Original

14-015

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED
APR 21 2014
HEALTH FACILITIES & SERVICES REVIEW BOARD

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: The Carle Foundation Hospital
Street Address: 611 West Park Street
City and Zip Code: Urbana, IL 61801
County: Champaign Health Service Area: HSA-4 Health Planning Area: D-1

Applicant /Co-Applicant Identification

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

Exact Legal Name (Co-Applicant): The Carle Foundation
Address: 611 West Park Street, Urbana IL, 61801
Name of Registered Agent: James C. Leonard, MD
Name of Chief Executive Officer: James C. Leonard, MD
CEO Address: 611 West Park Street, Urbana IL, 61801
Telephone Number: 217-383-3220

Exact Legal Name (Co-Applicant): The Carle Foundation Hospital
Address: 611 West Park Street, Urbana IL, 61801
Name of Registered Agent: James C. Leonard, MD
Name of Chief Executive Officer: James C. Leonard, MD
CEO Address: 611 West Park Street, Urbana IL, 61801
Telephone Number: 217-383-3220

Type of Ownership of Applicant/Co-Applicant

☒	Non-profit Corporation	☐	Partnership		
☐	For-profit Corporation	☐	Governmental		
☐	Limited Liability Company	☐	Sole Proprietorship	☐	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: Collin Anderson
Title: Business Development Coordinator
Company Name: The Carle Foundation Hospital
Address: 611 West Park Street, Urbana IL, 61801
Telephone Number: 217-383-8364
E-mail Address: Collin.Anderson@Carle.com
Fax Number:

Additional Contact

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

Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli P.C.
Address: 161 N. Clark Street, Suite 4200 Chicago, IL 60601
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number:

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: Collin Anderson
Title: Business Development Coordinator
Company Name: The Carle Foundation Hospital
Address: 611 West Park Street, Urbana IL, 61801
Telephone Number: 217-383-8364
E-mail Address: Collin.Anderson@Carle.com
Fax Number:

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: The Carle Foundation
Address of Site Owner: 611 West Park Street, Urbana IL, 61801
Street Address or Legal Description of Site: 611 West Park Street, Urbana IL, 61801 **Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax 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 ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

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

Exact Legal Name: The Carle Foundation Hospital
Address: 611 West Park Street, Urbana IL, 61801

☒ Non-profit Corporation ☐ Partnership
☐ For-profit Corporation ☐ Governmental
☐ Limited Liability Company ☐ Sole Proprietorship ☐ Other

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

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

Organizational Relationships

Provide (for each 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 CON application relates to Carle Foundation Hospital located at 611 West Park Street in Urbana, Illinois (the "Hospital"). It emanates from HFSRB Permit Number 08-013 (the "Bed Tower Permit"), which involved the construction of a new nine-floor tower on the campus of the Hospital. The Bed Tower Permit provided for the completion of eight floors of the new building and also construction of a ninth floor core and shell ("shell space"). As required by the HFSRB rules, as part of the Bed Tower Permit application submission, the Hospital provided an anticipated date for completing the ninth floor and further attested that it would submit a CON application for the development and use of this shell space prior to any construction relating to that shell space or other use of the shell space. As stated in the Bed Tower Permit materials, the Hospital projected that it would submit this CON application in 2014 and anticipated that the shell space would be completed and placed into operation by June 30, 2015.

As a need for the space has been identified, the Hospital now, pursuant to this Application, proposes to develop and utilize the shell space created pursuant to the Bed Tower Permit at a cost of $17,765,000. In this shell space, the Hospital proposes to add a 48 medical/surgical bed unit. The project will include modernization of 40,446 BGSF of existing space.

The project is a substantive project, according to Section 1110.40 of the Administrative Code, because the project is proposing a change in bed capacity.

Project Costs and Sources of Funds

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

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs	$175,000	$75,000	$250,000
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	$5,700,000	$3,600,000	$9,300,000
Contingencies	$730,000	$540,000	$1,270,000
Architectural/Engineering Fees	$545,000	$325,000	$870,000
Consulting and Other Fees	$725,000	$300,000	$1,025,000
Movable or Other Equipment (not in construction contracts)	$2,675,000	$975,000	$3,650,000
Bond Issuance Expense (project related)	$0	$0	$0
Net Interest Expense During Construction (project related)	$0	$0	$0
Fair Market Value of Leased Space or Equipment	$0	$0	$0
Other Costs To Be Capitalized	$840,000	$560,000	$1,400,000
Acquisition of Building or Other Property (excluding land)	$0	$0	$0
TOTAL USES OF FUNDS	**$11,390,000**	**$6,375,000**	**$17,765,000**
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$11,390,000	$6,375,000	$17,765,000
Pledges	$0	$0	$0
Gifts and Bequests	$0	$0	$0
Bond Issues (project related)	$0	$0	$0
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	**$11,390,000**	**$6,375,000**	**$17,765,000**

NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Related Project Costs

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

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

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

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

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

Project Status and Completion Schedules

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

Indicate the stage of the project's architectural drawings:

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

Anticipated project completion date (refer to Part 1130.140): **January 31, 2016**

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

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

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

State Agency Submittals

Are the following submittals up to date as applicable:

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

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

Cost Space Requirements

Provide in the following format, the 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.**

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**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: Carle Foundation Hospital		**CITY:** Urbana			
REPORTING PERIOD DATES:		**From:** 01/01/2013		**to:** 12/31/2013	
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days**	**Bed Changes**	**Proposed Beds**
Medical/Surgical	212	15,098	71,683	48	260
Obstetrics	35	2,724	8,230	n/a	35
Pediatrics	20	1,208	3,851	n/a	20
Intensive Care	38	1,998	6,869	n/a	38
Comprehensive Physical Rehabilitation	15	363	4,224	n/a	15
Acute/Chronic Mental Illness	0	0	0	n/a	0
Neonatal Intensive Care	25	437	4,724	n/a	25
General Long Term Care	0	0	0	n/a	0
Specialized Long Term Care	0	0	0	n/a	0
Long Term Acute Care	0	0	0	n/a	0
Other (identify)	0	0	0	n/a	0
TOTALS:	345	21,828	99,581	48	393

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 The Carle Foundation * 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

James C. Leonard, MD
PRINTED NAME

President and CEO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me this 11th day of April, 2014

Signature of Notary

Seal

"OFFICIAL SEAL"
ANN ELIZABETH BEYERS
Notary Public, State of Illinois
My commission expires 02/22/15

SIGNATURE

John M. Snyder
PRINTED NAME

Executive Vice President and COO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me this 11th day of April, 2014

Signature of Notary

Seal

OFFICIAL SEAL
DIANA L. QUIGG
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 2/11/2018

*Insert EXACT legal name of the applicant

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 The Carle Foundation Hospital * in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application 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

James C. Leonard, MD
PRINTED NAME

President and CEO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 11th day of April, 2014

Signature of Notary

Seal

"OFFICIAL SEAL"
ANN ELIZABETH BEYERS
Notary Public, State of Illinois
My Commission expires 02/22/15

SIGNATURE

John M. Snyder
PRINTED NAME

Executive Vice President and COO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 11th day of April, 2014

Signature of Notary

OFFICIAL SEAL
DIANA L. QUIGG
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 2/11/2018

*Insert EXACT legal name of the applicant

SECTION II. DISCONTINUATION (Not Applicable)

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.

UNFINISHED OR SHELL SPACE: (Not Applicable)

Provide the following information:

1. Total gross square footage of the proposed shell space;

2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function;

3. Evidence that the shell space is being constructed due to
   a. Requirements of governmental or certification agencies; or
   b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.

4. Provide:
   a. Historical utilization for the area for the latest five-year period for which data are available; and
   b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

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

ASSURANCES: (Not Applicable)

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.

2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and

3. The anticipated date when the shell space will be completed and placed into operation.

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

SECTION V. - MASTER DESIGN AND RELATED PROJECTS (Not Applicable)

This Section is applicable only to proposed master design and related projects.

Criterion 1110.235(a) - System Impact of Master Design

Read the criterion and provide documentation that addresses the following:

1. The availability of alternative health care facilities within the planning area and the impact that the proposed project and subsequent related projects will have on the utilization of such facilities;

2. How the services proposed in future projects will improve access to planning area residents;

3. What the potential impact upon planning area residents would be if the proposed services were not replaced or developed; and

4. The anticipated role of the facility in the delivery system including anticipated patterns of patient referral, any contractual or referral agreements between the applicant and other providers that will result in the transfer of patients to the applicant's facility.

Criterion 1110.235(b) - Master Plan or Related Future Projects

Read the criterion and provide documentation regarding the need for all beds and services to be developed, and also, document the improvement in access for each service proposed. Provide the following:

1. The anticipated completion date(s) for the future construction or modernization projects; and

2. Evidence that the proposed number of beds and services is consistent with the need assessment provisions of Part 1100; or documentation that the need for the proposed number of beds and services is justified due to such factors, but not limited to:

   a. limitation on government funded or charity patients that are expected to continue;
   b. restrictive admission policies of existing planning area health care facilities that are expected to continue;
   c. the planning area population is projected to exhibit indicators of medical care problems such as average family income below poverty levels or projected high infant mortality.

3. Evidence that the proposed beds and services will meet or exceed the utilization targets established in Part 1100 within two years after completion of the future construction of modernization project(s), based upon:

   a. historical service/beds utilization levels;
   b. projected trends in utilization (include the rationale and projection assumptions used in such
   c. projections);
   d. anticipated market factors such as referral patterns or changes in population characteristics (age, density, wellness) that would support utilization projections; and
   anticipated changes in delivery of the service due to changes in technology, care delivery techniques or physician availability that would support the projected utilization levels.

Criterion 1110.235(c) - Relationship to Previously Approved Master Design Projects

READ THE CRITERION which requires that projects submitted pursuant to a master design permit are consistent with the approved master design project. Provide the following documentation:

1. Schematic architectural plans for all construction or modification approved in the master design permit;

2. The estimated project cost for the proposed projects and also for the total construction/modification projects approved in the master design permit;

3. An item by item comparison of the construction elements (i.e. site, number of buildings, number of floors, etc.) in the proposed project to the approved master design project; and

4. A comparison of proposed beds and services to those approved under the master design permit.

APPEND DOCUMENTATION AS ATTACHMENT-18, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VI - MERGERS, CONSOLIDATIONS AND ACQUISITIONS/CHANGES OF OWNERSHIP (Not Applicable)

This Section is applicable to projects involving merger, consolidation or acquisition/change of ownership.

NOTE: For all projects involving a change of ownership THE COMPLETE TRANSACTION DOCUMENT must be submitted with the application for permit. The transaction document must be signed dated and contain the appropriate contingency language.

A. Criterion 1110.240(b), Impact Statement

Read the criterion and provide an impact statement that contains the following information:

1. Any change in the number of beds or services currently offered.
2. Who the operating entity will be.
3. The reason for the transaction.
4. Any anticipated additions or reductions in employees now and for the two years following completion of the transaction.
5. A cost-benefit analysis for the proposed transaction.

B. Criterion 1110.240(c), Access

Read the criterion and provide the following:

1. The current admission policies for the facilities involved in the proposed transaction.
2. The proposed admission policies for the facilities.
3. A letter from the CEO certifying that the admission policies of the facilities involved will not become more restrictive.

C. Criterion 1110.240(d), Health Care System

Read the criterion and address the following:

1. Explain what the impact of the proposed transaction will be on the other area providers.
2. List all of the facilities within the applicant's health care system and provide the following for each facility.
   a. the location (town and street address);
   b. the number of beds;
   c. a list of services; and
   d. the utilization figures for each of those services for the last 12 month period.
3. Provide copies of all present and proposed referral agreements for the facilities involved in this transaction.
4. Provide time and distance information for the proposed referrals within the system.
5. Explain the organization policy regarding the use of the care system providers over area providers.
6. Explain how duplication of services within the care system will be resolved.
7. Indicate what services the proposed project will make available to the community that are not now available.

APPEND DOCUMENTATION AS ATTACHMENT-19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA

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

A. Criterion 1110.530 - Medical/Surgical, Obstetric, Pediatric and Intensive Care

1. Applicants proposing to establish, expand and/or modernize Medical/Surgical, Obstetric, Pediatric and/or Intensive Care categories of service must submit the following information:

2. Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
☒ **Medical/Surgical**	**212**	**260**
☐ **Obstetric**		
☐ **Pediatric**		
☐ **Intensive Care**		

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

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.530(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.530(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.530(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.530(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.530(b)(5) - Planning Area Need - Service Accessibility	X		
1110.530(c)(1) - Unnecessary Duplication of Services	X		
1110.530(c)(2) - Maldistribution	X	X	
1110.530(c)(3) - Impact of Project on Other Area Providers	X		
1110.530(d)(1) - Deteriorated Facilities			X

APPLICABLE REVIEW CRITERIA		Establish	Expand	Modernize
1110.530(d)(2) -	Documentation			X
1110.530(d)(3) -	Documentation Related to Cited Problems			X
1110.530(d)(4) -	Occupancy			X
110.530(e) -	Staffing Availability	X	X	
1110.530(f) -	Performance Requirements	X	X	X
1110.530(g) -	Assurances	X	X	X
APPEND DOCUMENTATION AS ATTACHMENT-20, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.				

Sections B through P are not applicable.

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)

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: 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: 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)

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 (Not Applicable)

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 (Not Applicable)

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	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

1120.140 Economic Feasibility
C. Reasonableness of Project and Related Costs

The applicants propose to develop and utilize the shell space created pursuant to HFSRB permit number 08-013 and add 48 authorized Medical Surgical locations for use within this space.

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

Cost and Gross Square Feet by Department of Service									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost / sf		Gross sf		Gross sf		Const $ (A x C)	Mod $ (B x E)	
	New	Mod	New	Circ	Mod	Circ			
Carle Tower 9		$229.94			40,446			$9,300,000	$9,300,000
Contingency		$31.40			40,446			$1,270,000	$1,270,000
TOTALS		$261.34			40,446			$10,570,000	$10,570,000

The values in column E reflect the total modernized gross square footage

Circulation is 26.6% of the gross square footage.

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

1. Preplanning costs are 1.76% of the sum of new construction, modernization, contingency, and equipment costs, which is under the state standard of 1.8%. Therefore this item is compliant with the state standard.

2. There is no site survey, soil investigation, or site preparation associated with this project. Therefore this item is not applicable.

3. There is no off-site work associated with the project. Therefore this item is not applicable.

4. There are no new construction contracts associated with the project. Therefore this item is not applicable.

5. Modernization and contingency costs are $261.34 per gsf, compared with 70% of the 3rd quartile of the RS Means standard of $263.17/gsf. Therefore this item is compliant with the state standard.

1120.140 Economic Feasibility
C. Reasonableness of Project and Related Costs

6. The modernization contingency is 13.7% of modernization contracts, compared with the state standard of 10-15% for projects in the schematics stage. Therefore this item is compliant with the state standard.

7. Architectural and Engineering Fees for modernization are 8.2% of the sum of modernization contracts and the modernization contingency budget. This is below the state standard of a range of 5.87 – 8.81% for a modernization budget under $15,000,000. Therefore this item is compliant with the state standard.

8. Consulting and Other Fees total $1,025,000. There is no state standard for Consulting and Other Fees.

9. Movable or Other Equipment (Not in Construction Contracts) costs total $3,650,000. The state standard for Movable or Other Equipment (Not in Construction Contracts) is not applicable to hospitals.

10. There is no Bond Issuance expense associated with the proposed project.

11. There is no Net Interest Expense during Construction associated with the proposed project.

12. There is no Fair Market Value of Leased Space or Equipment associated with the proposed project.

13. Other Costs to Be Capitalized are $1,400,000. There is no state standard for Other Costs to Be Capitalized.

14. There is no Acquisition of Building or Other Property cost associated with the proposed project. Therefore this item is not applicable.

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)			
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:

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File Number 5274-755-4

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

THE CARLE FOUNDATION HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MAY 28, 1982, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 26TH *day of* FEBRUARY *A.D.* 2014 .

Jesse White

SECRETARY OF STATE

Authentication #: 1405701678

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

Attachment- 1

File Number 2932-580-4

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

THE CARLE FOUNDATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 06, 1946, 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* 26TH *day of* FEBRUARY *A.D.* 2014 .

Jesse White

SECRETARY OF STATE

Authentication #: 1405701618

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

Attachment- 1

1977 Bund f

Chicago Title Insurance Company

ATTACH THIS TO 2813

To: Mr. Stuart Mamer
30 Main Street
Champaign
Illinois 61820

COMMITMENT FOR TITLE INSURANCE

CHICAGO TITLE INSURANCE COMPANY, a Missouri 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 Schedules 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 six months 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.

NOTE: This Commitment shall not be valid or binding until signed by an authorized signatory.

SCHEDULE A

Number	Effective Date	Refer Inquiries To
29382, AC	January 31, 1977	Associated Abstract Company 17 Taylor Street Champaign, IL 61820

1. Owners Policy to be issued: Amount: $30,650,000.00 Proposed Insured: The Carle Foundation

Loan Policy to be issued: Amount: To Come Proposed Insured: Illinois Health Facilities Autho a body corporate and Politic and Illinois National Bank of Spring

2. The estate or interest in the land described or referred to in this Commitment and covered herein is a fee simple and title thereto is at the effective date hereof vested in:

THE CARLE FOUNDATION,
AN ILLINOIS NOT-FOR-PROFIT CORPORATION.

3. The land referred to in this Commitment is described as follows:

SEE ADDED PAGES

CHICAGO TITLE INSURANCE COMPANY

LEGAL DESCRIPTION:

TRACT I:

2801 (a) Lot 1 of Busey's Subdivision of Lot E and a portion of Lot B of a Subdivision of the SW¼ of Section 8, in Township 19 North, Range 9 East of the 3rd P.M., in Champaign County, Illinois, as per plat thereof appearing in Plat Book "D" at page 186 as document No. 144810, in the Office of the Recorder of Deeds of Champaign County, Illinois. All of said real estate is bounded on the South by University Avenue, on the East by Orchard Street, on the North by Park Street, and on the West by Coler Avenue, in the City of Urbana, County of Champaign and State of Illinois, excepting therefrom a triangular tract of land out of the Southwest corner thereof, said tract having one side 34 feet in length coinciding with the South line of said Lot 1 and another side of 12 feet in length coinciding with the West line of said Lot 1 and containing 204 square feet, more or less.

(b) A rectangular tract 400.33 feet by 281.6 feet, having frontages of 400.33 feet on Park Street and 281.6 feet on Orchard Street, being part of Lot A of a Survey of the SW¼ of Section 8, Township 19 North Range 9 East of the 3rd P.M., said tract being located at the Northeast corner of Orchard and Park Streets, in the City of Urbana, Champaign County, Illinois.

(c) Lot 1 of M.W. Busey's Heirs Addition to the Town, now the City of Urbana, Illinois, except that part taken for Highway as shown in Common Law No. 63 L 365 being a triangular tract of land out of the Northwest corner of Lot 1 of M.W. Busey's Heir's Addition to the City of Urbana, said tract having one side 17.94 feet in length coinciding with the West Line of said Lot 1 and another side of 18.02 feet in length coinciding with the North Line of said Lot 1, all situated in Champaign County, Illinois.

PART 2837

(d) Lot 12 and the East half of Lot 11 in Block 1 in S.H. Busey's Addition to the Town (Now City) of Urbana, together with the South Half of an alley lying North of said lots, and except that part taken for highway as shown in Common Law No. 63 L 365 being a triangular tract of land out of the Southeast corner of Lot 12 of Block 1 of S.H. Busey's Addition to the City of Urbana, said tract having one side 10 feet in length coinciding with the South line of said Lot 12 and another side of 10 feet in length coinciding with the East line of said Lot 12 all situated in Champaign County, Illinois.

INCLUDES 2813 4 2814

TRACT II:

INCLUDES 2827 — 2828 2825

Lots 9, 10 and 11 of Busey's Subdivision of Lot "E" and a portion of Lot "B" of a Subdivision of the SW¼ of Section 8, Township 19 North, Range 9 East of the 3rd P.M., situated in the City of Urbana in Champaign County, Illinois, and also;

ORM 3649-01

Attachment- 2

CHICAGO TITLE INSURANCE COMPANY

LEGAL DESCRIPTION(cont.)

That portion of vacated Park Street that lies between the East right-of-way line extended of Coler Avenue and the West right-of-way line extended of Orchard Street, all in the City of Urbana, Illinois, except that portion thereof that is located within 16 feet, North and South of the center line of said street and within two feet below and 17 feet above the elevation of 729.21 feet above sea level, and also except that portion of the North half of said Park Street lying South of and adjacent to Lot 2 of said Busey's Subdivision.

TRACT III:
Lot 5 in Block 1 of S.T. Busey's Third Addition to the Town, now City of Urbana, Illinois, except, Beginning at the Northeast corner of said Lot 5 in Block 1, thence in a Southerly direction along the East line of said Lot 5 a distance of 17.83 feet, thence in a Westerly direction a distance of 42 feet to the East line of a 20 foot alley, thence in a Northerly direction along the East line of said alley a distance of 32.60 feet to the South right of way line of the Wabash Railroad, thence Southeasterly along the South Right of Way line of the Wabash Railroad a distance of 44.62 feet to place of beginning;
Also except, commencing at the Southwest corner of said Lot 5 Block 1, thence North along the West line of said Lot, 91 feet, thence Easterly to a point on the East line of said Lot, 91 feet North of the Southeast corner of said Lot, thence South 91 feet to the Southeast corner of said lot, thence Westerly along the North line of Griggs Street 66 feet to the point of beginning, all situated in Champaign County, Illinois.

