15-031

[ORIGINAL]

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD APPLICATION FOR PERMIT

RECEIVED

JUL 10 2015

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: Carle- Curtis Road Clinic
Street Address: 1701 W. Curtis Road
City and Zip Code: Champaign, IL 61822
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
- ☐ For-profit Corporation
- ☐ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ 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 & Regulatory 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 & Regulatory 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.

The Carle Foundation ("Carle") proposes to expand its existing two story outpatient medical office building located at 1701 W. Curtis Road in Champaign, Illinois by building an addition to the building (the "Project"). The total project cost is expected to be $28,500,000 and will be funded with bond financing as well as cash and securities.

The expansion will include 59,600 gsf of new construction of clinical space and 8,000 gsf of modernization of clinical space. Specifically, the added space is intended to house cardiac rehabilitation as well as the exam rooms for the following additional or relocated providers:

- 24 net new primary care providers (family medicine, adult medicine and pediatrics)
- 5 additional acute care and convenient care providers
- Allergists will be relocated from Carle's current Kirby Ave. (Champaign) location
  - Plus planned recruitment of one new allergy provider in 2015
- Endocrinologists will be relocated from Kirby Ave. (Champaign) location
  - Plus planned recruitment of two new endocrinologists in 2015 and 2016
- Rheumatologists will be relocated from Kirby Ave. (Champaign) location
  - Plus planned recruitment of one new rheumatologist in 2015
- Dieticians and diabetic educators will be relocated from Kirby Ave. (Champaign) location

The Project will also contain 20,000 gsf of new construction and 1,000 gsf of modernization relating to non-clinical areas, including mechanical components and other building systems and administrative space.

This project does not propose to establish a new category of service or a new health care facility as defined by the Planning Act. The clinical services and programs that will be provided are already being provided by the Applicants at existing locations. The Project is non-substantive.

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	$202,000	$195,000	$397,000
Site Survey and Soil Investigation	$70,000	$70,000	$140,000
Site Preparation	$570,000	$680,000	$1,250,000
Off Site Work	$200,000	$850,000	$1,050,000
New Construction Contracts	$10,965,000	$4,515,000	$15,480,000
Modernization Contracts	$1,057,000	$320,000	$1,377,000
Contingencies	$1,193,035	$470,345	$1,663,380
Architectural/Engineering Fees	$795,000	$525,000	$1,320,000
Consulting and Other Fees	$500,000	$635,000	$1,135,000
Movable or Other Equipment (not in construction contracts)	$1,922,500	$2,015,120	$3,937,620
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	$200,000	$550,000	$750,000
Acquisition of Building or Other Property (excluding land)	$0	$0	$0
TOTAL USES OF FUNDS	**$17,674,535**	**$10,825,465**	**$28,500,000**
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$883,727	$541,273	$1,425,000
Pledges			
Gifts and Bequests			
Bond Issues (project related)	$16,790,808	$10,284,192	$27,075,000
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	**$17,674,535**	**$10,825,465**	**$28,500,000**

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): October 31, 2017

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, IL			
REPORTING PERIOD DATES:		**From:** 1/1/2014	**to:** 12/31/2014		
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days**	**Bed Changes**	**Proposed Beds**
Medical/Surgical	260	17,153	77,261	n/a	260
Obstetrics	35	2,872	7,946	n/a	35
Pediatrics	20	1,301	3,659	n/a	20
Intensive Care	38	2,007	7,165	n/a	38
Comprehensive Physical Rehabilitation	15	295	4,121	n/a	15
Acute/Chronic Mental Illness	0	0	0	n/a	0
Neonatal Intensive Care	25	435	3,325	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:	393	24,063	103,477	n/a	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 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 2nd day of July 2015

Signature of Notary

Seal

OFFICIAL SEAL
ERIN ELIZABETH KNIGHT
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 4/15/2017

SIGNATURE

Stephanie Beever
PRINTED NAME

Senior VP, System Strategic Development
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 2nd day of July 2015

Signature of Notary

Seal

OFFICIAL SEAL
ERIN ELIZABETH KNIGHT
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 4/15/2017

*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 * 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 2nd day of July 2015

Signature of Notary

Seal

OFFICIAL SEAL
ERIN ELIZABETH KNIGHT
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 4/15/2017

SIGNATURE

Stephanie Beever
PRINTED NAME

Senior VP, System Strategic Development
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 2nd day of July 2015

Signature of Notary

Seal

OFFICIAL SEAL
ERIN ELIZABETH KNIGHT
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 4/15/2017

*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 tot 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

Sections A-N and P are not applicable.

