base Flood Elevation line and velocity elevation in feet
Base Flood Elevation value where uniform within zone; elevation in feet

Referenced to the North American Vertical Datum of 1988

Cross section line

Thrust line

Geographic coordinates referenced to the North American Datum of 1983 (NAD 83), Western Hemisphere

1:000-scale Universal Transverse Mercator grid within Zone 15

Scale crest (see explanation in Notes to Users section of this map panel)

Flow: NRE

0.19 (EL 807)

4' of 0' 1/2" or 1' 1/2"

1/4" = 1' N

1/8" = 1/2" X

0.1 MILES

MAP REVISIONS
Refer to list of Map Revisions on Map Index

EFFECTIVE DATE OF COUNTYWIDE
FLOOD INSURANCE RATE MAP
NOVEMBER 16, 2006

EFFECTIVE DATE(S) OF REVISION(S) TO THIS PANEL

For community map revision history prior to community mapping, refer to the Community Map History file located in the Flood Insurance Study report for the jurisdiction.

To determine if flood insurance is available in the community, contact your insurance agent or call the National Flood Insurance Program at 1-800-438-6220.



This is an official copy of a portion of the above referenced flood map. It was extracted using FIRM On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date of the flood map. For the latest FIRM information, visit the FEMA Flood Map Store at www.fema.gov/firm.

LEGEND

SPECIAL FLOOD HAZARD AREAS (SFHAs) SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD

The 1% annual chance flood (100-year flood), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. The Special Flood Hazard Area is the area subject to flooding by the 1% annual chance flood. Areas of Special Flood Hazard include Zones A, AE, AH, AO, AR, A99, V, and VE. The Base Flood Elevation is the water-surface elevation of the 1% annual chance flood.

- ZONE A No Base Flood Elevations determined.
- ZONE AE Base Flood Elevations determined.
- ZONE AH Flood depths of 1 to 3 feet (usually areas of ponding); Base Flood Elevations determined.
- ZONE AO Flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); average depths determined. For areas of alluvial fan flooding, velocities also determined.
- ZONE AR Special Flood Hazard Areas formerly protected from the 1% annual chance flood by a flood control system that was subsequently decertified. Zone AR indicates that the former flood control system is being restored to provide protection from the 1% annual chance of greater flood.
- ZONE A99 Area to be protected from 1% annual chance flood by a Federal flood protection system under construction; no Base Flood Elevations determined.
- ZONE V Coastal flood zone with velocity hazard (wave action); no Base Flood Elevations determined.
- ZONE VE Coastal flood zone with velocity hazard (wave action); Base Flood Elevations determined.

FLOODWAY AREAS IN ZONE AE

The floodway is the channel of a stream plus any adjacent floodplain areas that must be kept free of encroachment so that the 1% annual chance flood can be carried without substantial increases in flood heights.

OTHER FLOOD AREAS

Areas of 0.2% annual chance flood; areas of 1% annual chance flood, with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.

OTHER AREAS

- ZONE X Areas determined to be outside the 0.2% annual chance floodplain.
- ZONE D Areas in which flood hazards are undetermined, but possible.

COASTAL BARRIER RESOURCES SYSTEM (CBRS) AREAS

OTHERWISE PROTECTED AREAS (OPAs)

CBRS areas and OPAs are normally located within or adjacent to Special Flood Hazard Areas.

January 17, 2014

Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities and Services Review Board
525 W. Jefferson
Second Floor
Springfield, Illinois 62702

Re: Compliance with Requirements of Illinois Executive Order #2006-5
Regarding Construction Activities in Special Flood Hazard Areas

Dear Mr. Constantino:

The undersigned are authorized representatives of Memorial Medical Center – Woodstock, the owner of the site on which Centegra Hospital-Woodstock is located.

We hereby attest that this site is not located on a flood plain, as identified by the most recent FEMA Flood Insurance Rate Map for this location, and that this location complies with the Flood Plain Rule and the requirements stated under Illinois Executive Order #2006-5, "Construction Activities in the Special Flood Hazard Areas."

This Attachment to this CON application includes documentation received from the Illinois State Water Survey in 2007. A review of the FEMA website on December 26, 2013, indicates that the FEMA Flood Insurance Map issued for the hospital site in November, 2006, and cited in the December 5, 2007, Special Flood Hazard Determination remains the most recent FEMA Flood Insurance Rate Map for this site.

Signed and dated as of January 17, 2014

Memorial Medical Center – Woodstock
An Illinois Corporation

By: Michael Easley
Its: CEO

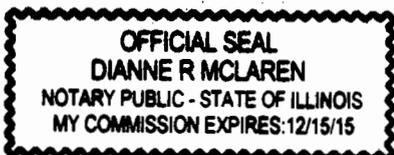
By: ASON SCIARRO
Its: PRESIDENT / COO

SUBSCRIBED and SWORN to before me
this 17th day of January, 2014.

Dianne R. McLaren
Notary Public

SUBSCRIBED and SWORN to before me
this 17th day of January, 2014.

Dianne R. McLaren
Notary Public



I.
Historic Resources Preservation Act Requirements

The letter from the Illinois Historic Preservation Agency that is found on page 2 of this Attachment documents that the campus of Centegra Hospital – Woodstock is in compliance with the requirements of Section 4 of the Historic Resources Preservation Act (20ILCS 3420/1 et. Seq.)



FAX (217) 782-8161
www.illinoishistory.gov

McHenry County
Woodstock
CON - Interior Remodeling, Centegra Hospital - Woodstock
3701 S. Doty Road
IHPA Log #007121013

December 19, 2013

Andrea Rozran
Diversified Health Resources
65 E. Scott, Suite 9A
Chicago, IL 60610-5274

Dear Ms. Rozran:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

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

If you have any further questions, please contact me at 217/785-5027.

Sincerely,

Anne E. Haaker
Anne E. Haaker
Deputy State Historic
Preservation Officer

Itemization of Line Items for Categories with Additional Detail

	<u>Clinical</u>	<u>Clinical Subtotal</u>	<u>Non-Clinical</u>	<u>Non-Clinical Subtotal</u>	<u>Total</u>
1. Preplanning Costs					
Architect Preliminary Design	\$10,000		\$0		\$10,000
Preplanning Analysis	\$35,000		\$0		\$35,000
CON Consultant Preplanning	\$10,000		\$0		\$10,000
Legal Preplanning	\$10,000		\$0		\$10,000
		\$65,000		\$0	\$65,000
2. Consulting and Other Fees					
CON Review Fee	\$12,000		\$0		\$12,000
Legal Fees	\$30,000		\$0		\$30,000
CON Consultant Fees	\$30,000		\$0		\$30,000
IDPH Plan Examination Fee	\$9,600		\$0		\$9,600
Project Management and Oversight	\$100,000		\$0		\$100,000
Other Consulting	\$20,000		\$0		\$20,000
		\$201,600		\$0	\$201,600
3. Movable or Other Equipment					
Furniture/Artwork	\$263,320		\$0		\$263,320
IT Equipment	\$25,000		\$0		\$25,000
Security Equipment	\$55,000		\$0		\$55,000
		\$343,320		\$0	\$343,320

Detail for Moveable or Other Equipment

	Equipment/Furniture	Qty Ex.	Qty New	Price	Extended	Room Total
Typical Patient Room	Beds		34	\$5,000		\$170,000
	Desk and chair		34	\$700		\$23,800
	Bed side table		34	\$450		\$15,300
	Mirrors		21	\$200		\$4,200
	Paper towel holder n/c		21	\$0		\$0
	Soap Dispenser		21	\$0		\$0
	Wastebasket		21	\$45		\$945
	Room Total					\$214,245
	Dining Day Room	Tables		8	\$475	\$3,800
Chairs			18	\$150	\$2,700	\$2,700
Sofa			2	\$1,865	\$3,730	\$3,730
End Tables			2	\$350	\$700	\$700
Bookcases			4	\$400	\$1,600	\$1,600
Clock			1	\$30	\$30	\$30
Refrigerator		1				
Microwave		1				
Room Total						\$12,560
Nurse Station	Task Chairs	5	0	\$0	\$0	\$0
	Printer	2	0	\$0	\$0	\$0
	Computers	4	0	\$0	\$0	\$0
	Wastebasket	3	0	\$0	\$0	\$0
	Tackboards		2	\$200	\$400	\$400
	Ice machine	1		\$0	\$0	\$0
	Clock		1	\$30	\$30	\$30
	Room Total					\$430
Seclusion Rooms	Side Chair		4	\$250	\$1,000	\$1,000
	Room Total					\$1,000
Consulting Rooms	Conference Table		2	\$1,000	\$2,000	\$2,000
	Side Chairs		8	\$275	\$2,200	\$2,200
	Phone		2	\$150	\$300	\$300
	Hand sanitizer		1	\$0	\$0	\$0
	Clock		1	\$30	\$30	\$30
	Artwork		2	\$325	\$650	\$650
	Room Total					\$4,530

	Equipment/Furniture	Qty Ex.	Qty New	Price	Extended	Room Total
Laundry Rooms	Washer/Dryer		2	\$850	\$1,700	\$1,700
	Side chair		4	\$150	\$600	\$600
	Clock		2	\$30	\$60	\$60
	Wastebasket		2	\$75	\$150	\$150
	Room Total					\$2,510
Staff Breakroom	Lockers		21	\$125	\$2,625	
	Bench		2	\$150	\$300	
	Clock		1	\$30	\$30	
	Wastebasket		1	\$30	\$30	
	Tackboard		1	\$225	\$225	
	Round table		1	\$450	\$450	
	small Refirgerator		1	\$350	\$350	
	Microwave		1	\$250	\$250	
	Chairs		4	\$125	\$500	
	Room Total					\$4,760
Nurse Station #2	Task Chairs	5	0	\$0	\$0	\$0
	Printer	2	0	\$0	\$0	\$0
	Computers	4	0	\$0	\$0	\$0
	Wastebasket	3	0	\$0	\$0	\$0
	Tackboards		2	\$200	\$400	\$400
	Clock		1	\$30	\$30	\$30
	Ice Machine		1	\$4,000	\$4,000	\$4,000
	Room Total					\$4,430
Visitor Room	Club Chair	3		\$0	\$0	
	Round Table	1		\$0	\$0	
	Club Chairs	4		\$0	\$0	
	Clock	1		\$0	\$0	
	Room Total					\$0
Acute Unit Day Dining	Tables		3	\$475	\$1,425	\$1,425
	Chairs		9	\$150	\$1,350	\$1,350
	Sofa		1	\$1,865	\$1,865	\$1,865
	End Tables		2	\$350	\$700	\$700
	Bookcases		2	\$400	\$800	\$800
	Clock		1	\$30	\$30	\$30
	Refrigerator		1	\$575	\$575	\$575
	Microwave		1	\$250	\$250	\$250
	Room Total					\$6,170
Security Equipment Estimate	Estimate for floor		1	\$55,000	\$55,000	
						\$55,000

	Equipment/Furniture	Qty Ex.	Qty New	Price	Extended	Room Total
IT Equipment Estimate	Estimate for Unit		1	\$25,000	\$25,000	
						\$25,000
Toilet Room	Wastebasket		1	\$10	\$10	
	Toilet paper dispenser		1	\$0	\$0	
	Soap dispenser n/c		1	\$0	\$0	
	Paper towel holder n/c		1	\$0	\$0	
	Mirror		1	\$250	\$250	
	Grab bar		1	\$0	\$0	
	Room Total				\$0	\$260
Office Furniture	L shape desk	1	5	\$1,500	\$7,500	
	Side Chairs		6	\$200	\$1,200	
	File Cabinets/ Bookcases		5	\$450	\$2,250	
	Task chairs		5	\$275	\$1,375	
	Room Total					\$12,325
TOTAL OF ALL ROOMS						\$343,220

I.
Cost Space Requirements

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							
Obstetrics	\$0	15,150	0	0	0	0	15,150
Acute Mental Illness	\$4,301,477	0	15,150	0	15,150	0	0
Total Clinical	\$4,301,477	15,150	15,150	0	15,150	0	15,150
NON REVIEWABLE							
Total Non-clinical	\$0	0	0	0	0	0	0
TOTAL	\$4,301,477	15,150	15,150	0	15,150	0	15,150

The space that will be vacated by the Obstetrics Category of Service, including the entire Obstetrics Suite consisting of the Obstetric Nursing Unit, Labor-Delivery-Recovery Suite, and Newborn Nurseries, is proposed to be modernized to accommodate an AMI Category of Service with 34 authorized beds.

II. Discontinuation

A. General Information Requirements

1. This project proposes to discontinue Centegra Hospital - Woodstock's Obstetric Category of Service, which has an authorized capacity of 14 beds, in order to accommodate the relocation of the planning area's only Acute Mental Illness (AMI) Category of Service from Centegra Specialty Hospital - Woodstock, South Street.

2. The Obstetric Category of Service is the only Category of Service that will be discontinued at Centegra Hospital - Woodstock.

As part of this discontinuation, Centegra Hospital - Woodstock will also discontinue its Labor-Delivery-Recovery and Newborn Nursery Services.

3. The Obstetric Category of Service and the clinical services for Labor-Delivery-Recovery and Newborn Nurseries will all be discontinued by June 30, 2014, contingent upon receipt of a Certificate of Need permit for this application, which proposes this discontinuation as well as the establishment of the (AMI) Category of Service at Centegra Hospital - Woodstock.

4. The existing Obstetric facilities at Centegra Hospital - Woodstock will be modernized for use as an AMI Category of Service. The Obstetric facilities at Centegra Hospital - Woodstock include the Obstetric Category of Service (Obstetric Nursing Unit) with 14 authorized beds, Labor-Delivery-Recovery Suite, and Newborn Nurseries.

The space that is currently occupied by these clinical services is proposed to be modernized to accommodate an AMI Category of Service with 34 authorized beds.

The establishment of an AMI Category of Service at Centegra Hospital - Woodstock as a relocation of the AMI Category of Service from Centegra Specialty Hospital - Woodstock, South Street is part of this CON application, as stated in Item 3 above. The discontinuation of the AMI Category of Service at Centegra Specialty Hospital - Woodstock, South Street in order to relocate that category of service to Centegra Hospital - Woodstock is the subject of a separate CON application that is being submitted at the same time as this CON application.

All beds and other furnishings and equipment on the Obstetric Nursing Unit and in the Labor-Delivery-Recovery Suite and Newborn Nurseries will be removed when these services are discontinued. The equipment and furnishings will be inventoried, and the disposition of these items will be in one of the following ways. 1) Any furniture that is beyond its useful life but is still in decent condition will be donated to non-profit organizations in the area. 2) Any of the equipment

(e.g., beds) that is beyond its useful life will be disposed of by donating it to third world organizations, sold to a used equipment buyer, or scrapped if it is made of metal and has residual value. 3) Any remaining items will be discarded.

5. In accordance with the Centegra Health System Records Management Policy, all patient medical records will be retained as follows: the complete health records for adult patients will be retained for 10 years in accordance with 210 ILCS 85.6.17(c); the complete health records for minors will be retained for 10 years after the patient's age of majority in accordance with 210 ILCS 85.6.17(c).

All medical records pertaining to the Obstetric Category of Service are and will continue to be stored with the hospital's medical records for all Centegra Health System hospitals. Medical records from prior to April, 2012, are housed off-site at a HIPAA-compliant storage company. Medical records created since April, 2012, are scanned from the paper records, and the resulting electronic health records are kept on computer servers that are located off-site.

6. This Item is not applicable because this application does not propose to discontinue an entire facility.

B. Reasons for Discontinuation

This application seeks approval for the discontinuation of Centegra Hospital - Woodstock's Obstetric Category of Service in order to consolidate the caseload for this hospital's Obstetric Service (including its Labor-Delivery-Recovery Suite and Newborn Nurseries) with the Obstetric caseload at Centegra Hospital - McHenry.

This consolidation of Obstetric Services will result in vacated space at Centegra Hospital - Woodstock that will permit the hospital to establish an AMI Category of Service within the existing hospital building without having to construct a new addition to the hospital.

The establishment of an AMI Category of Service at Centegra Hospital - Woodstock as a relocation of this category of service from Centegra Specialty Hospital - Woodstock, South Street is important because that hospital is 100 years old, and the Psychiatric Units need upgrading and modernization. The relocation of the AMI Category of Service to space that will be modernized for this purpose at Centegra Hospital - Woodstock, which is less than 20 years old, will provide residents of the planning area with a modern Psychiatric Unit in a contemporary facility.

Centegra Hospital - Woodstock, Centegra Hospital - McHenry, and Centegra Specialty Hospital - Woodstock, South Street are owned and operated by Centegra Health System.

All of these hospitals are located in McHenry County, which constitutes the same planning area for the Obstetric Category of Service (Planning Area A-10) and the same planning area for the AMI Service (Planning Area 8 A-10).

Centegra Hospital - Woodstock and Centegra Hospital - McHenry are located 9 miles apart, and the travel time between them is approximately 17 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 510(d)(2)).

Centegra Hospital - Woodstock and Centegra Specialty Hospital - Woodstock, South Street are located approximately 4 miles apart with a travel time between them of approximately 8 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 510(d)(2)).

The discontinuation of Centegra Hospital - Woodstock's Obstetric Category of Service is being proposed in order to permit Centegra Health System to provide Obstetric Services in the locations where they are needed and with the authorized bed capacity that is needed and to permit the relocation of the only AMI Category of Service in the planning area to contemporary facilities in a modern hospital building

1. Centegra Health System currently provides Obstetric Services at both Centegra Hospital - Woodstock and Centegra Hospital - McHenry.

Centegra Hospital - Woodstock: 14 authorized beds
 Centegra Hospital - McHenry: 19 authorized beds*

*4 additional authorized beds became operational on January 13, 2014 making the current total authorized beds 23

The utilization of these services does not meet the target occupancy rate of 75% for this category of service with a bed capacity of 11 to 25 Obstetric beds (77 Ill. Adm. Code 1100.530(c)(2)) at either hospital.

	Centegra Hospital - Woodstock			Centegra Hospital - McHenry		
	CY2011	CY2012*	11/12-10/13	CY2011	CY2012*	11/12-10/13
Authorized Beds	14	14	14	19	19	19
Inpatient Days + Observation Days**	2,423	2,438*	2,072	2,472	2,260*	1,898
Average Daily Census**	6.64	6.66*	5.68	6.77	6.17*	5.20
Occupancy**	47.4%	47.6%	40.5%	35.6%	32.5%	27.4%

*2012 was a leap year

**Includes both Maternity and Clean Gynecology

The discontinuation of Centegra Hospital - Woodstock's Obstetric Category of Service in order to consolidate the Obstetric Services of both Centegra Hospital - Woodstock and Centegra Hospital - McHenry at Centegra Hospital - McHenry will increase the occupancy level of Centegra Hospital - McHenry's Obstetric Category of Service.

2. This discontinuation will reduce excess beds in the Obstetric Category of Service in Planning Area A-10 (McHenry County).

As of December 18, 2013, the Illinois Department of Public Health's "Revised Bed Need Determination" indicated that there were 12 excess Obstetric beds in Planning Area A-10. The excess number of authorized beds in the Obstetric Category of Service has increased due to Centegra Hospital - McHenry's recent increase in its authorized bed capacity, as permitted by 77 Ill. Adm. Code 1130.240(f)(1)(C).

Subsequent to the release of that monthly revision, Centegra Hospital - McHenry received approval from the Illinois Department of Public Health to increase its authorized bed capacity in the Obstetric Category of Service by 4 for a total of 23 authorized Obstetric beds. As a result, the excess number of Obstetric beds in Planning Area A-10 is now 16.

This discontinuation of Centegra Hospital - Woodstock's Obstetric Category of Service, which has 14 authorized beds, will reduce the excess Obstetric beds in Planning Area A-10 to 2.

3. Although existing services are not subject to the bed capacity minimum size requirements specified in the CON Rules, the increase in Centegra Hospital - McHenry's authorized Obstetric beds brings that facility into compliance with 77 Ill. Adm. Code 530(f)(2)(A), which specifies that the minimum bed capacity for a new Obstetric Service in a MSA is 20 beds.

There would be no reason for Centegra Hospital - McHenry to increase its authorized Obstetric beds if it did not have the additional utilization that will be provided by the discontinuation of Centegra Hospital - Woodstock's Obstetric Category of Service.

4. This discontinuation will correct the maldistribution of Obstetric services in Planning Area A-10 when Centegra Hospital - Huntley becomes operational since that hospital will operate a 20 bed Obstetric Category of Service.

The Obstetric Category of Service at Centegra Hospital - McHenry has sufficient capacity to accept and care for patients currently receiving Obstetric care at Centegra Hospital - Woodstock.

C. Impact on Access

1. The discontinuation of the Obstetric Category of Service at Centegra Hospital - Woodstock will not have an adverse effect upon access to care for residents of Planning Area A-10 for the following reasons.
 - a. Centegra Hospital - Woodstock is located in Planning Area A-10, which had an excess of 12 Obstetric beds as of December 18, 2013, and will have an excess of 16 Obstetric beds beginning with the January, 2014, "Revised Bed Need Determination."

- b. Centegra Hospital - McHenry, which is also located in Planning Area A-10 and is also owned and operated by Centegra Health System, has indicated that it is willing and able to assume Centegra Hospital - Woodstock's entire Obstetric caseload.

Centegra Hospital - McHenry is located 9 miles from Centegra Hospital - Woodstock, and the travel time between them is approximately 17 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)).

2. There are 4 facilities in addition to Centegra Hospital - Woodstock that are located within 45 minutes travel time of Centegra Hospital - Woodstock and provide the Obstetric Category of Service.

<u>Facility and Town Planning Area</u>	<u>Adjusted Travel Time*</u>
Advocate Good Shepherd Hospital Barrington Planning Area A-09, Lake County	31 minutes
Advocate Sherman Hospital Elgin Planning Area A-11, North Kane County	32 minutes
Centegra Hospital - Huntley Huntley Planning Area A-10, McHenry County	18 minutes
Centegra Hospital - McHenry McHenry Planning Area A-10, McHenry County	18 minutes

*Travel Time was calculated using www.mapquest.com and adjusted by multiplying the travel time by 1.15, in accordance with 77 Ill. Adm. Code 1100.510(d)(2)

The Map Quest travel time information will be found in Appendix 1 of this CON application.