TRACT IV:
All that part of Lot 3 of M.W. Busey's Heirs Addition to the Town (now City) of Urbana, lying South of the right of way of the Champaign and Southeastern (now Wabash) Railway, situated in the City of Urbana, in Champaign County, Illinois.

TRACT V:
Part of 2832
Lots 1, 2, 3, and 4 in Block 1 of Simeon H. Busey's Addition to the City of Urbana, Illinois, together with the North one-half of the vacated alley adjoining said lots on the South, all situated in Champaign County, Illinois.

TRACT VI:
Lots 5 and 6 in Block 1 of Simeon H. Busey's Addition to the City of Urbana, Illinois, together with the North Half of the vacated alley lying adjacent thereto, also Lot 7, except the South 80 feet thereof, and Lot 8 except the South 80 feet thereof and also except the East 12 feet thereof, together with the South Half of the vacated alley lying adjacent thereto.

Attachment- 2

ORM 3649-01

CHICAGO TITLE INSURANCE COMPANY

LEGAL DESCRIPTION(Cont.)

TRACT VII:
Lots 8 and 9 of a Subdivision of a part of the NW¼ of the SW¼ of Section 8, Township 19 North, Range 9 East of the 3rd P.M., situated in Champaign County, Illinois.

TRACT VIII:
Lots 3, 4, 5, and 6 and the North 42 feet of Lot 7 in S.H. Busey's Third Addition to the City of Urbana, situated in the City of Urbana, in Champaign County, Illinois.

TRACT IX:
2809 Lot 2 of M.W. and G.W. Busey's Subdivision of Lot D and part of Lot B of the SW¼ of Section 8, Township 19 North, Range 9 East of the 3rd P.M. situated in the City of Urbana, in Champaign County, Illinois.

TRACT X:
Lot 5 in Block 2 of S.T. Busey's Second Addition to the City of Urbana, situated in the City of Urbana, in Champaign County, Illinois.

2837 TRACT XI:
Lot 10 in M.W. and G.W. Busey's Subdivision of Lot D and part of Lot B of the SW¼ of Section 8, Township 19 North, Range 9 East of the 3rd P.M., situated in the City of Urbana, in Champaign County, Illinois.

TRACT XII:
(a) That portion of Coler Avenue lying South of the South right-of-way line of Park Street and North of a line parallel to and 39 feet South of the South right-of-way line of Park Street and below the elevation of 725.9 feet above sea level and above the elevation of 710.0 feet above sea level; and also

(b) That portion of Coler Avenue that lies South of a line parallel to and 168 feet South of the South right-of-way line of Park Street and North of a line that lies parallel to and 190 feet South of the South right-of-way line of Park Street and below the elevation of 725.9 feet above sea level and above the elevation of 713.5 feet above sea level.

3. Taxes for the years 1976 and 1977.

4. Covenants contained in the Limited Warranty Deed dated August 9, 1976 and recorded September 7, 1976 as document 76 R 17651 that during the period of twenty years after the date of the deed no petroleum products shall be advertised, stored, sold or distributed on the premises conveyed or any part thereof with no forfeiture or reversionary clause. (Affects that portion of Tract I (c) lying within the West Half of Lot One of M. W. Busey's Heirs Addition to the City of Urbana).

5. Covenant and restriction contained in Warranty Deed dated and recorded December 15, 1905 in Book 138 at page 417 as Document 49547 pertaining to the East half of the West half of Lot 1 of M. W. Busey's Heirs Addition to the City of Urbana, that grantees will not build or permit to be built upon this property a building to cost less than $1,200.00 and which contains no forfeiture or reversionary clause. (Affects Tract I (c).

6. Existing easement or easements for public utilities, their successors and assigns, to operate, maintain, renew and reconstruct their facilities as operated and maintained in that portion of premises lying within vacated Park Street. (Affects Tract II).

7. Rights of The City of Urbana, Illinois, by virtue of reservation contained in the Vacation Ordinance passed March 3, 1974 and recorded March 25, 1975 as document 75 R 3787 vacating a portion of Park Street, in easements for maintenance and repair of all sewers and drains and all public service facilities located on or under said street and a surface easement for pedestrian sidewalks on that portion of said street located within 20 feet from the centerline North and South of said street. (Affects Tract II).

8. Rights of Illinois Power Company, an Illinois corporation, its successors and assigns, by virtue of Easement dated January 10, 1968 and recorded February 5, 1968 in Book 868 at page 176 as document 772446 made by Orace Cuppernell and Dorothy Cuppernell granting the right to erect, operate and maintain electric transmission and distribution lines and appurtenant equipment through All that part of a strip of land 40 feet in width which extends over, across, through and lies within the East 60 feet of the West 120 feet of Lot 3 of M. W. Busey's Heirs Addition to the Town (now City) of Urbana, Illinois; the centerline of said 40-foot strip being described as beginning on the North line of said Lot 3 at a point 85 feet East of the Northwest corner thereof; thence extending Southeasterly to a point of exit on the East line of the above described tract of land, said point being 10 feet South of the Northeast corner of the East 60 feet of the West 120 feet of said Lot 3; (Affects Tract IV).

9. Rights of Illinois Power Company, an Illinois corporation, its successors and assigns, by virtue of Easement dated June 22, 1968 and recorded March 17, 1969 in Book 898 at page 533 as document 789822 made by Enos L. Phillips and others granting the right to erect, operate and maintain electric transmission and distribution lines and appurtenant equipment through The Northeasterly 30 feet of even width off of that part of Lot 3 of M. W. Busey's Heirs Addition of Town Lots to Urbana, Illinois, which lies Southwesterly of and contiguous to the Southwesterly right of way line of the Norfolk and Western Railroad, Except the West 120 feet of said Lot 3; (Affects Tract IV).

10. Rights of Illinois Power Company, an Illinois corporation, its successors and assigns, by virtue of Easement dated January 9, 1969 and recorded March 17, 1969 in Book 898 at page 535 as document 789823 made by Carle Clinic Association granting the right to erect, operate and maintain electric transmission and distribution lines and appurtenant equipment through That part of the West 60 feet of Lot 3 of M. W. Busey's Heirs' Addition to Urbana, Illinois, described as follows, to-wit:
Beginning at the Northwest corner of said Lot 3; thence extending Southeasterly to a point on the East line of the above described West 60-foot tract, said point being 15 feet South of the Northeast corner thereof; thence North along said East line to the North line of said Lot 3; thence West to the point of beginning; and also through the Northeasterly 30 feet of even width off of that part of Lot 3 of M. W. Busey's Heirs Addition of Town Lots to Urbana, Illinois, which lies Southwesterly of and contiguous to the Southwesterly right-of-way line of the Norfolk and Western Railroad, except the West 120 feet of said Lot 3. (Affects Tract IV).

11. Rights of Illinois Power Company, an Illinois corporation, its successors and assigns, by virtue of Easement dated April 1, 1975 and recorded May 16, 1975 in Book 1052 at page 895 as document 75 R 6499 made by Carle Clinic Association granting the right to construct, operate and maintain an electric substation and appurtenant equipment on a certain parcel of land located within that part of Lot 3 of M. W. Busey's Heirs Addition to the City of Urbana, which lies Southwesterly and contiguous to the Southwesterly right of way line of the Norfolk and Western Railroad, said Addition to the City of Urbana being a part of the $SW\frac{1}{4}$ of the $SW\frac{1}{4}$ of Section 8, Township 19 North, Range 9 East of the Third Principal Meridian; said rights and easement shall be located on said part of Lot 3 within the boundaries described as follows, to wit: Beginning at the Northeast corner of said part of Lot 3, thence extending South along the East property line to a point, said point being 51 feet South of said corner, thence deflecting Northwesterly and extending on a course parallel to said railroad right of way line to a point, said point being 47 feet West of said East property line and also 51 feet South of aforesaid right of way, thence deflecting Northerly and extending 25 feet on a course parallel to said East property line, thence deflecting Northeasterly and extending to a point on said right of way line, said point being 51 feet Northwesterly of Northeast corner of said part of Lot 3, thence deflecting Southeasterly and extending along aforesaid right of way to point of beginning.
(Affects IV).

12. Rights of the City of Urbana, Illinois by reservation of easements upon and under alley vacated by Ordinance dated October 9, 1975 and recorded October 14, 1975 in Book 1065 at page 82 as document 75 R 15526 for repair or replacement of all sewers and drains and all public service facilities located on or under the surface of any part of said vacated alley, also rights of public utilities, their successors and assigns in and to existing easements to operate, maintain, renew and reconstruct their facilities.
(Affects Tract I (d), V and VI).
NOTE: Survey furnished us shows existing ten-inch sanitary line running through the portion of premises lying within the above vacated alley.

13. Rights of the City of Urbana, Illinois by reservation of easements under in and between portions of vacated Coler Avenue vacated by Ordinance dated October 9, 1975 and recorded October 14, 1975 in Book 1065 at page 85 as document 75 R 15527 for maintenance, repair or replacement of all sewers and drains and all public service facilities located on or under the surface of any part of said portion of said street and also rights of public utilities, their successors and assigns, in and to existing easements and to operate, maintain and renew and reconstruct their facilities.
(Affects Tract XII).

14. Lease made by The Carle Foundation, an Illinois corporation not for pecuniary profit, to Carle Clinic Association, an unincorporated association, dated September 1, 1975 demising a portion of Tract I (a) of the premises for a term of years effective September 1, 1975 and ending April 1, 2003 as disclosed by Memorandum of Lease dated September 1, 1975 and recorded October 27, 1975 in Book 1065 at page 884 as document 75 R 16198 and all rights thereunder of and all acts done or suffered thereunder by said lessee or by any party claiming by, through or under said lessee.

15. Mortgage dated October 1, 1975 and recorded November 3, 1975 in Book 1066 at page 387 as document 75 R 16573 made by The Carle Foundation, an Illinois not-for-profit corporation, to Illinois Health Facilities Authority, a body corporate and politic, to secure a note for $22,500,000.00.
NOTE: The rights of Illinois Health Facilities Authority under the mortgage insured have been assigned to Illinois National Bank of Springfield, as Trustee by document 75 R 16574 in Book 1066 at page 458.

16. Rights of the United States of America and the State of Illinois or either of them to recover any public funds advanced under either or both the provisions of the Hill-Burton Act or the Illinois Hospital Construction Act.

(17) Security interest of Illinois Health Facilities Authority, secured party as disclosed by Financing Statement filed November 3, 1975 as document 75 R 16575 and as File No. 75 F 2611, executed by The Carle Foundation, an Illinois not-for-profit corporation, debtor, securing certain chattels on the land.
NOTE: Contained in said instrument is a recitation assigning said security interest to Illinois National Bank of Springfield.

(18) Trust indenture dated October 1, 1975 and recorded November 3, 1975 in Book 1066 at page 458 as document 75 R 16574 made by Illinois Health Facilities Authority to Illinois National Bank of Springfield as trustee, to secure mortgage revenue bonds, series 1975, in the aggregate amount of $22,500,000.00.

CHICAGO TITLE INSURANCE COMPANY

By Robert S. Hutchens
Authorized Signatory

RSH/bm
2/3/77

File Number 5274-755-4

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

THE CARLE FOUNDATION HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MAY 28, 1982, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 26TH *day of* FEBRUARY *A.D.* 2014 .

Jesse White

SECRETARY OF STATE

Authentication #: 1405701678

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

Attachment- 3

File Number 2932-580-4

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

THE CARLE FOUNDATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 06, 1946, 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* 26TH *day of* FEBRUARY *A.D.* 2014 .

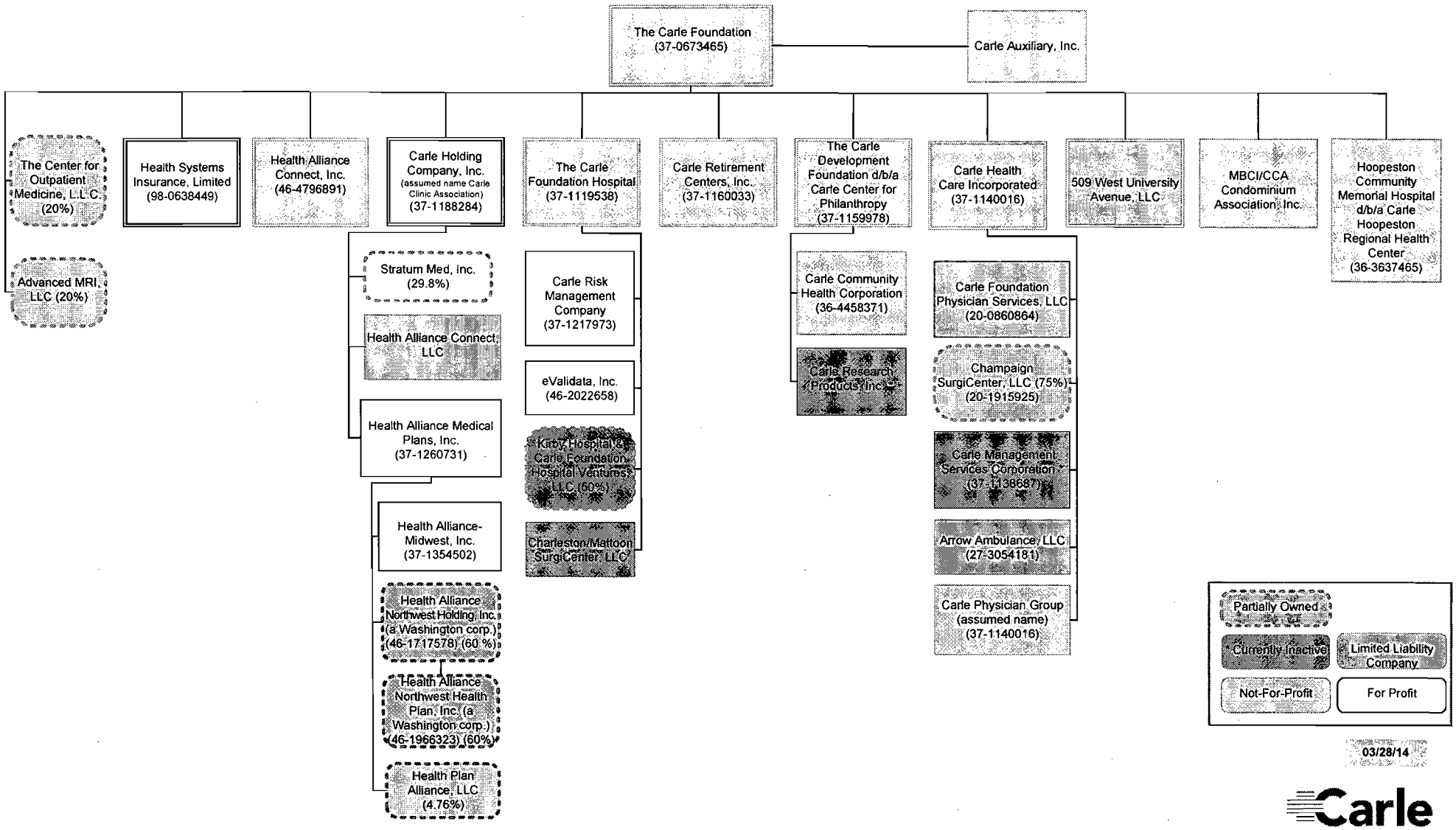
Jesse White

SECRETARY OF STATE

Authentication #: 1405701618

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

Attachment- 3



03/28/14

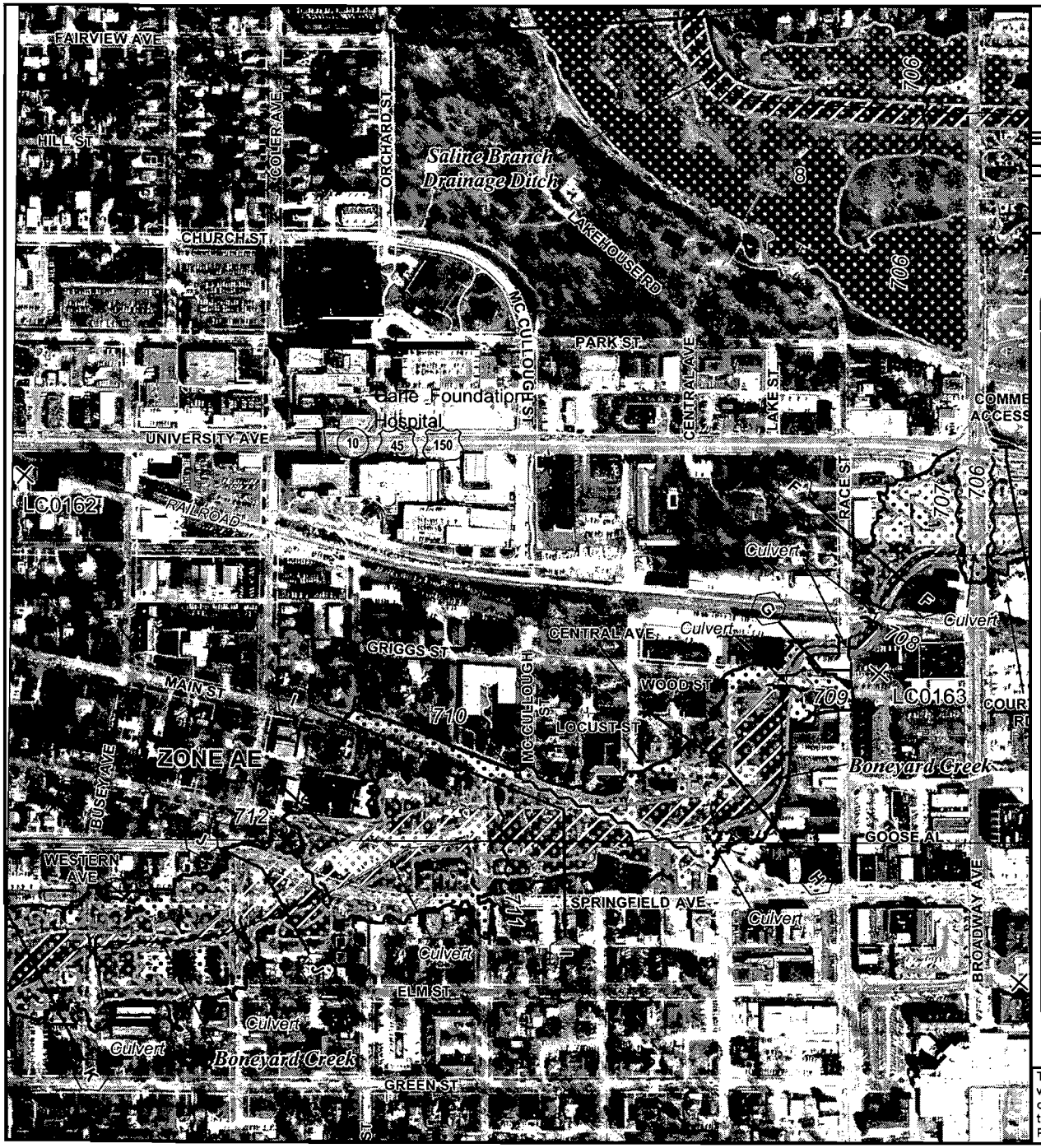
Carle

Attachment- 4

Flood Plain Requirements

The site of the proposed project complies with the requirements of Illinois Executive Order #2005-5. The Carle Foundation Hospital is located at 611 West Park Street, Urbana, IL 61801. Please see the attached Flood Plain Insurance Rate Map (FIRM) documenting that the project site is not located in a Special Flood Hazard Area.

Attachment-5



MAP SCALE 1" = 500'

0 500 1000 FEET

METERS

NFIP

NATIONAL FLOOD INSURANCE PROGRAM

PANEL 0427D

FIRM

FLOOD INSURANCE RATE MAP

CHAMPAIGN COUNTY, ILLINOIS

AND INCORPORATED AREAS

PANEL 427 OF 625

(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
CHAMPAIGN COUNTY	170894	0427	D
URBANA, CITY OF	170035	0427	D

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
17019C0427D

EFFECTIVE DATE
OCTOBER 2, 2013

Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT 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.msc.fema.gov

Attachment- 5

Historic Resources Preservation Act Requirements

The proposed project entails the build out of shell space in the site of the bed tower project (permit 08-013) on the Carle Foundation Hospital's main campus. That permit application documented that no historic, architectural, or archaeological sites exist within the project area. The letter from the Illinois Historic Preservation Agency included in the application for permit 08-013 is enclosed as part of this attachment-6.

The applicants have requested an updated Historic Preservation Act determination from the Illinois Historic Preservation Agency, which will be submitted under separate cover upon receipt.