O. Criterion 1110.3030 - Clinical Service Areas Other than Categories of Service

1. Applicants proposing to establish, expand and/or modernize Clinical Service Areas Other than Categories of Service must submit the following information:
2. Indicate changes by Service: Indicate # of key room changes by action(s):

Service	# Existing Key Rooms	# Proposed Key Rooms
☐		
☐		
☐		

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

:

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
New Services or Facility or Equipment	(b) -	Need Determination - Establishment
Service Modernization	(c)(1) -	Deteriorated Facilities
		and/or
	(c)(2) -	Necessary Expansion
		PLUS
	(c)(3)(A) -	Utilization - Major Medical Equipment
		Or
	(c)(3)(B) -	Utilization - Service or Facility
APPEND DOCUMENTATION AS ATTACHMENT-34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.		

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

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

VIII. - 1120.120 - Availability of Funds

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

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

Financial Viability Waiver

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

Provide Data for Projects Classified as:	**Category A or Category B (last three years)**			**Category B (Projected)**
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

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

2. Variance

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

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

X. 1120.140 - Economic Feasibility

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

A. Reasonableness of Financing Arrangements

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

1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or

2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:

A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or

B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

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

1) That the selected form of debt financing for the project will be at the lowest net cost available;

2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

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

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	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 expand their existing two story outpatient medical office building.

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			
Medical Office Building	$183.98	$132.13	59,600		8,000		$10,965,000	$1,041,675	$12,006,675
Contingency	$17.48	$18.92	59,600		8,000		$1,057,000	$151,360	$1,208,360
TOTALS	$201.45	$151.05	59,600		8,000		$12,022,000	$1,193,035	$13,215,035

The values in column C reflect the total gross square footage

Circulation is 23.1% 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 1.33% 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. Site survey, soil investigation, or site preparation costs are 4.84% of construction and contingency costs, which is under the state standard of 5.0%. Therefore this item is compliant with the state standard.

3. Off-site work costs total $200,000. There is no state standard for off-site work.

4. New construction and contingency costs are $201.45 per gsf, compared with the 3rd quartile of the RS Means standard of $221.45/gsf. Therefore this item is compliant with the state standard.

5. Modernization and contingency costs are $151.05 per gsf, compared with the 3rd quartile of the RS Means standard of $155.02/gsf. Therefore this item is compliant with the state standard.

1120.140 Economic Feasibility
C. Reasonableness of Project and Related Costs

6. The new construction contingency is 9.5% of new construction contracts, compared with the state standard of 10% for projects in the schematics stage. Therefore this item is compliant with the state standard.

7. The modernization contingency is 14.3% of modernization contracts, compared with the state standard of 15% for projects in the schematics stage. Therefore this item is compliant with the state standard.

8. New Construction Architectural and Engineering Fees are 5.8% of the sum of new construction contracts plus contingencies. This is within the state standard of 4.94-7.42% for a new construction budget under $15,000,000. Therefore this item is compliant with the state standard.

9. Modernization Architectural and Engineering Fees are 7.9% of the sum of modernization contracts plus contingencies. This is within the state standard of 6.90-10.36% for a modernization budget under $1,250,000. Therefore this item is compliant with the state standard.

10. Consulting and Other Fees total $500,000. There is no state standard for Consulting and Other Fees.

11. Movable or Other Equipment (Not in Construction Contracts) costs total $1,922,500. There is no applicable state standard for Movable and Other Equipment for this project.

12. There is no project related bond issuance expense associated with the proposed project.

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

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

15. Other Costs to Be Capitalized are $200,000. There is no state standard for Other Costs to Be Capitalized.

16. 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 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* 20TH *day of* APRIL *A.D.* 2015 .

Jesse White

SECRETARY OF STATE

Authentication #: 1511000714

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

Attachment- 1

File Number 5274-755-4

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.

Authentication #: 1421701268

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

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 5TH *day of* AUGUST *A.D.* 2014 .