Centegra Hospital - Woodstock surveyed all of these facilities by sending each of them a written request to provide an impact statement, indicating the extent to which it will absorb Centegra Hospital - Woodstock's Obstetric workload without conditions, limitations, or discrimination.

Copies of the written requests for impact statements that were sent to each of these facilities are found in Appendix 2 of this CON application, followed by

documentation that the requests were sent by U.S. Certified Mail with return receipts requested.

All of these letters were received on December 16, 2013, as indicated in the documentation found in Appendix 2.

3. The CON Rules specify that

“The request [for an impact statement] shall allow 15 days after receipt for a written response from the contacted facility. Failure by an existing or approved facility to respond to the applicant’s request for an impact statement within the prescribed 15-day response period shall constitute a non-rebuttable assumption that the discontinuation will not have an adverse impact for that facility.” (77 Ill. Adm. Code 1110.130(c)HFPB NOTE)

The 15 day response period specified in 77 Ill. Adm. Code 1110.130(c)HFPB NOTE ended on December 30, 2013.

Only 1 response was received within the 15 day response period. That response was from the only other current provider of this service in Planning Area A-10, Centegra Hospital - McHenry. Centegra Hospital - McHenry responded that it agreed to accept any of Centegra Hospital - Woodstock’s patients that require Obstetric care without conditions, limitations, or discrimination. A copy of Centegra Hospital - McHenry’s response is found in Appendix 2 of this CON application.

On January 3, 2014, responses were received from 2 hospitals that provide the Obstetric Category of Service and are located within 45 minutes travel time of Centegra Hospital - Woodstock: Advocate Good Shepherd Hospital and Advocate Sherman Hospital. These letters were written, sent, and received outside of the prescribed 15-day response period. Both letters are dated December 31, 2013, which was more than 15 days after the requests were received at the hospitals, and they were sent by FedEx on January 2, 2014, which was also more than 15 days after the requests were received at the hospitals.

The response letters together with the FedEx label and tracking information for the 2 letters, which were sent in the same envelope, are also found in Appendix 2.

Despite the fact that Advocate Good Shepherd Hospital and Advocate Sherman Hospital failed to respond to the applicant’s request within the prescribed 15-day response period, the co-applicants for this project have included the Advocate hospitals’ responses. Neither response assessed the impact of the discontinuation upon their hospital.

III.

Criterion 1110.230 - Background of Applicant

1. Centegra Health System is the sole corporate member of Centegra Hospital - Woodstock.

Centegra Health System currently operates 3 hospitals:

Northern Illinois Medical Center d/b/a Centegra Hospital - McHenry;

Memorial Medical Center - Woodstock d/b/a Centegra Hospital - Woodstock;

Memorial Medical Center – Woodstock d/b/a Centegra Specialty Hospital - Woodstock, South Street.

Centegra Health System is also the sole corporate member of Centegra Hospital – Huntley, which was granted a CON permit by the Health Facilities and Services Review Board on July 24, 2012 but is not yet operational.

Centegra Health System is also a member of Algonquin Road Ambulatory Surgery Center, L.L.C., which is an Illinois health care facility, as defined under the Illinois Health Facilities Planning Act (20 ILCS 3960/3).

The identification numbers of each of these health care facilities is shown below, along with their names and locations.

<u>Name and Location of Facility</u>	<u>Identification Numbers</u>
Centegra Hospital - McHenry McHenry	Illinois License ID #0003889 Joint Commission ID #7375
Centegra Hospital- Woodstock Woodstock	Illinois License ID#0004606 Joint Commission ID#7447
Centegra Specialty Hospital - Woodstock, South Street Woodstock	Illinois License ID#0001503 Joint Commission ID#7447
Algonquin Road Surgery Center, L.L.C. Lake in the Hills	Illinois License ID#7002579 Joint Commission ID#366641
Centegra Hospital – Huntley Huntley	n/a

Proof of the current licensure and accreditation of each of the facilities identified above except for Centegra Hospital - Huntley will be found beginning on Page 3 of this Attachment.

- 2, 3. A letter from Centegra Health System certifying that its affiliated health care facilities have not had any adverse action taken against them during the past three years and authorizing the Illinois Health Facilities and Services Review Board and Illinois Department of Public Health to access any documents necessary to verify the information submitted in response to this subsection will be found on the final page of this Attachment.
4. This item is not applicable to this application.

State of Illinois 2132858
Department of Public Health

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 indicated below.

Issued Under the authority of
 The State of Illinois
 Department of Public Health

LA MAR HASBROUCK, MD, MPH
 DIRECTOR

EXPIRATION DATE	CATEGORY	ID. NUMBER
06/30/14	BGBD	0003889

FULL LICENSE
GENERAL HOSPITAL
EFFECTIVE: 07/01/13

BUSINESS ADDRESS

MC HENRY
 CENTEGRA NORTHERN ILLINOIS MEDICAL CIR
 B/8/A CENTEGRA HOSPITAL MCHENRY
 420 E MEDICAL CENTER DRIVE
 MC HENRY IL 60050

The face of this license has a colored background. Printed by Authority of the State of Illinois - 4/97

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REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2132868
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

CENTEGRA NORTHERN ILLINOIS MEDICAL

EXPIRATION DATE	CATEGORY	ID. NUMBER
06/30/14	BGBD	0003889

FULL LICENSE
GENERAL HOSPITAL
EFFECTIVE: 07/01/13

05/04/13

CENTEGRA NORTHERN ILLINOIS MED
 D/8/A CENTEGRA HOSPITAL MCHENR
 385 MILLENIUM DRIVE
 CRYSTAL LAKE IL 60012

FEE RECEIPT NO.



August 3, 2012

Re: #7375
CCN: #140116
Program: Hospital
Accreditation Expiration Date: May 05, 2015

Michael S. Eesley
CEO
Centegra Hospital - McHenry
4201 Medical Center Drive
McHenry, Illinois 60050

Dear Mr. Eesley:

This letter confirms that your April 30, 2012 - May 04, 2012 unannounced full resurvey was conducted for the purposes of assessing compliance with the Medicare conditions for hospitals through The Joint Commission's deemed status survey process.

Based upon the submission of your evidence of standards compliance on July 30, 2012, the areas of deficiency listed below have been removed. The Joint Commission is granting your organization an accreditation decision of Accredited with an effective date of May 05, 2012. We congratulate you on your effective resolution of these deficiencies.

- §482.22 Condition of Participation: Medical staff
- §482.23 Condition of Participation: Nursing Services
- §482.24 Condition of Participation: Medical Record Services
- §482.25 Condition of Participation: Pharmaceutical Services
- §482.26 Condition of Participation: Radiologic Services
- §482.41 Condition of Participation: Physical Environment
- §482.51 Condition of Participation: Surgical Services
- §482.53 Condition of Participation: Nuclear Medicine Services

The Joint Commission is also recommending your organization for continued Medicare certification effective May 05, 2012. Please note that the Centers for Medicare and Medicaid Services (CMS) Regional Office (RO) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13. Your organization is encouraged to share a copy of this Medicare recommendation letter with your State Survey Agency.

This recommendation also applies to the following locations:

Centegra Gavers Breast Center
360 N. Terra Cotta Road, Crystal Lake, IL, 60012

www.jointcommission.org

Headquarters
One Renaissance Boulevard
Oakbrook Terrace, IL 60181
630 792 5000 Voice

ATTACHMENT-11, PAGE 4



Centegra Hospital - McHenry
4201 Medical Center Drive, McHenry, IL, 60050

Centegra Medical Imaging at Crystal Lake Medical Arts
360 Station Drive, Crystal Lake, IL, 60014

Centegra Neuro Rehabilitation Center
500 Coventry Lane Suite 170, Crystal Lake, IL, 60014

Centegra Rehabilitation Network
200 E Congress Parkway, Crystal Lake, IL, 60014

Centegra Rehabilitation and Sports Medicine Clinic-McHenry
2507 N. Richmond Rd, McHenry, IL, 60050

Centegra Sleep Disorders Clinic-Algonquin
1122 N Main Street, Algonquin, IL, 60102

Centegra Therapy Services Fox Point
3300 Charles J. Miller Rd., McHenry, IL, 60050

We direct your attention to some important Joint Commission policies. First, your Medicare report is publicly accessible as required by the Joint Commission's agreement with the Centers for Medicare and Medicaid Services. Second, Joint Commission policy requires that you inform us of any changes in the name or ownership of your organization, or health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations

cc: CMS/Central Office/Survey & Certification Group/Division of Acute Care Services
CMS/Regional Office 5/Survey and Certification Staff

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State of Illinois 2132878
Department of Public Health

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.

Issued Under the authority of
 The State of Illinois
 Department of Public Health

L. MAR HASBROUCK, MD, MCH
 DIRECTOR

EXPIRATION DATE	CATEGORY	ID. NUMBER
06/30/14	BGBD	0004606

FULL LICENSE
GENERAL HOSPITAL
EFFECTIVE: 07/01/13

BUSINESS ADDRESS

WOODSTOCK
 CENTEGRA MEMORIAL MEDICAL CENTER
 D/B/A CENTEGRA HOSPITAL WOODSTOCK
 370E DODD ROAD
 WOODSTOCK IL 60098

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State of Illinois 2132878
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

CENTEGRA MEMORIAL MEDICAL CENTER
 EXPIRATION DATE: 06/30/14
 CATEGORY: BGBD
 ID. NUMBER: 0004606

FULL LICENSE
GENERAL HOSPITAL
EFFECTIVE: 07/01/13

05/04/13

CENTEGRA MEMORIAL MEDICAL CENT
D/B/A CENTEGRA HOSPITAL WOODST
385 MILLENIUM DRIVE IL 60012
CRYSTAL LAKE

FEE RECEIPT NO.



April 5, 2013

Michael Eesley
CEO
Memorial Medical Center
3701 Doty Road
Woodstock, IL 60098

Joint Commission ID #: 7447
Program: Hospital Accreditation
Accreditation Activity: Unannounced
Accreditation Follow-up
Accreditation Activity Completed: 04/03/2013

Dear Mr. Eesley:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning May 04, 2012. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations

State of Illinois 2132843
Department of Public Health

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.

Issued Under the authority of
 The State of Illinois
 Department of Public Health

LA MAR HASBROUCK, MD, MPH
 DIRECTOR

EXPIRATION DATE	CATEGORY	ID. NUMBER
06/30/14	B6BD	0001503

FULL LICENSE
GENERAL HOSPITAL
EFFECTIVE 07/01/13

BUSINESS ADDRESS

CENIEGRA MEMORIAL MED. CTR., SOUTH STREET
D/B/A CENIEGRA SPEC HOSPITAL WOODSTOCK
527 WEST SOUTH STREET
WOODSTOCK IL 69098

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REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2132843
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

CENIEGRA MEMORIAL MED. CTR., SOUTH STREET
D/B/A CENIEGRA SPEC HOSPITAL WOODSTOCK
527 WEST SOUTH STREET
WOODSTOCK IL 69098

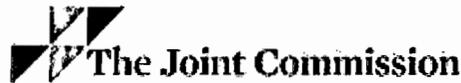
EXPIRATION DATE	CATEGORY	ID. NUMBER
06/30/14	B6BD	0001503

FULL LICENSE
GENERAL HOSPITAL
EFFECTIVE 07/01/13

05/04/13

CENIEGRA MEMORIAL MED. CTR., SOUTH STREET
D/B/A CENIEGRA SPEC HOSPITAL WOODSTOCK
527 WEST SOUTH STREET
WOODSTOCK IL 69098

FEE RECEIPT NO.



April 5, 2013

Michael Eesley
CEO
Memorial Medical Center
3701 Doty Road
Woodstock, IL 60098

Joint Commission ID #: 7447
Program: Hospital Accreditation
Accreditation Activity: Unannounced
Accreditation Follow-up
Accreditation Activity Completed: 04/03/2013

Dear Mr. Eesley:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning May 04, 2012. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

A handwritten signature in black ink that reads "Mark Pelletier".

Mark G. Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations



January 18, 2013

Michael Eesley
CEO
Centegra Hospital Woodstock
3701 Doty Road
Woodstock, IL 60098

Joint Commission ID #: 7447
Program: Behavioral Health Care Accreditation
Accreditation Activity: Measure of Success
Accreditation Activity Completed: 01/18/2013

Dear Mr. Eesley:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Behavioral Health Care

This accreditation cycle is effective beginning May 01, 2012. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations



January 18, 2013

Michael Eesley
CEO
Centegra Hospital Woodstock
3701 Doty Road
Woodstock, IL 60098

Joint Commission ID #: 7447
Program: Medicare/Medicaid Certification-
Based Long Term Care Accreditation
Accreditation Activity: Measure of Success
Accreditation Activity Completed: 01/18/2013

Dear Mr. Eesley:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Medicare/Medicaid Certification-Based Long Term Care Accreditation

This accreditation cycle is effective beginning May 04, 2012. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations

State of Illinois 2154217
Department of Public Health

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.

Issued under the authority of
 The State of Illinois
 Department of Public Health

EXPIRES ON DATE 12/15/14	CATEGORY BGBD	IDENTIFICATION NUMBER 7002579
-----------------------------	------------------	----------------------------------

FULL LICENSE
AMBUL SURGICAL TREAT CNTR
EFFECTIVE: 12/16/13

BUSINESS ADDRESS
 ALGONQUIN ROAD SURGERY CENTER, LLC
 2550 ALGONQUIN ROAD
 LAKE IN THE HILL IL 60156

in the face of this license has a color background. Printed by Authority of the State of Illinois • 4/97 •

DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2154217
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

EXPIRES ON DATE 12/15/14	CATEGORY BGBD	IDENTIFICATION NUMBER 7002579
-----------------------------	------------------	----------------------------------

FULL LICENSE
AMBUL SURGICAL TREAT CNTR
EFFECTIVE: 12/16/13

11/02/13
 ALGONQUIN ROAD SURGERY CTR LLC
 2550 ALGONQUIN ROAD
 LAKE IN THE HILL IL 60156

FEE RECEIPT NO. 22236



March 1, 2012

Re: # 366641
CCN: #14C0001096
Program: Ambulatory Surgical Center
Accreditation Expiration Date: May 11, 2015

Lori A. Callahan
Director
Algonquin Road Surgery Center, LLC
2550 West Algonquin Road
Lake In The Hills, Illinois 60156

Dear Mrs. Callahan:

This letter confirms that your February 08, 2012 - February 10, 2012 unannounced full resurvey was conducted for the purposes of assessing compliance with the Medicare conditions for ambulatory surgical centers through The Joint Commission's deemed status survey process.

Based upon the submission of your evidence of standards compliance on February 23, 2012, The Joint Commission is granting your organization an accreditation decision of Accredited with an effective date of February 11, 2012.

The Joint Commission is also recommending your organization for continued Medicare certification effective February 11, 2012. Please note that the Centers for Medicare and Medicaid Services (CMS) Regional Office (RO) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13. Your organization is encouraged to share a copy of this Medicare recommendation letter with your State Survey Agency.

This recommendation applies to the following location:

Algonquin Road Surgery Center
2550 West Algonquin Road, Lake In The Hills, IL, 60156

We direct your attention to some important Joint Commission policies. First, your Medicare report is publicly accessible as required by the Joint Commission's agreement with the Centers for Medicare and Medicaid Services. Second, Joint Commission policy requires that you inform us of any changes in the name or ownership of your organization, or health care services you provide.

Sincerely,

Ann Scott Blouin RN, PhD

www.jointcommission.org

Headquarters
One Renaissance Boulevard
Oakbrook Terrace, IL 60181
630 792 5000 Voice

ATTACHMENT-11, PAGE 13



Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations

cc: CMS/Central Office/Survey & Certification Group/Division of Acute Care Services
CMS/Regional Office 5 /Survey and Certification Staff

www.jointcommission.org

Headquarters
One Renaissance Boulevard
Oakbrook Terrace, IL 60181
630 792 5000 Voice

ATTACHMENT-11, PAGE 14



August 3, 2012

Lori A. Callahan
Director
Algonquin Road Surgery Center, LLC
2550 West Algonquin Road
Lake In The Hills, IL 60156

Joint Commission ID #: 366641
Program: Ambulatory Health Care
Accreditation
Accreditation Activity: Measure of Success
Accreditation Activity Completed: 08/03/2012

Dear Mrs. Callahan:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Ambulatory Health Care

This accreditation cycle is effective beginning February 11, 2012. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

A handwritten signature in black ink that reads "Mark Pelletier".

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations



Algonquin Road Surgery Center, LLC
2550 West Algonquin Road
Lake In The Hills, IL 60156

Organization Identification Number: 366641

Measure of Success Submitted: 7/31/2012

Program(s)

Ambulatory Health Care Accreditation

Executive Summary

**Ambulatory Health Care
Accreditation :**

As a result of the accreditation activity conducted on the above date(s), there were no Requirements for Improvement identified.

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

**The Joint Commission
Summary of Compliance**

Program	Standard	Level of Compliance
AHC	PC.02.01.03	Compliant

January 17, 2014

Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities and Services Review Board
525 W. Jefferson
Second Floor
Springfield, Illinois 62702

Dear Mr. Constantino:

The undersigned are authorized representatives of Memorial Medical Center – Woodstock d/b/a Centegra Hospital – Woodstock. The sole corporate member of Centegra Hospital – Woodstock is Centegra Health System.

Centegra Health System owns more than 5% or is the sole corporate member of the following health care facilities, as defined under the Illinois Health Facilities Planning Act (20 ILCS 3960/3).

Northern Illinois Medical Center d/b/a Centegra Hospital – McHenry
(Licensed Name: Centegra Northern Illinois Medical Center)

Memorial Medical Center – Woodstock d/b/a Centegra Hospital – Woodstock
(Licensed Name: Centegra Memorial Medical Center)

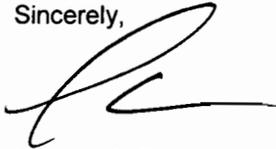
Memorial Medical Center – Woodstock d/b/a Centegra Specialty Hospital – Woodstock, South Street
(Licensed Name: Centegra Memorial Medical Center, South Street)

Centegra Hospital – Huntley
Algonquin Road Surgery Center

We hereby certify that there has been no adverse action taken against any health care facility owned and/or operated by Centegra Health System during the three years prior to the filing of this application.

Centegra Health System hereby authorizes the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) to access any documents necessary to verify the information submitted, including but not limited to the following: official records of IDPH or other state agencies; the licensing or certification records of other states, where applicable; and the records of nationally recognized accreditation organizations, as identified in the requirements specified in 77 Ill. Adm. Code 1110.230.a).

Sincerely,



Michael S. Eesley
Chief Executive Officer
Centegra Health System

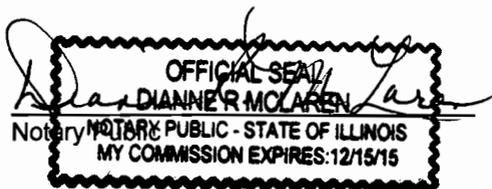
Sincerely,



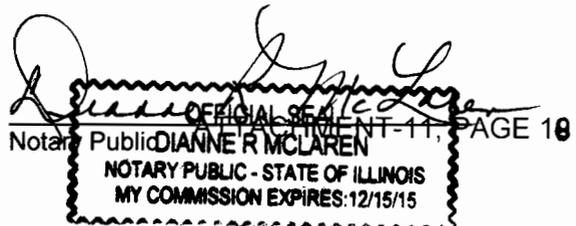
Jason Sciarro
President and Chief Operating Officer
Centegra Health System

SUBSCRIBED and SWORN to before me
this 17th day of January, 2014.

SUBSCRIBED and SWORN to before me
this 17th day of January, 2014.



OFFICIAL SEAL
DIANNE R. MCLAREN
Notary Public - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 12/15/15



OFFICIAL SEAL
DIANNE R. MCLAREN
Notary Public - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 12/15/15

III.

Criterion 1110.230 - Purpose of Project

This Attachment addresses only the establishment of the Acute Mental Illness Category of Service at Centegra Hospital - Woodstock. Attachment 10, Discontinuation, addresses the discontinuation of the Obstetric Category of Service.

1. This project will improve the health care and result in increased well-being of the market area population by establishing the AMI Category of Service at Centegra Hospital - Woodstock as a relocation of that category of service from Centegra Specialty Hospital - Woodstock, South Street.

Centegra Specialty Hospital - Woodstock, South Street is the sole provider of AMI Services in the planning area in which it is located (Planning Area 8 A-10).

Both hospitals are located in the same planning area for AMI Services (Planning Area 8 A-10), and the two hospitals are located approximately 4 miles apart with a travel time between them of approximately 8 minutes when adjusted for normal travel times in accordance with the certificate of need (CON) Rules (77 Ill. Adm. Code 1100.510(d)(2)).

Both hospitals are owned and operated by Centegra Health System, and the two hospitals have a combined medical staff with physicians holding privileges at both hospitals, so the psychiatrists who currently admit and treat patients at the AMI Category of Service at Centegra Specialty Hospital - Woodstock, South Street will continue to admit and treat their patients at the AMI Category of Service at Centegra Hospital - Woodstock.

This project will accomplish the following.

- Replace the only AMI Service in Planning Area 8 A-10 with a modern Psychiatric Unit in a contemporary facility.

Centegra Specialty Hospital - Woodstock, South Street was constructed in 1914. The Psychiatric Units were constructed in 1981 and 1991, and even though they were modernized in recent years, the building in which they are located is 100 years old.

- Increase operational and staffing efficiencies by replacing the 2 discrete Psychiatric Units located on 2 separate floors of the hospital that currently constitute the AMI Service at Centegra Specialty Hospital - Woodstock, South Street with a single 34-bed unit at Centegra Hospital - Woodstock.

The current Psychiatric Units are located on 2 separate floors of Centegra Specialty Hospital - Woodstock, South Street, with 24 beds in one unit and 12 beds in a second unit on a different floor.

- Increase the potential occupancy of the only AMI Service in Planning Area 8 A-10 by increasing the number of private rooms in the new Psychiatric Unit.

During the 12 month period of July 1, 2012, through June 30, 2013, 259 potential psychiatric patients were unable to be admitted to Centegra Specialty Hospital -

Woodstock, South Street due to the lack of an available bed.

- Meet the Illinois Department of Public Health's (IDPH's) current Revised Bed Need Determination for the Acute Mental Illness Category of Service.