Project Costs			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs			
Preliminary Design	$ 130,000.00	$ 60,000.00	$ 190,000.00
Precon Budgets	$ 45,000.00	$ 15,000.00	$ 60,000.00
Total	$ 175,000.00	$ 75,000.00	
Site Survey and Soil Investigation	$ -	$ -	$ -
Site Preparation	$ -	$ -	$ -
Off Site Work	$ -	$ -	$ -
New Construction Contracts	$ -	$ -	$ -
Modernization Contracts			
Structural	$ 35,000.00	$ 10,000.00	$ 45,000.00
Exterior	$ 25,000.00	$ 5,000.00	$ 30,000.00
Roof	$ 15,000.00	$ 3,000.00	$ 18,000.00
Interiors	$ 1,660,000.00	$ 740,000.00	$ 2,400,000.00
Plumbing	$ 656,000.00	$ 310,000.00	$ 966,000.00
HVAC	$ 1,840,000.00	$ 1,300,000.00	$ 3,140,000.00
Fire Protection	$ 215,000.00	$ 125,000.00	$ 340,000.00
Electrical	$ 1,254,000.00	$ 1,107,000.00	$ 2,361,000.00
Total	$ 5,700,000.00	$ 3,600,000.00	
Contingencies			
A/E	$ 105,000.00	$ 85,000.00	$ 190,000.00
Construction	$ 625,000.00	$ 455,000.00	$ 1,080,000.00
Total	$ 730,000.00	$ 540,000.00	
Architectural Fees			
Architecture Engineering	$ 265,000.00	$ 210,000.00	$ 475,000.00
Mechanical Engineering	$ 220,000.00	$ 100,000.00	$ 320,000.00

Structural Engineering	$ 15,000.00	$ 5,000.00	$ 20,000.00
Code Review	$ 45,000.00	$ 10,000.00	$ 55,000.00
Total	$ 545,000.00	$ 325,000.00	
Consulting and Other Fees			
IDPH Permits	$ 50,000.00	$ 15,000.00	$ 65,000.00
City Permits	$ 175,000.00	$ 50,000.00	$ 225,000.00
Special Inspections	$ 125,000.00	$ 65,000.00	$ 190,000.00
Commissioning	$ 175,000.00	$ 55,000.00	$ 230,000.00
CON Fees/Expenses	$ 125,000.00	$ 45,000.00	$ 170,000.00
Consultants	$ 75,000.00	$ 70,000.00	$ 145,000.00
Total	$ 725,000.00	$ 300,000.00	
Movable or Other Equipment (not in construction contracts)			
Equipment General	$ 375,000.00	$ 225,000.00	$ 600,000.00
Patient Monitors/Telemetry	$ 175,000.00	$ 50,000.00	$ 225,000.00
Pharmacy Units	$ 250,000.00	$ -	$ 250,000.00
Equipment Other	$ 67,000.00	$ -	$ 67,000.00
Stretchers	$ 45,000.00	$ -	$ 45,000.00
Furniture	$ 225,000.00	$ 345,000.00	$ 570,000.00
Secuirty Access/Cameras	$ 175,000.00	$ 100,000.00	$ 275,000.00
IT/Telecom	$ 475,000.00	$ 200,000.00	$ 675,000.00
Signs /Wayfinding	$ 100,000.00	$ 50,500.00	$ 150,500.00
Lab Equipment	$ 125,000.00	$ -	$ 125,000.00
EVS Equipment	$ 13,000.00	$ 4,500.00	$ 17,500.00
Beds	$ 650,000.00	$ -	$ 650,000.00
Total	$ 2,675,000.00	$ 975,000.00	
Bond Issuance Expense (project related)	$ -	$ -	$ -
Net Interest Expense During Construction (project related)	$ -	$ -	$ -
Fair Market Value of Leased Space or Equipment	$ -	$ -	$ -

Other Costs To Be Capitalized*	$ 840,000.00	$ 560,000.00	$ 1,400,000.00
Acquisition of Building or Other Property (excluding land)	$ -	$ -	$ -
TOTAL USES OF FUNDS	$ 11,390,000.00	$ 6,375,000.00	$ 17,765,000.00

*While the shell space is being developed, a portion of the authorized beds shall be put into operation in existing locations within the hospital

Active CON Permits

The Carle Foundation Hospital has two active CON permits:

CON 08-013: Campus Modernization Project
The August 10, 2011 Annual Progress Report served as verification that the project was obligated on January 31, 2011.

The most recent annual progress report was filed on July 25, 2013.

The project completion date of record is June 30, 2014. It is anticipated that the project will be completed in advance of this date.

CON 12-071: ED Expansion Project
The October 16, 2013 Annual Progress Report served as verification that the project was obligated on March 23, 2013.

The project completion date of record is December 31, 2014. It is anticipated that the project will be completed by this date.

Cost Space Requirements

The applicants propose to develop and utilize the shell space created pursuant to HFSRB permit number 08-013 and add 48 authorized Medical Surgical locations for use within this space.

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
Medical Surgical	$11,390,000	19,068 BGSF	0	0	19,068 BGSF	0	0
Total Clinical	$11,390,000	19,068 BGSF	0	0	19,068 BGSF	0	0
NON REVIEWABLE							
Non-Clinical (excluding circulation)	$4,100,000	10,635 BGSF	0	0	10,635 BGSF	0	0
Circulation	$2,275,000	10,743 BGSF	0	0	10,743 BGSF	0	0
Total Non-Clinical	$6,375,000	21,378 BGSF	0	0	21,378 BGSF	0	0
TOTAL	**$17,765,000**	**40,446 BGSF**	0	0	**40,446 BGSF**	0	0

Section 1110.130 Discontinuation

The applicants do not propose the discontinuation of a health care facility or a category of service. Therefore this section is not applicable.

Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.230(a), Project Purpose, Background and Alternatives

Background of the Applicant

The Carle Foundation Hospital ("CFH") is a non-profit, regional, teaching hospital located in Urbana, Illinois. Established in 1931, CFH is a 345 bed tertiary care facility, a Level 1 trauma center, a primary stroke center, and a Level III Perinatal Center. It is a safety net hospital for the region and is an IDPH designated Regional Hospital Coordinating Center.

CFH has been continuously designated a Level I Trauma Center since August 1988. As a state-designated Level I Trauma Center, Carle is the only Trauma Center hospital in a large region and one of only three hospitals outside of the Chicago metropolitan area to be so designated. To earn Level I status, Carle has met strict guidelines regarding patient care and physician staffing and is certified to care for the most critically injured patients around the clock. Efficiency, skill, and extensive training are the essential elements of a Level I Trauma Center. At Carle, the entire hospital is on alert and all medical personnel work together as a cohesive unit - from the triage nurses in the Emergency Department to the specialists in the Critical Care and Intensive Care units.

CFH has also earned accreditation as a Primary Stroke Center. This means Carle follows the highest national standards of safety and care for patients suspected to have suffered a stroke and has been proven to achieve faster treatment times and better outcomes. As a Primary Stroke Center, CFH has collaborated on a community-wide basis with EMS and other community organizations to maximize outcomes for stroke patients and to ensure as many patients as possible receive clot-busting drugs within a critical three hour window of stroke onset. CFH currently has stroke transfer agreements with 11 regional hospitals and continues to pursue similar agreements with other area hospitals to ensure the best outcomes for all stroke patients.

Furthermore, CFH offers components of a Comprehensive Stroke Center that make it a referral center for other Primary Stroke Centers within the region. For instance, The Carle Primary Stroke Center features cutting-edge imaging technology and is central Illinois' only facility with a neurointerventional team available 24 hours a day, seven days a week. This neurointerventional team provides advanced treatments such as carotid endarterectomy, aneurysm coiling and clipping, AVM/AVF repair and mechanical embolectomy, which enables Carle to address clots beyond the traditional three hour window.

In 2013, Carle launched the Carle Neuroscience Institute (CNI), a regional tertiary care service line, which provides comprehensive services for brain and spine surgery, stroke and aneurysm treatment, pain management and problems affecting the central nervous system. Through the CNI, patients have access to specialists in neurology, neuro-opththalmology, neurotology, neuropsychology, neurosurgery, neuroradiology, interventional neuroradiology, epilepsy, physical medicine and rehabilitation, Carle Spine Institute and Carle Regional Sleep Center. Carle has received the Healthgrades Neurosurgery Excellence Award for three years in a row (2012-2014) and the Healthgrades Stroke Care Excellence Award for four years in a row (2011-2014).

As the region's Level I Trauma Center, it is imperative critically ill or injured patients receive the highest level of care as safely and quickly as possible. Patients throughout east central Illinois are routinely transferred by land or air to CFH. Airlife, CFH's air transport service, is provided through a contractual relationship with Air Methods Corporation (AMC). The flight crew includes experienced EMS pilots, critical care flight registered nurses and critical care flight paramedics. A specialty neonatal transport team is staffed by CFH. This team works under the guidance and protocols of a neonatologist who is available as needed by the team for the duration of the transfer. Airlife transports include, but are not limited to: trauma, cardiac, stroke, neuroscience, pediatric, OB, neonatal, and life threatening emergencies. Airlife provides both facility to facility transports as well as emergency scene flights. These transports bring patients from regional facilities in and around east central Illinois and are facilitated by Carle Direct physician access line. In 2013, AMC aircraft transferred 308 patients to CFH.

Carle's Heart and Vascular Institute (HVI) offers the latest technology and an experienced staff committed to prevention and treatment of cardiac, peripheral vascular and other non-vascular illnesses. HVI features nationally ranked specialists and a wide variety of services including cardiology, chest pain, electrophysiology, interventional cardiology, interventional radiology, vascular and cardiothoracic surgery, transcatheter aortic valve replacement (TAVR), peripheral vascular center, vein center and cardiac rehabilitation.

As the only hospital in the region offering Level III Perinatal services, Carle provides care for premature infants and full-term newborns with birth defects, infections, breathing difficulties and other conditions at the Neonatal Intensive Care Unit (NICU). Staffed 24 hours a day, seven days a week with continuous neonatologist coverage, the spacious NICU offers patient privacy and comfort. There's a designated lounge for families and an overnight space for "rooming in" to help families transition to caring for their infant before heading home.

Through Carle's Digestive Health Center, its board certified gastroenterologists can help manage acid reflux, or GERD, and intestinal problems such as Crohn's disease. Carle is one of six facilities in the nation performing double balloon enteroscopy, a technique that improves visualization in the intestine to diagnose and treat conditions like polyps. Carle also participates in digestive clinical trials and research that will help bring tomorrow's cures and treatments to patients today. CFH's continuum of care also includes a board certified hepatologist, providing advanced treatments for patients with hepatitis or other liver diseases, including cancer.

Another cutting-edge program at Carle is the Carle Cancer Center, which delivers comprehensive care through leading-edge technology and advanced research, as well as education and support. Offering over 70 clinical trials and multidisciplinary clinics for breast, prostate and head and neck cancers as well as stereotactic radiosurgery, the Center has served as a premier cancer care destination for more than 30 years. Physicians and staff at the Cancer Center work together to develop a customized treatment plan. The team includes experts in oncology, imaging, reconstructive surgery, genetics, and research and support services, giving patients the tools they need to battle cancer.

Additionally, the Mills Breast Cancer Institute, which functions within the Carle Cancer Center, is dedicated to the diagnosis, prevention and treatment of breast cancer through collaborative research and excellence in patient care. The Mills Breast Cancer Institute is committed to creating an environment where patients and families find the support and resources they need to heal and cope with breast cancer; offering patients access to advanced technology and the latest treatments through translational and clinical research; attracting top physicians and researchers to form an internationally recognized institute dedicated to the early detection and effective treatment of breast cancer; integrating comprehensive patient care and state-of-the-art research on breast cancer in one institute to foster interdisciplinary collaborations; promoting breast cancer awareness through public education and advocacy; training the next generation of physicians and scientists to address current and future challenges in breast cancer; and encouraging entrepreneurial development of novel technologies and treatments.

CFH is a non-profit organization committed to delivering quality health care and strives to assure the medical needs of the people it serves are met – and met close to home. Access to health care remains a predominant need, and continues to be affected by the continued increase in people experiencing poverty. According to the U.S. Census Bureau, 23.4% or roughly 43,000 people in Champaign County live in poverty and 15% of residents are uninsured. In its effort to improve access to care throughout its service area, CFH provided over $59 million in community benefits in 2012. See Carle Foundation Hospital 2012 Community Benefits Plan Report attached at Attachment – 11A.

CFH reinvests its resources to further its charitable purposes, which includes making care available to those in its service area who are unable to pay for such care and providing vital community health care services which are not economically viable. CFH's Community Care Discount Program provides discounted or free care to patients who could not otherwise afford needed health care. CFH also complies with the Illinois Hospital Uninsured Patient Discount Act. Copies of the CFH Community Care

Discount Program policy and Hospital Uninsured Patient Discount Program are attached to the CFH 2012 Community Benefits Plan Report attached hereto at Attachment – 11A.

In addition to providing free or discounted care, CFH has identified and sought ways to initiate and expand access to primary, dental, preventative and mental health services for the underinsured and uninsured by working collaboratively with community organizations and leaders. CFH is the lead funder of the Champaign County Christian Health Center, providing $45,147 in financial support in 2012 and nearly $370,000 since 2003. The clinic provides primary care, dental and mental health services at no cost. A significant number of CFH physicians, nurses and techs serve on the volunteer medical staff of the Champaign County Christian Health Center.

CFH also supports Avicenna, a local Muslim-based clinic providing free care to all. Avicenna utilizes the Champaign County Christian Health Center on weekends. CFH works with Avicenna to provide laboratory test results for their patients and to helps Avicenna patients access specialty care.

CFH financially supports and provides leadership to Promise Healthcare (formerly, the Frances Nelson Health Center), a Federally Qualified Health Center. CFH funds the clinic's utilities, maintenance, cleaning and security costs. Additionally, CFH's All About Baby staff regularly provides prenatal, breastfeeding and newborn care education to patients as well as a teen pregnancy program. Carle Family Medicine residents provide obstetrical care to patients. In 2012, Carle provided $120,688 in financial support to Frances Nelson Health Center.

In 2012, CFH invested more than $9 million in programs to address community-wide workforce issues, strengthening the training and availability of professionals to care for the current and future health care needs of the communities served by CFH. CFH is the primary teaching hospital for the University of Illinois College of Medicine at Urbana. It maintains three residency programs, including a general surgery residency program, and serves as the main teaching site for the University of Illinois internal medicine residency. CFH also provides continuing medical educational programs for regional providers who are not members of the CFH medical staff.

The activities of CFH are supported by the Carle Development Foundation. Charitable donations to this foundation are used to fund direct patient care needs, charity care for patients, advanced medical research, progressive continuing medical education for patients and medical staff and the purchase of the most modern equipment.

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

1. Health care facilities owned or operated by the Applicants:

   A list of health care facilities owned or operated by the Applicants in Illinois, including proof of current licensure and accreditation is attached at Attachment – 11B.

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

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

Carle Foundation Hospital
611 West Park Street, Urbana, IL 61801-2595 Phone: (217) 383-3311

April 11, 2014

Kathryn J. Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

RE: Attachment 11 - Background of Applicant

Dear Chair Olson:

The following information addresses the four points of the subject criterion 1110.230:

1. The health care facilities owned or operated by the applicants include:

The Carle Foundation Hospital
License Identification Number: 003798
Accreditation Identification Number: 119139-2012-AHC-USA-NIAHO

Hoopeston Community Memorial Hospital, DBA Carle Hoopeston Regional Health Center
License Identification Number: 004200
Accreditation Identification Number: 128702-2012-AHC-USA-NIAHO

Champaign Surgicenter, LLC
License Identification Number: 7002959

Carle Recovery Center – Champaign
License Identification Number: 4000015

Carle Surgicenter – Danville
License Identification Number: 7002439

Carle Recovery Center – Danville
License Identification Number: 4000019

Windsor Court – Savoy
License Identification Number: 5102337

2. Proof of current licensure and accreditation is attached.

3. There have been no adverse actions taken against the health care facilities owned or operated by the applicant during the three years prior to the filing of this application.

4. This letter serves as authorization permitting the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information which the State Board or Agency finds pertinent to this subsection.

Sincerely,

James C. Leonard, M.D.
President and CEO

Attachments

Notarization:

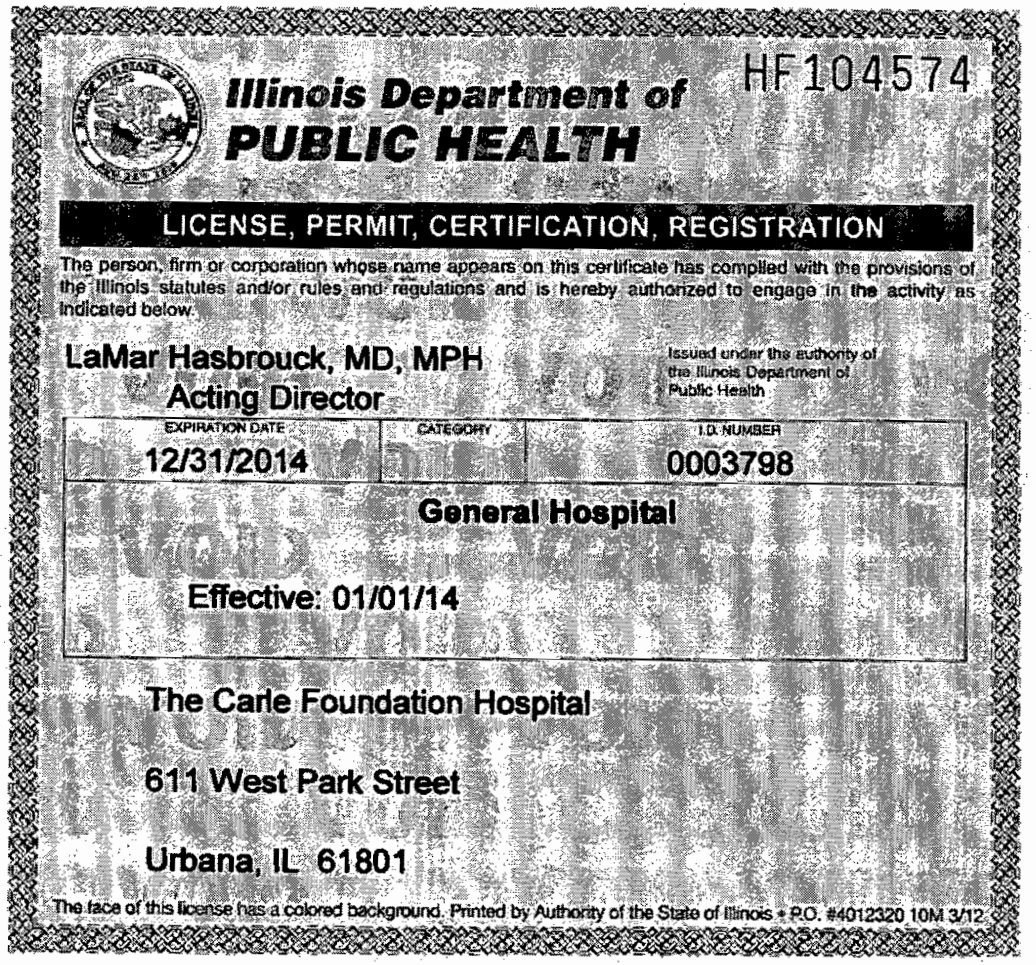
Subscribed and sworn to before
me this 11th day of April, 2014

Ann Elizabeth Beyers

Signature of Notary

seal

"OFFICIAL SEAL"
ANN ELIZABETH BEYERS
Notary Public, State of Illinois
My commission expires 02/22/15



Illinois Department of PUBLIC HEALTH

HF104574

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.

LaMar Hasbrouck, MD, MPH
Acting Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
12/31/2014		0003798

General Hospital

Effective: 01/01/14

The Carle Foundation Hospital

611 West Park Street

Urbana, IL 61801

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← DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 12/31/2014

Lic Number 0003798

Date Printed 11/25/2013

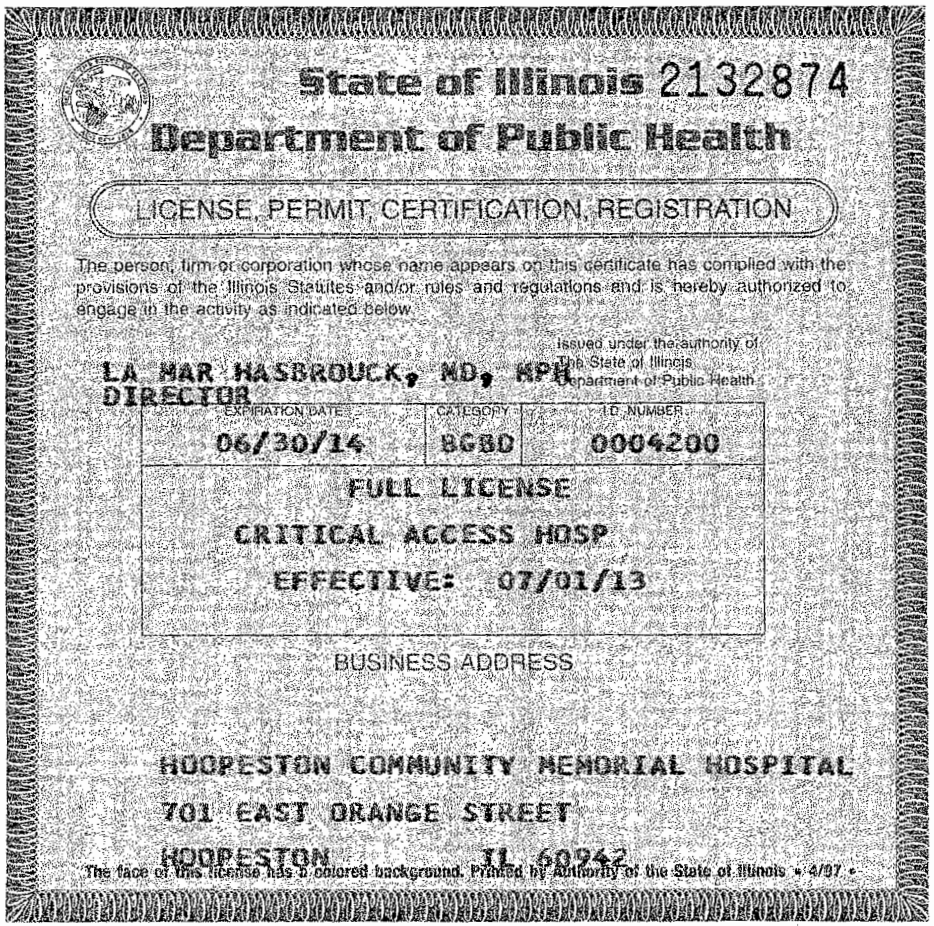
The Carle Foundation Hospital

611 West Park Street

Urbana, IL 61801

FEE RECEIPT NO.