Jesse White

SECRETARY OF STATE

Attachment- 1

(b)

[SITE 1 - 1701 CURTIS, CHAMPAIGN]

859083

SPECIAL WARRANTY DEED
(Illinois)

2010R06384

RECORDED ON
04/05/2010 12:21:59PM
CHAMPAIGN COUNTY
RECORDER
BARBARA A. FRASCA
REC FEE: 27.00
RHSPS Fee: 10.00
REV FEE:
PAGES 6
PIAT ACT: 0
PIAT PAGE:

THIS INDENTURE, made as of this 30th day of March, 2010, effective as of April 1, 2010, between CARLE CLINIC ASSOCIATION, P.C., an Illinois professional corporation ("GRANTOR"),

having its principal place of business at 602 W. University Avenue, Urbana, IL 61801, for and in consideration of the sum of Ten and No/100 Dollars ($10.00) in hand paid, the receipt whereof is hereby acknowledged, and pursuant to authority of the Grantor, by these presents does REMISE, RELEASE, ALIEN AND CONVEY unto

THE CARLE FOUNDATION, an Illinois not-for-profit corporation ("GRANTEE"),

having an address of 611 Park Street, Urbana, Illinois 61801, FOREVER, all the following described real estate (the "Property"), situated in the County of Champaign, State of Illinois, known and described as follows, to wit:

SEE LEGAL DESCRIPTION ON EXHIBIT A ATTACHED HERETO
AND MADE PART HEREOF

together with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim or demand whatsoever, of the Grantor, either in law or equity, of, in and to the above described premises, TO HAVE AND TO HOLD the said premises as above described, with the appurtenances, unto the Grantee, and his respective heirs and assigns forever, subject only to the permitted exceptions set forth on EXHIBIT B attached hereto and made a part hereof ("Permitted Exceptions").

And Grantor, for itself, and its successors, does covenant, promise and agree, to and with the Grantee, and their respective heirs and assigns, that it has not done or suffered to be done, anything whereby the said premises hereby granted are, or may be, in any manner encumbered or charged, except as herein recited; and that it WILL WARRANT AND DEFEND the said Property against all persons lawfully claiming, or to claim the same, by, through or under Grantor, subject to the Permitted Exceptions.

CHICAGO/#2049124.3

Signature Page to Special Warranty Deed

IN WITNESS WHEREOF, Grantor has caused its name to be signed to these presents by its President & CEO, the day and year first above written.

CARLE CLINIC ASSOCIATION, P.C., an Illinois professional corporation

By: R Bruce Wellman MD
Name: R. Bruce Wellman, M.D.
Its: President

STATE OF ILLINOIS)
) SS
COUNTY OF Champaign)

I, Diana L Quigg, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that R. Bruce Wellman, personally known to me to be the President & CEO of CARLE CLINIC ASSOCIATION, P.C., an Illinois professional corporation, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Pres & CEO, he signed and delivered the said instrument as his free and voluntary act, and as the free and voluntary act and deed of the Company, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 30 day of March, 2010.

"OFFICIAL SEAL"
DIANA L. QUIGG
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 2/11/14

Diana L Quigg
Notary Public

My commission expires: 2-11-14

THIS TRANSACTION IS EXEMPT FROM THE PROVISIONS OF THE ILLINOIS REAL PROPERTY TRANSFER TAX ACT PURSUANT TO THE PROVISIONS OF SUBPARAGRAPH 4(b) THEREOF.

Date: March 30, 2010

CARLE CLINIC ASSOCIATION, P.C.

By: R Bruce Wellman MD

CHICAGO/#2049124.3

Attachment- 2

AFTER RECORDING MAIL TO:

Donald R. Russell, Esq.
Hall Render Killian Heath & Lyman P.C.
One American Square, Suite 2000
Indianapolis, IN 46282

SEND SUBSEQUENT TAX BILLS TO:

The Carle Foundation
611 Park Street
Urbana, IL 61801

Attn: Chief Financial Officer

PREPARED BY:

Dennis P. Lindell, Esq.
Vedder Price P.C.
222 N. LaSalle Street, Suite 2500
Chicago, IL 60601

EXHIBIT A

LEGAL DESCRIPTION

Lot 101 of Liberty on the Lake I, Phase I, Subdivision, as per plat recorded April 23, 2007 as Document 2007R 09553, in Champaign County, Illinois.

Commonly known as: 1701 W. Curtis, Champaign, IL 61822

PIN(s): 46-20-35-101-001, Tax Code 3

EXHIBIT B

PERMITTED EXCEPTIONS

1. Taxes for the years 2009 and subsequent years, which are a lien although not yet due and payable.

2. The land lies within the boundaries of Phinney Branch Mutual Drainage District and is subject to assessments thereunder. No fees due as of the date of policy.