Centegra Specialty Hospital - Woodstock, South Street has 36 authorized beds. The calculated bed need for this category of service is 34 in Planning Area 8 A-10. This project proposes to establish an AMI Category of Service at Centegra Hospital - Woodstock with 34 authorized beds, which is the calculated bed need for this category of service in this planning area.

- Increase the accessibility of acute care services to psychiatric patients by relocating the AMI Service to a general acute care hospital with diagnostic capabilities and the ability to treat medical conditions experienced by psychiatric patients.

The relocation of the AMI Service to Centegra Hospital - Woodstock will eliminate the need for ambulance transfers to an acute care hospital of psychiatric patients requiring acute care diagnostic procedures or treatment.

This relocation of the AMI Service will also permit more psychiatric patients to be admitted to Centegra Hospital - Woodstock because 22 potential Psychiatric patients could not be admitted to Centegra Specialty Hospital - Woodstock, South Street during the 12-month period of July 1, 2012, through June 30, 2013, due to the lack of acute care services.

As a result of establishing an AMI Category of Service at Centegra Hospital - Woodstock as a relocation of the current AMI Service at Centegra Specialty Hospital - Woodstock, South Street, Centegra Health System will improve its ability to provide AMI Services to all residents of Planning Area 8 A-10 as well as other patients it serves, including the uninsured and underinsured residents of these areas.

Letters of support for this relocation of the AMI Category of Service to Centegra Hospital - Woodstock are appended to this Attachment.

2. The market area for this project is Planning Area 8 A-10 for the AMI Category of Service, the planning area in which both Centegra Hospital - Woodstock and Centegra Specialty Hospital - Woodstock, South Street are located.

Planning Area 8 A-10 consists of McHenry County.

This market area is consistent with patient origin that has been experienced at the current AMI Service at Centegra Specialty Hospital - Woodstock, South Street.

Centegra Specialty Hospital - Woodstock, South Street's patient origin for the AMI Service during FY13 (July 1, 2012 through June 30, 2013), which is provided on Page 6 of this Attachment, indicates that a significant majority of AMI patients receiving inpatient care at Centegra Specialty Hospital - Woodstock, South Street, which currently operates the only AMI Category of Service in McHenry County, reside in McHenry County zip codes. The patient origin chart indicates that 82% of the FY13 AMI patients resided in zip codes that are located within McHenry County, either in whole or in part, with 74.4% residing in zip codes that are located entirely within McHenry County and an additional

7.6% residing in zip codes that are located partially within McHenry County.

3. This project proposes to address the following health care issues.

- This project proposes to establish an AMI Category of Service at Centegra Hospital - Woodstock as a relocation of the existing AMI Category of Service at Centegra Specialty Hospital - Woodstock, South Street.

The existing AMI Category of Service at Centegra Specialty Hospital - Woodstock, South Street will be discontinued when the AMI Category of Service at Centegra Hospital - Woodstock becomes operational. The discontinuation of the AMI Category of Service at Centegra Specialty Hospital - Woodstock, South Street is proposed in a separate CON application that is being submitted at the same time as the CON application for Centegra Hospital - Woodstock.

- This project proposes to address the IDPH's need for additional AMI beds that will exist in Planning Area 8 A-10, the planning area for the AMI Category of Service in which both Centegra Hospital - Woodstock and Centegra Specialty Hospital - Woodstock, South Street are located, once Centegra Specialty Hospital - Woodstock, South Street's CON application to discontinue its AMI Category of Service is approved.

The "Revised Bed Need Determinations" to the "Inventory of Health Care Facilities and Services and Need Determinations" promulgated by the IDPH identified a Calculated Bed Need for 34 AMI beds in Planning Area 8 A-10 as of December 18, 2013. Centegra Specialty Hospital - Woodstock, South Street currently operates the only AMI Service in that planning area with 36 authorized beds, and the hospital is submitting a CON application to discontinue that category of service at the same time as Centegra Hospital - Woodstock is submitting this CON application.

When a CON permit is granted to Centegra Specialty Hospital - Woodstock, South Street to discontinue its AMI Category of Service with 36 authorized beds, there will be a bed need for 34 additional AMI beds in Planning Area 8 A-10. This project proposes to address that bed need.

- This project proposes to increase the accessibility of acute care services to psychiatric patients by relocating the AMI Service to a general acute care hospital that has diagnostic capabilities and the ability to treat medical conditions of psychiatric patients.

The relocation of the AMI Service to Centegra Hospital - Woodstock will eliminate the need for ambulance transfers to the hospital for psychiatric patients requiring acute care diagnostic procedures or treatment.

This relocation of the AMI Service will also permit more psychiatric patients to be admitted to Centegra Hospital - Woodstock since hospital records show that at least 22 potential Psychiatric patients could not be admitted to Centegra Specialty Hospital - Woodstock, South Street during the 12-month period of July 1, 2012, through June 30, 2013, due to the lack of acute care services. As a result, these patients had to be admitted outside the planning area.

- This project proposes to address the mental health needs of the residents of those areas within Planning Area 8 A-10 that are identified by the federal government (Health Resources and Services Administration of the U.S. Department of Health and Human Services) as Medically Underserved Populations.

A discussion of those census tracts is found in Item 5 below. Identification of the Medically Underserved Populations is found on Pages 7 through 9 of this Attachment.

4. The sources of information provided as documentation are the following:
 - a. Illinois Department of Public Health, "Revised Bed Need Determinations" to the "Inventory of Health Care Facilities and Services and Need Determinations," December 18, 2013;
 - b. Hospital records;
 - c. Centegra Health System's internal financial reporting system (EPSI);
 - d. Intellimed using population projection software and data from Esri;
 - e. Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS), HPSA & MUA/P Shortage Areas and Populations by Address, <http://datawarehouse.hrsa.gov/GeoAdvisor/ShortageDesignationAdvisor.aspx>;
 - f. Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS), Medically Underserved Areas and Populations by State and County, <http://muafind.hrsa.gov/index.aspx> for McHenry County;
 - g. Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS), Health Professional Shortage Areas by State and County, <http://hpsafind.hrsa.gov/HPSASearch.aspx> for McHenry County;
 - h. Illinois Hospital Licensing Requirements for Psychiatric Units (77 Ill. Adm. Code 250.2210-250.2300, 2440(g));
 - i. U.S. Department of Justice, 2010 ADA Standards for Accessible Design. 2010, www.ada.gov/2010ADASTandards_index.htm;
 - j. National Fire Protection Association, [NFPA 101: Life Safety Code, 2012 Edition](#);
 - k. The Facilities Guidelines Institute with assistance from the U.S. Department of Health and Human Services, [Guidelines for Design and Construction of Health Care Facilities, 2010 Edition](#). 2010: ASHE (American Society for Healthcare Engineering), Sections 2.1-2.4, 2.2-2.14, 2.5-2.2.5 through 2.5-2.2.8, 2.5-7.2, 2.5-8.
5. This project will address and improve the health care and well-being of residents of Planning Area 8 A-10 as well as others currently served by the AMI Category of Service

at Centegra Specialty Hospital - Woodstock, South Street and those that will be served by the AMI Category of Service at Centegra Hospital - Woodstock. This improvement in patient care will occur because Centegra Hospital - Woodstock will be able to provide inpatient psychiatric care in improved facilities.

This project will impact those areas within Planning Area 8 A-10 that are identified by the federal government (Health Resources and Services Administration of the U.S. Department of Health and Human Services) as having Medically Underserved Populations.

Within Planning Area 8 A-10 (McHenry County), there are 3 census tracts that have been designated as having a federally-designated Medically Underserved Population, a designation that is made to document unusual local conditions and barriers to accessing personal health services.

The identification of these areas is found on Pages 7 through 9 of this Attachment.

This project will have a positive impact on those patients residing in these areas who require inpatient care in the AMI Service that will be established in Centegra Hospital - Woodstock.

6. Centegra Health System's goal in establishing an AMI Category of Service at Centegra Hospital - Woodstock is to relocate the planning area's only AMI Category of Service in order to provide quality inpatient psychiatric care to residents of its planning area in accordance with IDPH's determination of bed need for these services.

U.S. Department of Health & Human Services

HRSA Data Warehouse | HRSA.gov



U.S. Department of Health and Human Services
Health Resources and Services Administration

Enter Keywords

HRSA Data Warehouse HRSA.gov

Powered by the HRSA Data Warehouse

Find Shortage Areas: HPSA & MUA/P by Address

- [Shortage Designation Home](#)
- [Find Shortage Areas](#)**
- [HPSA by State & County](#)
- [HPSAs Eligible for the Medicare Physician Bonus Payment](#)
- [MUA/P by State & County](#)

Reported location: 3701 Doty Rd, Woodstock, IL, 60098
 (---- **Input location:** 3701 Doty Road, Woodstock, Illinois 60098)

[Start over with a new query by address](#)

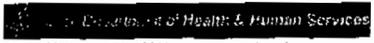


In a Primary Care Health Professional Shortage Area: No	
In a Mental Health Professional Shortage Area: No	
In a Dental Care Health Professional Shortage Area: No	
In a Medically Underserved Area/Population: Yes	
MUA/P Service Area Name:	Pov Pop - Woodstock
MUA/P ID:	07301
State Name:	Illinois
County Name:	McHenry
County Subdivision Name:	Dorr
Census Tract Number:	870902
ZIP Code:	60098
Post Office Name:	Woodstock
Congressional District Name:	Illinois District 14
Congressional District Representative Name:	Randy Hultgren
FIPS Code (State + County + Minor Civil Division) County Subdivision:	1711120396
FIPS Code (State + County + Tract number) Census Tract:	17111870902
Click the image and check the detailed neighborhood on a map:	

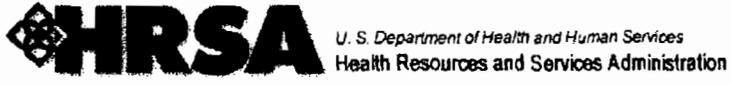
Note: The address you entered is geocoded and then compared against the HPSA and MUA data (as of 12/26/2013) in the HRSA Data Warehouse. Due to geoprocessing limitations, the designation result provided may be inaccurate and does not constitute an official determination. If you feel the result is in error, please refer to <http://answers.hrsa.gov>.

Health Professional Shortage Areas (HPSAs) are designated by HRSA as having shortages of primary medical care, dental or mental health providers and may be geographic (a county or service area), demographic (low income population) or institutional (comprehensive health center, federally qualified health center or other public facility). Medically Underserved Areas/Populations are areas or populations designated by HRSA as having: too few primary care providers, high infant mortality, high poverty and/or high elderly population. [More about shortage areas](#)

Note: This search will not identify organizations that have institutional HPSAs. To find these HPSAs, use the [State and County Search](#) option.



[HRSA Data Warehouse](#) | [HRSA.gov](#)



Enter Keywords

HRSA Data Warehouse HRSA.gov

Powered by the HRSA Data Warehouse

Find Shortage Areas: HPSA by State & County

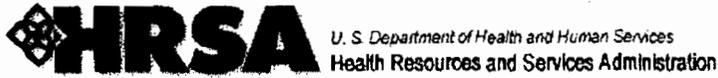
- Shortage Designation Home
- Find Shortage Areas
- HPSA & MUA/P by Address
- HPSA Eligible for the Medicare Physician Bonus Payment
- MUA/P by State & County

Criteria:													
State: Illinois	Discipline: Mental Health												
County: McHenry County	Metro: All												
ID: All	Status: Designated												
Date of Last Update: All Dates	Type: All												
HPSA Score (lower limit): 0													
Results: 0 records found.													
<i>(Satellite sites of Comprehensive Health Centers automatically assume the HPSA score of the affiliated grantee. They are not listed separately.)</i>													
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>HPSA Name</th> <th>ID</th> <th>Type</th> <th>FTE</th> <th># Short</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td colspan="6" style="text-align: center;">111 - McHenry County No HPSAs in this county.</td> </tr> </tbody> </table>		HPSA Name	ID	Type	FTE	# Short	Score	111 - McHenry County No HPSAs in this county.					
HPSA Name	ID	Type	FTE	# Short	Score								
111 - McHenry County No HPSAs in this county.													
Data as of: 12/26/2013													
<input type="button" value="NEW SEARCH"/> <input type="button" value="MODIFY SEARCH CRITERIA"/>													

[Ask Questions](#) | [Viewers & Players](#) | [Privacy Policy](#) | [Disclaimers](#) | [Accessibility](#) | [Freedom of Information Act](#) | [USA.gov](#) | [WhiteHouse.gov](#) | [Recovery.gov](#)

U.S. Department of Health & Human Services

HRSA Data Warehouse | HRSA.gov



Enter Keywords

HRSA Data Warehouse HRSA.gov

Powered by the HRSA Data Warehouse

Find Shortage Areas: MUA/P by State and County

- Shortage Designation Home
- Find Shortage Areas
- HPSA & MUA/P by Address
- HPSA by State & County
- HPSA Eligible for the Medicare Physician Bonus Payment

Criteria:						
State: Illinois						
County: McHenry County						
ID #: All						
Results: 4 records found.						
Name	ID#	Type	Score	Designation Date	Update Date	
McHenry County						
Pov Pop - Woodstock	D7301	GOV MUP	0.00	2003/02/28		
CT 8702.00						
CT 8709.02						
CT 8715.00						
<input type="button" value="NEW SEARCH"/>			<input type="button" value="MODIFY SEARCH CRITERIA"/>			

CAPITOL OFFICE:
309L STATE HOUSE
SPRINGFIELD, IL 62706
(217) 782-8000
FAX: (217) 782-7818



DISTRICT OFFICE:
5400 W. ELM ST., STE. 103
MCHENRY, IL 60050
(815) 455-6330
FAX: (815) 679-6756

PAMELA J. ALTHOFF

STATE SENATOR · 32ND DISTRICT
REPUBLICAN CAUCUS CHAIR

January 23, 2014

Madam Chair Kathryn Olson and Board Members
c/o Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Centegra Specialty Hospital – Woodstock: discontinuation of Acute Mental Illness
Centegra Hospital – Woodstock: establishment of Acute Mental Illness and discontinuation of Obstetrics

Dear Madam Chair and Board Members:

Please accept this letter in support of Centegra Health System's request to relocate their Behavioral Health Services Treatment Center. Centegra Health System is not only a model health care organization, but an important committed community partner. They are continually assessing our area's growth and ensuring our health needs are met now and well into the future. History proves that Centegra is always there for our community, not only in health care emergencies but also in overall wellness care.

Centegra is a McHenry/Kane County forward-thinking health system committed to our community, and is once again stepping up to the plate to invest in our health by moving inpatient behavioral health services to Centegra Hospital-Woodstock. This move demonstrates prudent management of health care resources and will more fully serve the increased patient demand in our community. The existing facility, while adequate is truly limited in meeting future growth in population and/or service requirements.

As an elected official, I am always concerned about the continuing need for behavioral health services in my district as is demonstrated not only by my voting record, but my volunteer work in the district over the past 20 years. I know this move is a great decision and I fully support Centegra Health Systems relocation of behavioral health services to better meet the demands of our community. This expansion of behavioral health services will ensure patients have access to additional behavioral health beds in a full service hospital where patients who also have medical needs will be better able to receive care.

Thank you for your consideration.

Regards,

A handwritten signature in cursive script that reads "Pamela J. Althoff".

Pamela J. Althoff
Illinois State Senator
32nd District

PJA/cd

ATTACHMENT-12, PAGE 10

RECYCLED PAPER • SOYBEAN INK

District Office:
1500 Claremont Drive, Suite D
Crystal Lake, IL 60014
Phone: 815-459-6453
Fax: 815-356-0643
mike@miketryon.com

Springfield Office:
200-7-N Stratton Building
Springfield, IL 62706
Phone: 217-782-0432
Fax: 217-782-1141



Committees:
Energy
Minority Spokesperson
Environment
Minority Spokesperson
Mass Transit
Minority Spokesperson
Executive
Business Growth & Incentives

Michael W. Tryon
State Representative • 66th District

January 23, 2014

Courtney Avery, Administrator
IL Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

RE: Centegra Specialty Hospital – Woodstock: discontinuation of Acute Mental Illness
Centegra Hospital – Woodstock: establishment of Acute Mental Illness and discontinuation of Obstetrics

Dear Administrator Avery:

It has come to my attention that Centegra Health Systems would like to move its behavioral health services from its current location on South Street in Woodstock to Centegra Hospital-Woodstock. I am in full support of this proposal.

While the quality of behavioral health care provided by Centegra today is excellent, services are housed in an aging and out-of-date facility. I applaud the Centegra administration's decision to move its behavioral health services to a modern and more cost-efficient facility which will ensure that patients who also have acute care needs can have those needs met at a full-service hospital. By moving inpatient behavioral health services to Centegra Hospital-Woodstock, Centegra can ensure timely and expanded access to medical services by treating behavioral health patients in the same building where other important health care services are available.

Again, I am in full support of Centegra's desire to relocate their behavioral health services and believe the move would have a positive impact on community and surrounding areas. Thank you for considering my comments as you review their certificate of need application.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael W. Tryon".

Michael W. Tryon
State Representative
District 66

RECYCLED PAPER • SOYBEAN INKS



December 16, 2013

Dr. Sheila Senn, Psy.D., LCPC
Vice President and Site Administrator
Centegra Hospital-Woodstock
3701 Doty Road
Woodstock, IL 60098

Re: Letter of Support – Centegra Health Systems

Dear Dr. Senn;

The McHenry County Mental Health Board fully supports the proposed changes coming to Centegra Health System that will improve the behavioral health needs in McHenry County. This consolidation of OB/GYN services to the McHenry Campus and therefore making additional beds for inpatient psychiatric care available is crucial. This action not only addresses a critical need in McHenry County, it would increase the numbers of our residents being served here in our County rather than being transferred to distant hospitals outside our county, creating additional stresses for the patient and their loved ones. We know that people receiving behavioral health services closer to their homes facilitate and promote resiliency and recovery. Additionally outpatient providers of behavioral health services are supportive of these proposed changes knowing that their clients are more apt to remain within the systems of care provided across our county. As the local Mental Health Authority and a major funder of behavioral health needs and services provided at Centegra Health Systems we recognize the value not only to those served, but to our community as a whole, knowing additional care is available to those most in need.

The Mental Health Board strongly agrees with Centegra Health Systems in the changes outlined to bring improved wellness to the citizens of McHenry County.

Sincerely,

A handwritten signature in cursive script that reads "Duane Lahti".

Duane Lahti
Interim Executive Director



4001 Dayton Street • McHenry, Illinois 60050 • www.pioneercenter.org • 815.344.1230 • fax: 815.344.3815

Ms Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 W Jefferson St, 2nd Floor
Springfield, IL 62702

Dear Ms Avery:

I am writing this letter to support the CON application from Centegra Health Systems in McHenry County to move their inpatient psychiatric beds from the Centegra Specialty Hospital to the acute care site at Centegra Hospital (Woodstock). By moving inpatient services to the Woodstock acute care site, Centegra will be able to serve more patients with behavioral health needs; which is a critical need in our community.

My organization (Pioneer Center for Human Services) fully supports the move of the inpatient health services. As a behavioral health organization located in McHenry County, we closely follow the availability of behavioral health services in the county. Ensuring that the county has accessible and available behavioral health services is critical to our organization, the community, and our clients/patients.

Centegra Health System is the only provider of inpatient behavioral health in our community, and works hand-in-hand with the network of behavioral/mental health providers and systems to ensure that adequate services are available. This system has identified that more services and more effective services are needed, and the CON to move inpatient services to the Woodstock centrally located and accessible acute care hospital site will address those identified needs and demand.

In summary, Pioneer Center fully supports the move of the inpatient behavioral health services addressed in the Centegra Hospital Systems CON.

Best Wishes,

A handwritten signature in black ink that reads "Patrick R. Maynard, PhD".

Patrick Maynard, PhD, President and CEO
Pioneer Center for Human Services



January 10, 2014

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62702

Dear Ms. Avery:

Rosecrance fully supports the move of Centegra's inpatient psychiatric beds to Centegra Hospital – Woodstock. Rosecrance has a long history of providing substance abuse and mental health treatment services for adults, adolescents and families. We are recognized for our expertise in providing quality prevention, intervention and treatment services.

As a behavioral health organization located in McHenry County, we closely follow the availability of behavioral health services in the county. Ensuring the county has accessible and available inpatient behavioral health services is of importance to our organization and to our clients. Centegra Health System is the only provider of inpatient behavioral health and the system is committed to continuing to ensure inpatient services are available to our residents.

It is our understanding that by moving inpatient services to an acute care hospital, Centegra will be able to serve more behavioral health patients who have medical needs, which is important for our clients who may require these services. The new location is centrally located in the county and accessible by those who need the services.

Sincerely,



Philip W. Eaton
President/CEO

PWE/md

rosecrance
life's waiting

Rosecrance Health Network
1021 North Mulford Road
Rockford, Illinois 61107

T 815.391.1000
F 815.391.5041

rosecrance.org

ATTACHMENT-12, PAGE 14

III.
Criterion 1110.230 - Alternatives

1. The following alternatives to the proposed project were considered and rejected.
 - a. Do not discontinue the Obstetric Category of Service at Centegra Hospital - Woodstock. Relocate the Acute Mental Illness Category of Service to Centegra Hospital - Woodstock in existing available space.
 - b. Do not discontinue the Obstetric Category of Service at Centegra Hospital - Woodstock. Construct an addition to either Centegra Hospital - Woodstock or Centegra Hospital - McHenry that would accommodate the AMI Category of Service that is being relocated from Centegra Specialty Hospital - Woodstock, South Street.

The addition would have 34 authorized AMI beds to meet the bed need in Planning Area 8 A-10 after the AMI Category of Service is discontinued at Centegra Specialty Hospital - Woodstock, South Street, and the AMI Service would be the same size and configuration as the AMI Service proposed in this application.

2. Each of these alternatives was rejected for the following reasons.

- a. Do not discontinue the Obstetric Category of Service at Centegra Hospital - Woodstock. Relocate the Acute Mental Illness Category of Service to Centegra Hospital - Woodstock in existing available space.

Capital Costs for this alternative, if it had been determined to be feasible: \$4,301,477, the cost of the proposed project

This alternative was determined to be infeasible because Centegra Hospital - Woodstock does not have available excess space within its existing physical plant to accommodate the AMI Category of Service.

Centegra Hospital - Woodstock operates the following categories of service: Medical/Surgical; Intensive Care; and Obstetrics/Gynecology.