Attachment- 11



State of Illinois 2132874

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

LA MAR HASBROUCK, MD, MPH
DIRECTOR

EXPIRATION DATE	CATEGORY	I.D. NUMBER
06/30/14	BGBD	0004200

FULL LICENSE

CRITICAL ACCESS HOSP

EFFECTIVE: 07/01/13

BUSINESS ADDRESS

HOOPESTON COMMUNITY MEMORIAL HOSPITAL
701 EAST ORANGE STREET
HOOPESTON IL 60942

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DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2132874
Department of Public Health
LICENSE, PERMIT, CERTIFICATION, REGISTRATION

HOOPESTON COMMUNITY MEMORIAL HOSPITAL

EXPIRATION DATE	CATEGORY	I.D. NUMBER
06/30/14	BGBD	0004200

FULL LICENSE

CRITICAL ACCESS HOSP

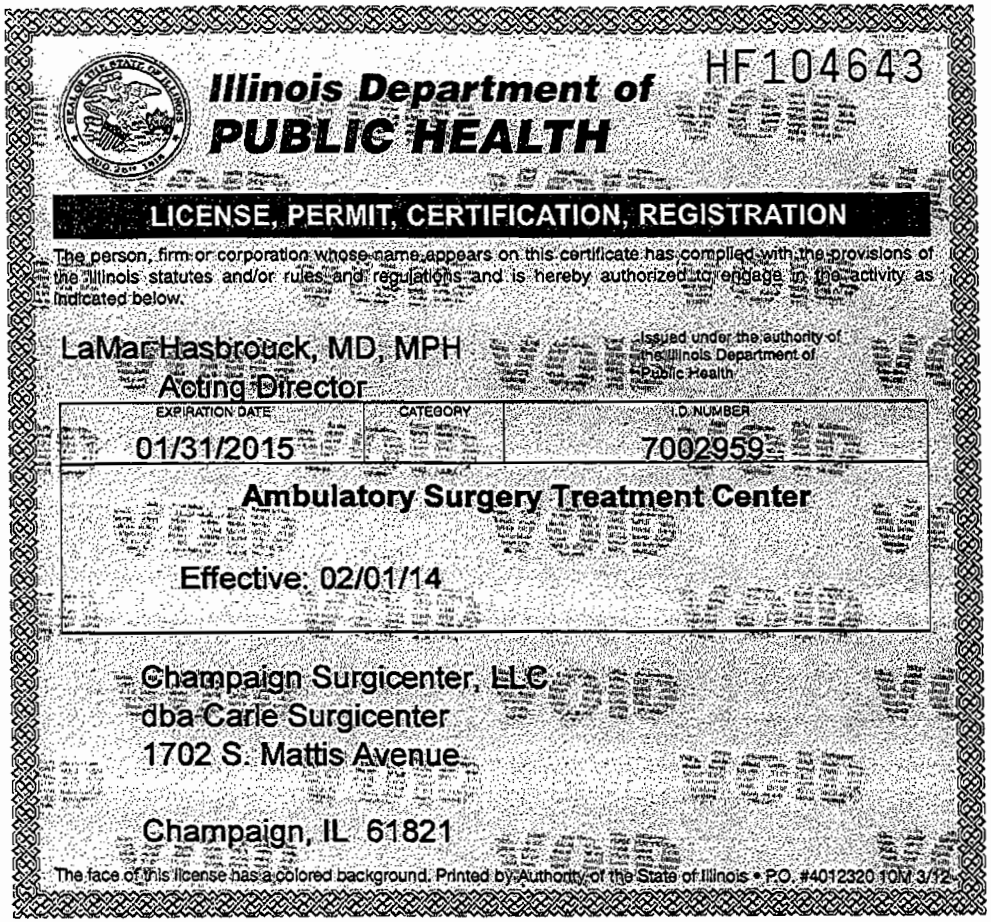
EFFECTIVE: 07/01/13

05/04/13

HOOPESTON COMMUNITY MEMORIAL HOSPI
701 EAST ORANGE STREET
HOOPESTON IL 60942

FEE RECEIPT NO.

Attachment- 11



HF104643

Illinois 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.

LaMar Hasbrouck, MD, MPH
Acting Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
01/31/2015		7002959

Ambulatory Surgery Treatment Center

Effective: 02/01/14

Champaign Surgicenter, LLC
dba Carle Surgicenter
1702 S. Mattis Avenue
Champaign, IL 61821

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Exp. Date 01/31/2015

Lic Number 7002959

Date Printed 12/10/2013

Champaign Surgicenter, LLC
dba Carle Surgicenter

FEE RECEIPT NO.

Illinois Department of
PUBLIC HEALTH

Pat Quinn, Governor

525-535 West Jefferson Street • Springfield, Illinois 62761-0001 • www.idph.state.il.us

LICENSE, PERMIT CERTIFICATION, REGISTRATION

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

Alternative Health Care Delivery Act and the Postsurgical Recovery Care Center Demonstration Program Code (77Ill. Adm. Code 210)

Licensed number of Beds	Expiration Date	License Identification
6	08/1/2014	4000015

Carle Recovery Center- Champaign
1702 South Mattis
Champaign, IL 61821

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

State of Illinois 2139525
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

LA MAR HASBROUCK, MD, MPH
DIRECTOR

EXPIRATION DATE	CATEGORY	I.D. NUMBER
07/31/14	BGBD	7002439

FULL LICENSE

AMBUL SURGICAL TREAT CNTR

EFFECTIVE: 08/01/13

BUSINESS ADDRESS

CARLE SURGICENTER

2300 N. VERMILLION

DANVILLE IL 61832 7499

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↓

State of Illinois 2139525
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

CARLE SURGICENTER

EXPIRATION DATE	CATEGORY	I.D. NUMBER
07/31/14	BGBD	7002439

FULL LICENSE

AMBUL SURGICAL TREAT CNTR

EFFECTIVE: 08/01/13

06/29/13

CARLE SURGICENTER
2300 N. VERMILLION
2300 N. VERMILLION
DANVILLE IL 61832 7499

FEE RECEIPT NO.
70515

Illinois Department of
PUBLIC
HEALTH

Pat Quinn, Governor

525-535 West Jefferson Street • Springfield, Illinois 62761-0001 • www.idph.state.il.us

LICENSE, PERMIT CERTIFICATION, REGISTRATION

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

Alternative Health Care Delivery Act and the Postsurgical Recovery Care Center Demonstration Program Code (77Ill. Adm. Code 210)

Licensed number of Beds	Expiration Date	License Identification
2	08/1/2014	4000019

Carle Recovery Center- Danville
2300 North Vermillion
Danville, Il 61832

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

State of Illinois 2164185
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.

LA MAR HASSBROUCK, MD, MPH
DIRECTOR

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

EXPIRATION DATE	CATEGORY	I.D. NUMBER
02/10/2015	A-7	5102337

ASSISTED LIVING LICENSE
ISSUED: 02/10/14
36 REGULAR UNITS
36 TOTAL UNITS

BUSINESS ADDRESS

STATUS: UNRESTRICTED
LICENSEE BUSINESS ADDRESS

WINDSOR COURT-SAVOY
401 BURWASH AVENUE
SAVOY IL 61874

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DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2164185
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

EXPIRATION DATE	CATEGORY	I.D. NUMBER
02/10/2015	A-7	5102337

ASSISTED LIVING LICENSE

36 REGULAR UNITS
36 TOTAL UNITS

02/11/14

WINDSOR COURT-SAVOY
401 BURWASH AVENUE
SAVOY IL 61874

FEE RECEIPT NO.

DNV HEALTHCARE INC
1400 Ravello Drive
Katy, Texas 77449
(281) 396-1000

400 Techne Center Drive,
Suite 100,
Milford, Ohio 45150
(513) 947-8343

July 9, 2012

James C. Leonard, M.D.
Chief Executive Officer
Carle Foundation Hospital
611 West Park Street
Urbana, IL 61822

Program: Hospital
CCN: 140091
Survey Type: Medicare Recertification/DNVHC First DNV
Certificate #: 119139-2012-AHC-USA-NIAHO
Survey Dates: June 5-8, 2012
Accreditation Decision: Full accreditation
Effective Date of Accreditation: 6/29/2012
Expiration Date of Accreditation: 6/29/2015
Term of Accreditation: Three (3) years

Dear Dr. Leonard:

Pursuant to the authority granted to Det Norske Veritas Healthcare, Inc. by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, Carle Foundation Hospital is deemed in compliance with the Medicare Conditions of Participation for Hospitals (42 C.F.R. §482) and awarded full accreditation for a three (3) year term effective on the date referenced above. Det Norske Veritas Healthcare, Inc. is recommending your organization for continued deemed status in the Medicare Program.

This accreditation is applicable to all facilities operating under the above-referenced CCN number at the following address(es):

Carle Foundation Hospital - 611 West Park Street - Urbana, IL 61822
Carle Sports Medicine at University of Illinois - 201 East Peabody – Champaign, IL 61820
Carle Therapy Services at Carle Spine Institute - 610 North Lincoln Ave – Urbana, IL 61801
Carle Therapy Services at North Annex - 810 W. Anthony Drive – Urbana, IL 61802
Carle Sleep Lab-Charleston - 5731 Park Drive – Charleston, IL 61920
Carle Therapy Services at Southwest Champaign - 2403 Village Green Place – Champaign, IL 61822
Carle Therapy and Low Vision Services at Mattis - 1802 S. Mattis – Champaign, IL 61821
Carle Pulmonary Rehabilitation - 810 W. University Avenue – Urbana, IL 61801
Carle Sports Medicine-Charleston - 5731 Park Drive – Charleston, IL 61920
Carle Sports Medicine-Urbana - 810 W. Anthony Drive – Urbana, IL 61801
Carle Sleep Lab-Danville - 2300 N. Vermilion – Danville, IL 61832
Carle Wound Healing Center-Danville - 2300 N. Vermilion Avenue – Danville, IL 61832
Carle Champaign Recovery Center - 1702 S. Mattis Avenue – Champaign, IL 61821
Carle Danville Surgery Center - 2300 N. Vermilion – Danville, IL 60832
Carle Therapy Services-Mahomet - 1001 Heather Drive – Mahomet, IL 61853
Carle Therapy Services-Danville - 2300 N. Vermilion – Danville, IL 61832
Carle Therapy Services-Rantoul - 1540 E. Grove Ave – Rantoul, IL 61866

This accreditation requires an annual survey and the organization's continual compliance with the DNVHC Accreditation Process. Failure to complete these actions or otherwise comply with your Management System Certification/Accreditation Agreement may result in a change in your organization's accreditation status.

Congratulations on this significant achievement.

Sincerely,

ATTACHMENT-11

Patrick Horine
Executive Vice President, Accreditation
cc: CMS CO and CMS RO V (Chicago)

ATTACHMENT-11

DNV HEALTHCARE INC

1400 Ravello Drive
Katy, Texas 77449
(281) 396-1000

400 Techne Center Drive,
Suite 100,
Milford, Ohio 45150
(513) 947-8343

July 10, 2012

James C. Leonard, M.D.
Chief Executive Officer
Carle Foundation Hospital
611 West Park Street
Urbana, IL 61822

Program: Primary Stroke Center Certification
Certificate #: 119139-2012-PSCC
Survey Dates: June 8, 2012
Certification Decision: Certified
Effective Date of Certification: 6/29/2012
Expiration Date of Certification: 6/29/2015
Term of Certification: Three (3) years

Dear Dr. Leonard:

Det Norske Veritas Healthcare, Inc. (DNVHC) is pleased to award certification to Carle Foundation Hospital as a Primary Stroke Center for a three (3) year term effective on the date referenced above.

The Primary Stroke Center Certification Program of DNV Healthcare Inc. integrates certain requirements of the DNV NIAHO® Hospital Accreditation Program, CMS Conditions of Participation for Hospitals, ISO 9001:2008 Quality Management System, Guidelines of the Brain Attack Coalition, and the Recommendations of the American Stroke Association®.

This certification requires an annual survey and the organization's continual compliance with the DNVHC Primary Stroke Center Certification process. Failure to complete these actions or otherwise comply with your Management System Certification/Accreditation Agreement may result in a change in your organization's certification status.

Congratulations on this significant achievement.

Sincerely,

Patrick Horine
Executive Vice President, Accreditation

Attachment-11

DNV HEALTHCARE INC
1400 Ravello Drive
Katy, Texas 77449
(281) 396-1000

400 Techne Center Drive,
Suite 100,
Milford, Ohio 45150
(513) 947-8343

December 28, 2012

Harry Brockus
Chief Executive Officer
Hoopeston Community Memorial Hospital
701 E Orange St
Hoopeston, IL 60942

Program: CAH
CCN: 141316
Survey Type: Medicare Recertification/DNVHC First DNV
Certificate #: 128702-2012-AHC-USA-NIAHO
Survey Dates: September 18-20, 2012
Accreditation Decision: Full accreditation
Effective Date of Accreditation: 12/19/2012
Expiration Date of Accreditation: 12/19/2015
Term of Accreditation: Three (3) years

Dear Mr. Brockus:

Pursuant to the authority granted to Det Norske Veritas Healthcare, Inc. by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, Hoopeston Community Memorial Hospital is deemed in compliance with the Medicare Conditions of Participation for Critical Access Hospitals (42 C.F.R. §485) and awarded full accreditation for a three (3) year term effective on the date referenced above. Det Norske Veritas Healthcare, Inc. is recommending your organization for continued deemed status in the Medicare Program.

This accreditation is applicable to all facilities operating under the above-referenced CCN number at the following address(es):

Hoopeston Community Memorial Hospital - 701 E Orange Street - Hoopeston, IL 60942

Category 1–Condition Level Nonconformity Finding:

AS.1 – Anesthesia Services (CoP Reference: 485.639)

A follow up survey was conducted on 12/19/2012 and verified that the corrective actions have been implemented regarding the Category 1 Condition Level Nonconformity and the hospital is now in compliance.

This accreditation requires an annual survey and the organization's continual compliance with the DNVHC Accreditation Process. Failure to complete these actions or otherwise comply with your Management System Certification/Accreditation Agreement may result in a change in your organization's accreditation status.

Congratulations on this significant achievement.

Sincerely,

Patrick Horine
Executive Vice President, Accreditation
cc: CMS CO and CMS RO V (Chicago)

Form AG-CBP-I
2/05

LISA MADIGAN
ATTORNEY GENERAL

Annual Non Profit Hospital Community Benefits Plan Report

Hospital or Hospital System: Carle Foundation Hospital

Mailing Address: 611 W. Park Street (Street Address/P.O. Box) Urbana, IL 61801 (City, State, Zip)

Physical Address (if different than mailing address): _____ (Street Address/P.O. Box) _____ (City, State, Zip)

Reporting Period: 01 / 01 / 2012 (Month Day Year) **through** 12 / 31 / 2012 (Month Day Year) **Taxpayer Number:** 37-1119538

If filing a consolidated financial report for a health system, list below the Illinois hospitals included in the consolidated report.

Hospital Name	Address	FEIN #

[Attachment 1]

1. **ATTACH Mission Statement:**
The reporting entity must provide an organizational mission statement that identifies the hospital's commitment to serving the health care needs of the community and the date it was adopted.

[Attachment 2]

2. **ATTACH Community Benefits Plan:**
The reporting entity must provide its most recent Community Benefits Plan and specify the date it was adopted. The plan should be an operational plan for serving health care needs of the community. The plan must:
   1. Set out goals and objectives for providing community benefits including charity care and government-sponsored indigent health care.
   2. Identify the populations and communities served by the hospital.
   3. Disclose health care needs that were considered in developing the plan.

[Attachments 3A and 3B]

3. **REPORT Charity Care:**
Charity care is care for which the provider does not expect to receive payment from the patient or a third-party payer. Charity care does not include bad debt. In reporting charity care, the reporting entity must report the actual cost of services provided, based on the total cost to charge ratio derived from the hospital's Medicare cost report (CMS 2552-96 Worksheet C, Part 1, PPS Inpatient Ratios), not the charges for the services.

Charity Care $19,336,085

ATTACH Charity Care Policy:
Reporting entity must attach a copy of its current charity care policy and specify the date it was adopted.

[Attachment 4]

4. **REPORT Community Benefits** actually provided other than charity care:
See instructions for completing Section 4 of the Annual Non Profit Hospital Community Benefits Plan Report.

Community Benefit Type	
Language Assistant Services	***Dollars incorporated in subsidized health services total; see Attachment 2***
Government Sponsored Indigent Health Care	$0
Donations	$1,878,790
Volunteer Services	
a) Employee Volunteer Services	$48,200
b) Non-Employee Volunteer Services	$746,822
c) Total (add lines a and b)	$795,022
Education	$10,292,514
Government-sponsored program services	$0
Research	$9,220,048
Subsidized health services	$12,125,786
Bad debts	$5,320,766
Other Community Benefits	$253,394

Attach a schedule for any additional community benefits not detailed above.

[Attachment 5]

5. **ATTACH Audited Financial Statements for the reporting period.**

Under penalty of perjury, I the undersigned declare and certify that I have examined this Annual Non Profit Hospital Community Benefits Plan Report and the documents attached thereto. I further declare and certify that the Plan and the Annual Non Profit Hospital Community Benefits Plan Report and the documents attached thereto are true and complete.

James C. Leonard, MD / President & Chief Executive Officer
Name / Title (Please Print)

(217) 383-3221
Phone: Area Code / Telephone No.

Signature

6/26/13
Date

Jennifer Hendricks-Kaufmann / Manager, Public Relations
Name of Person Completing Form

(217) 326-3101
Phone: Area Code / Telephone No.

Signature

6/26/13
Date

jennifer.hendricks-kaufmann@carle.com
Electronic / Internet Mail Address

(217) 383-3540
FAX: Area Code / FAX no.

Mission Statement—Attachment 1

Carle Foundation Hospital Mission Statement

Adopted by the Carle Foundation Hospital Board of Trustees March 10, 2006; re-affirmed following the integration of Carle Clinic into Carle Foundation Hospital in 2010.

**We serve people through high quality care,
medical research, and education.**

Our mission statement defines who we are, what we stand for, and the importance of our relationship with our patients, staff and community. As a locally-based private, not-for-profit organization, we take seriously our obligation to treat and provide high quality care to everyone, regardless of their ability to pay. However, this mission statement looks beyond medicine to include research and education, both of which have been highly valued by our organization over the years.

With the approval of the Strategic Plan for 2011 through 2013, the following new vision statement was concurrently accepted by the Board of Trustees on June 10, 2011.

**Improve the health of the people we serve by providing
world-class, accessible care through an integrated delivery system.**

From our mission statement, our vision, and our greater strategic plan flows our Community Benefit Plan.

Community Benefit Plan—Attachment 2

At Carle we are committed to delivering quality health care and we strive to assure that the medical needs of the people we serve are met—and met close to home. Access to health care remains a predominant need, and in 2012 it continued to be affected by the continued increase in people experiencing poverty. According to the US Census Bureau, in Champaign County alone, 23.4% or roughly 43,000 people live in poverty, and 15% of residents are uninsured. Therefore, we remain steadfast in our efforts to impact access to care throughout our service area.

The details of plans to address needs as a result of this increasing poverty as well as the outcomes of that plan are included here. **During 2012, Carle Foundation Hospital's community benefit contribution totaled $59,222,405.**

Carle Foundation Hospital's current Community Benefit Implementation Plan is comprised of the following priorities, which were determined based on a Community Health Needs Assessment:

1. Access to healthcare, which encompasses the Carle Community Care Discount Program (charity care)
2. Childhood obesity
3. Children-at-risk
4. Communication to further outreach and collaboration
5. Maintenance of existing Carle community benefit programs

All together, these form our greater Community Health and Wellness Program, which is designed to assure we are serving all, regardless of their ability to pay and meeting their medical needs while being good stewards of our community's resources. In every way, these activities and programs meet established community benefit criteria—but more so, in every way contribute to a significantly healthier community.

This reflects a three-year plan which primarily addresses needs identified in the Champaign-Urbana area, but the plan also called for a greater focus on addressing needs in the Mattoon-Charleston and Danville areas in 2012 and 2013.

Access to Care

Community Care Discount Program

As a tax-exempt organization, Carle provides care to patients regardless of their ability to pay for that care or source of payment. We also recognize that some patients need help paying their bills. Carle's Community Care Discount Program (charity care) provides discounts or free care to those who need it. The current policy, revised September 1, 2011, is included (See Attachment 3-A). An additional policy reflects our compliance with the Illinois Hospital Uninsured Patient Discount Act (See Attachment 3-B). Established in 2009, this policy was last reviewed in January 2012.