During CY2012, occupancy in Centegra Hospital - Woodstock's Medical/Surgical Category of Service was 75.2%, which exceeded the Occupancy Target of 75% for this category of service in a hospital with between 26 and 99 Medical/Surgical beds (77 Ill. Adm. Code 1100.520.(c)(1)). As a result, there are no Medical/Surgical nursing units that have available excess space to accommodate the relocated AMI Category of Service.

During CY2012, occupancy in Centegra Hospital - Woodstock's Intensive Care Category of Service was 52.3%, which was 0.9 average daily census below the Occupancy Target for this category of Service (77 Ill. Adm. Code 1100.540.(c)). As a result, the Intensive Care Unit does not have available excess space to accommodate the relocated AMI Category of Service.

This project proposes to discontinue the Obstetric Category of Service, as discussed in this CON application.

- b. Do not discontinue the Obstetric Category of Service at Centegra Hospital - Woodstock. Construct an addition to either Centegra Hospital - Woodstock or Centegra Hospital - McHenry that would accommodate the Acute Mental Illness (AMI) Category of Service that is being relocated from Centegra Specialty Hospital- Woodstock, South Street.

The addition would have 34 authorized AMI beds to meet the bed need in Planning Area 8 A-10 after the AMI Category of Service is discontinued at Centegra Specialty Hospital - Woodstock, South Street, and the AMI Service would be the same size and configuration as the AMI Service proposed in this application.

Capital Costs for implementing this alternative at either Centegra Hospital - Woodstock or Centegra Hospital - McHenry: \$7,474,877.

- 1) There would be an incremental (additional) cost of nearly \$3.2 million associated with selecting this alternative because it would require a new addition to be constructed to each hospital, regardless of whether it would be Centegra Hospital - Woodstock or Centegra Hospital - McHenry.

Construction of a new addition at either Centegra Hospital - Woodstock or Centegra Hospital - McHenry would result in additional costs for new construction of an addition as well as additional costs associated with the new construction that are not required for the proposed project, including demolition and clearing of the area where the new addition would be constructed, site survey and soil investigation, and preparation of the site for the new construction.

- 2) Since there is a justifiable reason for discontinuing Centegra Hospital - Woodstock's Obstetric Category of Service and consolidating it with Centegra Hospital - McHenry's Obstetric Category of Service in the McHenry hospital building, as fully discussed in Attachment 10 of this CON application (Discontinuation), it would not be financially prudent to undertake the additional capital expenditure required to implement this alternative.

The appropriate financial decision is to implement the project as proposed in this CON application, which is to discontinue Centegra Hospital - Woodstock's Obstetric Category of Service as well as its Labor-Delivery-Recovery and Newborn Nursery Services and then to modernize the space vacated by these services for use as the AMI Category of Service. The new AMI Category of Service will be relocated from Centegra Specialty Hospital - Woodstock, South Street, as proposed in the CON application to discontinue that category of service which is being submitted simultaneously with this application.

- 3) It is appropriate to discontinue Centegra Hospital - Woodstock's Obstetric Category of Service and to consolidate all of the hospital's Obstetric

Services with Centegra Hospital - McHenry, which is located in the same planning area (Planning Area A-10).

- a) As a result of the consolidation of the Obstetric Category of Service that is proposed in this application, the occupancy of Centegra Hospital - McHenry's Obstetric Category of Service, which has historically been less than the target occupancy rate of 75% for an Obstetric Category of Service with 11 to 25 Obstetric beds (77 Ill. Adm. Code 1100.530.(c)(2)), will increase.
- b) As a result of the consolidation of the Obstetric Category of Service that is proposed in this CON application, excess bed capacity in the Obstetric Category of Service for Planning Area A-10 will be reduced.

As of December 18, 2013, the Illinois Department of Public Health's "Revised Bed Need Determination" indicated that there were 12 excess Obstetric beds in Planning Area A-10. The excess number of authorized beds in the Obstetric Service has increased to 16 due to Centegra Hospital - McHenry's recent increase in its authorized bed capacity, as permitted by 77 Ill. Adm. Code 1130.240.(f)(1)(C).

The discontinuation of Centegra Hospital - Woodstock's Obstetric Category of Service will reduce the excess Obstetric beds in Planning Area A-10 to 2 beds.

- 4) The discontinuation of Centegra Hospital - Woodstock's Obstetric Category of Service will correct the maldistribution of Obstetric services in Planning Area A-10 when Centegra Hospital - Huntley becomes operational since that hospital will operate a 20 bed Obstetric Category of Service.

The rapid population growth in McHenry County is located in its southern portion, where Centegra Hospital - Huntley will be located. Both Centegra Hospital - Woodstock and Centegra Hospital - McHenry are located in the central and northern portions of the county.

- 3. This item is not applicable to this project.

IV.
Size of Project

1. The proposed Acute Mental Illness unit at Centegra Hospital – Woodstock will be utilizing the space vacated by the Obstetrics Category of Service. The unit, consisting of 15,150 department gross square feet, will be renovated to accommodate the new AMI Category of Service.

The space will include 34 patient beds and additional clinical support areas such as nursing stations, consultation rooms and group space.

2. Appendix B to Part 1110 lists the standard for Acute Mental Illness Service to be 440-560 dgsf/Bed or 14,960 dgsf – 19,040 dgsf for a 34 bed unit. The proposed unit consisting of 15,150 dgsf is within the state standard.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
Acute Mental Illness	15,150 dgsf	14,960 - 19,040 dgsf	Within standard	Yes

IV.
Project Services Utilization

This project includes the Acute Mental Illness (AMI) Category of Service. The state guideline for target occupancy is 85%

Projected utilization for the first two fiscal years of operation for AMI is found below:

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1	AMI	0*	10,722 patient days	85% occupancy	Yes, 86.2%
YEAR 2	AMI	0*	10,753 patient days	85% occupancy	Yes, 86.6%

*Although this project proposes to establish a new AMI Category of Service at Centegra Hospital - Woodstock, this project is a relocation of an existing AMI Category of Service from Centegra Specialty Hospital - Woodstock, South Street.

The following calculations show the projected utilization for year 1 and year 2 of operation.

	<u>Admissions</u>	<u>Patient Days</u>	<u>Average Length of Stay</u>
FY13 actual AMI inpatient volume and patient days at Centegra Specialty Hospital – Woodstock, South Street	965	7,019	7.3
Patients unable to be admitted due to no bed	259	1,884	7.3
Patients unable to be accommodated due to additional acute care needs	22	160	7.3
Total Potential for FY13	1,462	9,063	
*assumed same length of stay as FY13 actual average length of stay			
Additional volume for Medical Director of AMI who started in FY14		1,884	
Additional volume from population growth		30	
FY14 Projections		10,660	
Additional volume from population growth		31	
FY15 Projections		10,691	
Additional volume from population growth		31	
Year 1: FY16 Projections		10,722	
Additional volume from population growth		31	
Year 2: FY17 Projections		10,753	

2012 – 2017 population projections for Planning Area 8 A-10** = 1.45%

** From Esri via Intellimed

The occupancy rate for the first two fiscal years of operation is calculated as follows:

$$\text{Occupancy Rate} = \frac{\text{Patient Days} / \text{Calendar Days}}{\text{Authorized Beds}}$$

	Year 1 (FY16)	Year 2 (FY17)
Patient Days	10,722	10,753
Calendar Days	366	365
Authorized Beds	34	34
Occupancy Rate	86.2%	86.6%

VII.C.3.

Criteria 1110.730.(b)(1)-(b)(3), (b)(5), (c), (e)-(g)

Service Specific Review Criteria: Acute Mental Illness

This project includes the establishment of the Acute Mental Illness (AMI) Category of Service with 34 authorized AMI beds at Centegra Hospital - Woodstock as a relocation of the AMI Category of Service from Centegra Specialty Hospital - Woodstock, South Street, the sole provider of this category of service in Planning Area 8 A-10. The discontinuation of the AMI Category of Service at Centegra Specialty Hospital - Woodstock, South Street is being proposed in a CON application that is being filed simultaneously with this CON application.

Centegra Specialty Hospital - Woodstock, South Street was constructed in 1914, and the AMI Service needs to be relocated from that 100 year old hospital building in order to provide contemporary facilities for this inpatient service. Centegra Hospital - Woodstock, which was constructed less than 20 years ago, provides a contemporary facility for this category of service.

In order to establish the AMI Category of Service at Centegra Hospital - Woodstock, it is necessary to either construct an addition to the hospital, which would be a costly alternative as discussed in Attachment 13 of this application, or to free up space within the existing hospital in which an AMI Service could be constructed. The decision was made to consolidate the Obstetric Services of Centegra Hospital - Woodstock with those of Centegra Hospital - McHenry in order to create vacated space within Centegra Hospital - Woodstock that could accommodate the AMI Category of Service. A discussion of the reasons for the discontinuation of Centegra Hospital - Woodstock's Obstetric Category of Service in order to consolidate it with Centegra Hospital - McHenry's Obstetric Category of Service in the McHenry site is found in Attachment 10 of this application.

1. Criterion 1110.730.(b)(1) – Planning Area Need – 77 Ill. Adm. Code 1100 (formula calculation)

- A. The "Revised Bed Need Determinations" issued by the Illinois Department of Public Health (IDPH), dated December 18, 2013, identify the calculated bed need for Planning Area 8 A-10 to be 34 Acute Mental Illness beds.

Centegra Specialty Hospital - Woodstock, South Street is the only provider of the AMI Category of Service in Planning Area 8 A-10.

This CON application is being submitted simultaneously with a CON application to discontinue the AMI Category of Service at Centegra Specialty Hospital - Woodstock, South Street in order to relocate that hospital's AMI Service to Centegra Hospital - Woodstock. The discontinuation of the AMI Category of Service at Centegra Specialty Hospital - Woodstock, South Street will reduce the authorized bed capacity in that service in Planning Area 8 A-10 to 0, making the additional beds needed to be 34.

For that reason, the establishment of the AMI Category of Service with the number of beds proposed for this project is in accordance with the formula calculation for planning area need that is stated in 77 Ill. Adm. Code 1110.730.b(1).

- B. The 34 proposed beds do not exceed the projected deficit, and the projected occupancy will be in compliance with the occupancy standard of 85%.

2. Criterion 1110.730.(b)(2) – Planning Area Need – Service to Planning Area Residents

- A. The primary purpose of this project is to provide necessary health care to the residents of Planning Area 8 A-10 (McHenry County). The project is a relocation of AMI Category of Service from Centegra Specialty Hospital – Woodstock, South Street to Centegra Hospital – Woodstock. The hospitals are located four miles apart, in the same municipality (Woodstock), in the same zip code (60098), and will serve the same population.

As can be seen by the patient origin data provided on Page 11 of this Attachment, in FY13 (July 2012 – June 2013), 82% of the patients receiving AMI services at Centegra Specialty Hospital – Woodstock, South Street resided in zip codes that are located within McHenry County, either in whole or in part, with 74.4 % residing in zip codes that are located entirely within McHenry County.

- B. This section applies to applicants proposing to add beds to an existing AMI service and is, therefore, not applicable because this CON proposes to establish the AMI category of service.
- C. This section applies to applicants proposing to expand an existing AMI service and is, therefore, not applicable because this CON proposes to establish the AMI category of service.

3. Criterion 1110.730.(b)(3) – Planning Area Need – Service Demand – Establishment of AMI and/or CMI.

As previously mentioned, this project proposes to relocate the AMI category of service from Centegra Specialty Hospital – Woodstock, South Street to Centegra Hospital – Woodstock.

A. Historical Referrals

The justification for this project is based upon the calculated bed need for the AMI Category of Service in Planning Area 8 A-10, which is 34 beds, and upon the fact that Centegra Health System, the owner and operator of both Centegra Specialty Hospital - Woodstock, South Street and Centegra Hospital - Woodstock, proposes to relocate the only AMI Service in this planning area from Centegra Specialty Hospital - Woodstock, South Street to Centegra Hospital - Woodstock. The two hospitals are located in the same planning area, the same municipality, the same zip code, and serve the same patient population.

Centegra Specialty Hospital – Woodstock, South Street has 36 authorized AMI beds.

During its most recent fiscal year (FY2013), Centegra Specialty Hospital – Woodstock, South Street's AMI Category of Service experienced 965 patient admissions with a total of 7,019 patient days, which was an average length of stay of 7.3 days.

In addition to the admitted patients during that same time period, 259 patients were turned away due to the lack of an available bed and 22 patients were not able to be accommodated because they had acute care needs that could not be met at Centegra Specialty Hospital – Woodstock, South Street because the hospital does not have a

Medical/Surgical Category of Service or diagnostic equipment for acute care patients. The relocated AMI Service at Centegra Hospital – Woodstock will be able to accommodate the additional patient volume. Assuming these 281 additional patients would experience the same average length of stay as the admitted AMI patients experienced during FY13, these admissions would result in an additional 2,044 AMI patient days for an annual total AMI utilization of 9,063 patient days.

In May, 2013, Centegra hired a Psychiatrist, Dr. Paul Berkowitz. Dr. Berkowitz, who will be the Medical Director of the Centegra Hospital – Woodstock AMI Service, began admitting patients to the Centegra Specialty Hospital - Woodstock, South Street AMI Service at the beginning of FY14, in July 2013. Dr. Berkowitz's annualized admissions and patient days for FY14 are 216 and 1,567, respectively.

B. Projected Referrals

Although this project proposes to establish a new AMI Category of Service at Centegra Hospital - Woodstock, this project is a relocation of an existing AMI Category of Service from Centegra Specialty Hospital - Woodstock, South Street.

Consequently, the projected referrals to the AMI Category of Service at Centegra Hospital - Woodstock include the following.

- In FY13, 965 inpatients were treated in the AMI Category of Service at Centegra Specialty Hospital – Woodstock, South Street by the following three attending physicians:

Dr. Eshwar Gumidyala: 484 patients
Dr. Aftab Poshni: 15 patients
Dr. Ritu K Talwar: 466 patients

Pages 12-14 of this Attachment include the signed, notarized statements from each of the psychiatrists attesting to the number of patients they treated at Centegra Specialty Hospital – Woodstock, South Street during FY13 and a statement that they intend to admit their full case load to the relocated AMI Category of Service at Centegra Hospital – Woodstock.

- The 259 patients who could not be admitted to the AMI Service at Centegra Specialty Hospital - Woodstock, South Street during FY13 due to the lack of an available bed and the 22 patients who were not able to be accommodated at Centegra Specialty Hospital - Woodstock, South Street because they had acute care needs that could not be met in that AMI Unit since it does not have a Medical/Surgical Category of Service or diagnostic equipment for acute care patients are included in the projected utilization.

The relocated AMI Service at Centegra Hospital – Woodstock will be able to accommodate the additional patient volume. Assuming that these 281 additional patients would experience the same average length of stay as the admitted AMI patients experienced during FY13, these admissions would result in an additional 2,044 AMI patient days for an annual total AMI utilization of 9,063 patient days.

- The annualized caseload for the Dr. Paul Berkowitz, who will be the Medical Director of the AMI Category of Service at Centegra Hospital – Woodstock, is included in projected utilization for the relocated AMI Service. As noted in the section above, Dr. Berkowitz began working at Centegra Health System in July, 2013, so his caseload is not counted in the FY13 utilization for this category of service.

Dr. Berkowitz's annualized admissions and patient days for FY14 are 216 and 1,567, respectively.

- The recruitment of an additional Psychiatrist is projected to result in additional referrals to Centegra Hospital - Woodstock's AMI Service.
- The projected population growth rate for Planning Area 8 A-10 (McHenry County) from 2012 to 2017, the second full fiscal year of operation of the relocated AMI Category of Service, is 1.45%, according to Intellimed, which uses population projection data from Esri. This projected population increase will increase the projected patient days for the AMI Category of Service to 10,753 by FY17.

The projected patient days for FY17 for Centegra Hospital - Woodstock's AMI Category of Service will justify 34 AMI authorized beds at 85% occupancy, which is the calculated bed need for Planning Area 8 A-10.

C. Projected Service Demand – Based on Rapid Population Growth

This CON application is not based on rapid population growth, therefore this section isn't applicable.

D. Patient Type

Because the proposed project is a relocation of existing Acute Mental Illness services currently provided at Centegra Specialty Hospital – Woodstock, South Street, the type of patient will be identical at Centegra Hospital - Woodstock to those currently treated at Centegra Specialty Hospital - Woodstock, South Street.

The majority of the inpatients are seen for MS-DRG 885 Psychoses for conditions such as, but not limited to, Bipolar Disorder, Bipolar Depressive Episode, Recurrent Mood Disorder, Episodic Mood Disorder, Major Depression and Schizoaffective Disorder.

Centegra Hospital – Woodstock proposes to continue to serve the adult patient population only.

4. Criterion 1110.730.(b)(4) – Planning Area Need – Service Demand – Expansion of Existing Category of Service

This criterion applies to projects that are expanding an existing category of service and is, therefore not applicable.

5. Criterion 1110.730.(b)(5) – Planning Area Need – Service Accessibility

A. Service Restrictions

- i. As previously mentioned, this project is a relocation of the only AMI Category of Service in Planning Area 8 A-10 from Centegra Specialty Hospital – Woodstock, South Street to Centegra Hospital – Woodstock. Centegra Specialty Hospital - Woodstock, South Street, which is part of Centegra Health System, as is Centegra Hospital - Woodstock has been the sole provider of the AMI Category of Service in the planning area. The number of beds proposed to be established at Centegra Hospital – Woodstock is 34, which is the calculated bed need for Planning Area 8 A-10.
- ii.-iii. This project will address and improve the health care and well-being of residents of Planning Area 8 A-10 as well as others currently served by the AMI Category of Service at Centegra Specialty Hospital - Woodstock, South Street and those that will be served by the AMI Category of Service at Centegra Hospital - Woodstock.

This improvement in patient care will occur for the following reasons:

- Centegra Hospital - Woodstock will be able to provide the only inpatient psychiatric care in the planning area in contemporary facilities with an increased number of private rooms; and
 - The relocation of this AMI Service will increase the accessibility of acute care services to psychiatric patients because it will be located in an acute care hospital that has diagnostic capabilities and the ability to treat medical conditions of psychiatric patients.
- iv. This project will impact those areas within Planning Area 8 A-10 that are identified by the federal government (Health Resources and Services Administration of the U.S. Department of Health and Human Services) as having Medically Underserved Populations.

Within Planning Area 8 A-10 (McHenry County), there are 3 census tracts that have been designated as having a federally-designated Medically Underserved Population, a designation that is made to document unusual local conditions and barriers to accessing personal health services.

The identification of these areas and their locations are found on Pages 15 through 17 of this attachment.

- v. Other than Centegra Specialty Hospital - Woodstock, South Street, which proposes to discontinue its AMI Category of Service in order to relocate it to Centegra Hospital - Woodstock in this CON application, there are 2 other facilities that provide the AMI Category of Service that are located within 45 minutes normal travel time, in accordance with 77 Ill. Adm. Code 1100.510(d)(2). Those facilities are not located in the same planning area.

<u>Facility and Town Planning Area</u>	<u>Distance and Adjusted Travel Time*</u>
Presence Saint Joseph Hospital Planning Area 8 A-11, North Kane County	19.7 miles, 38 minutes
Alexian Brothers Behavioral Health Hospital Planning Area A-07	23.0 miles, 45 minutes

*Travel Time was calculated using www.mapquest.com and adjusted by multiplying the travel time by 1.15, in accordance with 77 Ill. Adm. Code 1100.510(d)(2)

B. Supporting Documentation

The following documentation supports the existing restrictions to service access.

- Patient Origin Data for Centegra Specialty Hospital - Woodstock, South Street's AMI Service, which is found on Page 11 of this Attachment.

These data document that the primary purpose of this project is to serve residents of Planning Area 8 A-10 since 82% of the patients receiving AMI services at Centegra Specialty Hospital - Woodstock, South Street resided in zip codes that are located in whole or in part within McHenry County, with 74.4% of the patients residing in zip codes that are located entirely within McHenry County.

- Documentation from www.mapquest.com that the travel time between Centegra Hospital - Woodstock and Presence Saint Joseph Hospital is 38 minutes normal travel time and that the travel time between Centegra Hospital - Woodstock and Alexian Brothers Behavioral Health Hospital is 45 minutes normal travel time is found in Appendix 3.

Presence Saint Joseph Hospital and Alexian Brothers Behavioral Health Hospital are the only providers of the AMI Category of Service that are located less than 45 minutes normal travel time from Centegra Hospital - Woodstock.

- Documentation of the presence of a federally-designated Medically Underserved Population in Planning Area 8 A-10 is found on Pages 15 through 17 of this Attachment.

This documentation consists of information from the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services that identify 3 census tracts in Planning Area 8 A-10 as having a federally-designated Medically Underserved Population, a designation that the federal government makes to document unusual local conditions and barriers to accessing personal health services.

- The most recent Illinois Department of Public Health's Hospital Profiles for CY2012.

6. Criterion 1110.730.(c) – Unnecessary Duplication/Maldistribution

1. This project will not result in an unnecessary duplication of services because there are no other providers of AMI services in the planning area and only 2 providers located within 45 minutes normal travel time, both of which are (1) located more than 30 minutes travel time from Centegra Hospital - Woodstock, (2) located in other planning areas and (3) 1 of which experienced 93% occupancy of its AMI Service in 2012, according to its IDPH Hospital Profile.

A. The following zip codes are located, in total or in part, within 30 minutes travel time of the proposed project site when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)).

53128
53147
53184
60010
60012
60013
60014
60021
60033
60034
60041
60050
60051
60071
60072
60073
60081
60084
60097
60098
60102
60110
60118
60123
60124
60135
60136
60140
60142
60152
60156
60180
61008
61012
61038
61065

- B. The State of Illinois does not provide population at the zip code level. According to the US Census and population projections from Esri via Intellimed, the estimated 2012 population of the zip codes listed above was 693,115.

Zip Codes	2012 Total Population
60010 Barrington	44,442
60012 Crystal Lake	11,496
60013 Cary	26,946
60014 Crystal Lake	48,288
60021 Fox River Grove	5,506
60033 Harvard	13,979
60034 Hebron	2,066
60041 Ingleside	10,895
60050 McHenry	31,585
60051 McHenry	24,706
60071 Richmond	4,330
60072 Ringwood	784
60073 Round Lake	61,843
60081 Spring Grove	9,852
60084 Wauconda	16,739
60097 Wonder Lake	11,608
60098 Woodstock	32,832
60102 Algonquin	32,333
60110 Carpentersville	38,962
60118 Dundee	16,331
60123 Elgin	47,899
60124 Elgin	20,054
60135 Genoa	7,478
60136 Gilberts	7,466
60140 Hampshire	14,841
60142 Huntley	27,524
60152 Marengo	12,988
60156 Lake in the Hills	28,562
60180 Union	1,757
61008 Belvidere	34,498
61012 Capron	2,277
61038 Garden Prairie	1,311
61065 Poplar Grove	11,262
IL Zip Codes Total*	663,440
53128 Genoa City, WI	8,947
53147 Lake Geneva, WI	16,457

53184 Walworth, WI	4,271
WI Zip Codes Total**	29,675
Zip Codes within 30 minutes of Centegra Hospital -Woodstock	693,115

*IL Zip Codes based on Esri 2012 population estimates

** WI Zip Codes based on US Census 2010 population

- C. There are no health care facilities located within 30 minutes normal travel time of the proposed project site (when adjusted for normal travel times) in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)).
2. This project will not result in a maldistribution of AMI services in the planning area because it will relocate the sole provider of the AMI Category of Service in Planning Area 8 A-10 and it proposes to meet the most recent calculated bed need of 34 AMI beds for this category of service.
 3. There will not be any other providers of the AMI Category of Service in the planning area. In addition, there are no other providers of the AMI Category of Service located within 30 minutes travel time of the proposed project site when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)).

Therefore, this project will not have an impact on any other providers of the AMI category of service, regardless of their occupancy level.

7. Criterion 1110.730.(d) – ANU and/or CMI Modernization

This Criterion is not applicable to this project.

8. Criterion 1110.730.(e) – Staffing Availability

The proposed project is a relocation of an existing AMI Category of Service at Centegra Specialty Hospital – Woodstock, South Street to Centegra Hospital – Woodstock which is 4 miles away.

Once the new AMI Service becomes operational, all of the existing AMI clinical and professional staff at Centegra Specialty Hospital - Woodstock, South Street will be relocated to Centegra Hospital – Woodstock.

In addition to the current staff members that will be relocated to staff the new AMI Unit, it is estimated that an additional 4.2 FTEs will be needed to staff the new service at Centegra Hospital - Woodstock.

Centegra Health System, the owner and operator of Centegra Hospital - Woodstock, has considered the following factors in determining the availability and recruitment of the additional staff that will be needed when the AMI Service becomes operational by June, 2015.

This consideration included the fact that licensure and Joint Commission or any other accreditation requirements will continue to be met by Centegra Hospital - Woodstock.

Centegra had a 94.5% staff retention rate during fiscal year 2013 and overall staff vacancy rate of 2.4% in comparison to the Chicagoland market vacancy rate of 2.7%. The nursing vacancy rate is even more impressive at 1.2% in comparison to the Chicagoland market of 2.9%.

Centegra has been successful in attracting candidates through both the corporate website and Associate referral program. In the past 12 months, 10,340 people applied to join Centegra for 651 available positions. Additionally, during this same time period 97 people applied for eight open AMI positions. Centegra Health System is also proud to say that 24% of new hires were referred to Centegra by current Associates.

9. Criterion 1110.730.(f) – Performance Requirements – Bed Capacity Minimums

The proposed project will meet the minimum bed capacity for a new AMI unit within a MSA because it will have 34 beds.

10. Criterion 1110.730.(g) – Assurances

A signed and dated statement attesting to the co-applicants' understanding that, by the second year of operations after the project completion, Centegra Hospital - Woodstock's AMI Category of Service will achieve and maintain the occupancy standards specified in 77 Ill. Adm. Code 1100.560(c) is found on page 18 of this Attachment.

HORIZONS BEHAVIORAL HEALTH

500 Coventry Lane, Suite 205
Crystal Lake IL 60014
(815) 455-7100 PH
(815) 455-3951 FAX

January 23, 2014

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62702

Dear Ms. Avery:

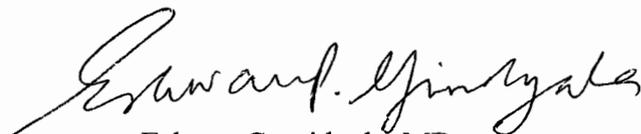
I am a practicing psychiatrist who is a member of the active medical staffs at both Centegra Specialty Hospital-Woodstock, South Street and Centegra Hospital-Woodstock.

I currently treat patients in the Acute Mental Illness (Psychiatric) Unit at Centegra Specialty Hospital-Woodstock, South Street, and I will continue to treat patients in the Psychiatric Unit at Centegra Hospital-Woodstock when that category of service is relocated to that facility.

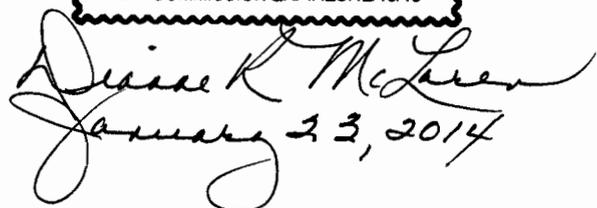
During the 12-month period of July, 2012, through June, 2013, I treated 484 patients in the Psychiatric Unit at Centegra Specialty Hospital-Woodstock, South Street. These patients received 3,628 patient days of inpatient care in the Acute Mental Illness Category of Service.

After the CON permits are granted and Centegra Hospital-Woodstock's Psychiatric Unit becomes operational, I estimate that I will treat, at a minimum on an annual basis during the first two full fiscal years of operation of Centegra Hospital-Woodstock's Acute Mental Illness Category of Service, which will be its first 24 months of operation, the same number of patients experiencing the same number of patient days as I currently treat at Centegra Specialty Hospital-Woodstock, South Street. In addition, I expect that between now and the completion of the first two full fiscal years of operation of the Acute Mental Illness Category of Service at Centegra Hospital-Woodstock, which will be its first 24 months of operation, my practice and the resulting inpatient referrals will increase at least commensurate with the expected population increase in the area.

I verify by my signature below that I have not committed patient referrals to support another pending CON application or an approved CON project for the Acute Mental Illness Category of Service.


Eshwar Gumidyala, MD




January 23, 2014

HORIZONS BEHAVIORAL HEALTH

500 Coventry Lane, Suite 205
Crystal Lake IL 60014
(815) 455-7100 PH
(815) 455-3951 FAX

January 23, 2014

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62702

Dear Ms. Avery:

I am a practicing psychiatrist who is a member of the active medical staffs at both Centegra Specialty Hospital-Woodstock, South Street and Centegra Hospital-Woodstock.

I currently treat patients in the Acute Mental Illness (Psychiatric) Unit at Centegra Specialty Hospital-Woodstock, South Street, and I will continue to treat patients in the Psychiatric Unit at Centegra Hospital-Woodstock when that category of service is relocated to that facility.

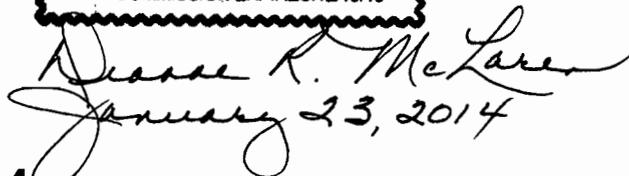
During the 12-month period of July, 2012, through June, 2013, I treated 15 patients in the Psychiatric Unit at Centegra Specialty Hospital-Woodstock, South Street. These patients received 88 patient days of inpatient care in the Acute Mental Illness Category of Service. During this same time period I had approximately 300 patient contacts on the Psychiatric Unit at Centegra Specialty Hospital-Woodstock, South Street, for the purpose of psychiatric management.

After the CON permits are granted and Centegra Hospital-Woodstock's Psychiatric Unit becomes operational, I estimate that I will treat, at a minimum on an annual basis during the first two full fiscal years of operation of Centegra Hospital-Woodstock's Acute Mental Illness Category of Service, which will be its first 24 months of operation, the same number of patients experiencing the same number of patient days as I currently treat at Centegra Specialty Hospital-Woodstock, South Street. In addition, I expect that between now and the completion of the first two full fiscal years of operation of the Acute Mental Illness Category of Service at Centegra Hospital-Woodstock, which will be its first 24 months of operation, my practice and the resulting inpatient referrals will increase at least commensurate with the expected population increase in the area.

I verify by my signature below that I have not committed patient referrals to support another pending CON application or an approved CON project for the Acute Mental Illness Category of Service.



Aftab Poshni, MD



January 23, 2014

HORIZONS BEHAVIORAL HEALTH

500 Coventry Lane, Suite 205
Crystal Lake IL 60014
(815) 455-7100 PH
(815) 455-3951 FAX

January 23, 2014

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62702

Dear Ms. Avery:

I am a practicing psychiatrist who is a member of the active medical staffs at both Centegra Specialty Hospital-Woodstock, South Street and Centegra Hospital-Woodstock.

I currently treat patients in the Acute Mental Illness (Psychiatric) Unit at Centegra Specialty Hospital-Woodstock, South Street, and I will continue to treat patients in the Psychiatric Unit at Centegra Hospital-Woodstock when that category of service is relocated to that facility.

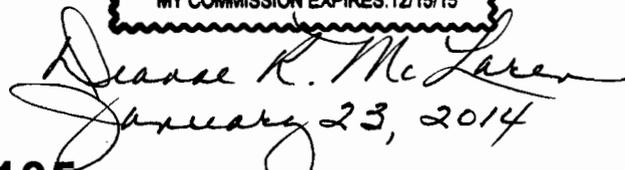
During the 12-month period of July, 2012, through June, 2013, I treated 466 patients in the Psychiatric Unit at Centegra Specialty Hospital-Woodstock, South Street. These patients received 3,303 patient days of inpatient care in the Acute Mental Illness Category of Service.

After the CON permits are granted and Centegra Hospital-Woodstock's Psychiatric Unit becomes operational, I estimate that I will treat, at a minimum on an annual basis during the first two full fiscal years of operation of Centegra Hospital-Woodstock's Acute Mental Illness Category of Service, which will be its first 24 months of operation, the same number of patients experiencing the same number of patient days as I currently treat at Centegra Specialty Hospital-Woodstock, South Street. In addition, I expect that between now and the completion of the first two full fiscal years of operation of the Acute Mental Illness Category of Service at Centegra Hospital-Woodstock, which will be its first 24 months of operation, my practice and the resulting inpatient referrals will increase at least commensurate with the expected population increase in the area.

I verify by my signature below that I have not committed patient referrals to support another pending CON application or an approved CON project for the Acute Mental Illness Category of Service.



Ritu Talwar, MD



January 23, 2014

U.S. Department of Health & Human Services



U. S. Department of Health and Human Services
Health Resources and Services Administration

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- [HPSAs Eligible for the Medicare Physician Bonus Payment](#)
- [MUA/P by State & County](#)

Reported location: 3701 Doty Rd, Woodstock, IL, 60098
(--- **Input location:** 3701 Doty Road, Woodstock, Illinois 60098)

[Start over with a new query by address](#)



In a Primary Care Health Professional Shortage Area: No	
In a Mental Health Professional Shortage Area: No	
In a Dental Care Health Professional Shortage Area: No	
In a Medically Underserved Area/Population: Yes	
MUA/P Service Area Name:	Pov Pop - Woodstock
MUA/P ID:	07301
State Name:	Illinois
County Name:	McHenry
County Subdivision Name:	Dorr
Census Tract Number:	870902
ZIP Code:	60098
Post Office Name:	Woodstock
Congressional District Name:	Illinois District 14
Congressional District Representative Name:	Randy Hultgren
FIPS Code (State + County + Minor Civil Division) County Subdivision:	1711120396
FIPS Code (State + County + Tract number) Census Tract:	17111870902
Click the image and check the detailed neighborhood on a map:	

Note: The address you entered is geocoded and then compared against the HPSA and MUA data (as of 12/26/2013) in the HRSA Data Warehouse. Due to geoprocessing limitations, the designation result provided may be inaccurate and does not constitute an official determination. If you feel the result is in error, please refer to <http://answers.hrsa.gov>.

Health Professional Shortage Areas (HPSAs) are designated by HRSA as having shortages of primary medical care, dental or mental health providers and may be geographic (a county or service area), demographic (low income population) or institutional (comprehensive health center, federally qualified health center or other public facility). Medically Underserved Areas/Populations are areas or populations designated by HRSA as having: too few primary care providers, high infant mortality, high poverty and/or high elderly population. [More about shortage areas](#)

Note: This search will not identify organizations that have institutional HPSAs. To find these HPSAs, use the [State and County Search](#) option.

U.S. Department of Health & Human Services

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U. S. Department of Health and Human Services
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Find Shortage Areas: HPSA by State & County

- Shortage Designation Home
- Find Shortage Areas
- HPSA & MUAP by Address
- HPSA Eligible for the Medicare Physician Bonus Payment
- MUAP by State & County

Criteria:													
State: Illinois	Discipline: Mental Health												
County: McHenry County	Metro: All												
ID: All	Status: Designated												
Date of Last Update: All Dates	Type: All												
HPSA Score (lower limit): 0													
Results: 0 records found.													
<i>(Satellite sites of Comprehensive Health Centers automatically assume the HPSA score of the affiliated grantee. They are not listed separately.)</i>													
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>HPSA Name</th> <th>ID</th> <th>Type</th> <th>FTE</th> <th># Short</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td colspan="6" style="text-align: center;">111 - McHenry County No HPSAs in this county.</td> </tr> </tbody> </table>		HPSA Name	ID	Type	FTE	# Short	Score	111 - McHenry County No HPSAs in this county.					
HPSA Name	ID	Type	FTE	# Short	Score								
111 - McHenry County No HPSAs in this county.													
Data as of: 12/26/2013													
<input type="button" value="NEW SEARCH"/> <input type="button" value="MODIFY SEARCH CRITERIA"/>													

U.S. Department of Health & Human Services

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Enter Keywords

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Find Shortage Areas: MUA/P by State and County

- Shortage Designation Home
- Find Shortage Areas
- HPSA & MUA/P by Address
- HPSA by State & County
- HPSA Eligible for the Medicare Physician Bonus Payment

Criteria:
 State: Illinois
 County: McHenry County
 ID #: All

Results: 4 records found.

Name	ID#	Type	Score	Designation Date	Update Date
McHenry County					
Pop Pop - Woodstock	D7301	GOV MUP	0.00	2003/02/28	
CT 8702.00					
CT 8709.02					
CT 8715.00					

January 17, 2014

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson
Second Floor
Springfield, Illinois 62702

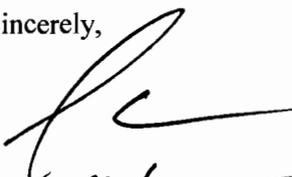
Dear Ms. Avery:

I am an applicant representative of the co-applicants for this project (i.e., Memorial Medical Center – Woodstock d/b/a Centegra Hospital - Woodstock and Centegra Health System) who has signed the CON application that includes the establishment of an Acute Mental Illness Treatment Category of Service at Centegra Hospital-Woodstock.

In accordance with 77 Ill. Adm. Code 1110.730(g), I hereby attest to the understanding of the co-applicants for this project that, by the second year of operation after this project is completed, Centegra Hospital-Woodstock will achieve and maintain the occupancy standards specified in 77 Ill. Adm. Code 1100 for the Acute Mental Illness Treatment Category of Service.

The occupancy standard for a hospital's Acute Mental Illness Treatment Category of Service is 85% occupancy of the authorized beds on an annual basis (77 Ill. Adm. Code 1100.560(c)).

Sincerely,


By: Michael Eesley
Its: CEO

SUBSCRIBED and SWORN to before me
this 17th day of January, 2014.


Notary Public



ATTACHMENTS 36-38
DOCUMENTATION OF BOND RATING

FITCH AFFIRMS CENTEGRA HEALTH SYSTEM AND AFFILIATES, IL REVS AT 'A-'; OUTLOOK REMAINS NEGATIVE

Fitch Ratings-Chicago-21 October 2013: Fitch Ratings has affirmed the 'A-' rating on the approximately \$195 million fixed-rate revenue bonds, series 2012 issued by the Illinois Finance Authority on behalf of Centegra Health System and Affiliates (Centegra):

The Rating Outlook remains Negative.

SECURITY

Debt payments are secured by a pledge of the unrestricted receivables of the obligated group.

KEY RATING DRIVERS

SIGNIFICANT CAPITAL PLANS: The Negative Outlook reflects Centegra's expected future debt plans to finance a new hospital in Huntley, IL. Centegra received a certificate of need (CON) to construct a 128-bed acute care hospital for a total project cost estimated at \$233 million, according to the CON filing, although management expects the cost to come in under this number. Competition has filed a lawsuit opposing the construction of the facility and management will not move forward until the lawsuit is settled. Fitch believes this hospital will strategically position Centegra to capitalize on growth in McHenry County. Fitch will assess the impact of the project on the rating when the lawsuit is resolved and the financing plans are solidified.

LEADING MARKET POSITION: Centegra's market share position in a growing service area with a favorable demographic profile is a key credit strength. Located about 60 miles northwest of Chicago, Centegra maintained a leading market share position with about 45.4% inpatient market share in its primary service area of McHenry County compared to its nearest competitor, Advocate Good Shepherd (part of Advocate Health Network; rated 'AA'; Stable Outlook by Fitch), with 13.3% market share and Sherman Hospital (now a part of Advocate Health Network) at 11.7%.

CONSISTENT BUT MODEST FINANCIAL PROFILE: Relative to Fitch's 'A' category medians, Centegra's liquidity and profitability ratios are light, reflecting the system's investments in physician alignment and outpatient facilities. However, management has been able to generate stable operating results with operating EBITDA margins of 7.5% in fiscal 2013, 7.9% in fiscal 2012 and 7.8% in fiscal 2011. Fitch expects Centegra's strong management practices and integrated physician operating platform to continue to generate solid cash flow.

STRATEGIC INVESTMENT PROGRESS: To meet the expected population growth in its service area, Centegra is focusing on physician alignment, clinical effectiveness and community health management. With three hospitals, two fitness centers, and clinics and specialty services throughout McHenry and Kane Counties, Centegra has been increasing its access points and is well positioned for managing the future delivery of care.

HIGH DEBT BURDEN: Centegra's debt burden is high with maximum annual debt service (MADS) comprising 3.7% of fiscal 2013 total revenue and debt to capitalization of 50.2% compared to the respective 'A' category medians of 3.1% and 40.7%. However, Centegra's debt is all fixed rate, which Fitch views favorably.

RATING SENSITIVITIES

WEAKENED FINANCIAL PROFILE: Given Centegra's already high debt burden and its future large capital plans, any additional debt would likely result in negative rating pressure. In addition, regardless of the project moving forward, Fitch expects improvement in operations in the near term.

If improvements do not materialize, negative rating pressure is likely.

CREDIT PROFILE

Centegra is a three-hospital system with a total of 343 licensed and 308 staffed beds located in McHenry County, IL. Centegra had total operating revenues of \$398.9 million in fiscal 2013.

The 'A-' rating reflects Centegra's leading market share position in a favorable service area, light but stable operating profitability and adequate liquidity indicators. The Negative Outlook is based on Centegra's high debt burden and the expected issuance of additional debt associated with the construction of a new hospital in the near- to medium-term, depending on the outcome of litigation. Fitch will assess the impact of the proposed new hospital on the rating when the financing plans are finalized.

NEW HOSPITAL PROJECT

On July 24, 2012, Centegra received certificate of need approval from the Illinois Health Facilities and Services Review Board to build a 128-bed acute care hospital in Huntley, IL, which is only the second CON granted for a new facility versus a replacement facility in the state in about 30 years. Two competitors have filed a lawsuit contesting the construction of the new facility and the case is currently in circuit court. Management anticipates an outcome before the end of the year but will not move forward with construction until the lawsuit is resolved. Fitch believes the new facility could help Centegra expand its footprint in the fast-growing southern portion of McHenry County. The details regarding the project are not available at this time and Fitch will assess the impact of the project on the rating when the lawsuit is resolved and the financing plans are solidified.

STRONG MARKET SHARE POSITION

Centegra maintains a leading market share in a favorable service area with good demographics and socio-economic indicators within McHenry County, despite the strong competition from Advocate Good Shepard Hospital and Sherman Health, now a member of Advocate Health Network. Centegra's market share declined slightly after the opening of Sherman Health's replacement facility in December 2009 but has now stabilized at about 45% as of fiscal 2012. Advocate Good Shepard Hospital is the next closest competitor, with about 13.3% market share, and Sherman holds 11.7% share. Centegra has been focusing on growing its employed physician model (Centegra Physician Care; CPC) over the last five years. In fiscal 2013, Centegra added over 35 physicians to CPC, bringing the total number of employed physicians to 136. Centegra has expanded through employing mature independent practitioners and CPC visits have grown almost 100% between fiscal 2006 and fiscal 2013.

LIGHT OPERATING PROFITABILITY

Operating performance has been weak for the rating level and has been affected by its strategic investments, relatively flat volumes and an unfavorable shift in payor mix. Fitch expected improved performance in fiscal 2013 from the prior year but profitability was affected by several one-time expenses including physician acquisition and by the roll-out of its electronic medical record system, in May. Operating margin was a thin 0.2% in fiscal 2013, 0.5% in fiscal 2012 and negative 0.1% in fiscal 2011. Management continues to work to reduce expenses, focusing on cost per unit and revenue cycle management and Fitch expects improved operating performance going forward. If operating performance does not improve in the near term, negative rating pressure is likely.

ADEQUATE LIQUIDITY AND CAPITAL-RELATED METRICS

Liquidity indicators have declined slightly in fiscal 2013 compared to fiscal 2012 results because of the roll-out of the EMR and purchase of the 10-physician practice but are adequate for the rating category. At June 30, 2013, total unrestricted cash and investments of \$177.6 million equaled 171.8 days cash on hand (DCOH), a cushion ratio of 11.9x, and 83.7% cash to debt, which are light but adequate against Fitch's respective category medians of 196.3days, 15.6 and 129.2%.