The Finance and Quality Committees of the Carle Board of Trustees review charity care numbers on a quarterly basis. Our Community Care Discount Program is continually evaluated and managed to meet the needs of our community. We do not limit or cap the amount of charity care we provide, at this time. It's our goal to consistently strive to increase the number of people who benefit from our nationally-recognized charity care program. This is so important it is included in Carle's strategic plan.

Extending and Expanding Charity Care

This generous Community Care Discount Program, consistently and diligently applied, has resulted in our ability to reach many people over the years. ***During CY 2012, charity care for Hospital patients alone totaled $19,336,085 at cost, serving 8,678 unique individuals.*** Once again, Carle significantly increased the number of patients reached through the Community Care Discount Program in 2012.

In addition to the Hospital, it should be noted there were also 14,902 individual patients of Carle Physician Group whose outpatient care was covered at a total of $12,621,472 by our Community Care Discount Program and another 6,187 patients who received care from Carle Foundation Physician Services (CFPS) in the amount of $2,615,608. Other Carle Foundation businesses, including Arrow Ambulance, provided $610,516. That amount of $15,847,596 for physician and other services is not incorporated into the total charity care reported for Carle Foundation Hospital.

Our practice is to look at each hospital patient's financial status vis-à-vis both our Community Care Discount Program and the criteria of the Uninsured Patient Discount Act, and to provide the patient with the deepest discount available.

By determining the financial status of patients up-front, we have been able to pinpoint those needing assistance early in the process, minimizing bad debt and optimizing our ability to help. Staff is also diligent in following up with patients during hospitalization and after discharge if there's any reason to believe the patient could benefit from charity care. We also auto-qualify certain patient populations for Community Care, such as the homeless and SNAP/Medicaid recipients.

Review Status

Representatives from the Hospital's administration, Financial Services, Registration, Case Management and Insurance Contracting departments continued to meet—seven times in 2012—with the local Community Coalition of the Champaign County Health Care Consumers. This Coalition also includes representation from the Land of Lincoln Legal Assistance Foundation. We value this regular opportunity for community dialogue, which was initiated more than a decade ago.

We also continued meeting on a regular basis with representatives of the two local free clinics and FQHC to discuss operational issues. This dialogue, too, is an effective channel for learning more about their patients' experience in obtaining free and discounted care.

Communicating that Financial Assistance is Available

Carle Foundation Hospital has made a concerted, continuous effort to be sure that people have access to information that will help them with their medical bills. These include:

- Advertising Carle's Community Care Discount Program using print, outdoor billboards, bus boards and online advertising; continued presence in appropriate special event programs; and on-site via digital and static displays throughout the hospital and clinics
- A simplified application form, including a version in Spanish
- Billing envelopes prominently marked with the message, *"Need help with your medical bill? Call 888-479-0008."*
- Messaging and availability about the Community Care program on all billing statements, collection letters and Hospital admission packets
- Information and application forms readily available and accessed at carle.org
- Community Care application forms and brochures available at all inpatient and outpatient registration points, as well as in the Hospital's main lobby
- Staff at Frances Nelson Health Center, the local FQHC, and community free clinics equipped with a supply of application forms and knowledge to assist their patients in completing them
- Informational meetings held with local legislators to help them assist constituents with healthcare needs, including financial assistance
- Meeting with our own staff to keep them informed about the program and what benefits are available to patients
- Community Care representatives available at various community forums

Additional Access to Care Programming

Financial and leadership support of community programs has been central to providing access to primary, dental, preventive and mental health services. Carle has identified and sought ways to initiate and expand healthcare services for the underinsured and uninsured by working collaboratively with community organizations and leaders.

Free Clinic Support

Champaign County Christian Health Center – $45,147

As the lead funder of the Champaign County Christian Health Center, Carle helps the free clinic fulfill its mission to provide quality, holistic care at no cost to as many people as possible. They provide primary care, dental and mental health services, with 1,638 patient visits and 454 new patients served in CY 12. A significant number of the volunteer medical staff is Carle physicians, nurses and techs who have personally chosen to serve their community through the Champaign County Christian Health Center.

Carle has continued to cover the facility's rent—$40,000 per year—as well as provide substantial support for operations. Since this clinic's inception in 2003, Carle has provided nearly $370,000 to help maintain this small clinic that provides huge benefits to people who are underinsured or uninsured.

Avicenna

Carle also supports the activities of Avicenna, a local Muslim-based clinic that provides free care to all. Avicenna currently uses the Christian Health Center space on weekends. Carle also works with the free clinic so they can access specialty care as well as lab results for their patients.

Frances Nelson Health Center – $120,688

Carle continued to financially support and provide leadership to Frances Nelson Health Center (FNHC), a Federally Qualified Health Center.

- Carle continues to pay utilities and operating costs associated with the facility's maintenance, cleaning and security, which totaled $99,723.38 in CY12. Carle also pays property taxes on the facility, but that is not included in our community benefit total.
- Carle's All About Baby staff regularly provides prenatal, breastfeeding and newborn care education at the clinic. They also offered a teen pregnancy program. Cost of these programs totaled $19,849.
- An additional $1,116 for in-kind supplies and other needs was also provided to Frances Nelson.
- Carle Family Medicine residents provide obstetrical care.

Community Dental Initiative for Adults and Children

Carle Foundation Hospital continued to provide leadership and support for adult, senior and youth dental services in Champaign County. The Frances Nelson Dental Center opened in 2011 with a significant contribution from Carle. In 2012, Carle donated $10,200 to SmileHealthy, a mobile dental clinic serving uninsured adults and children in the surrounding area.

Access to Care through Subsidized Services at Carle

Over the years, multiple Carle initiatives have provided additional access to care. Because these services continue to meet an enormous need, the programs have been maintained, even though several of them operate at a loss. A listing of these at-loss subsidized services is included below. Noteworthy programs include:

Community Parish Nurse Program

Carle has one of the largest Parish Nurse groups in the nation, with 465 nurses from 228 congregations in 31 counties in 3 states. The program trains nurses from local churches to educate congregants and advocate for their healthcare interests. In 2012, 11 RNs completed training. Altogether the nurses logged more than 10,000 hours of service to their congregations. The group also distributed more than 1,000 Vial of Life kits and more than 19,000 to date.

Carle Breastfeeding Clinic

Certified lactation specialists have helped thousands of women successfully breastfeed since 1997. This service is free and available to any nursing mother, regardless of where she receives care. Located at Carle Foundation Hospital, and at clinics in Champaign and Urbana, the service includes 24/7 support where breastfeeding mothers can call with questions or concerns and speak to a nurse around-the-clock. In 2012, staff responded to 4,776 calls requesting assistance. There were 9,486 inpatient visits, 2,287 visits to the hospital-based, urban clinic and 3,977 visits to two Carle regional outpatient facilities.

Language Assistance Services

While a well-rendered language assistance program is provided for patients who have limited English proficiency or who are hearing impaired, the service is provided to all Carle patients at the hospital and in the clinics. Thus, the subsidy is covered by the Carle healthcare system and those dollars fall within a "shared services" cost center. Therefore, this total investment of $151,561 in 2012 is not included in Carle Foundation Hospital's community benefit reporting.

Programming in the Region

Efforts to address Low Birth Weight in Vermilion County:

We continued collaborative talks with United Way of Danville and Provena United Samaritan Hospital to reduce the number of babies with low birth weight born at Provena USMC to 2008 levels. In 2012, we began exploring the option of enhancing our prenatal education and nutrition programming in order to reach the lower income women and teens who can benefit.

Efforts to address Access to Care in Coles County:

Though the initial plan had called for a $5,000 contribution, we made a $25,000 donation in 2012 to the Coles County Community Health Center. Matching grants from both the Lumpkin Foundation and Sarah Bush Lincoln Health Center in Coles County resulted in the best outcome for the Health Center and the community. We also continued to provide Board leadership.

In addition, we continued to take steps to strengthen mental health services for adults and children in Coles County, and to nurture our relationship with LifeLinks, a mental health agency. We explored adding mental health providers to our clinic in Mattoon-Charleston, allowing for a more private venue with crisis-sensitive access for the patient, as well as leasing clinical space to LifeLinks to expand services to both geriatric and adolescent patients. We also maintain a presence on the LifeLinks Board.

Childhood Obesity

This initiative is aimed at efforts to reduce childhood obesity, first by joining with schools which have shown an interest in helping their students and families to live a healthier lifestyle through better nutrition and physical activity.

During 2012, Carle donated more than $6,500 to two schools to boost their existing programs. Throughout the school year, Carle provided a customized health and wellness-related article for distribution in monthly school newsletters.

In Champaign County, Carle partnered with Booker T. Washington STEM Academy (BTW), a Champaign school.
In collaboration with the Champaign-Urbana Public Health Department, we teamed with a parent-teacher committee to create a plan which complemented what the school's leadership had already put into place. The multi-faceted program includes baseline and later measurement testing at the beginning of each school year using BMI assessments and a food quiz, and progress is measured annually.

We also connected BTW's leadership with Northeast Elementary Magnet School in Danville, our partnership school in Vermilion County. Northeast has been recognized for its health and wellness program with a gold award from the Healthy Generations, a national organization headed by former President Bill Clinton.

In Coles County, the Girls on the Run program is our initial foray into tackling this problem there. This is a program aimed at both helping young women become physically stronger and also building their self-esteem and confidence levels. Carle staff assists at the events and advises throughout the year for the organization.

Progress has been incremental and we have supported the partnership, still in its early stages, through education and financial support.

Children-at-Risk

Child Safety Programs and other activities which focus on reducing unintentional injury and accidental deaths.

Interpersonal Violence Program

This programming, provided at Carle and within the community, focuses on reducing domestic violence, as well as training for Sexual Assault Nurse Examiners (SANE) and others who treat rape and abuse victims. Carle has nine SANE nurses in the Emergency Department, assisting approximately 106 adult/adolescent and pediatric sexual assault patients this year.

- Educational efforts included assisting with training for Rape Crisis Center; educating U of I, Parkland and DACC nursing students; presenting to EMS members; and speaking to pre-med students regarding sexual assault and child abuse.
- Finalized implementation of an inpatient Child Abuse Safety Team in 2012 with the addition of a pediatric hospitalist to lead the program.
- The lead SANE also participated in the Forensic Nurse Certification Board's vetting of the international SANE exam, as well as the creation of the new test for the International Association of Forensic Nurses.

Risk Watch

The program, which is a longstanding partnership between Carle Foundation Hospital and local police and fire departments, reached 8,254 children in Champaign-Urbana in 2012. This is possible because Risk Watch has been integrated into the curriculum at all public schools and one private school. By reaching to the children, who are diverse in culture, race, as well as socioeconomic levels, this area sees fewer accidental injuries and deaths. Curriculum includes education about avoiding falls, choking, strangulation, suffocation and poisoning.

Center for Rural Health and Farm Safety

Carle formed the Center in 1991 after recognizing the need to provide education on agricultural safety and health to both children and adults in the farming community. All programs remain free to those in Carle's service area.

- Of the more than 3,500 people trained in 2012, more than 2,000 were children. Last year, the Center reached more than 1,100 youth in surrounding rural communities through 42 school programs. In addition, 638 children were reached at Progressive Ag Safety Days®, coordinated by Carle and hosted in Champaign, Vermilion, Piatt and Ford Counties.
- The Center certified more than 600 adults 14 years and older in CPR and first aid last year.
- Sixteen Agricultural Emergency Response classes were provided, training 316 first responders.
- Twenty-one high school programs were offered, covering tractor rollover, grain entrapment and Farm Family Emergency Response, reaching 420 participants.
- Emergency Action Tubes help protect farmsteads and aid emergency responders. The Center placed sealed cylinders with detailed farm information and maps on an additional 41 farms in 2012, bringing the

number of protected farmsteads to 60. The Center also produced a comprehensive book on how organizations can implement the project in other regions.

Playing It Safe

In its 16th year of bringing together public safety and agencies to teach children and their families how to prevent unintentional injuries, this free safety fair—co-sponsored with Safe Kids® Champaign County—involved more than 50 interactive displays and presentations. Highlights include car seat safety checks and child IDs. More than 1,400 children and parents attended.

Carle/Salvation Army Toy Drive

For the 28th year, Carle was a primary corporate sponsor of this annual holiday event. Carle shares this sponsorship with WHMS/WDWS/WUIL radio. We gathered 2,736 toys and cash and gift cards totaling $2,225. These were collected at Carle locations and through a one-day drive-through event.

United Way of Danville Area – Dolly Parton's Imagination Library

We supported printing educational materials as part of this health literacy initiative which began in Danville in 2011. With that funding, in 2012, 10,000 brochures have been distributed through schools, libraries and agencies. Currently more than 700 children are enrolled and receiving books every month as a part of this free program.

Coles County Girls on the Run

This is a program designed to not only help young women become physically stronger, but build their self-esteem and confidence levels. Since its inception two years ago, enrollment for the program has grown from 15 to 160 young women.

Communications to Foster Outreach and Collaboration

Carle has been active in facilitating community engagement and collaboration to connect, update and expand existing resources, including databases and technology to assist agencies, social workers, clergy, healthcare providers and family members with referrals for their clients, patients and loved ones.

- HelpSource.org—taking a leadership role in its development more than 13 years ago, we have continued to support HelpSource.org and provide guidance to the maintenance and promotion of this online directory of human services resources in east central Illinois.

- Continued monitoring the status of 2-1-1 in Illinois and the region, with consideration for the impact on activities of a Communications Coalition established with the local Public Health District and others, as well as HelpSource.

- In Vermilion County and Coles County, decisions and progressive actions of the Community Communications Coalition and the HelpSource Consortium, as well as the upcoming introduction of 2-1-1 to our region, will impact Vermilion County's HelpLine and Coles County's CordLink.

Carle Community Benefit Programs Maintained

There are a host of other programs identified in earlier years that have been clearly answering the needs of our community which Carle continues to stand behind, support and monitor to meet our obligation as a not-for-profit charitable organization.

Besides maintaining the Carle Community Care Discount Program and serving Medicaid and Medicare patients, even though government reimbursement is typically below cost to provide service, we continue to focus on the additional major categories of existing, identified health needs that Carle has consistently addressed over the years:

Subsidized health services, initiated and maintained to improve the health of the community

- AirLife
- Carle Breastfeeding Clinic
- Carle Community Parish Nurse Program
- Carle Low Vision Center
- ECHO (Expanding Children's Hearing Opportunities—Pediatric Hearing Services)
- Carle Auditory Oral School
- Home Health services
- Neonatal Intensive Care Unit
- Patient Advisory Nurse
- Pulmonary Rehabilitation

Funding community programs

This represents a significant portion of financial, in-kind and leadership support to health and human service organizations with similar and compatible missions.

145 community organizations received support in 2012. Some of those are:

- Alzheimer's Association
- American Diabetes Association
- Champaign County Christian Health Center
- Champaign County Health Care Consumers
- Champaign County Mental Health Board
- Champaign-Urbana Public Health District
- Coles County Council on Aging
- Coles County Crisis Response Team
- Crisis Nursery
- Cunningham Children's Home
- Developmental Services Center
- Eastern Illinois Food Bank
- Family Service of Champaign County
- Mattoon Area Public Action to Deliver Shelter
- Muscular Dystrophy Association
- Prairie Center Health Systems
- Safe Kids Champaign County
- United Way
- Vermilion County Rape Crisis Center

United Way – $134,188

Carle has been a supporter of United Way for many years by matching employee contributions, providing in-kind donations and supporting various projects throughout the year that align with Carle's mission and community benefit plan.

- $121,714 to match employee contributions. Dollars were distributed to counties served by United Way organizations in Champaign, Vermilion, Coles, Macon, Edgar, Fulton, LaSalle, Henry and McLean counties, as well as the counties served by the Heart of Illinois United Way. When so requested, employee contributions were directed to counties where they reside.

- $4,996: Carle's corporate contribution to Stuff the Bus, a one-day event where supplies are gathered for distribution to clients through various human service agencies.

- $7,478: Miscellaneous United Way program support

Health professions education/workforce development

Through a variety of activities including significant donations, scholarship programs, and physician, nurse, and allied health education, more than $9 million was invested in programs that address community-wide workforce issues, strengthening the training and availability of professionals to care for our communities' healthcare needs now and in the near and distant future.

In 2012, the most significant contributions went towards these programs:

- Graduate Medical Education programs: maintaining five medical residency programs, including a general surgery residency program, and serving as a clinical site for a sixth. There were 30 residents practicing on Carle's campus in CY 12.

- Continuing Medical Education programs for regional providers who are not members of the Carle Foundation Hospital medical staff, including Carle Foundation Day.

- Support of the University of Illinois College of Medicine at Urbana-Champaign, with monies earmarked for the MD/PhD program.

Research

Carle Foundation Hospital is actively involved in research and education initiatives. The overall purpose of the research program is helping to discover new diagnostic and treatment modalities that will improve the delivery and/or quality of health care. The research program is predominantly in conjunction with Carle physicians and University of Illinois scientists, and entrepreneurial companies.

Emphasis has been on continuing to create an infrastructure for a robust research program. Program successes in 2012 included:

- Using discarded placental tissues obtained from Carle Tissue Procurement Services to look at strategies for repairing severe tendon injuries, which has shown significant potential in regenerative medicine because of its unique composition.

- Using an imaging device to detect biofilms in patients with ear infections, working towards identifying the type of bacteria which will help doctors better treat the infections.

- Offering protected research time for some specialty physicians to attract them to this rural Midwest area. As a part of this protected research, one of our oncology surgeons continues to make great strides with his research on triple negative breast cancer and an innovative clinical detection test. This also includes hiring a post-doctoral student and submitting grant proposals, including a continuation of a previously awarded phase I SBIR grant.

As of December 2012, Carle Research Institute had 112 active research studies, with another 26 research studies pending. Of the total 112 active studies, the breakdown into various areas was 18 translational, 33 investigator-initiated, 19 nursing, 19 clinical trials and 23 residency and student research studies.

Community building activities

Disaster Preparedness continued to be a strategic priority of Carle Foundation Hospital, and our initiatives in this area include disaster training for our facility and our community, leadership in planning community-wide responses to various disaster scenarios, and state-level leadership for the 21-county Regional Hospital Coordinating Center region—all covered in part by an ASPR Grant awarded to Carle each year. Our focus is to prepare our hospital and regional hospitals to be ready to respond to any natural disaster, pandemic or act of terrorism.

We continued to work in concert with the local public health department assuring our community's readiness to handle all aspects of any disaster related to health, public safety and communications.

Public Relations staff continued to participate in regular discussions with other Champaign County public information officers, learning to work together in a joint information center (JIC) and being ready to assist public safety agencies and each other in managing crisis communications in routine incidents, such as fires or multiple casualty shootings, and vice versa.

In 2012, we allocated approximately $82,000 of grant funds to community benefit programming, including:

- $54,900 used to host an Advanced Disaster Life Support Course for local and regional hospital preparedness representatives
- $21,414 funding to the University of Illinois National Center for Supercomputing (NCSA) for the "Surveillance Indicator Project," a tool used to identify trends among patient calls and visits for pandemic preparedness and response, as well as time spent in local, regional and state disaster preparedness meetings
- Nearly $6,000 of in-kind services for the purposes of Emergency Preparedness

Populations and Communities Served

Carle's service area is generally defined as east central Illinois, including all or parts of more than 25 counties in east central Illinois and western Indiana.

For the Community Benefit Implementation plan, research and remedies are directed towards community health issues identified in Champaign, Coles and Vermilion counties, with the primary focus on Champaign County. These areas represent our headquarters and two other counties where Carle has a thriving presence. Our reach extends from these three counties—also identified in this report as Champaign-Urbana (Champaign County), Mattoon-Charleston (Coles County) and Danville (Vermilion County) areas into 14 adjoining, rural Illinois counties. These areas comprise nearly 50% of the Carle service area's population of about 1.2 million residents. And the three core counties represent about 25% of the total service area population.

Pockets of extreme poverty exist throughout this region. The programs within our community benefit plan generally have impact upon all of these targeted communities, with certain programs directed at specific communities and populations. Generally, targeted populations include the uninsured and underinsured, and children-at-risk—from conception through childhood. A greater proportion of our resources will be spent in Champaign County, where the largest population in our service area resides and where our community benefit program has long been established.

Carle Foundation Hospital serves as the region's only Level I Trauma Center and maintains a 42-bed Level III Neonatal Intensive Care Unit. As provider of the region's perinatal services, Carle provides care to patients who live throughout the geographic area extending from Kankakee in the north to the southern-most tip of Illinois, and spanning from as far west as Decatur and east into western Indiana. For the purposes of our Community Care Discount Program, coverage encompasses this entire region—40 counties in Illinois and Indiana.

Dates Adopted/Approved

Carle's Community Benefit Plan is driven by a three-year corporate strategic plan, the most recent having been adopted in 2011. It is updated annually. The underlying long-term goals of the strategic plan include quality improvement,

customer service improvement, enhanced physician relationships, expanding research, and financial/mission stewardship.

The Carle 2011-2013 Community Benefit Plan was fully approved by The Carle Foundation Board of Trustees on December 9, 2011. Also at that time, The Carle Foundation Board of Trustees approved the CY 2012 Community Health and Wellness budget.

We use community data, informal discussions and community health needs assessments to determine if existing programs are on track: what needs to be added, deleted or enhanced; and where our focus needs to be placed as we planned our community benefit programming.