Centegra has approximately \$195 million in debt outstanding, all fixed rate. The current obligated group includes Centegra, Memorial Medical Center, Northern Illinois Medical Center and NIMED, its real estate holding company that was brought into the obligated group with the 2012 financing. MADS as a percent of fiscal 2012 revenue was high at 3.7% and debt service coverage by EBITDA

was light in fiscal 2013 at 2.9x compared to the 'A' category median of 3.8x, limiting Centegra's debt capacity at the current rating level.

DISCLOSURE

Centegra covenants to provide annual audited financials within 120 days of fiscal year end and unaudited quarterly financials for the first three fiscal quarters within 45 days of quarter end and within 60 days of the fourth quarter.

Contact:

Primary Analyst
Dana N. Sodikoff
Associate Director
+1-312-368-3215
Fitch Ratings, Inc.
70 West Madison
Chicago, IL 60602

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Katie Proux
Analyst
+1-312-368-3348

Committee Chairperson
Eva Thein
Senior Director
+1-212-908-0674

Media Relations: Elizabeth Fogerty, New York, Tel: +1 (212) 908 0526, Email: elizabeth.fogerty@fitchratings.com.

Additional information is available at 'www.fitchratings.com'.

Applicable Criteria and Related Research:

--'Nonprofit Hospitals and Health Systems Rating Criteria', dated May 20, 2013.

Applicable Criteria and Related Research:

U.S. Nonprofit Hospitals and Health Systems Rating Criteria
http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=708361

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X.
1120.140 Economic Feasibility

A. Reasonableness of Financing Arrangements

This section is not applicable because Centegra Health System has an A-bond rating as shown in Attachments 36-38.

B. Conditions of Debt Financing

The notarized statement can be found on page 2 of this Attachment.

C. Reasonableness of Project and Related Costs

The required chart can be found on page 20 of this Application.

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.

The projected direct annual operating costs for FY16 (first fiscal year at target utilization) for AMI and the hospital are as follows:

Acute Mental Illness

Operating expense per equivalent patient day for FY16 \$339.05

Centegra Hospital – Woodstock

Operating expense per equivalent patient day for FY16 \$1,333.22

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.

The projected annual capital costs for FY16 (first fiscal year at target utilization) for AMI and the hospital are as follows:

Acute Mental Illness

Capital costs per equivalent patient day for FY16 \$48.59

Centegra Hospital – Woodstock

Capital costs per equivalent patient day for FY16 \$161.88

January 17, 2014

Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities and Services Review Board
525 W. Jefferson
Second Floor
Springfield, Illinois 62702

Dear Mr. Constantino:

The undersigned, as authorized representatives of Centegra Health System and Memorial Medical Center – Woodstock d/b/a Centegra Hospital – Woodstock, in accordance with 77 Ill. Adm. Code 1120.140.b)1 and 3) and the requirements of Section X.B. of the CON Application for Permit, hereby attest to the following:

The selected form of debt financing for this project will be bonds, issued through the Illinois Finance Authority.

The selected form of debt financing for this project will be at the lowest net cost available to the co-applicants.

Signed and dated as of January 17, 2014:

Centegra Health System
Memorial Medical Center – Woodstock d/b/a Centegra Hospital – Woodstock
Illinois Corporations

Sincerely,



Michael S. Eesley
Chief Executive Officer
Centegra Health System

Sincerely,



Jason Sclarro
President and Chief Operating Officer
Centegra Health System

SUBSCRIBED and SWORN to before me
this 17th day of January 2014.

SUBSCRIBED and SWORN to before me
this 17th day of January 2014.



Notary Public



Notary Public



ATTACHMENT-40
SAFETY NET IMPACT STATEMENT

XI.

Safety Net Impact Statement

1. The project's material impact, if any, on essential safety net services in the community.

Health Safety Net Services have been defined as services provided to patients who are low-income and otherwise vulnerable, including those uninsured and covered by Medicaid. (Agency for Healthcare Research and Quality, Public Health Service, U.S. Department of Health and Human Services, "The Safety Net Monitoring Initiative," AHRQ Pub. No. 03-P011, August, 2003).

This CON application proposes to establish the Acute Mental Illness (AMI) Category of Service at Centegra Hospital – Woodstock in order to relocate it from Centegra Specialty Hospital - Woodstock, South Street. A CON application to discontinue the AMI Category of Service at Centegra Specialty Hospital - Woodstock, South Street is being submitted simultaneously with this application.

In order to relocate the AMI Category of Service to Centegra Hospital – Woodstock, this project also proposes to discontinue the Obstetrics (OB) Category of Service at Centegra Hospital – Woodstock consolidating it with the Obstetric Category of Service at Centegra Hospital – McHenry.

After it is established, the AMI Category of Service at Centegra Hospital - Woodstock will continue to provide the same Health Safety Net Services within Planning Area 8 A-10 as those currently provided by Centegra Specialty Hospital - Woodstock, South Street's AMI Category of Service. Both Centegra Specialty Hospital – Woodstock, South Street and Centegra Hospital – Woodstock are located in Planning Area 8 A-10 which is comprised of McHenry County. The proposed relocation will meet the calculated bed need of 34 AMI beds for the planning area.

Similarly, Centegra Hospital – McHenry will provide the same Health Safety Net Services within Planning Area A-10 for the OB Category of Service as those currently provided at Centegra Hospital – Woodstock.

Planning Area 8 A-10 for the AMI Category of Service and Planning Area A-10 for the OB Category of Service are coterminous, with both comprised of McHenry County. As discussed in Attachment 12, the target market area for this project consists of McHenry County.

As shown in Attachment 12, the patient origin chart indicates that 82% of the FY13 AMI patients resided in zip codes that are located within McHenry County, either in whole or in part, with 74.4% residing in zip codes that are located entirely within McHenry County and an additional 7.6% residing in zip codes that are located partially within McHenry County.

There are residents of Planning Area 8 A-10 who are low-income and otherwise vulnerable, as documented by their residing in Medically Underserved Areas and/or Populations and by Centegra Specialty Hospital - Woodstock, South Street's payor

mix, which is anticipated to remain the same when this category of service is relocated to Centegra Hospital – Woodstock.

Medically Underserved Areas and Medically Underserved Populations are designated by the federal government (Health Resources and Services Administration of the U.S. Department of Health and Human Services) based on the Index of Medical Underservice. Designated Medically Underserved Areas (MUAs) and Medically Underserved Populations (MUPs) are eligible for certification and funding under federal programs such as Community Health Center (CHC) grant funds, Federally Qualified Health Centers (FQHCs), and Rural Health Clinics (<http://bhpr.hrsa.gov/shortage/muaguide.htm>) (Health Resources and Services Administration, U.S. Department of Health and Human Services).

Within McHenry County, there are 3 census tracts that have been designated by the Governor as having a federally-designated Medically Underserved Population, a designation that is made to document unusual local conditions and barriers to accessing personal health services.

This project will have a positive impact on essential safety net services in Planning Area 8 A-10 for those patients requiring inpatient care in the AMI Category of Service because the relocation of the AMI Category of Service will not result in any change in providing the much needed services to patients residing in these areas and to those living elsewhere who require safety net services.

This project will also have a positive impact on essential safety net services in Planning Area A-10 for patients requiring inpatient care in the OB Category of Service. The consolidation of the OB services at Centegra Hospital – McHenry will not result in any change in providing the much needed services to patients residing in this planning area and to those living elsewhere who require safety net services. Additionally, some of the outpatient community benefit programs will continue to be provided at Centegra Hospital – Woodstock, such as the Breastfeeding Resource Center and OB-related classes.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services

There are four existing hospitals in Planning Areas 8 A-10 and A-10 (McHenry County), three of which are members of Centegra Health System. Centegra is the sole provider of Acute Mental Illness and Obstetrics categories of service in these planning areas. The fourth hospital, Mercy Harvard Memorial Hospital in Harvard, is a Critical Access Hospital that has a total of 20 authorized acute care beds (17 Medical-Surgical beds and 3 Intensive Care beds).

This CON application proposes to establish the AMI Category of Service at Centegra Hospital - Woodstock and to meet the calculated bed need for this category of service that has been determined by the Illinois Health Facilities and Services Review Board and Illinois Department of Public Health in the "Inventory of Health Care Facilities and Services and Need Determinations."

Centegra Hospital – Woodstock's AMI Category of Service will continue to provide the same AMI related safety net services as those currently provided at Centegra

Specialty Hospital – Woodstock, South Street. Centegra Hospital – McHenry's OB Category of Service will continue to provide the same OB-related safety net services as it has been providing, which are the same as those currently provided at Centegra Hospital – Woodstock.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community

This application seeks approval for the discontinuation of Centegra Hospital - Woodstock's Obstetric Category of Service in order to consolidate the caseload for this hospital's Obstetric Service (including its Labor-Delivery-Recovery Suite and Newborn Nurseries) with the Obstetric caseload at Centegra Hospital - McHenry.

Both hospitals are owned and operated by Centegra Health System and are located in the same planning area (Planning Area A-10) for the Obstetric Category of Service. The hospitals are located 9 miles apart, and the travel time between them is approximately 17 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 510(d)(2)).

Additionally, some of the outpatient community benefit programs will continue to be provided at Centegra Hospital – Woodstock, such as the Breastfeeding Resource Center and OB-related classes.

Given that all OB services will continue to be provided by Centegra Health System in Planning Area A-10, and that there are not any other providers of this service, there will not be an impact on any other safety net provider in the planning area.

Safety Net Impact Statements shall also include all of 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.

As stated above, this project has two co-applicants: Centegra Hospital - Woodstock and Centegra Health System.

A notarized certification describing the amount of charity care provided in 2010 through 2012 by each of the hospitals that are members of Centegra Health System is found on Page 5 of this Attachment.

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.

A notarized certification describing the amount of care provided to Medicaid patients in

2010 through 2012 by each of the hospitals that are members of Centegra Health System Is found on Page 6 of this Attachment.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A Safety Net information Table per PA 96-0031 in the specified format must be provided as part of Attachment 40.

The Table is found on page 7 of this attachment.

- a. A copy of Centegra Health System's 2013 Report to the Community is appended to this attachment starting on page 8.
- b. During FY2013, Centegra Health System provided more than \$4,500,000 in community benefits, an increase from FY2012.
- c. Examples of community benefits that will continue to be provided by Centegra Health System are:
 - Acute Mental Illness Consultations/Evaluations
 - Medical and Nursing Student education, training and shadowing
 - Acute Mental Illness Community Presentations
 - Suicide Awareness and Prevention
 - Collaboration with other organizations in the community such as: Mental Health Board, Pioneer Center, Rosecrance, Family Health Partnership Clinic.
 - Breastfeeding Resource Centers
 - Prenatal Classes
 - Sibling Classes
- d. Centegra Health System is a core team member conducting the 2014 McHenry County Healthy Community Study, which is a collaborative effort with the McHenry County Department of Health and in which more than 10 organizations are participating. Centegra has also participated in the prior studies.
- e. Centegra Health System has been an active participant in the McHenry County Health Department's MAPP (Mobilizing for Action through Planning and Partnerships), an ongoing effort which is currently in its action phase.

January 17, 2014

Ms. Courtney Avery
 Administrator
 Illinois Health Facilities and Services Review Board
 525 W. Jefferson
 Second Floor
 Springfield, Illinois 62702

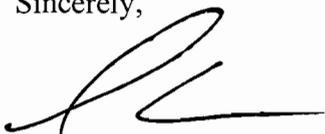
Dear Ms. Avery:

Centegra Health System hereby certifies that it provided the amount of charity care at cost that is shown below for the three audited fiscal years prior to submission of this certificate of need application.

	<u>CHARITY CARE</u>		
	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>
<u>Centegra Hospital - McHenry</u>			
Inpatients	\$1,942,786	\$3,122,403	\$3,034,156
Outpatients	\$1,040,582	\$1,840,401	\$1,898,986
Total	\$2,983,368	\$4,962,804	\$4,933,142
<u>Centegra Hospital - Woodstock</u>			
Inpatients	\$1,329,428	\$1,692,160	\$1,644,603
Outpatients	\$1,081,111	\$1,620,743	\$1,601,008
Total	\$2,410,539	\$3,312,903	\$3,245,611
<u>Centegra Specialty Hospital – Woodstock South Street</u>			
Inpatients	\$ 485,740	\$ 726,949	\$ 864,137
Outpatients	\$ 0	\$ 0	\$ 8,403
Total	\$ 485,740	\$ 726,949	\$ 872,540

These amounts were calculated in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act.

Sincerely,


 Michael S. Eesley
 Chief Executive Officer
 Centegra Health System

SUBSCRIBED and SWORN to before me
 this 17th day of January, 2014.


 Dianne R. McLaren
 Notary Public



January 17, 2014

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson
Second Floor
Springfield, Illinois 62702

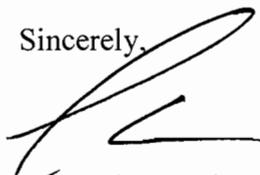
Dear Ms. Avery:

Centegra Health System hereby certifies that it provided the amount of Medicaid that is shown below for the three audited fiscal years prior to submission of this certificate of need application.

	<u>MEDICAID NET REVENUE</u>		
	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>
<u>Centegra Hospital - McHenry</u>			
Inpatients	\$7,954,179	\$8,314,827	\$6,149,882
Outpatients	\$4,604,711	\$5,790,092	\$5,166,129
<u>Centegra Hospital - Woodstock</u>			
Inpatients	\$7,196,778	\$6,190,103	\$6,731,097
Outpatients	\$2,475,497	\$2,486,947	\$3,465,923
<u>Centegra Specialty Hospital – Woodstock, South Street</u>			
Inpatients	\$ 571,859	\$ 678,527	\$ 404,518
Outpatients	\$ 565,836	\$ 543,040	\$ 237,465

This information is provided in a manner consistent with 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 Illinois Health Facilities and Services Review Board under Section 13 of the Illinois Health Facilities Planning Act and published in the Annual Hospital Profile.

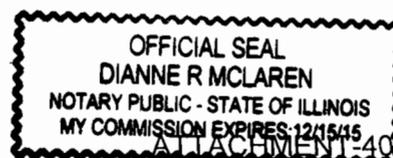
Sincerely,



Michael S. Eesley
Chief Executive Officer
Centegra Health System

SUBSCRIBED and SWORN to before me
this 17th day of January, 2014.


Notary Public



Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year FY10	Year FY11	Year FY12
Inpatient	241	286	263
Outpatient	1756	1676	1993
Total	1997	1962	2256
Charity (cost in dollars)			
Inpatient	\$1,329,428	\$1,692,160	\$1,644,603
Outpatient	\$1,081,111	\$1,620,743	\$1,601,008
Total	\$2,410,539	\$3,312,903	\$3,245,611
MEDICAID			
Medicaid (# of patients)	Year FY10	Year FY11	Year FY12
Inpatient	987	967	842
Outpatient	14690	15324	13781
Total	15677	16291	14623
Medicaid (revenue)			
Inpatient	\$7,196,778	\$6,190,103	\$6,731,097
Outpatient	\$2,475,497	\$2,486,947	\$3,465,923
Total	\$9,672,275	\$8,677,050	\$10,197,020



WELL BEYOND EXPECTATIONSM

Annual Report FY2013

Annual Report FY2013



Welcome

Dear Friends,

Thank you for joining us as we review Centegra Health System's fiscal year 2013. It was a remarkable year, one filled with great advances that show our dedication to excellence and to building a healthier future.

Each day our Associates and Physicians provided excellent personalized care to our patients and their families. I'm always amazed at the many facets of patient care. Every clinician has to have the right combination of compassion, persistence, intelligence and thoughtfulness. At Centegra, our health care team is unmatched.

We carefully develop services according to the health needs of the community. In 2013 Centegra Physician Care introduced a 24-hour hospitalist program. These physicians specialize in inpatient care at our health care facilities. Hospitalists see patients whose physicians do not provide inpatient care. They also provide care to patients who do not have a primary care physician. Our hospitalists are available at a moment's notice to support the rest of the health care team.

In 2013 our teams also finished the final planning phases of Centegra Hospital-Huntley, which will open in 2016. We have worked closely with nurses, Physicians and Associates to design a high tech hospital that will provide state of art clinical care in an aesthetically pleasing environment.

The past year was a demanding and exciting time for Centegra Health System. We have witnessed continued growth and development in the provision of services to the people that live in our community.

We invite you to learn more about Centegra's advances and our focus on our community in this annual report to the community. Please join us in the future as we continue to provide high-tech, high-quality health and wellness services for the entire McHenry County area.

Sincerely,

Michael S. Eesley
Chief Executive Officer
Centegra Health System

Annual Report FY2013



Community Benefits

Community Events 2013

As part of our mission to promote wellness for the greater McHenry County area, Centegra Health System planned, supported or participated in more than 320 events throughout the community in fiscal year 2013. Here are just a few examples:

Free blood pressure and diabetes screenings once every month during food distributions
Kiwanis Santa Run for Kids – December 2012
Chamber Memberships – 2013
Big Brothers Big Sisters Partnership – 2013
Corporate Sponsorship Hospice of Northeastern IL – 2013
Raue Center for the Arts Corporate Sponsorship – 2013
Corporate Sponsorship Pioneer Center – 2013
Health, Fitness & Nutrition Expo – January 2013
Centegra Weigh Less, Live More Expo – January 2013
8 Community Expos – January through May 2013
Centegra Health Strong Woman Event – February 2013
4 Community Parades – 2013
United Way Human Race – April 2013
Healthy Kids Day Sage YMCA – April 2013
Bob Blazier Run for the Arts – May 2013
March of Dimes March for Babies – May 2013
Sun City Feeling Great is Ageless Health Fair – May 2013
Girls on the Run – May 2013
American Cancer Society Relays for Life – June 2013
Wheeler's Children's Health and Safety Fair – June 2013
McHenry County Children's Health & Safety Fair – July 2013
Hearthstone Centegra Senior Fair – August 2013
Taste of Home – September 2013
Huntley Fall Fest – September 2013
Family Health Partnership Care 4 Breast Cancer Walk – October 2013
Algonquin/LITH Fall Expo – October 2013

Community Events – Highlights

Supported or sponsored more than 326 community events in FY13.
These events touched more than 241,194 individuals.
Conducted the Weigh Less, Live More Expo providing more than 577 free screenings and introducing the new Centegra Weight-Loss Institute.
Sold out Centegra Health Strong Woman Event, conducting 1,495 screenings and providing a Lunch and Learn segment that introduced 26 providers to more than 500 attendees. Planned the Hearthstone Senior Fair and conducted free screenings for 222 attendees.

Annual Report FY2013



Partnered with the Sun City Ageless Fair and conducted 615 free screenings.

Conducted the eighth Annual Health Care Career Fair at the Woodstock North High School.

The fair featured a variety of clinical health care careers and encouraged McHenry County's eighth-grade students to experience a hands-on, simulated environment while teaching them about all aspects of health care careers. This event has attracted more than 9,400 participants over the last several years.

Community Service

Our Associates and physicians volunteer more than 75,000 hours of their time to the community each year.

Wellness

Baseline concussion screenings were provided to youth sporting groups and local high schools, with more than 2,200 baselines performed. With the high demand of post-injury screenings that came in following the baselines, the Centegra Concussion Clinic launched in June 2013 for post injury in conjunction with neuro-rehabilitation.

Del Webb launched well checks to be hosted on-site for all Del Webb residents.

The wellness department hosted the second Break Your Boundaries (BYB) weight-loss program to almost 800 participants. Competitors lost a total of 4,032 pounds, 3,189 inches in an eight-week program designed to address healthier lifestyles through exercise, healthy eating and behavior change.

In January 2013, 1,612 Centegra Associates and just more than 100 spouses completed their Health Risk Assessment (HRA) screenings, the highest participation rates ever.

Accreditation and Quality Recognition

Centegra Gavers Breast Center was named to the National Accreditation Program for Breast Centers (NAPBC).

Centegra earned the United Healthcare Premium Designation Interventional Cardiac Care and Rhythm Management for interventional cardiac services.

Centegra was a recipient of the American College of Cardiology Foundation's National Cardiovascular Data Registry (NCDR) ACTION Registry – Get With the Guidelines (GWTC) Silver Performance Achievement Award for acute coronary syndrome patients.

Centegra was a recipient of the American Heart Association's Mission: Lifeline Bronze Quality Achievement Award.

Centegra was recognized by Blue Cross and Blue Shield of Illinois as one of the first hospitals in the nation to receive a Blue Distinction Center+ designation in the area of cardiac care.

Centegra successfully completed the Laboratory College of American Pathologist standards.

Centegra implemented the McKesson Paragon Hospital Information System for Electronic Medical Record (EMR) and achieved Healthcare Information Management and System Society (HIMSS) EMR Adoption Model (EMRAM) Stage 5 Level. This implementation replaced both our clinical and financial systems and included additional workstation and thin station rollouts, mobile clinical computing, remote access improvements and monitor integration.

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Magnet

Centegra Health System's application for Magnet designation was accepted and the document was submitted to the American Nurses Credentialing Center (ANCC) April 1. The document was approved and three ANCC appraisers scheduled a three-day on-site visit. This visit was the final phase of Centegra's Journey to Magnet Excellence, which began more than three years ago. Fewer than 400 hospitals in the world have this distinct designation, which recognizes quality patient care, nursing excellence and innovations in professional nursing practice.

System Awards and Recognition

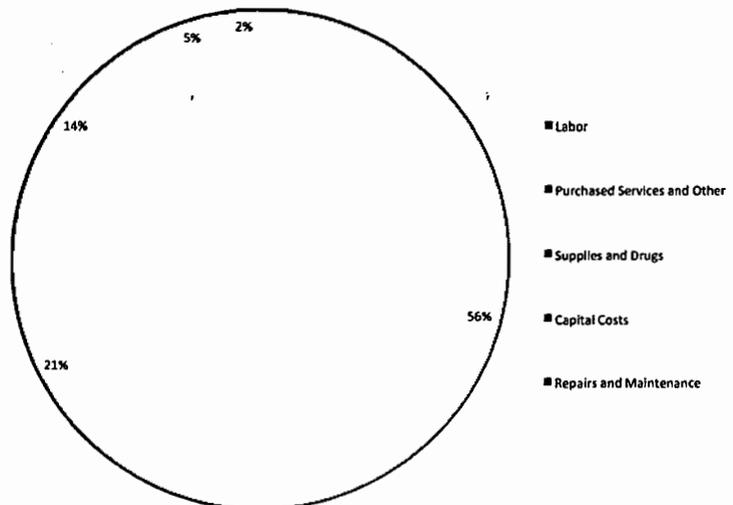
Centegra Physician Care was named to Modern Healthcare's Best Places to Work in Healthcare 2012 list. The Modern Healthcare Best Places to Work designation has been recognizing outstanding places of employment in the health care industry including health care providers, suppliers and payers since 2008. Centegra Physician Care was named 74th in the Top 100.