In late 2012, we implemented Healthy Communities Institute—a web application that shares health indicators for Champaign, Coles and Vermilion counties. Available to the public on carle.org, we use this information to inform our community benefit planning and determine the needs throughout these three communities.

Acknowledging the need for more current local and regional research and further prompted by the mandate of the Patient Protection and Affordable Care Act, Carle conducted four community health needs assessments through focus groups in late 2010, and followed those with an internal community health needs assessment discussion in January 2011. Two focus groups involved Champaign County participants; the others were held in Vermilion and Coles counties.

Adding to the body of current information was fresh research conducted by the public health departments of Champaign and Coles counties and a community report undertaken by the United Way of Champaign County.

Data and information were also drawn from the following sources:

- The Robert Wood Johnson County Health Rankings, February 2010
- County QuickFacts from the U.S. Census Bureau for Champaign, Coles, and Vermilion counties
- Champaign Urbana Public Health District IPLAN, 2010, Key Findings
- United Way of Champaign County 2011 Report to the Community
- Coles County Health Department IPLAN 2010-2015
- Poverty Trends in Vermilion County, Illinois, August 2008
- Hunger in America study with participation by the Eastern Illinois FoodBank, February 2010
- Health Alliance Medical Plans research summaries: Diabetes Knowledge Survey Results 2010 and Adult and Pediatric Asthma Survey Results 2009
- Payer Mix and Uninsured Patients at Carle, reported by Al Mytty, Director of Payer Contracting at Carle, 2011
- On-going informal discussions with government and community agencies and local news coverage Homeland Security initiatives
- CDC and Illinois Department of Public Health communications
- Oral Health in Champaign-Urbana, IL, prepared by the Champaign-Urbana Public Health Department, Executive Summary, 2007
- Mobile Adult Dental, update reported by Nancy Greenwalt, SmileHealthy, June 16, 2010
- Current and future workforce shortage statistics
    - Finding a Cure for the Healthcare Workforce, Huffington Post, March 2010
- Senior health needs assessment conducted by Carle in 2007
- The Affordable Care Act: Opportunities for the Aging Network. Presentation by East Central Illinois Area Agency on Aging, 2010
- Literature review regarding childhood obesity

Carle

Policy Number AD300

Subject	Community Care Discount Program
Category / Section	Administration / Finance
Owner	Manager of Receivables Management
Stakeholder/ Reviewer(s)	Director of Patient Financial Services; VP of Revenue Cycle Operations
Approver(s)	Chief Financial Officer
Review Frequency	Every 3 years
Effective Date	04/10
Review Date	09/01/11
Revision Date	09/01/11

Scope of Policy (applies to entities marked below)

	All Carle Locations		Caring Place, The	X	SurgiCenter, LLC - Champaign
X	Carle Hospital		Health Alliance	X	SurgiCenter - Danville
X	Carle Physician Group	X	Home Care	X	SurgiCenter Recovery Centers
X	Carle Foundation Physician Services	X	Home Infusion	X	Therapy Services
	AirLife	X	Hospice	X	Therapy Services - MTCH
X	Arrow Ambulance	X	Carle Medical Supply		Windsor Court
	Auditory Oral School		Risk Management Company		Windsor of Savoy
X	Cancer Center/Mills Breast Cancer Institute				Arabella Boutique

Scope Exclusions

Purpose

A. To identify and assist those patients who are uninsured or underinsured and who are financially eligible to receive discounts for specified medical expenses through the Community Care Discount Program. The specified subsidiaries of The Carle Foundation will consider each patient's ability to contribute to the cost of his or her care received and the financial ability of the specified subsidiaries to provide discounts for the care received.

B. All medically necessary care rendered by an eligible Carle Foundation entity. Eligible entities are:
   1. Carle Foundation Hospital
   2. Carle Physician Group
   3. Carle Clinic Association
   4. Carle Foundation Physician Services
   5. Carle Arrow Ambulance
   6. Champaign SurgiCenter, LLC
   7. Carle SurgiCenter – Danville
   8. Carle Therapy Services
   9. Carle Home Care including Carle Hospice and Carle Home Infusion
   10. Carle Medical Supply

C. Medically necessary care is defined as health care services that a physician, exercising prudent clinical judgment, would provide to a patient for the purpose of evaluating, diagnosing or treating an illness, injury, disease or its symptoms and that are:
   1. In accordance with the generally accepted standards of medical practice;
   2. Clinically appropriate, in terms of type, frequency, extent, site and duration, and considered effective for the patient's illness, injury or disease; and
   3. Not primarily for the convenience of the patient, family or physician and not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results as to the

diagnosis or treatment of that patient's illness, injury or disease.

D. Carle will utilize the Centers for Medicare and Medicaid Services coverage guidelines when determining services that qualify for the Community Care Discount Program.

Statement of Policy

A. Any patient or responsible party may apply for the Community Care Discount Program. Patients must reside in the Carle primary or secondary service area. Primary and secondary service areas are listed on Covered Service Areas – AD300A.

B. Illinois Medicaid only (traditional) recipients automatically qualify for the Community Care Discount Program at 100% for all medically necessary care. They are not required to complete the Community Care Discount Program application process.
   1. Excludes patients with an unmet spend-down.
   2. Excludes patients enrolled in the All Kids Premium – Levels 2 through 8.

C. Frances Nelson Health Center patients automatically qualify for the Community Care Discount Program at 100% for all medically necessary care.
   1. An accepted referral from Frances Nelson Health Center to Carle is required.
   2. Frances Nelson Health Center will provide Carle with a copy of the signed financial evaluation performed by their staff.

D. Carle Foundation desires that all patients be aware of the Community Care Discount Program, that those eligible be identified as early in the care and billing process as possible, and that the process be as simple as possible for the patient while still maintaining the financial controls and stewardship necessary to protect the organization. Consistent with these principles, the following items are required from applicants:
   1. Verification of income for the previous 12 months is required. Income eligibility will be based on the most current published Federal Poverty Guidelines.
   2. An application for government assistance must be completed if the patient appears to meet the eligibility criteria for such assistance. When appropriate, the Foundation's Social Services Department, or other pertinent staff, will use a screening checklist to assist in determining if the patient would qualify for government assistance.
      a. Failure by a patient or responsible party to complete the government program application process and/or failure to cooperate during the application process will result in an automatic denial of Community Care.
      b. Patients who are determined to be homeless with no verifiable address, phone or income will be referred to Social Services for assistance with the completion of the government program application process. For a reference list of local homeless shelters, refer to Area Homeless Shelters – AD300C.
      c. Patients who have a third party payment source that will reimburse more than the government program reimbursement will be excluded from the requirement of applying for government assistance.
   3. Liquid assets, such as cash, savings and checking accounts, investment accounts, mutual funds, Certificates of Deposit, stocks, bonds, etc. will be taken into consideration as part of the Community Care application process. Pension and/or retirement accounts will not be considered liquid assets; however, funds distributed from a pension or retirement account constitute income when determining financial eligibility.
   4. The Community Care Discount Program amount is dependent on applicant's income and family size compared to the currently published Federal Poverty Level guidelines at the time of application.

Federal Poverty Level	<200%	>200% but ≤230%	>230% but ≤270%	>270% but <300%
Discount Amount	100%	75%	50%	25%

   5. Patients who receive a determination of either an approval or denial under the Community Care Discount Program may reapply after six (6) months from the date of original application receipt in the event there are substantial or unforeseen material changes in their financial situation. In the case of extraordinary circumstances, an application may be submitted prior to the month limitation.
   6. Applicants may appeal Community Care discount determinations by sending a written appeal to the Manager of the Patient Accounting Office. Further appeals may be directed to the Director of Financial Services, and may be escalated to the Chief Financial Officer and then ultimately as the last appeal setting to the Community Care Review Committee (an advisory committee containing representatives from Land of Lincoln Legal Services, the Champaign County Health Care Consumers, and other similar organizations).

E. The Community Care discount will apply to the patient balance of the account after all other payments from sources

such as Medicare, insurance companies, third party legal settlements and/or patient funds are received and posted.

F. Patients may apply for the Community Care Discount Program at any time, including before care is received. If approved, the patient is eligible for the determined level of discounts for 12 months.

G. Patients who have been approved for the Community Care Discount Program may re-apply annually from the date of original application approval. Carle Foundation will attempt to notify patients by mail 90 days before the current termination date of eligibility in the Community Care Discount Program.

H. Patients that have been referred to a collection agency may request a Community Care Discount Program application if a court judgment has not yet been obtained. However, an application for government assistance must be completed as stated in C2.

I. Carle will not file collection suit liens on a primary residence.

J. Carle will not allow body attachments for purposes of medical debt collection.

K. Medical care that does not meet medical necessity guidelines as defined by The Carle Foundation is excluded from Community Care Program discounts (refer to Limited and Non Covered Service Listing – AD300B).

L. For services that may have limited coverage under the Community Care Discount Program Policy (based on current Federal/State coverage guidelines) refer to Limited and Non Covered Service Listing – AD300B.

M. Non-emergent, out-of-network care including out-of-state Medicaid that would be paid by the patient's insurance company elsewhere will not be eligible for the Community Care Discount Program because the patients have the opportunity to have their healthcare needs met at a participating provider.

N. Emergent out-of-network care for those who qualify will be eligible under the Community Care Discount Program policy guidelines after all other payment sources have been exhausted (i.e. Personal Care HMO and Blue Cross Blue Shield for services at Carle Physician Group).

O. Emergent out-of-state Medicaid patients are not required to complete the Community Care Discount Program application process. They will be approved as eligible under the Community Care Discount Program after proof of coverage is provided and all other payment sources have been exhausted.

Procedure

A. Patients with financial concerns should be identified by Carle personnel as soon as possible in the registration or treatment process.
   1. A referral to Social Services, other pertinent staff or directly to a government program should be completed in order to obtain a determination of eligibility for Public Assistance. Patients who fail to cooperate with the government program during the application process will automatically be denied for the Community Care Discount Program.
      a. If the patient does not meet the eligibility criteria for a government program or if they have a spend-down, they may be eligible for a Community Care discount.
      b. The application for the Community Care Discount Program will be available in all registration areas, the Patient Accounting offices, (SBU) Business Offices, Cashier areas, Social Services and on the Carle website (www.carle.org and www.mycarlebill.com).
      c. Patients are encouraged to apply for the Community Care Discount Program within 30 days after discharge or provision of service.
      d. Upon receipt of the Community Care Discount Program application the Community Care database will be populated:
         - All collection activity will be held until processing is completed.
         - Applicant will be notified of any missing documentation.
         - If the missing documentation is not returned within 30 days, a notification letter will be mailed to the applicant that indicates the billing will commence unless the documentation is received.
   2. The completed application should include:
      a. Income and asset verification for the 12 months immediately prior to the date of the application and the most recent Federal income tax return form, if applicable. Documentation provided should consist of:
         - The last check stub prior to the signature date on the application from each job held in the past 12 months.
         - Unemployment check stub(s) listing the start date and amount.
         - Divorce decree stating child support or alimony received.
         - The most recent bank statement(s) including all checking and savings account(s).
         - Letter from public programs (Social Security, Veterans, Public Aid) listing amount received.
         - A notarized statement from family or friends explaining any financial help they provide to the applicant.
         - If proof of an income source is not provided, a written explanation as to why must be provided.
      b. The patient or responsible party must provide verification of the number of family members.
         - Family members will include only those dependents listed on tax returns, divorce decree or child support order.

- Parents' income will be used to determine financial eligibility for students who are over age 18 but still claimed as dependents for their parents' income tax purposes.

B. All efforts will be made to send written determination to the applicant within 30 working days of receipt of the completed application. If the application is approved, the patient's account will be adjusted as soon as possible thereafter to reflect the discount.
C. Patients who qualify for a partial discount of the balance will be required to pay the remainder due, as with other private pay accounts. Patients can request a payment plan.
D. When the application has been processed and the determination is made, a record of each application and associated documentation will be maintained by fiscal year.
E. When Carle Foundation receives an application for the Community Care Discount Program that indicates treatment at any applicable Carle Foundation facility, the application, verification and determination will be provided to all other applicable and/or involved Carle businesses.
F. The total of the Community Care Discount Program adjustments will be regularly reported to the Director of Financial Services, the Vice President of Revenue Cycle Operations and to the Chief Financial Officer.

Attachments

Area Homeless Shelters – AD300C
Covered Service Areas – AD300A
Limited and Non Covered Service Listing – AD300B

Other Related Links N/A

References N/A

Electronic Approval on File

Dennis Hesch
Chief Financial Officer

Carle

Policy AD346

Subject	Hospital Uninsured Patient Discount Program
Category / Section	Administration / Finance
Owner	Manager of Receivables Management
Stakeholder/ Reviewer(s)	Director of Patient Financial Services; VP of Revenue Cycle Operations
Approver(s)	Dennis Hesch, Chief Financial Officer
Review Frequency	3 years
Effective Date	01/26/12
Review Date	
Revision Date	

Scope of Policy (applies to entities marked below)

	All Carle Locations		Caring Place, The		SurgiCenter, LLC - Champaign
X	Carle Hospital		Health Alliance	X	SurgiCenter - Danville
	Carle Physician Group	X	Home Care		SurgiCenter Recovery Centers
	Carle Foundation Physician Services	X	Home Infusion	X	Therapy Services
	Arrow Ambulance	X	Hospice		Therapy Services - MTCH
	Auditory Oral School	X	Medical Supply & Arabella Boutique		Windsor Court
	Cancer Center/Mills Breast Cancer Institute		Risk Management Company		Windsor of Savoy

Scope Exclusions

Purpose

A. To identify and assist those patients who are uninsured and who may be eligible to receive discounts for specified medical expenses through the State of Illinois Hospital Uninsured Patient Discount Act (Illinois Public Act 095-0965).
   1. All medically necessary care rendered by Carle Foundation Hospital.
   2. Medically necessary care is defined as health care services that a physician, exercising prudent clinical judgment, would provide to a patient for the purpose of evaluating, diagnosing or treating an illness, injury, disease or its symptoms and that are:
      a. In accordance with the generally accepted standards of medical practice;
      b. Clinically appropriate, in terms of type, frequency, extent, site and duration, and considered effective for the patient's illness, injury or disease; and
      c. Not primarily for the convenience of the patient, family or physician and not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that patient's illness, injury or disease.
   3. Carle will utilize the Centers for Medicare and Medicaid Services coverage guidelines when determining services that qualify for the Hospital Uninsured Patient Discount Program.

Definitions

A. Approved Terminology – AD100A is a glossary of common terms that can be used in P & P's without defining them in the document.
B. **Generally accepted standards of medical practice** means:
   1. Standards that are based on credible scientific evidence published in peer-reviewed, medical literature generally recognized by the relevant medical community;
   2. Physician Specialty Society recommendations;
   3. The views of physicians practicing in the relevant clinical area; and
   4. Any other relevant factors.

Statement of Policy

A. Any patient who is an Illinois resident may apply for the Hospital Uninsured Patient Discount Program.
B. Carle Foundation desires that all patients be aware of the Hospital Uninsured Patient Discount Program, that those eligible be identified as early in the care and billing process as possible and that the process be as simple as possible for the patient while still adhering to the regulations set forth in the State of Illinois Hospital Uninsured Patient Discount Act (Illinois Public Act 095-0965). Consistent with these regulations, the following items are required from applicants:
   1. Verification of income for the previous 12 months is required. Income will be compared to the most currently published Federal Poverty Guidelines.
   2. An application for government assistance must be completed if the patient appears to meet the eligibility criteria for such assistance. When appropriate, Carle staff or a designee will use a screening checklist to assist in determining if the patient may qualify for government assistance.
      a. If the patient applies for government assistance, documentation supporting the application submitted is required within 30 days.
      b. Failure by a patient or responsible party to complete the government program application process and/or failure to cooperate during the application process will result in an automatic denial of the Hospital Uninsured Patient Discount.
   3. Liquid assets, such as cash, savings and checking accounts, investment accounts, mutual funds, Certificates of Deposit, stocks, bonds, etc. will be taken into consideration as part of the Hospital Uninsured Patient Discount Program application process. Funds distributed from a pension or retirement account constitute income when determining financial eligibility.
   4. The Hospital Uninsured Patient Discount amount is dependent on applicant's income and family size compared to the published Federal Poverty Level guidelines at the time of application. The family income cannot exceed 600% of the Federal Poverty Level.
   5. If approved for the Hospital Uninsured Patient Discount Program, the patient's out of pocket expenses in a 12 month period will be capped at 25% of the family income (less child support payments).
      a. The cap does not coordinate with other hospitals.
      b. The patient is responsible for notifying Carle Foundation Hospital's Patient Accounts office when their expenses might be close to exceeding this cap.
   6. Applicants may appeal the Hospital Uninsured Patient Discount Program determination by sending a written appeal to the Manager of the Patient Accounting Office. From that point, a further but final appeal may be made by the patient to the Director of Financial Services.
C. The Hospital Uninsured Patient Discount amount is determined from the most recently filed Medicare cost report. Charges are multiplied by 1.0, less the product of the cost to charge ratio as reported on the Medicare cost report, multiplied by 1.35.
D. Hospital Uninsured Patient Discount Program is only for uninsured patients as defined within the Act. If a patient is found to have insurance, they will be provided with a Community Care Discount Program application.
E. Patients must apply for the Hospital Uninsured Patient Discount Program within 60 days of date of discharge or provision of service. If approved, the patient is eligible for discounts for 12 months.
F. Only billed encounters, for those Carle entities that fall under the Act, exceeding $300.00 are eligible for the discount.
G. Medical care that does not meet medical necessity guidelines as defined by the Centers for Medicare and Medicaid Services is excluded from the Hospital Uninsured Patient Discount Program discounts.

Procedure

A. Patients with financial concerns should be identified by Carle personnel as soon as possible in the registration or treatment process.
   1. A referral to Social Services should be completed to obtain a determination of eligibility for Public Assistance. Patients who fail to cooperate with the government program during the application process will automatically be denied for Hospital Uninsured Patient Discount Program.
      a. If the patient does not meet the eligibility criteria for a government program, they may be eligible for the Hospital Uninsured Patient Discount Program.
      b. The Application for Hospital Uninsured Patient Discount Program will be available in all registration areas, the Patient Accounting offices, (SBU) Business Offices, Cashier areas, Social Services and on the Carle website.
      c. Patients are required to apply for the Hospital Uninsured Patient Discount Program within 60 days after discharge or provision of service.
      d. Upon receipt of the Hospital Uninsured Patient Discount Program application the internal database will be populated:
         - All collection activity will be held until processing is completed.
         - Applicant will be notified of any missing documentation and is required to provide the needed documentation within 30 days.
         - If the missing documentation is not returned within 30 days, a notification letter will be mailed to the

applicant that indicates the billing will commence and they must now apply under the Community Care Discount Program – AD300.

2. The completed application should include:
   a. Family income verification is required. Acceptable income documentation is any one of the following:
      - Copy of the most recent tax return;
      - Copy of the most recent W2 or 1099 form(s);
      - Copies of the 2 most recent pay check stubs; or
      - Written income verification from an employer if paid in case.
   b. Asset verification. To certify the existence of assets or the lack thereof, the following documentation is required:
      - Most recent statement(s) from financial institutions; or
      - Written certification of assets and value of any non-excluded asset(s), if bank records not available.
   c. Illinois residency verification. Acceptable residency documentation is any one of the following:
      - Any of the documents listed in A. 2.a. with a valid address;
      - Valid state-issued identification card;
      - Recent (within the past 2 months) residential utility bill;
      - Current lease agreement;
      - Current vehicle registration card;
      - Current voter registration card;
      - Mail addressed to the patient at an Illinois address from a government or business;
      - Statement from family member of the patient who resides at the same address and presents verification of the residency; or
      - Letter from homeless shelter, transitional housing or facility verifying that the patient resides at the facility.

B. Applications for the Hospital Uninsured Patient Discount Program will be reviewed to determine if the patient would qualify for a higher discount utilizing the Community Care Discount Program – AD300.
   1. If the patient appears to be eligible for a higher discount:
      a. A Community Care Discount Program application will be sent to the patient with a cover letter explaining that a higher discount may be available through the Community Care Discount Program – AD300 versus the Hospital Uninsured Patient Discount Program.
      b. The Hospital Uninsured Patient Discount Program application and any attached documentation will be held for 14 days.
         - If the Community Care Discount Program application is not returned, the Hospital Uninsured Patient Discount Program application will be processed.
         - If the Community Care Discount Program application is returned, the application will be processed per guidelines indicated in the Community Care Discount Program – AD300.

C. All efforts will be made to send written determination to the applicant within 30 working days of receipt of the completed application. If the application is approved, the patient's account will be adjusted as soon as possible thereafter to reflect the discount.

D. Patients who qualify for a partial discount of the balance will be required to pay the remainder due as per all other policies associated with payment of self pay balances. Patients can request a payment plan.

E. When the application has been processed and the determination is made, a record of each application and associated documentation will be retained.

F. The total of the Hospital Uninsured Patient Discount adjustments will be regularly reported to the Director of Financial Services, the Vice President of Revenue Cycle Operations and to the Chief Financial Officer.