Again this year, McHenry County residents voted Centegra Health System and Centegra Health Bridge Fitness Centers as their choice for health and wellness. In June 2013, a special section honoring the community's choices for the "Best of Fox 2013 awards" was published in the Northwest Herald. Best Hospital category was eliminated. Below are the categories in which Centegra achieved awards:

- | | |
|-------------------------------|---|
| Best Health Club | One of the Best Medical Clinics |
| Best Home Healthcare Provider | One of the Best Women's Health Care Centers |
| Best Personal Trainer | One of the Best Yoga |
| Best Pilates | One of the Best Swim Lessons |
| Best Family Physician Office | |
| Best Pediatrician Office | |

Consolidated Expenses Chart

Labor—56%
Purchased Services and Other—21%
Supplies and Drugs—14%
Capital Costs—5%
Repairs and Maintenance—2%
Insurance—1%
TOTAL 100%



Centegra Physician Care

History and Background

Centegra Hospital-McHenry and Centegra Hospital-Woodstock have a rich history in their communities, dating from 1914 and 1956.

Centegra Physician Care (CPC), formerly Centegra Primary Care, is an Illinois not-for-profit corporation and the leading healthcare provider in the greater McHenry County area. We are known for our high quality, state-of-the-art medical services and our genuine, compassionate patient care.

Our mission is to serve our community by providing the highest quality care in an environment of outstanding service, access and convenience. The focus of our practice is on preventative care, education and patient involvement.

Community Involvement

As the only clinic of its kind in our county, Centegra Physician Care Associates and the Family Health Partnership Clinic employees have provided screenings, physicals, chronic disease management and sick care to people in need for the past 15 years. In FY2013, our doctors volunteered 376 hours serving more than 600 people at the clinic to provide quality health care to the residents of McHenry County.

Every one of our Centegra locations is committed to giving the highest level of service to all patients, regardless of their ability to pay.

Our providers also volunteer their time to give health-related lectures and presentations for people of our region. Providers speak at nursing homes, colleges, non-profit organizations, fitness centers, high schools and senior living communities to help people understand topics such as heart disease, cancer, chronic illnesses, orthopedics, parenting and wellness. In FY2013, 625 people received education at 33 lectures.

Retention and Growth

Centegra Physician Care doctors understand the importance of CPC's role in the community and commit themselves and their careers to our mission. About 30 percent of our doctors have five or more years with CPC and 15 percent have 10 or more years of service. Our retention rates have improved from 83 percent to 88 percent.

In terms of headcount, Centegra Physician Care has grown 291 percent since 2006.

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1997: Acquires two medical groups to form an employed physician group

2007: Adds endocrinology

2011: Adds rheumatology

2013: Adds surgery as a specialty

2013: 24/7 hospitalist coverage is available at both hospitals



2008: Establishes two immediate care centers

2006: Adds hospitalist program

2003: Adds occupational medicine

2013: Adds Psychiatry and Behavioral Health services

2012: Adds cardiology and emergency medicine

2010: Adds chiropractic program

Expansion of Specialties

As Centegra Health System continues to grow, so do our specialty capabilities. In FY2011, Centegra offered chiropractic, endocrinology, family practice, hospitalist, immediate care, internal medicine, OB/GYN, occupational medicine, pediatrics and rheumatology services. Later, in FY2012, we developed cardiology, emergency medicine and neurology. Most recently, we began offering behavioral health and psychiatry. Presenting "What's Right in Healthcare."

In 2013, The Studer Group selected Centegra Physician Care as one of 25 organizations to present at "What's Right in Healthcare" in Atlanta, Ga. This is the largest educational institute offered by The Studer Group and is attended by health care organizations from around the world.

Centegra Physician Care was selected due to consistency in outstanding patient perception of quality care and service.

CPC Specialties

Back & Spine	Family Practice	Pediatrics
Behavioral Health	Internal Medicine	Rheumatology
Cardiology	Neurology	Surgery
Counseling	Obstetrics & Gynecology	Wound Care
Endocrinology		

New in 2013



Andrea's Story (Family Practice)

Andrea "What really separates my Centegra primary care physician from others is her sincere interest in me and my family. She always takes her time and explains things to me. My doctor shares her life experiences and relates them to mine; it makes me a lot more comfortable knowing she's a person just like me.

Whenever I call for an appointment the schedulers always take such good care to get me a convenient appointment. When I show up at my appointment my doctor is very respectful of my time and she's always on time.

All the staff at Centegra are incredibly compassionate. When I delivered both of my daughters at Centegra, the nurses were attentive and reassuring at a time when I was very nervous. Even when my daughters had their tonsils removed at Centegra Hospital-McHenry the doctors and nurses were so warm and genuine, they really helped to calm my daughters and me.

What also makes Centegra such a perfect fit for my family is the convenience of their locations throughout all of McHenry County. Centegra Physician Care, immediate cares, hospitals with emergency departments are all close to my home. The staff who work at Centegra truly care about keeping me and my family healthy.

I was sick for three and a half years before I finally went to the doctor. By the end of March, I could barely take care of myself because I was so exhausted all the time. I did a lot of research and thought I had a hormonal imbalance based on my symptoms, so I started looking for a gynecologist. I had a lot of trouble finding someone who understood what I wanted, until my boyfriend's mom (a nurse at Centegra Hospital-Woodstock) recommended Dr. Favia.

I was able to get an appointment with Dr. Favia right away and she took great care of me. On March 29, she did some blood tests and sent me to a hematologist, Dr. Zahir, because the blood tests showed that I had anemia and low platelets. I saw Dr. Zahir on April 1 and he recommended a rheumatologist, Dr. Malik, because he thought I may also have lupus. I saw Dr. Malik on April 15 and started treatment on May 1. Within three days, I started feeling better.

Dr. Malik is great. He is so in tune with what I say; he listens really well. He was able to piece things together and help me quickly. He is so wonderful that I took my mom to him. She was diagnosed with lupus a few years ago but Dr. Malik found out she has fibromyalgia instead. I couldn't ask for a better doctor."



Michelle's Story (Rheumatology)

Michelle "My hair was falling out, my joints constantly ached and I was so exhausted. This went on for three years just not feeling well and not knowing why. I had almost completely withdrawn socially because of my extreme exhaustion. It was affecting my personal and professional relationships. Finally, my mother persuaded me to go get some blood work done. The tests were abnormal and the results finally led me to Dr. Malick. He quickly diagnosed me with lupus disease and started me on medication. Within days I could feel the medication working and my energy level returning to normal. Eventually I started feeling so much better, I returned to many of my activities and socializing again. I am so grateful to Dr. Malick. I finally had some answers to why I was feeling the way I did. My doctor has recommended exercise and a healthy diet as a part of my ongoing recovery. I exercise, I eat right and I know what I need to do now to stay well, thanks to my Centegra doctor."



Janis' Story (WellBridge)

Janis "After my bariatric surgery, Dr. Heydari referred me to the WellBridge program. I needed to improve my health because of my diabetes, my high blood pressure and my high cholesterol. My doctor wanted me to have the resources to keep improving my health so I joined Centegra Health Bridge Fitness Center. I never would have imagined in my wildest dreams working out could be so much fun. I absolutely love my aquatics classes. I love my teachers and I'm there three to four times a week. They really make it a lot of fun. I've seen significant improvements. For example, I've lost 111 pounds. I was on five different medications before my surgery and now I'm down to one. My blood pressure is in the normal range now, too. The whole program gave me the tools and resources I needed to get better and stay well. I'm so grateful to my doctor for taking such great care of me."



Kerri's Story (Centegra Weight-Loss Institute)

Kerri "I was in total shock at how heavy I had gotten and I wanted to do something about it, so I joined the Optifast program at Centegra. I've lost 40 pounds and two pant sizes in the first 11 weeks! Optifast takes the focus off food by providing me healthy meal replacements. There's medical oversight provided, which gives me peace of mind. What really makes this program so much better than any other program is the amount of support you receive. I couldn't do it without the support of the nutritionist, behaviorist, fitness trainers and my support group. I'm discovering why I had poor eating habits, learning tools to cope and learning how to eat right while exercising. I'm still working toward my final goal but now I know I can do it."



Tiffany's Story (Medical Nutrition Therapy)

Tiffany "I was shopping for bigger sized clothing. My energy level was way down and I'm a busy wife and full-time mom of a 2-year-old and a 5-year-old.

At a checkup for a thyroid condition, my endocrinologist, Dr. Achal Ahmed, voiced what what I had been thinking.

She told me I really had to lose weight or one day we'd be talking about diabetes. That really scared me. I told Dr. Ahmed, 'Give me six months to see what I can do. I was already a member of Centegra Health Bridge Fitness Center, so I scheduled a fitness assessment with a personal trainer. Spending just one hour at the gym most days of the week became a priority. I also worked closely with one of Centegra's registered dietitians. I learned to cook and shop differently.

After just six months, I've dropped 42 pounds and lost 8½ inches from my waist. I really needed the one-on-one help from a personal trainer, nutrition expert and the encouragement from my doctor. Now my glucose, cholesterol and thyroid levels are all in the normal range and the doctor said I reversed my risk of developing diabetes."

Annual Report FY2013



Awards

Centegra Physician Care is committed to providing the highest level of health care to our patients. While awards are not why we do our jobs, we are honored to have received the following accolades:

Crain's Chicago Business Top 25 Physician Groups

Ranked No. 20 in the Chicago Metropolitan area in 2013

Modern Healthcare

100 Best Places to Work in Healthcare in 2013

Northwest Herald's Readers' Choice Awards 2013

Best Family Physician Office in McHenry County

Best Pediatric Office in McHenry County

One of The Best Medical Clinics in McHenry County

Patient Satisfaction

Clinician & Group Consumer Assessment of Health Care Providers & Systems

The Clinician and Group Consumer Assessment of Health Care Providers and Systems surveys sent to patients found a 90 percent satisfaction trend in 2013

Studer Group Lecture: Best Practices

Selected by the Studer Group in 2013 to speak at a national conference to share best practices (based on scores to the right, the sustainability indicates that the best practices are consistently hardwired).

Q: Would you recommend this provider's office? 91 percent of our patients said YES!*

*Average taken over 2013 fiscal year

July 2012 – 91 %	January 2013 – 90 %
August 2012 – 94 %	February 2013 – 89 %
September 2012 – 88 %	March 2013 – 92 %
October 2012 – 90 %	April 2013 – 92 %
November 2012 – 92 %	May 2013 – 90 %
December 2012 – 93 %	June 2013 – 87 %

ATTACHMENT-41
CHARITY CARE

XII.

Charity Care Information

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.

Centegra Health System, a co-applicant for this project, is the sole corporate member of Centegra Hospital – McHenry, Centegra Hospital – Woodstock, Centegra Specialty Hospital – Woodstock, South Street and Centegra Hospital - Huntley. Centegra Hospital – Huntley is not operational and therefore does not have Charity Care information available.

The charts presented below document the amount of charity care for the last three audited fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue for each of these hospitals.

Centegra Hospital – McHenry CHARITY CARE			
	FY10	FY11	FY12
Net Patient Revenue	\$241,089,241	\$246,545,773	\$248,781,809
Amount of Charity Care (charges)	\$9,813,711	\$16,653,704	\$16,836,463
Cost of Charity Care	\$2,983,368	\$4,962,804	\$4,933,142
Ratio of Charity Care Cost to Net Patient Revenue	1.2%	2.0%	2.0%

Centegra Hospital – Woodstock CHARITY CARE			
	FY10	FY11	FY12
Net Patient Revenue	\$134,576,713	\$138,015,277	\$140,197,892
Amount of Charity Care (charges)	\$7,022,317	\$9,859,831	\$9,926,877
Cost of Charity Care	\$2,410,539	\$3,312,903	\$3,245,611
Ratio of Charity Care Cost to Net Patient Revenue	1.8%	2.4%	2.3%

Centegra Specialty Hospital – Woodstock, South Street CHARITY CARE			
	FY10	FY11	FY12
Net Patient Revenue	\$13,527,652	\$14,824,286	\$15,033,470
Amount of Charity Care (charges)	\$1,421,646	\$2,163,539	\$2,744,354
Cost of Charity Care	\$485,740	\$726,949	\$872,540
Ratio of Charity Care Cost to Net Patient Revenue	3.6%	4.9%	5.8%

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.

The reporting provided on the charts above is for each individual facility.

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.

This section does not apply.

APPENDIX-1

**MAPQUEST TRAVEL TIMES FOR OBSTETRICS CATEGORY OF
SERVICE WITHIN 45 MINUTES ADJUSTED TRAVEL TIME OF
CENTEGRA HOSPITAL - WOODSTOCK**



Trip to:

Good Shepherd Hospital
450 W Highway 22

Barrington, IL 60010

(847) 381-9237

13.98 miles / 27 minutes

Notes



3701 Doty Rd, Woodstock, IL 60098-7509

**Download
Free App**



1. Start out going **north** on **Doty Rd** toward **US-14**. [Map](#)

0.07 Mi



2. Turn **right** onto **US-14**. [Map](#)

12.3 Mi



3. Turn **left** onto **IL-22**. [Map](#)

1.6 Mi



4. Turn **left**. [Map](#)

0.01 Mi



5. **450 W HIGHWAY 22**. [Map](#)



Good Shepherd Hospital
450 W Highway 22, Barrington, IL 60010
(847) 381-9237

Total Travel Estimate: **13.98 miles - about 27 minutes**

FREE NAVIGATION APP
SELECT: IPHONE ANDROID

Enter your mobile number

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Trip to:
Sherman Hospital
1425 N Randall Rd
 Elgin, IL 60123
 (815) 742-9800
 16.56 miles / 28 minutes

Notes

- | | | |
|--|---|------------------------------|
| | 3701 Doty Rd, Woodstock, IL 60098-7509 | Download
Free App |
| | 1. Start out going north on Doty Rd toward US-14 . Map | 0.07 Mi |
| | 2. Turn right onto US-14 . Map | 5.0 Mi |
| | 3. Turn right onto McHenry Ave . Map | 1.8 Mi |
| | 4. Turn right onto Randall Rd . Map | 9.4 Mi |
| | 5. Turn left onto Holmes Rd . Map | 0.09 Mi |
| | 6. Turn slight right . Map | 0.1 Mi |
| | 7. Turn left . Map | 0.04 Mi |
| | 8. 1425 N RANDALL RD . Map | |

Sherman Hospital
 1425 N Randall Rd, Elgin, IL 60123
 (815) 742-9800

Total Travel Estimate: **16.56 miles - about 28 minutes**

FREE NAVIGATION APP

SELECT: IPHONE ANDROID

Enter your mobile number

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Trip to: Centegra Hospital - Huntley
10350 Haligus Rd
 Huntley, IL 60142-9545
 7.52 miles / 16 minutes

Notes



3701 Doty Rd, Woodstock, IL 60098-7509

**Download
Free App**

- | | | |
|---|--|----------------|
| | 1. Start out going south on Doty Rd toward Memorial Dr. Map | 1.0 Mi |
| | 2. Turn right onto Lucas Rd. Map | 0.2 Mi |
| | 3. Take the 1st left onto Mt Thabor Rd. Map | 1.1 Mi |
| 176 | 4. Turn left onto IL-176. Map | 0.03 Mi |
| | 5. Take the 1st right onto Haligus Rd. Map | 3.6 Mi |
| | 6. Turn right to stay on Haligus Rd. Map | 1.6 Mi |
| | 7. 10350 HALIGUS RD is on the left. Map | |



10350 Haligus Rd, Huntley, IL 60142-9545

Total Travel Estimate: 7.52 miles - about 16 minutes

FREE NAVIGATION APP
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Enter your mobile number

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mapquest

Trip to: Centegra Hospital - McHenry
4201 W Medical Center Dr
McHenry, IL 60050-8409
9.78 miles / 16 minutes

Notes

A	3701 Doty Rd, Woodstock, IL 60098-7509	Download Free App
●	1. Start out going north on Doty Rd toward US-14 . Map	0.07 Mi
➔	➔ 14 2. Turn right onto US-14 . Map	1.3 Mi
↶	3. Turn left onto Ridgefield Rd . Map	0.9 Mi
↶	4. Take the 1st left onto S Country Club Rd . Map	0.1 Mi
➔	5. Take the 2nd right onto W Hillside Rd . Map	0.8 Mi
↶	6. Take the 2nd left onto Oak Ridge Rd . Map	1.6 Mi
➔	7. Turn right onto Crystal Springs Rd . Map	1.3 Mi
↶	8. Turn left onto S Crystal Lake Rd / Walkup Rd . Map	2.3 Mi
➔	9. Turn right onto Bull Valley Rd . Map	1.2 Mi
➔	10. Turn right onto Lawrence Pky . Map	0.1 Mi
➔	11. Take the 1st right onto W Medical Center Dr . Map	0.01 Mi
■	12. 4201 W MEDICAL CENTER DR is on the left . Map	
B	4201 W Medical Center Dr, McHenry, IL 60050-8409	

Total Travel Estimate: **9.78 miles - about 16 minutes**

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SELECT: IPHONE ANDROID

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APPENDIX-2
IMPACT ON ACCESS

December 13, 2013

Ms. Karen Lambert
 President
 Advocate Good Shepherd Hospital
 450 West Highway 22
 Barrington, IL 60010

Dear Ms. Lambert:

This letter is to notify you that Centegra Health System intends to consolidate its Obstetric ("OB") services currently operated at Centegra Hospital-McHenry and Centegra Hospital-Woodstock. For this purpose, we will be filing with the Illinois Health Facilities and Services Review Board ("Review Board") for certificate of need (CON) approval to discontinue the OB Category of Service at Centegra Hospital-Woodstock and to transfer the existing OB caseload at Woodstock to our McHenry facility.

Both of the hospitals are located in Planning Area A-10 (McHenry County). Centegra Hospital-Woodstock is located at 3701 Doty Road in Woodstock, and Centegra Hospital-McHenry is located at 4201 Medical Center Drive in McHenry. The two facilities are approximately 9 miles apart, with a travel time between them of approximately 17 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)). Both hospitals are owned and operated by Centegra Health System.

We anticipate that the Obstetric Category of Service at Centegra Hospital-Woodstock will be discontinued no later than June 30, 2014, after the CON permit is approved.

Inpatient utilization of the Obstetric/Gynecology service at Centegra Hospital-Woodstock for the past 2 complete years as well as the last 12 months is shown below.

<u>Period</u>	<u>Admissions</u>	<u>Patient Days*</u>	<u>Average Daily Census</u>
CY2011	1,005	2,423	6.6
CY2012	1,007	2,438	6.7
November, 2012- October, 2013	921	2,072	5.7

*including observation days in the OB unit

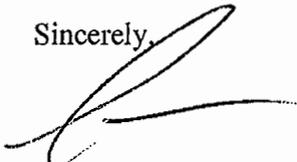
The discontinuation of the existing OB Category of Service at Centegra Hospital-Woodstock will not cause residents of Planning Area A-10 unnecessary hardship by the limitation of access to needed services because all residents within our service area, as well as those residents outside our service area that we serve, will be able to receive care in the OB Unit at Centegra Hospital-McHenry. In addition, all patients receiving care at Centegra Hospital-Woodstock's Obstetric Unit will be able to receive care at Centegra Hospital-McHenry.

This proposed discontinuation of the OB Category of Service at Woodstock will not limit the ability of low-income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups to obtain needed health care services since they will be able to receive this care at Centegra Hospital-McHenry.

The discontinuation of the OB Category of Service at Centegra Hospital-Woodstock will not have any impact on your hospital's caseload because the Centegra Hospital-Woodstock caseload will be accommodated at Centegra Hospital-McHenry. The Review Board's rules require, though, that we send this notice to you and invite your written response to me indicating whether your facility has capacity available to accommodate a portion or all of the OB caseload that will be discontinued at Centegra Hospital-Woodstock without conditions, limitations, or discrimination, should any patient choose to use your hospital rather than Centegra Hospital-McHenry for OB services. Please note that the Review Board's rules also provide that the failure to respond to this request for an impact statement within 15 days following your receipt of this letter shall constitute a non-rebuttable assumption that the discontinuation will not have an adverse impact upon your facility.

If you have any questions relating to this project, please do not hesitate to contact me.

Sincerely,



Michael S. Eesley
Chief Executive Officer
Centegra Health System

December 13, 2013

Mr. Richard Floyd
 President and CEO
 Advocate Sherman Hospital
 1425 Randall Road
 Elgin, IL 60123

Dear Mr. Floyd:

This letter is to notify you that Centegra Health System intends to consolidate its Obstetric ("OB") services currently operated at Centegra Hospital-McHenry and Centegra Hospital-Woodstock. For this purpose, we will be filing with the Illinois Health Facilities and Services Review Board ("Review Board") for certificate of need (CON) approval to discontinue the OB Category of Service at Centegra Hospital-Woodstock and to transfer the existing OB caseload at Woodstock to our McHenry facility.

Both of the hospitals are located in Planning Area A-10 (McHenry County). Centegra Hospital-Woodstock is located at 3701 Doty Road in Woodstock, and Centegra Hospital-McHenry is located at 4201 Medical Center Drive in McHenry. The two facilities are approximately 9 miles apart, with a travel time between them of approximately 17 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)). Both hospitals are owned and operated by Centegra Health System.

We anticipate that the Obstetric Category of Service at Centegra Hospital-Woodstock will be discontinued no later than June 30, 2014, after the CON permit is approved.

Inpatient utilization of the Obstetric/Gynecology service at Centegra Hospital-Woodstock for the past 2 complete years as well as the last 12 months is shown below.

<u>Period</u>	<u>Admissions</u>	<u>Patient Days*</u>	<u>Average Daily Census</u>
CY2011	1,005	2,423	6.6
CY2012	1,007	2,438	6.7
November, 2012- October, 2013	921	2,072	5.7

*including observation days in the OB unit

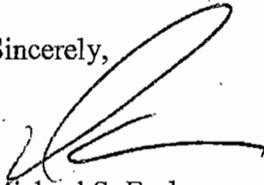
The discontinuation of the existing OB Category of Service at Centegra Hospital-Woodstock will not cause residents of Planning Area A-10 unnecessary hardship by the limitation of access to needed services because all residents within our service area, as well as those residents outside our service area that we serve, will be able to receive care in the OB Unit at Centegra Hospital-McHenry. In addition, all patients receiving care at Centegra Hospital-Woodstock's Obstetric Unit will be able to receive care at Centegra Hospital-McHenry.