Attachments N/A

Other Related Links

Application for Hospital Uninsured Patient Discount Program

Community Care Discount Program – AD300

References

Electronic Approval on File

Dennis Hesch
Executive Vice President/Chief Financial Officer

CY 2012 Carle Foundation Hospital Report – Attachment 4
For period from 1/1/2012 through 12/31/2012

Category/Program Title	Benefit
Community Building Activities (F)	
Economic Development (F2) Economic Development	**53,894**
Community Support (F3) Disaster Readiness	**81,764**
Coalition Building (F6) HelpSource Neighborhood Meetings Representation on Community Coalitions	**1,277**
Community Health Improvement Advocacy (F7) Champaign County Healthcare Consumers	**2,408**
Workforce Development (F8) Mentoring Programs and job shadowing	**108,021**
Community Benefit Operations (G)	
Other Resources (G3) Salvation Army Toy Drive	**6,030**
OTHER COMMUNITY BENEFITS – *Grand Total*	**$253,394**

Section III, Background, Purpose of the Project, and Alternatives – Information Requirements
Criterion 1110.230(b) – Background, Purpose of the Project, and Alternatives

Purpose of Project

1. The purpose of this project is to improve access to quality health care to patients in east central Illinois[1] to ensure their medical needs are met close to home. CFH is a 345 bed tertiary care hospital, a Level 1 trauma center, a primary stroke center, and a Level III Perinatal Center. It is a safety net hospital for the region, and is an IDPH designated Regional Hospital Coordinating Center.

   The medical/surgical unit currently consists of 212 beds. The Applicants request authorization from the State Board to add 48 medical/surgical beds to its existing complement for a total of 260 medical/surgical beds to alleviate high current and projected utilization. As shown in Table 1110.230(b)(1) below, 2013 medical/surgical bed utilization exceeded the State Board's 90% utilization standard. Furthermore, medical/surgical patient days have increased 26.6% over the past three years, with the most significant growth occurring between 2011 and 2013. The Applicants project this growth will continue in the future. Without additional medical/surgical beds, the need will exceed the current medical/surgical bed complement.

Table 1110.230(b)(1)
Historical Medical/Surgical Bed Utilization

Year	Authorized CON Beds	Admissions	IP Days	Obs Days	Total Days	Annual Growth	CON Occupancy
2010	205	13,739	55,733	891	56,624	N/A	75.7%
2011	205	13,160	57,966	1,171	59,137	4.4%	79.0%
2012	212	15,074	63,877	2,224	66,101	11.8%	85.4%
2013	212	15,098	66,989	4,694	71,683	8.4%	92.6%

2. A map of the CFH service area is attached at Attachment – 12. CFH serves a 28 county region extending from Kankakee County in the north to Richland County in southern Illinois and as far west as Decatur and east into western Indiana.

3. The growth in medical/surgical bed utilization is attributed to several factors, which the Applicants anticipate will continue for the foreseeable future. Importantly, CFH is a regional tertiary health care provider with physicians practicing in 50 specialties. As such, there is no equivalent provider in any of the 4 or 5 planning areas and only one other in Springfield in the E-1 planning area. As noted above, CFH is the only Level I Trauma Center in the region, a primary stroke center and a Level III perinatal center. In the absence of CFH, patients would need to travel to Chicago, Springfield, Peoria, or St. Louis to access the specialized health care offered at CFH. To expand access to its high quality health care services, CFH has developed regional partnerships and affiliations with hospitals, like the affiliation with Hoopeston Regional Medical Center (Proj. No. E-002-12), which the State Board approved in July 2012. These partnerships and affiliations provide residents of CFH's vast service area with the resources of a large health care provider, including highly qualified specialists, advanced technology and improved coordination of care, in their local community. Additionally, CFH established a Regional Outreach Services team, which collaborates with regional providers to better understand their specific needs, streamlines care coordination, facilitates physician to physician consultations as well as provides optimized paths for patient transfer to higher levels of care at CFH. Finally, Carle Direct allows unaffiliated CFH

[1] A small portion of the CFH service area includes a portion of western Indiana.

physicians to transfer patients to CFH when specialized or a higher level of care is required. CFH physicians are on call around the clock. These partnerships and programs have resulted in increased patient transfers and in-migration of patients from well outside CFH's planning area (D-01).

CFH is a tertiary care facility providing an advanced and complex level of medical care. It is a Level I trauma center, a primary stroke center, and Level III perinatal center. CFH provides a level of specialized care unparalleled in the region. As a result, CFH treats higher acuity patients with longer average lengths of stay ("ALOS"). Given the large number of high acuity patients served by CFH, beds do not turnover as quickly as lower acuity patients, which reduces the number of available beds and increases utilization. As the only hospital in the region providing specialized services, such as neuroscience services, cardiovascular services, various leading-edge technologies and advanced cancer treatments, CFH will continue to attract higher acuity patients requiring specialized care, which will contribute to increasing utilization in the future.

Another factor affecting the medical/surgical utilization is the tremendous growth in emergency department ("ED") volumes, which precipitated the 17 station expansion of the CFH ED (Proj. No. 12-071). As previously noted, CFH is the only Level I Trauma Center in the region. Accordingly, CFH treats patients with the most serious injuries and illnesses throughout east central Illinois and western Indiana. As shown in Table 1110.230(b)(3) the need for trauma and emergency services in the CFH service area has increased over the past three years with a 16% increase in trauma visits from 2010 to 2013 and 15% increase in emergency visits over the same period. This has resulted in an 11% increase in admits from the ED from 2010 to 2013. As the need for trauma services continue to grow, CFH anticipates increased numbers of inpatient admissions from the ED.

Table 1110.230(b)(3)
Historical Emergency Department Utilization

Year	Trauma Visits	Trauma Admits	Emergency Visits	Emergency Admissions	Total ED Visits	Total ED Admits
2010	926	799	60,655	8,423	61,581	9,222
2011	1,002	861	64,417	8,509	65,419	9,370
2012	1,120	938	69,013	9,311	70,133	10,249
2013	1,079	826	69,725	9,428	70,804	10,254

4. Sources

Illinois Health Facilities and Services Review Board, Individual Hospital Profiles 2008-2012 *available at* http://hfsrb.illinois.gov/HospProf_ABR.htm (last visited Mar. 18, 2014).

5. As discussed in greater detail above, medical/surgical utilization has increased 26.6% over the last three years with the most significant growth occurring within the past two years. Much of the growth is attributed to CFH's position as the only highly specialized tertiary care hospital in east central Illinois. Due in large part to partnerships, affiliations and outreach efforts designed to increase access to specialized health care offered at CFH, medical/surgical bed utilization has increased to a point where CFH will not be able to meet all of the medical needs of patients residing in east central Illinois without adding medical surgical beds. As shown, in Table 1110.230(b)(5), assuming historical growth rates remain unchanged, demand is projected to exceed the current bed complement by the end of 2014. Accordingly, the proposed beds are needed to maintain access to high quality health services to patients residing in CFH's service area.

Table 1110.230(b)(3) Projected Medical/Surgical Bed Utilization					
	Authorized CON Beds	Proposed CON Beds	Total Patient Days	CON Occupancy Authorized Beds	CON Occupancy Proposed Beds
Projected 2014	212	260	78,038	101%	82%
Projected 2015	212	260	84,393	109%	89%
Projected 2016	212	260	90,747	117%	96%

As can be discerned from the projected data, if the growth trend continues, CFH would expect to request to add more medical/surgical beds in 2016.

Attachment- 12

Alternatives to the Proposed Project

The Applicants propose to develop and utilize the shell space created pursuant to HFSRB permit number 08-013 to operate a 48 additional bed medical/surgical unit.

The applicants believe that the proposed project is the most effective and least costly alternative to the other alternatives considered when balancing necessary access to services with costs. The following narrative consists of a comparison of the proposed project to alternative options.

The applicants have considered a number of alternatives as follows:

A) Proposing a project of greater or lesser scope and cost.

There are several options in this category.

Project of Lesser Scope: Do Nothing

This option would not address CFH's growing average daily census and would, therefore, result in a deterioration of patient access over time. If volumes continue to grow at the historic rate described in Attachment 15, CFH will soon not have enough authorized med/surg beds to meet demand. If this were the case, many patients would need to travel to Chicago, Springfield, Peoria, or St. Louis to access the specialized health care offered at CFH. As stated in Attachment 11, no other hospital in east central Illinois provides the same level of specialized care as CFH. It is the only Level I trauma center and Level III perinatal center in the region. It operates a nationally recognized cancer center providing state-of-the-art cancer careand features the Carle Neuroscience Institute, a regional tertiary care service line that includes a primary stroke center with several components of a comprehensive stroke center. Additionally, its Heart and Vascular Institute and Digestive Health Center offer a number of services not available elsewhere in the region.

Under this option, patient access would be adversely impacted forcing patients to travel long distances to receive specialized care. For these reasons, this alternative was rejected.

Project of Lesser Scope: Expand Bed Count without Developing Carle Tower 9 Shell Space

In this scenario, Carle would be required to revert to using double occupancy rooms. Not only is there greater patient demand for single rooms, but single rooms are better for infection control, allow nurses and health care workers to do their jobs more efficiently, provide adequate space for family members to participate in the patients' healing process, and afford a greater degree of privacy for the delivery of bedside treatments and sensitive discussions with physicians and health care personnel. Converting the single occupancy rooms to double occupancy would create patient satisfaction issues, as patients would have less privacy and could potentially be disturbed by their roommate and/or the guests of their roommate. Also, the floor where these beds will be placed has already been developed as shell space. Not only would using older buildings be a waste of this brand new space but also efficiencies related to the improved unit layout and nursing station configuration of the proposed 9th floor would not be realized.

While the immediate capital cost of this option is nominal, there would be ongoing maintenance costs associated with expanded use of the Rogers Building, which was built in 1962. A hospital tower of this age would require expensive upkeep that a new tower would not. The imperatives relating to vacating the older hospital buildings was discussed in detail in HFSRB Project No. 80-013.

Under this option, patient satisfaction would be adversely impacted, efficiencies would not be realized and maintenance costs would increase. For these reasons, this alternative was rejected.

Project of Greater Scope: Increase Med/Surg Capacity by 72 authorized Beds

This alternative was considered since at a 26.6% growth rate, bed capacity may again be an issue within 2 years. However, due to future uncertainties, the Applicants opted for a more measured approach. If volumes continue to grow as anticipated, the Applicants will file another CON application to ask for additional authorized beds.

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.

In the past, Carle has pursued strategic partnerships for special service lines such as rehab services, but the project involves the hospital's core services and would not be appropriate for joint venture arrangements.

For this reason, this alternative was rejected.

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.

Convert Existing Pediatric Authorized Beds to Med/Surg Beds Since Med/Surg Beds Can Be Used For Both Pediatric and Adult Patients

This option would not add sufficient capacity to satisfy CFH's projected bed need. CFH has 20 authorized pediatric beds, and in 2013, it had an average daily pediatric census of 10.6 and a peak pediatric census of 17. Accordingly, this scenario would essentially add fewer than 10 med/surg beds to CFH's capacity on any given day. Since CFH's pediatric utilization has shown steady growth over the past few years and is projected to grow going forward, the benefit of this option in terms of expanded med/surg capacity would deteriorate over time. If volumes continue to grow at the recent growth rate described in Attachment 15, CFH will need greater than 10 med/surg beds by year 1 of this project.

This option would not add sufficient capacity to satisfy projected demand. For this reason, this alternative was rejected.

Divert Patients to Another Hospital

As stated throughout this application, no other hospital in east central Illinois provides the same level of specialized care as CFH. Since CFH is a Level I trauma center and Level III perinatal center, it is required to provide care to trauma patients. Furthermore, CFH offers cardiovascular, neuroscience, digestive health and cancer services not available elsewhere in the region. Many patients would need to be diverted to Chicago, Springfield, Peoria, or St. Louis to receive the specialized health care offered at CFH and for most cases, traveling such a distance for care is unmanageable.

Additionally, the Emergency Medical Treatment and Active Labor Act (EMTALA) requires hospitals to provide care to anyone needing emergency healthcare treatment regardless of citizenship, legal status, or ability to pay. Under EMTALA, a medical screening exam must be given to all ED patients. This includes all diagnostics and interventions needed, within the hospital's ability to provide such. CFH must maintain its ability to treat medical emergencies among patients presenting in the ED.

This alternative would not allow CFH to provide necessary specialized care or trauma and emergency care and would require patients to be diverted long distances. For these reasons, this alternative was rejected.

D) Develop and utilize the shell space on the 9th floor of its new tower and add 48 authorized Medical Surgical beds (Proposed).

The proposed expansion would involve completing the unfinished shell space located on the ninth floor of the hospital's new bed tower and adding 48 authorized medical surgical beds for use within this space.

This option will improve patient access by ensuring adequate beds to meet forecasted volumes for the next two years. It will also improve quality of care by providing a state of the art facility that allows for patient privacy and operational efficiency.

For all of these reasons, this option is the one chosen for the proposed project.

Size of Project

The applicants propose to develop and utilize the shell space created pursuant to HFSRB permit number 08-013 and add 48 authorized Medical Surgical locations for use within this space.

Appendix B of Section 1110 of the Administrative Code documents the established standards for departments, clinical service areas, and facilities.

The applicants propose to add 48 authorized medical surgical beds and develop 40,446 dgsf of shell space of which 19,068 dgsf is clinical. The proposed clinical dgsf per bed is 397.25 dgsf. This is within the state standard of 660 dgsf per med/surg bed.

The table below summarizes the departments, proposed dgsf, applicable state standard, and project compliance with the state standard.

SIZE OF PROJECT				
DEPARTMENT / SERVICE	**PROPOSED DGSF per Bed**	**STATE STANDARD**	**DIFFERENCE**	**MET STANDARD?**
Medical Surgical	397.25	500- 660 dgsf / bed	262.75 dgsf under the standard	Yes

The proposed project is within the state standard for the department/service being added.

Project Services Utilization

Section 1100.520 of the Administrative Code documents the established standards for medical surgical care.

The Applicants propose:

- To add 48 medical/surgical beds to Carle Foundation Hospital's current authorized capacity of 212 med/surg beds, bringing the total beds in this category to 260 med/surg beds.

  As shown in the table below, the Applicants' medical/surgical patient days have increased 26.6% over the past three years. The Applicants project this growth will continue in the near future. As stewards of the community's health care resources, it is imperative that adequate capacity exists to serve the region's needs for the tertiary care services the Carle Foundation Hospital provides.

Historical Medical/Surgical Bed Utilization							
Year	**Authorized CON Beds**	**Admissions**	**IP Days**	**Obs Days**	**Total Days**	**Annual Growth**	**CON Occupancy**
2010	205	13,739	55,733	891	56,624	N/A	75.7%
2011	205	13,160	57,966	1,171	59,137	4.4%	79.0%
2012	212	15,074	63,877	2,224	66,101	11.8%	85.4%
2013	212	15,098	66,989	4,694	71,683	8.4%	92.6%
2014	260				78,038	8.9%	82.2%
2015	260				84,393	8.1%	88.9%
2016	260				90,747	7.5%	95.6%

Assuming a 26.6% growth rate over the next three years, Carle's Year 1 occupancy rate is projected to be 88.9%. Carle's Year 2 occupancy rate is projected to be 95.6%, which exceeds the minimum state standard of 90.0%.

	Department / Service	**Historical Utilization (Occupancy Rate)**	**Projected Utilization (Occupancy Rate)**	**State Standard (Occupancy Rate)**	**Met Standard ?**
Year 1	Med/Surg	92.6% (2013)	88.9%	90%	No
Year 2	Med/Surg		95.6%		Yes

Much of the growth in med/surg patient days is attributed to the Carle's position as the only highly specialized tertiary care hospital in east central Illinois. In the absence of Carle, patients would need to travel to Chicago, Springfield, Peoria, or St. Louis to access the specialized health care offered at Carle. To expand access to its high quality health care services, Carle has developed regional partnerships and affiliations with hospitals, which provide residents of Carle's large service area with the resources of a large health system, including highly qualified specialists, advanced technology and improved coordination of care, in their local community. Additionally, Carle has a Regional Outreach Services team, which collaborates with regional providers to address their specific needs, streamline care coordination, facilitate physician to physician

consultations as well as provide optimized paths for patient transfer to higher levels of care at Carle, when needed. Due in large part to these partnerships, affiliations and its outreach function, medical/surgical bed utilization has increased to a point where Carle will not be able to meet all of the medical needs of patients residing in east central Illinois without adding medical surgical beds.

Unfinished or Shell Space

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

Section V Master Design and Related Projects

This is not a Master Design and Related Projects activity. Therefore this section is not applicable.

SECTION VI - MERGERS, CONSOLIDATIONS & ACQUISITIONS/CHANGES OF OWNERSHIP

This project does not involve a merger, consolidation or acquisition/change of ownership. Therefore this section is not applicable.

Section VII, Service Specific Review Criteria
Medical/Surgical, Obstetric, Pediatric and Intensive Care – Review Criteria
Criterion 1110.530(b), Planning Area Need – Review Criteria

1. Service to Planning Area Residents

The Applicants propose to add 48 medical/surgical beds to its existing medical/surgical unit. The additional medical/surgical beds are necessary to meet the growing demand for medical/surgical services at CFH. As discussed throughout the application, CFH serves a large service area, comprised of 40 counties, encompassing approximately one-third of the geographic area of the State. A copy of the CFH service area map is attached hereto as Attachment – 20A. As shown in Table 1110.530(b)(2) below, 97. 4% of patients in 2013 resided within the CFH service area.

Table 1110.530(b)(2)
2013 Medical/Surgical Patients by County

County	Med/Surg Patients	Percent of Med/Surg Patients
CHAMPAIGN	7,518	49.8%
VERMILION	2,522	16.7%
DOUGLAS	804	5.3%
COLES	764	5.1%
PIATT	582	3.9%
FORD	389	2.6%
IROQUOIS	326	2.2%
EDGAR	308	2.0%
EFFINGHAM	242	1.6%
DEWITT	165	1.1%
VERMILION, IN	122	0.8%
CUMBERLAND	121	0.8%
CRAWFORD	117	0.8%
CLARK	100	0.7%
MACON	99	0.7%
FOUNTAIN, IN	90	0.6%
MCLEAN	87	0.6%
SHELBY	65	0.4%
MOULTRIE	61	0.4%
JASPER	55	0.4%
LAWRENCE	40	0.3%
LIVINGSTON	33	0.2%
CLAY	32	0.2%
RICHLAND	18	0.1%
KANKAKEE	13	0.1%
WARREN, IN	11	0.1%
CHRISTIAN	10	0.1%

Table 1110.530(b)(2) 2013 Medical/Surgical Patients by County		
County	Med/Surg Patients	Percent of Med/Surg Patients
GRUNDY	5	0.0%
LOGAN	5	0.0%
WOODFORD	1	0.0%
TOTAL MED/SURG PATIENTS FROM SERVICE AREA	**14,705**	**97.4%**
TOTAL MED/SURG PATIENTS OUTSIDE SERVICE AREA	**393**	**2.6%**
TOTAL MED/SURG PATIENTS	**15,098**	**100.0%**

2. Service Demand

The Applicants propose to add 48 medical/surgical beds to its existing 212 bed medical/surgical unit. The additional beds are necessary to reduce high utilization over the past two years at CFH and to meet the projected demand for medical/surgical services in the future. The increased demand for medical/surgical services is due to CFH's position as the only tertiary care hospital in the region as well as its affiliations, strategic partnerships and outreach initiatives designed to ensure the medical needs of residents in east central Illinois are met close to home. The projections do not anticipate referrals from physicians who currently do not refer to CFH. Accordingly, no physician referral letters have been submitted. As shown in Table 1110.530(b)(4)(A) below, patient days at CFH have increased 26.6% over the past three years or 8.9% annually. The Applicants anticipate medical/surgical utilization will continue to grow at historical levels and utilization will exceed capacity by the end of 2014.

Table 1110.530(b)(4)(A) Historical and Projected Med/Surg Utilization				
	Authorized CON Beds	IP Days	Obs Days	CON Occupancy
2010	205	55,733	891	75.7%
2011	205	57,966	1,171	79.0%
2012	212	63,877	2,224	85.4%
2013	212	66,989	4,694	92.6%
Projected 2014	212	71,499	6,539	100.9+%

As shown in Table 1110.530(b)(4)(B), the additional medical/surgical beds are warranted to reduce utilization to more manageable levels. Importantly, the Applicants acknowledge 48 additional medical/surgical beds may not be sufficient to meet projected demand if growth continues at the

same levels as seen over the past three years and will seek HFSRB approval if additional medical/surgical beds are required in the future.

Table 1110.530(b)(4)(B) Projected Med/Surg Utilization based on Proposed Expansion				
	Proposed CON Beds	IP Days	Obs Days	CON Occupancy
Projected 2014	260	71,499	6,539	82.2%
Projected 2015	260	76,312	8,081	88.9%
Projected 2016	260	81,450	9,297	95.6%

Section VII, Service Specific Review Criteria
Medical/Surgical, Obstetric, Pediatric and Intensive Care – Review Criteria
Criterion 1110.530(e)(1), Staffing Availability Criteria

The additional medical/surgical beds will be staffed in accordance with IDPH and Medicare staffing requirements. CFH anticipates 50.4 nursing full-time equivalents ("FTEs") and 10 health care technician FTEs will be necessary to provide the nursing care for its patients in the proposed medical/surgical unit. As discussed more fully below, with CFH's ongoing recruiting initiatives and the number of new nursing graduates increasing, CFH will be able to hire sufficient nursing personnel to staff the proposed medical/surgical beds.