This proposed discontinuation of the OB Category of Service at Woodstock will not limit the ability of low-income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups to obtain needed health care services since they will be able to receive this care at Centegra Hospital-McHenry.

The discontinuation of the OB Category of Service at Centegra Hospital-Woodstock will not have any impact on your hospital's caseload because the Centegra Hospital-Woodstock caseload will be accommodated at Centegra Hospital-McHenry. The Review Board's rules require, though, that we send this notice to you and invite your written response to me indicating whether your facility has capacity available to accommodate a portion or all of the OB caseload that will be discontinued at Centegra Hospital-Woodstock without conditions, limitations, or discrimination, should any patient choose to use your hospital rather than Centegra Hospital-McHenry for OB services. Please note that the Review Board's rules also provide that the failure to respond to this request for an impact statement within 15 days following your receipt of this letter shall constitute a non-rebuttable assumption that the discontinuation will not have an adverse impact upon your facility.

If you have any questions relating to this project, please do not hesitate to contact me.

Sincerely,



Michael S. Easley
Chief Executive Officer
Centegra Health System

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Restricted Delivery Fee (Endorsement Required)		\$0.00	
Total Postage & Fees	\$	\$6.11	

Sent To: *Mr. Richard Floyd*
 Street, Apt. No. or PO Box No.: *1425 Randall Rd*
 City, State, ZIP+4: *Elgin IL 60123*

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature <input checked="" type="checkbox"/> Delivery Point <input type="checkbox"/> Agent <input type="checkbox"/> Addressee B. Received by (Printed Name) <i>Santacruz</i> Date of Delivery D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:
1. Article Addressed to: <i>Mr. Richard Floyd Advocate Sherman Hosp. 1425 Randall Rd Elgin, IL 60123</i>	3. Service Type <input checked="" type="checkbox"/> Certified Mail [®] <input type="checkbox"/> Priority Mail Express [™] <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery
2. Article Number <i>(Transfer from service label)</i>	4. Restricted Delivery? <input type="checkbox"/> Yes <i>7012 3460 0003 3258 4080</i>

PS Form 3811, July 2013 Domestic Return Receipt

December 13, 2013

Dr. Sheila Senn
 VP, Site Administrator
 Centegra Hospital - Huntley
 3701 Doty Road
 Woodstock, IL 60098

Dear Dr. Senn:

This letter is to notify you that Centegra Health System intends to consolidate its Obstetric ("OB") services currently operated at Centegra Hospital-McHenry and Centegra Hospital-Woodstock. For this purpose, we will be filing with the Illinois Health Facilities and Services Review Board ("Review Board") for certificate of need (CON) approval to discontinue the OB Category of Service at Centegra Hospital-Woodstock and to transfer the existing OB caseload at Woodstock to our McHenry facility.

Both of the hospitals are located in Planning Area A-10 (McHenry County). Centegra Hospital-Woodstock is located at 3701 Doty Road in Woodstock, and Centegra Hospital-McHenry is located at 4201 Medical Center Drive in McHenry. The two facilities are approximately 9 miles apart, with a travel time between them of approximately 17 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)). Both hospitals are owned and operated by Centegra Health System.

We anticipate that the Obstetric Category of Service at Centegra Hospital-Woodstock will be discontinued no later than June 30, 2014, after the CON permit is approved.

Inpatient utilization of the Obstetric/Gynecology service at Centegra Hospital-Woodstock for the past 2 complete years as well as the last 12 months is shown below.

Period	Admissions	Patient Days*	Average Daily Census
CY2011	1,005	2,423	6.6
CY2012	1,007	2,438	6.7
November, 2012- October, 2013	921	2,072	5.7

*including observation days in the OB unit

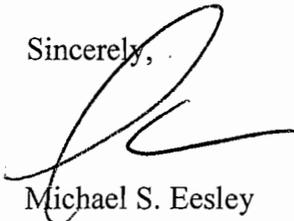
The discontinuation of the existing OB Category of Service at Centegra Hospital-Woodstock will not cause residents of Planning Area A-10 unnecessary hardship by the limitation of access to needed services because all residents within our service area, as well as those residents outside our service area that we serve, will be able to receive care in the OB Unit at Centegra Hospital-McHenry. In addition, all patients receiving care at Centegra Hospital-Woodstock's Obstetric Unit will be able to receive care at Centegra Hospital-McHenry.

This proposed discontinuation of the OB Category of Service at Woodstock will not limit the ability of low-income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups to obtain needed health care services since they will be able to receive this care at Centegra Hospital–McHenry.

The discontinuation of the OB Category of Service at Centegra Hospital–Woodstock will not have any impact on your hospital's caseload because the Centegra Hospital-Woodstock caseload will be accommodated at Centegra Hospital–McHenry. The Review Board's rules require, though, that we send this notice to you and invite your written response to me indicating whether your facility has capacity available to accommodate a portion or all of the OB caseload that will be discontinued at Centegra Hospital–Woodstock without conditions, limitations, or discrimination, should any patient choose to use your hospital rather than Centegra Hospital-McHenry for OB services. Please note that the Review Board's rules also provide that the failure to respond to this request for an impact statement within 15 days following your receipt of this letter shall constitute a non-rebuttable assumption that the discontinuation will not have an adverse impact upon your facility.

If you have any questions relating to this project, please do not hesitate to contact me.

Sincerely,



Michael S. Eesley
Chief Executive Officer
Centegra Health System

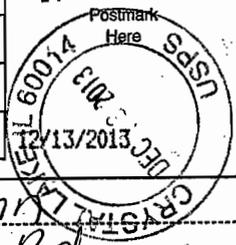
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WOODSTOCK IL 60098 OFFICIAL USE

Postage	\$ 0.46	0014
Certified Fee	\$3.10	14
Return Receipt Fee (Endorsement Required)	\$2.55	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.11	



Sent To Dr. Sheila Senn
 Street, Apt. No.; or PO Box No. 3701 Doty Rd
 City, State, ZIP+4 Woodstock IL 60098

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>SOEBAW</u> C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to: <u>Dr. Sheila Senn</u> <u>Centegra Hospital-Huntley</u> <u>3701 Doty Road</u> <u>Woodstock IL</u> <u>60098</u></p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™ <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery</p>
<p>2. Article Number (Transfer from serv...) 7012 3460 0003 3258 4097 <u>8 4097</u></p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

PS Form 3811, July 2013 Domestic Return Receipt

Michael S. Eesley
 Chief Executive Officer

December 13, 2013

Ms. Rachel Sebastian
 VP, Site Administrator
 Centegra Hospital - McHenry
 4201 Medical Center Drive
 McHenry, IL 60050

Dear Ms. Sebastian:

This letter is to notify you that Centegra Health System intends to consolidate its Obstetric ("OB") services currently operated at Centegra Hospital-McHenry and Centegra Hospital-Woodstock. For this purpose, we will be filing with the Illinois Health Facilities and Services Review Board ("Review Board") for certificate of need (CON) approval to discontinue the OB Category of Service at Centegra Hospital-Woodstock and to transfer the existing OB caseload at Woodstock to our McHenry facility.

Both of the hospitals are located in Planning Area A-10 (McHenry County). Centegra Hospital-Woodstock is located at 3701 Doty Road in Woodstock, and Centegra Hospital-McHenry is located at 4201 Medical Center Drive in McHenry. The two facilities are approximately 9 miles apart, with a travel time between them of approximately 17 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)). Both hospitals are owned and operated by Centegra Health System.

We anticipate that the Obstetric Category of Service at Centegra Hospital-Woodstock will be discontinued no later than June 30, 2014, after the CON permit is approved.

Inpatient utilization of the Obstetric/Gynecology service at Centegra Hospital-Woodstock for the past 2 complete years as well as the last 12 months is shown below.

<u>Period</u>	<u>Admissions</u>	<u>Patient Days*</u>	<u>Average Daily Census</u>
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November, 2012- October, 2013	921	2,072	5.7

*including observation days in the OB unit

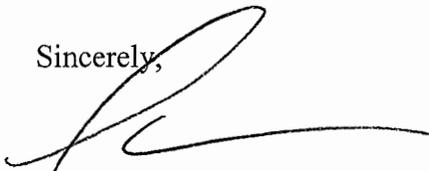
The discontinuation of the existing OB Category of Service at Centegra Hospital-Woodstock will not cause residents of Planning Area A-10 unnecessary hardship by the limitation of access to needed services because all residents within our service area, as well as those residents outside our service area that we serve, will be able to receive care in the OB Unit at Centegra Hospital-McHenry. In addition, all patients receiving care at Centegra Hospital-Woodstock's Obstetric Unit will be able to receive care at Centegra Hospital-McHenry.

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If you have any questions relating to this project, please do not hesitate to contact me.

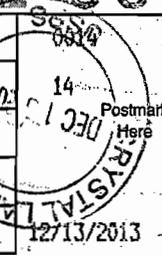
Sincerely,



Michael S. Eesley
Chief Executive Officer
Centegra Health System

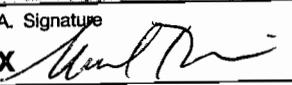
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Return Receipt Fee (Endorsement Required)	\$ 2.55
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 6.11



Sent To <i>Rachel Sebastian</i>	
Street, Apt. No., or PO Box No. <i>4201 Medical Center Dr</i>	
City, State, ZIP+4 <i>McHenry IL 60050</i>	

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p><input type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p><input type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.</p> <p><input type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p><i>X</i> </p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p><i>Rachel Sebastian</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p><i>Rachel Sebastian Centegra Hospital - McHenry 4201 Medical Center Dr. McHenry, IL 60050</i></p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <i>7C</i></p>	<p><i>7012 3460 0003 3258 4110 110</i></p>

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

December 30, 2013

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62702

Dear Ms. Avery:

Centegra Hospital-Woodstock and Centegra Health System have submitted a certificate of need (CON) application to discontinue the Obstetric (OB) Category of Service at Centegra Hospital-Woodstock.

The purpose of this discontinuation is to enable Centegra Health System, which owns and operates both Centegra Hospital-Woodstock and Centegra Hospital-McHenry, to consolidate its OB Services at Centegra Hospital-McHenry.

Centegra Hospital-McHenry is located in the same planning area for Obstetric Services as Centegra Hospital-Woodstock (Planning Area A-10), and the 2 hospitals are located approximately 9 miles apart, with a travel time between them of approximately 17 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)).

Both Centegra Hospital-McHenry and Centegra Hospital-Woodstock are owned and operated by Centegra Health System.

The purpose of this letter is to certify that, in accordance with 77 Ill. Adm. Code 1110.130(c), Centegra Hospital-McHenry will willingly assume Centegra Hospital-Woodstock's Obstetrics workload without conditions, limitations, or discrimination, thereby accommodating all of its Obstetrics caseload. Once Centegra Hospital-Woodstock's Obstetric Category of Service is discontinued, Centegra Hospital-McHenry will continue to provide care to the same Obstetrics patients as currently receive care in this category of service at Centegra Hospital-Woodstock. The discontinuation of Centegra Hospital-Woodstock's Obstetric Category of Service and Centegra Hospital-McHenry's assumption of this caseload will not result in the discontinuation of Obstetric services currently provided to patients at Centegra Hospital-Woodstock.

The discontinuation of Centegra Hospital-Woodstock's Obstetric Category of Service will not have an adverse effect on the healthcare delivery system because it will not create a demand for services that cannot be met at Centegra Hospital-McHenry. All of Centegra Hospital-Woodstock's Obstetrics patients will be able to continue to receive care at Centegra Hospital-McHenry.

The discontinuation of the Obstetric Category of Service at Centegra Hospital-Woodstock will not cause unnecessary hardship by the limitation of access to needed Obstetrical services to residents of Planning Area A-10, the planning area for Obstetrical services in which both Centegra Hospital-Woodstock and Centegra Hospital-McHenry are located because all of Centegra Hospital-Woodstock's Obstetrics patients will continue to receive care at Centegra Hospital-McHenry, which is located in the same planning area as Centegra Hospital-Woodstock.

The proposed discontinuation of Centegra Hospital-Woodstock's Obstetric Category of Service will not limit the ability of low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups to obtain needed health care.

Sincerely,

A handwritten signature in black ink that reads "Rachel Sebastian". The signature is written in a cursive, flowing style.

Rachel Sebastian
Vice President, Site Administrator
Centegra Hospital – McHenry

Advocate Good Shepherd Hospital

450 West Highway 22 || Barrington, IL 60010 || T 847.381.0123 || advocatehealth.com

December 31, 2013

Mr. Michael S. Eesley
Chief Executive Officer
Centegra Health System
Centegra Corporate Office
385 Millennium Drive
Crystal Lake, IL 60012

Re: Centegra Hospital – Woodstock Discontinuation of OB Services

Dear Mr. Eesley, Advocate Good Shepherd Hospital

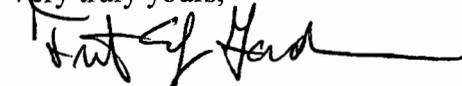
Thank you for your letter dated December 13, 2013 regarding Centegra's intent to discontinue its Obstetrics ("OB") service at Centegra Hospital – Woodstock. Your letter asked whether Advocate Good Shepherd Hospital had the capacity to accommodate any of Centegra Hospital – Woodstock's caseload and also inquired as to what impact your proposed discontinuation would have on our hospital.

Our hospital has historically accepted patients without conditions, limitations or discrimination. If your patients were to come to us, we would do so without discrimination. Because you indicated that Centegra intends to retain all their patients, however, the question of our willingness or ability to accept any patients appears inapplicable.

Your other question asked what impact your OB discontinuation would have upon our hospital. Unfortunately, we do not have sufficient information from your letter to provide you with a meaningful response. Your letter indicated that most of the Woodstock OB patients would be admitted to another Centegra affiliated hospital. For us to gauge the impact upon Good Shepherd it would be necessary for us to know how many of the patients otherwise untreated by another Centegra hospitals would come from our service areas. Absent more information on the location of the patients affected we are unable to determine the impact of your discontinuation on our facility at this time. Upon seeing the detailed information in your CON application, we would be pleased to consider that information and provide you and the Review Board with a more detailed response.

Once again, thank you for your letter soliciting our input.

Very truly yours,



Trent Gordon, FACHE
Vice President, Business Development

December 31, 2013

Mr. Michael S. Eesley
Chief Executive Officer
Centegra Health System
Centegra Corporate Office
385 Millennium Drive
Crystal Lake, IL 60012

Re: Centegra Hospital – Woodstock Discontinuation of OB Services

Dear Mr. Eesley, Sherman Hospital

Thank you for your letter dated December 13, 2013 regarding Centegra's intent to discontinue its Obstetrics ("OB") service at Centegra Hospital – Woodstock. Your letter asked whether Advocate Sherman Hospital had the capacity to accommodate any of Centegra Hospital – Woodstock's caseload and also inquired as to what impact your proposed discontinuation would have on our hospital.

Our hospital has historically accepted patients without conditions, limitations or discrimination. If your patients were to come to us, we would do so without discrimination. Because you indicated that Centegra intends to retain all their patients, however, the question of our willingness or ability to accept any patients appears inapplicable.

Your other question asked what impact your OB discontinuation would have upon our hospital. Unfortunately, we do not have sufficient information from your letter to provide you with a meaningful response. Your letter indicated that most of the Woodstock OB patients would be admitted to another Centegra affiliated hospital. For us to gauge the impact upon Sherman it would be necessary for us to know how many of the patients otherwise untreated by another Centegra hospitals would come from our service areas. Absent more information on the location of the patients affected we are unable to determine the impact of your discontinuation on our facility at this time. Upon seeing the detailed information in your CON application, we would be pleased to consider that information and provide you and the Review Board with a more detailed response.

Once again, thank you for your letter soliciting our input.

Very truly yours,



Trent Gordon, FACHE
Vice President, Business Development



Date 01/21/14

Sender's Name TRENT GORDON Phone 817 592-4257

Company GOOD SHEPHERD HOSP/ADMIN DEPT

Address 450 W HIGHWAY 22

City BARRINGTON State IL Zip 60010-1919

2 Your Internal Billing Reference

3 To Recipient's Name MICHAEL S. ERSLEY Phone

Company CINTEGA HEALTH SYSTEMS

Address CINTEGA CORPORATE OFFICE

Address 355 MILLINGTON DRIVE

City WYSTAL LAKE State TN Zip 37222



8019 7022 1210

0101758824

4 Express Package Service

Next Business Day

FedEx First Overnight

FedEx Priority Overnight

FedEx Standard Overnight

Packaging

FedEx Envelope

FedEx Pak

FedEx Box

FedEx Tube

Other

Special Handling and Delivery Signature Options

Signature Required

Direct Signature

Indirect Signature

Payment Bill To

Sender

Recipient

Third Party

Credit Card

Cash/Check

Other resp

Act. No.

Card/Check

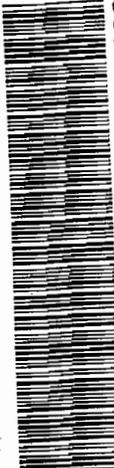
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Act. No.



FedEx FIRST OVERNIGHT

Delivery Address 385 MILLENIUM DR



The woman

FedEx TRK# 8019 7022 1210

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FID 389111 82JAN14 UGNA 51ACT/DSEC/6580

FRI - 03 JAN 8:30A FIRST OVERNIGHT

60012 ORD

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Date 01/21/14

Sender's Name TRENT LOCKWOOD Phone 817 592-4257

Company GOOD SHEPHERD HOSP/ADMIN DEPT

Address 450 W HIGHWAY 22

City BARRINGTON State IL ZIP 60010-1919

2 Your Internal Billing Reference

3 To Recipient's Name MINNIE S. ERSLEY Phone

Company INTEGRAL HEALTH SYSTEMS

Address 11200 WOODHURST DRIVE

Address 255 MILLENIUM DRIVE

City WYSTAL CARE State IL ZIP 60122



8019 7022 1210

0101758924

The WORN T...

FedEx FIRST OVERNIGHT

Delivery Address 385 MILLENIUM DR



4 Express Package Service *To meet location. NOT: Service order has changed. Please select carefully.

Next Business Day

FedEx First Overnight Earliest next business morning delivery to select Monday through SATURDAY Delivery is selected.

FedEx 20 by AM Second business morning Saturday Delivery NOT available.

5 Packaging

FedEx Standard Overnight Next business morning. *Friday deliveries will be Saturday Delivery NOT available.

6 Special Handling and Delivery Signature Options

SATURDAY Delivery NOT available for FedEx Standard Overnight, FedEx 20 by AM, or FedEx Express Saver.

7 Payment Bill to:

Sender: Sender's Name, Address, City, State, ZIP Code. Recipient: Recipient's Name, Address, City, State, ZIP Code.

FedEx TRK# 8019 7022 1210

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FTD 389111 02JAN14 UGNA 51ACL1/06EJ/650D

60012 IL-US ORD

FRI - 03 JAN 8:30A FIRST OVERNIGHT

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FedEx logo

APPENDIX-3

**MAPQUEST TRAVEL TIMES FOR ACUTE MENTAL ILLNESS
CATEGORY OF SERVICE WITHIN 45 MINUTES ADJUSTED TRAVEL
TIME OF CENTEGRA HOSPITAL - WOODSTOCK**



Trip to:

Provena Saint Joseph Hospital
77 N Airlite St

Elgin, IL 60123
(847) 697-4476
19.12 miles / 32 minutes

Notes

A	3701 Doty Rd, Woodstock, IL 60098-7509	Download Free App
●	1. Start out going north on Doty Rd toward US-14 . Map	0.07 Mi <i>0.07 Mi Total</i>
➔	2. Turn right onto US-14 . Map	5.0 Mi <i>5.0 Mi Total</i>
➔	3. Turn right onto McHenry Ave . Map	1.8 Mi <i>6.8 Mi Total</i>
➔	4. Turn right onto Randall Rd . Map	11.1 Mi <i>17.9 Mi Total</i>
↶	5. Turn left onto Highland Ave . Map	0.8 Mi <i>18.7 Mi Total</i>
➔	6. Take the 3rd right onto N Airlite St . Map	0.4 Mi <i>19.1 Mi Total</i>
■	7. 77 N AIRLITE ST . Map	
B	Provena Saint Joseph Hospital 77 N Airlite St, Elgin, IL 60123 (847) 697-4476	

Total Travel Estimate: **19.12 miles - about 32 minutes**

FREE NAVIGATION APP
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Enter your mobile number

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Trip to:
Alexian Brothers Behavioral Health Hospital
1650 Moon Lake Blvd
 Hoffman Estates, IL 60169
 (847) 882-1600
 23.00 miles / 39 minutes

Notes

A	3701 Doty Rd, Woodstock, IL 60098-7509	Download Free App
●	1. Start out going north on Doty Rd toward US-14. Map	0.07 Mi 0.07 Mi Total
➔	2. Turn right onto US-14. Map	5.5 Mi 5.5 Mi Total
➔	3. Turn slight right onto Virginia Rd. Map	0.9 Mi 6.4 Mi Total
➔	4. Turn right onto Pyott Rd / S Main St. Continue to follow Pyott Rd. Map	3.0 Mi 9.4 Mi Total
↶	5. Turn left onto Algonquin Rd / IL-62. Map	10.3 Mi 19.7 Mi Total
➔	6. Turn right onto N Barrington Rd. Map	2.6 Mi 22.3 Mi Total
↶	7. Turn left onto IL-72 E / W Higgins Rd. Map	0.6 Mi 22.8 Mi Total
➔	8. Turn right onto Moon Lake Blvd. Map	0.2 Mi 23.0 Mi Total
■	9. 1650 MOON LAKE BLVD is on the right. Map	
B	Alexian Brothers Behavioral Health Hospital 1650 Moon Lake Blvd, Hoffman Estates, IL 60169 (847) 882-1600	

Total Travel Estimate: **23.00 miles - about 39 minutes**

FREE NAVIGATION APP
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Enter your mobile number

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