High quality patient care is the cornerstone of CFH's mission, vision and strategic plan. Consistent with the fact that nursing is the largest health care profession in the country, nurses are a critical element of the staffing requirements at CFH. The caliber of CFH's current nursing staff sets the bar high, and CFH always endeavors to attract candidates who can perform at that level. CFH's nurses work hard each day to make CFH a world class hospital, and they know what it means to provide exceptional care. CFH believes its nursing staff is at the core of exceptional patient care, and the hospital's leaders seek to hire and retain the most qualified, compassionate nurses in the region and do so through creative marketing strategies, competitive pay practices and attractive benefits.

As part of this mission, several years ago, CFH instituted the Carle Student Nurse Internship Program. The 7-week paid internship is used intermittently and is open to nursing students who are entering their final year of a nursing program. The internship is designed to provide student nurses with a unique experience. Through mentoring by a professional RN, students observe the application of the theoretical principles that have been learned in the classroom. The student can improve his/her critical thinking skills, organizational skills and their understanding of the nursing process. CFH hires a significant percentage of these interns as permanent staff nurses. Three years ago, CFH also developed the CNRP program (Carle Nurse Residency Program). CFH hires all of its medical surgical new grads into this program. Throughout the first 3 to 4 months of employment, each new graduate has a chance to be trained and precepted on a variety of CFH's medical-surgical units. Each new graduate is then placed on the unit where the match seems the best for their particular interests and desires. This program has been successful at drawing new graduates to Carle and retaining them once they are employed. Since the beginning of 2013, CFH has hired 65 CNRP nurses.

CFH is sensitive to the issues surrounding the retention of its qualified nursing staff. One of the critical issues surrounding nursing staff satisfaction relates to ensuring patient care is approached with a team care approach where the role of the nurse is not viewed as a subordinate to physician professionals. Our dyad leadership model which pairs a physician with a local leader has been successful in attaining high levels of collaboration between physicians working on the units and the staff who are caring daily for the patients. To address childcare issues, CFH operates a licensed day care center two blocks from the hospital called the Caring Place. Further, CFH recognizes that much of its current and potential workforce consists of individuals who may not be able to work Monday-Friday night shifts. Therefore, in an effort to retain and attract high-quality staff, CFH has implemented flexible shift self-scheduling. Doing so has offered RNs a variety of opportunities to work their desired hours. CFH also has an incentive program built to cover any remaining shifts due to growth in patient volumes. Carle also has a robust float pool of RNs who also work to fill in gaps created by expected or unexpected vacancies. Flexible shift offerings have been very successful in retaining nurses who would have left CFH because they could no longer work a set shift of 12 hours, 3 days per week, and has attracted several external RN applicants as well.

CFH also developed a competitive salary scale with various options, and implemented a direct mail marketing campaign to announce the new program. This has been a very successful program.

With regard to nursing workforce supply, the Illinois Center for Nursing projects a surplus of 15 RNs annually for the East Central Illinois Economic Development Region ("East Central Illinois EDR")[1] through 2018.[1] In 2011 there were approximately 3,408 patient-care RNs and 263 advanced practice nurses working in the East Central Illinois EDR.[2] According to demand projections from the Illinois Center for Nursing, the regional demand for nurses in the East Central Illinois EDR will be 172 RNs annually through 2018. With the number of newly licensed RNs increasing from 86% from 2006 to 2010, the projected regional supply of RNs is anticipated to be 187 RNs annually through 2018. This will result in a slight excess of RNs in East Central Illinois EDR. Accordingly, CFH projects it will be able to appropriately staff the additional medical/surgical unit.

[1] East Central Illinois Economic Development Region is comprised of Champaign, Ford, Iroquois, Piatt and Vermillion counties.

[2] Illinois Center for Nursing, 2011 East Central EDR Supply-Demand Analysis for Patient Care Registered Nurses (RNs) *available at* http://nursing.illinois.gov/PDF/2011%20RN%20East%20Central%20EDR%20Sup-Dem%20Analysis%20FINAL%20(2).pdf (last visited Mar. 17, 2014).

Section VII, Service Specific Review Criteria
Medical/Surgical, Obstetric, Pediatric and Intensive Care – Review Criteria
Criterion 1110.530(f), Performance Requirements

CFH is located in the Champaign-Urbana Metropolitan Statistical Area ("MSA"). The minimum bed capacity for a medical-surgical category of service within a MSA is 100 beds. The proposed project is for the addition of 48 medical-surgical beds to an existing medical-surgical category of service, which will result in a total of 260 medical-surgical beds. Accordingly, this criterion is met.

Section VII, Service Specific Review Criteria
Medical/Surgical, Obstetric, Pediatric and Intensive Care – Review Criteria
Criterion 1110.530(g), Assurances

Attached at Attachment – 20 is a letter from James C. Leonard, M.D. certifying the CFH medical/surgical category of service will achieve target utilization by the second year after project completion.

Attachment – 20

Carle
Carle Foundation Hospital
611 West Park Street, Urbana, IL 61801-2595 Phone: (217) 383-3311

April 11, 2014

Kathryn J. Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Projected Utilization Assurance

Dear Chair Olson:

Pursuant to 77 Ill. Admin. Code § 1110.1530(g), I hereby certify by the second year after project completion, the Carle Foundation Hospital medical/surgical bed unit will achieve and maintain 90% target utilization as specified in 77 Ill. Admin. Code 1100.520(c)(2)(A).

Sincerely,

James C. Leonard, M.D.
President and CEO
The Carle Foundation
Carle Foundation Hospital

Subscribed and sworn to me
This 11th day of April, 2014

Notary Public

"OFFICIAL SEAL"
ANN ELIZABETH BEYERS
Notary Public, State of Illinois
My commission expires 02/22/15

Section VII Service Specific Review Criteria

This is project does not involve any of the following services. Therefore the associated sections are not applicable.

- Comprehensive Physical Rehabilitation
- Acute Mental Illness and Chronic Mental Illness
- Neonatal Intensive Care
- Open Heart Surgery
- Cardiac Catheterization
- In-Center Hemodialysis
- Non-Hospital Based Ambulatory Surgery
- Selected Organ Transplantation
- Kidney Transplantation
- Subacute Care Hospital Model
- Children's Community-Based Health Care Center
- Community-Based Residential Rehabilitation Center
- Long Term Acute Care Hospital
- Clinical Service Areas Other than Categories of Service
- Freestanding Emergency Center Medical Services

Section 1120.120 Availability of Funds

The applicants have the following bond rating:

- AA- from Fitch's (March 25, 2013), included as part of Attachment-36

The applicants, therefore, are not required to address Section 1120.120 Availability of Funds

FitchRatings

FITCH AFFIRMS CARLE FOUNDATION (IL) REVS AT 'AA-'; OUTLOOK STABLE

Fitch Ratings-Chicago-25 March 2013: Fitch Ratings has affirmed the 'AA-' long-term rating for the following revenue bonds issued by the Illinois Finance Authority on behalf of Carle Foundation:

--$234.7 million series 2011A
--$61.9 million series 2009A
--$160.0 million series 2009B-E*

*Underlying rating. The bonds are supported by bank letters-of-credit issued by Northern Trust Company, N.A. or JP Morgan Chase Bank, N.A.

The Rating Outlook is Stable.

SECURITY

Debt payments are secured by a security interest in the gross receipts of the Obligated Group (which include The Carle Foundation, The Carle Foundation Hospital, Carle Health Care, Incorporated, and Carle Retirement Centers, Inc.). There is no mortgage or property pledge or debt service reserve fund.

KEY RATING DRIVERS

INTEGRATED MODEL A STRENGTH: Fitch views Carle's fully integrated clinical model favorably as it should provide for greater coordination in the delivery of care, allow for more effective cost control and better position the organization for health care reform and population health management.

DILUTIVE IMPACTS OF INTEGRATION: Although a non-obligated entity, inclusion of the health plan in financial and operating results of Carle has dilutive impact as compared to historical results. Fitch believes the dilutive effects are offset by the strategic opportunities that exist for the entity in a post reform health care environment.

GROWING MARKET SHARE POSITION: Carle has further extended its leading market share position in its primary service area of Champaign-Urbana to 51.3% in 2012 from 48.0% in 2010. Carle's market share has grown every year since 2002.

LIGHT NEAR-TERM COVERAGE: Carle's debt burden is elevated through 2015 as the corporation pays down a subordinate note related to the purchase of the assets of the Carle Clinic and Health Alliance Medical Plans. For purposes of analysis, Fitch is using the maximum annual debt service (MADS) of $71.6 million, which includes the subordinate payments. MADS drops to $35.6 million after 2015.

LIGHT LIQUIDITY: Liquidity is light for the rating category, but should improve over time.

RATING SENSITIVITIES

EXPOSURE TO STATE OF ILLINOIS: Premiums generated from the State of Illinois employees account for roughly 45% of HAMP's revenues in 2012. While the recently executed long term contract between HAMP and the State of Illinois is a positive development, the long payment delays and the concentration of premiums from the State are a credit risk.

CREDIT PROFILE

Fitch's credit analysis is based primarily on the results of the consolidated entity which includes Health Alliance Medical Plans, Inc. (HAMP), a non-obligated health insurer licensed in the State of Illinois. In 2011 (year ended Dec. 31) HAMP accounted for roughly two thirds of total consolidated revenues.

The 'AA-' rating reflects the strategic benefit of Carle Foundation's integrated delivery model, its growing market share position and the expected improvement in its financial profile over the near term. In April 2010, Carle Foundation purchased the Carle Clinic, a 350-physician multi-specialty group, and HAMP, a 289,000 member health plan, for a purchase price of $250 million. Carle Foundation and the Carle Clinic had worked closely together for over 60 years and the Clinic physicians accounted for 95% of hospital admissions. The acquisition was financed with $69 million of cash, $22 million of long term debt and $159 million of promissory notes. The promissory notes are being paid down over a five year period with yearly payments (principal and interest) ranging from $34.3 million to $39.0 million. Thus, Fitch expects that Carle's liquidity and leverage metrics will show material improvement after 2015 once the corporation pays off the notes. Fitch believes that the strategic benefits of Carle's acquisition of the Clinic and its health plan outweigh the dilutive effects of the acquisition on Carle's consolidated financial profile and capital metrics. In particular, Fitch believes Carle's fully integrated delivery system model combined with its leading market share position, positions the organization favorably for the expected movement towards value-based reimbursement models and population health management incentives.

In 2011, on fully consolidated basis, Carle generated income from operations of $55.9 million on total revenues of $1.61 billion (3.5% margin) and operating EBITDA of $134.2 million (8.3% margin). Through the nine months ended Sept 30, 2012 Carle generated operating income of $29.1 million and operating EBITDA of $89.8 million on total revenues of $1.25 billion, which equate to operating and operating EBITDA margins of 2.3% and 7.2%, respectively and trail the respective 'AA' medians of 4.0% and 10.6%. Although total revenues increased 5.3% compared to the prior year period, total expenses grew 6.2% reflecting higher labor and supply expenses due to increased patient volumes. Inpatient discharges through the nine months ended Sept. 30 were up 6.9% over the prior year period driven by higher surgical volumes. On an Obligated Group only basis, Carle generated operating and operating EBITDA margins of 9.3% and 17.0% in 2011, respectively, and 9.3% and 16.8% through the nine month interim period.

Leverage metrics are elevated due to the impact of the acquisition financing but should improve materially after 2015. For purposes of analysis, Fitch has calculated maximum annual debt service (MADS) at $71.6 million and includes payments on the promissory notes. After 2015, MADS will drop to $35.6 million. However, the master trust indenture (MTI) MADS is $40.1 million in 2015, since it includes only 20% of the annual debt service on the promissory notes. Coverage of the $71.6 million MADS by EBITDA was 2.8x in 2011 and 2.4x through nine month interim period. However, coverage of the $40.1 million MADS as per the MTI definition in 2011 and through the interim period improves to 5.1x and 4.3x, respectively. Debt-to-capitalization at Sept 30, 2012 is elevated at 43.6% when compared to the 'AA' category median 33.9% but should moderate significantly over the next three years.

At Sept 30, 2012, Carle had unrestricted cash and investments of $828.4 million, which is up from $714.9 million at year end 2011. Cash to debt of 123.7% and cushion ratio of 11.6x are weak compared to the 'AA' category medians and reflect the impact of the acquisition debt. Days cash on hand of 191.1 is diluted by the inclusion of the health plan expenses. On an OG only basis, DCOH jumps to 338.3 days and exceeds the 'AA' median of 241.1.

Carle has further increased its leading market share in its primary service area of Champaign County over the last two years to 51.3% in 2012 from 48.0% in 2010. Moreover, Carle has been able to increase its market share in key clinical lines such as neurosciences, heart and vascular, oncology and women's services. Provena has the second largest market share position at 23.5% in 2012. Regionally, Carle continues to extend its reach through growth of clinical alignments with smaller regional hospitals and expanding outpatient sites. Hoopeston Regional Health Center, a 22 bed critical access hospital located 50 miles northeast of Carle's main campus, was merged into Carle in November 2012.

HAMP has a strong regional presence, and Carle and HAMP are exploring regional business opportunities, as well as other potential initiatives around health care reform, including its ability to manage care coordination and control costs. However, almost half of HAMP's premiums are generated from State of Illinois employees. While the recently executed long term contract between HAMP and the State of Illinois is a positive development, the long payment delays and the concentration of premiums from the State are viewed as a credit risk.

Construction on the nine-story, 348,000 square foot patient tower is on time and within budget and is expected to open in October 2013. The tower will have new patient floors, with all private rooms and integrated family space, 50,000 square feet for physicians offices, a new intensive care unit for adults and children, and better alignment of clinical services than is currently configured in its current patient floors. In addition, the building is designed with the flexibility to add patient beds in the future. Fitch views the addition of the patient tower favorably, as Carle has been running inpatient occupancy above 80% since 2010.

The Stable Outlook reflects Fitch's belief that Carle will continue to realize the strategic benefits of its integrated delivery system particularly with the movement towards value based reimbursement models. Carle's leverage position should moderate significantly after 2015 when the promissory/ installment notes are paid off.

At Sept 30th, Carle's debt structure consists of $555.5 million of revenue bonds issued through the Illinois Finance Authority, $15.0 million of installment notes and $99.3 million of promissory notes. Carle's revenue bonds are composed of 53% of fixed rate debt and 45% of variable rate debt. Carle has five swaps in place; two fixed payor swaps, one constant maturity swap, and two basis swaps. Total notional value of the swaps is $266.7 million. There are five counterparties, which provides for good counterparty diversity as it limits exposure to any single counterparty. The collateral thresholds on the swaps range from $15 to $20 million and Carle has never had to post collateral.

Located in Urbana IL, Carle Foundation consists of 338-bed Carle Foundation Hospital, Carle Health Care (which includes Carle Physician Group comprised mostly of former Clinic physicians), Carle Retirement Centers, a 174-unit retirement center d/b/a The Windsor, and a health plan. On a consolidated basis, Carle had $1.6 billion in total operating revenues in 2011. Carle covenants to disclose annual financial information within 150 days of each fiscal year end and quarterly information within 50 days of each fiscal quarter-end to EMMA. Disclosure to date has been excellent and includes balance sheet, income statement, cash flows, and management discussion and analysis.

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Additional information is available at 'www.fitchratings.com'. The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

In addition to the sources of information identified in the Revenue-Supported Rating Criteria, this action was additionally informed by information from the Underwriter and The Carle Foundation.

Applicable Criteria and Related Research:
--'Revenue-Supported Rating Criteria' (June 12, 2012);
--'Rating Guidelines For Nonprofit Hospitals and Health Systems' (July 23, 2012).

For information on Build America Bonds, visit www.fitchratings.com/BABs.

Applicable Criteria and Related Research
Revenue-Supported Rating Criteria
http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=681015
Nonprofit Hospitals and Health Systems Rating Criteria
http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=683418

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Section 1120.130 Financial Viability

The applicants have the following bond rating:

- AA- from Fitch's (March 25, 2013), included as part of Attachment-36

The applicants, therefore, are not required to address Section 1120.130 Financial Viability.

Section 1120.140 Economic Feasibility
A. Reasonableness of Financing Arrangements

The applicants have the following bond rating:

- AA- from Fitch's (March 25, 2013), included as part of Attachment-36

The applicants, therefore, are not required to address Section 1120.140 (a) Reasonableness of Financing Arrangements.

Section 1120.140 Economic Feasibility
B. Conditions of Debt Financing

This project does not involve debt financing.

The applicants, therefore, are not required to address Section 1120.140 (b) Conditions of Debt Financing.

Section 1120.140 Economic Feasibility
D. Projected Operating Costs
E. Total Effect of the Project on Capital Costs

The applicants propose to develop and utilize the shell space created pursuant to HFSRB permit number 08-013 and add 48 authorized Medical Surgical locations for use within this space.

The table below provides information regarding costs as they relate to 94,152 patient days.

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

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

Review Criteria Relating to Economic Feasibility		
1	Equivalent Patient Days	94,152
2	Total Capital Cost	$52,844,681.00
3	Total Operating Cost	$332,152,095.00
4	Capital Cost per Equivalent Patient Day	$561.27
5	Operating Cost per Equivalent Patient Day	$3,527.83

Safety Net Impact Statement

The Applicants propose to develop and utilize the shell space created pursuant to HFSRB permit number 08-013 and add 48 authorized Medical Surgical bed locations for use within this space. No services are being discontinued or added. The addition of additional Medical Surgical beds is not expected to have any adverse impact on safety net services in the community or on the ability of any other health care provider to deliver services but rather will enhance the delivery of care to vulnerable patient groups.

This Safety Net Impact Statement addresses the following requirements:

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.**

   As the largest provider of Medicaid and charity care in the D-01 planning area, Carle Foundation Hospital is an integral provider of safety net services to residents in east central Illinois. In 2012, Carle provided 72% of all charity care and 70.5% of all Medicaid care in the D-01 planning area.[1] Further, Carle is the only hospital in the region providing many specialized services, such as neuroscience services, cardiovascular services, Level I Trauma, Level III Perinatal, and various leading-edge technologies and advanced cancer treatments. Without these specialized services, residents would have to travel to Chicago, Springfield, Peoria and St. Louis to receive tertiary care. As discussed in the Purpose of the Project narrative, it is critical Carle remains accessible to patients. The proposed additional medical/surgical beds will ensure patients in east central Illinois will have access to tertiary care close to home. Without additional medical/surgical beds, projected demand will exceed the current medical/surgical bed complement.

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.**

   The proposed addition of medical/surgical beds at Carle will not adversely impact the ability of other providers or health care systems to serve patients seeking safety net services. As stated in Attachment 11, no other hospital in east central Illinois provides the same level of specialized care as Carle. It is the only Level I trauma center and Level III perinatal center in the region. It operates a nationally recognized cancer center and features the Carle Neuroscience Institute, a regional tertiary care service line that includes a primary stroke center with several components of a comprehensive stroke center. Additionally, its Heart and Vascular Institute and Digestive Health Center offer a number of services not available elsewhere in the area. Patients come to Carle to receive specialized care that is not provided at any other hospital in the region. The Applicants do not believe there will be any adverse impact on other providers or health care systems to cross-subsidize safety net services.

[1] Based on charity care expense and Medicaid revenue reported on 2012 Annual Hospital Questionnaire.

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.**

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

Safety Net Impact Statements shall also include:

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

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

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

1. Charity Care Information

Charity Care (# of patients)	**FY 11**	**FY 12**	**FY 13**
Inpatient	1,545	1,756	3,220
Outpatient	16,082	21,729	60,338
Total	**17,627**	**23,485**	**63,558**
Charity Care (cost in dollars)	**FY 11**	**FY 12**	**FY 13**
Inpatient	$9,844,226	$10,681,168	$12,084,283
Outpatient	$5,388,600	$8,063,826	$12,702,816
Total	**$15,232,826**	**$18,744,995**	**$24,787,099**

2. Medicaid Information

Medicaid (# of patients)	**FY 11**	**FY 12**	**FY 13**
Inpatient	3,357	2,961	2,308
Outpatient	56,294	60,014	104,001
Total	**59,651**	**62,975**	**106,309**
Medicaid (Revenue)	**FY 11**	**FY 12**	**FY 13**
Inpatient	$54,859,000	$54,396,000	$73,247,000
Outpatient	$4,924,000	$7,495,000	$9,303,000
Total	**$59,783,000**	**$61,891,000**	**$82,550,000**

3. Additional Information Relevant to Safety Net Services

The following documents included in this application are relevant to safety net services in the applicant's planning area.

- Annual Community Benefit Report for 2012 (Attachment-11a)

Charity Care Information

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

Carle Foundation Hospital

	Charity Care			
		2011	2012	2013
1	Net Patient Revenue	$395,467,000	$419,650,000	$581,961,262
2	Amount of Charity Care (charges)	$70,120,870	$89,380,238	$131,822,322
3	Cost of Charity Care	$15,232,826	$18,744,995	$24,787,099
4	Ratio of the cost of Charity Care to Net Patient Revenue	3.9%	4.5%	4.3%

Hoopeston Community Memorial Hospital

	Charity Care			
		2011	2012	2013
1	Net Patient Revenue	$23,918,176	$24,562,725	$25,847,959
2	Amount of Charity Care (charges)	$1,751,103	$1,535,105	$1,829,753
3	Cost of Charity Care	$793,140	$958,017	$830,495
4	Ratio of the cost of Charity Care to Net Patient Revenue	3.3%	3.9%	3.2%