3. Easement in favor of Illinois Power Company, and its successors and assigns, and the provisions relating thereto contained in the grant recorded June 15, 1989 in book 1640 at page 484 as document no. 89R 10830, affecting a strip of land 60 feet in width in the Northwest Quarter of the Northwest Quarter of Section 35, Township 19 North, Range 8 East of the Third Principal Meridian in Champaign County, Illinois.

4. Easement in favor of Urbana & Champaign Sanitary Sewer District of Champaign County, Illinois, and its/their respective successors and assigns, to install, operate and maintain all equipment necessary for the purpose of serving the land and other property, together with the right of access to said equipment, and the provisions relating thereto contained in the grant dated November 14, 2003 and recorded May 10, 2004 as document no. 2004R 13665.

5. Terms and provisions of an Annexation Agreement as disclosed by instrument recorded May 30, 2006 as Document No. 2006R 13424 between The City of Champaign and Liberty on the Lake LLC. All rights thereunder and all terms thereof.

6. Agreement by and between The Urbana & Champaign Sanitary District, a municipal corporation, and Liberty on the Lake, LLC, recorded October 23, 2006 as document no. 2006R 29652.

7. Temporary Easement in favor of the City of Champaign, its successors and assigns, to install, operate and maintain all equipment necessary for the purpose of serving the land and other property, together with the right of access to said equipment, and the provisions relating thereto contained in the grant recorded January 11, 2007 as document no. 2007R 00837.

8. Covenants, restrictions, easements, setback lines, and party wall rights (but omitting any such covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons) contained in Owner's Certificate attached to and as shown on the Plat of Liberty on the Lake I, Phase I, Subdivision, recorded April 23, 2007 as document no. 2007R 09553, which does not contain a reversionary or forfeiture clause.

a. First Amendment to Liberty on the Lake I, Phase I, Subdivision recorded May 2, 2007 as document no. 2007R 10494.

b. Second Amendment of Liberty on the Lake I, Phase I and Phase II Subdivisions, recorded October 3, 2008 as document no. 2008R 25755.

9. Commercial Mortgage and Security Agreement dated Jun 10, 2007 and recorded July 10, 2007 as Document No. 2007R 18112 made by Carle Clinic Association, P.C. to Geneva Mortgage Corp., an Illinois corporation as Agent for the Central Laborers' Pension Fund to secure an indebtedness in the amount of $14,200,000.00.

a. Assignment and Assumption Agreement recorded ___ as Document No. ___.

10. Assignment of Lessor's Interest in Leases with Assignment of Rents, Income and Cash Collateral recorded July 10, 2007 as document no. 2007R 18113 made by Carle Clinic Association, P.C. to Geneva Mortgage Corp., an Illinois corporation as Agent for the Central Laborers' Pension Fund.

a. Assignment and Assumption Agreement recorded ___ as Document No. ___.

11. Security Interest of Geneva Mortgage Corp, as agent for Central Laborers' Pension Fund, secured party, in certain described chattels on the land as disclosed by financing statement naming Carle Clinic Association, P.C., as debtor and recorded July 10, 2007, as Document No, 2007R 18114.

a. Assignment and Assumption Agreement recorded ___ as Document No. ___.

12. Matters as disclosed by the plat of survey prepared by Berns, Clancy and Associates, dated January 29, 2010 and last revised March 22, 2010, as Job No. 5995-1, as follows:

a. the sign at the northeast corner of the subject land encroaches upon Curtis Road by approximately 1.2 feet;
b. the sign located at the southwest corner of the subject land encroaches onto the easement noted at exceptions no. 13 and 14;
c. Sprinkler system encroaches upon Mattis Avenue; Curtis Road and Congressional Way;

13. Leasehold interest of The Carle Foundation Hospital, by virtue of a lease with Carle Clinic Association, P.C., as landlord, 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.

14. Rights of Latte Da! Inc., by virtue of a License Agreement with Carle Clinic Association, P.C.

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* 20TH *day of* APRIL *A.D.* 2015 .

Jesse White

SECRETARY OF STATE

Authentication #: 1511000714

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

Attachment- 3

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* 5TH *day of* AUGUST *A.D.* 2014 .

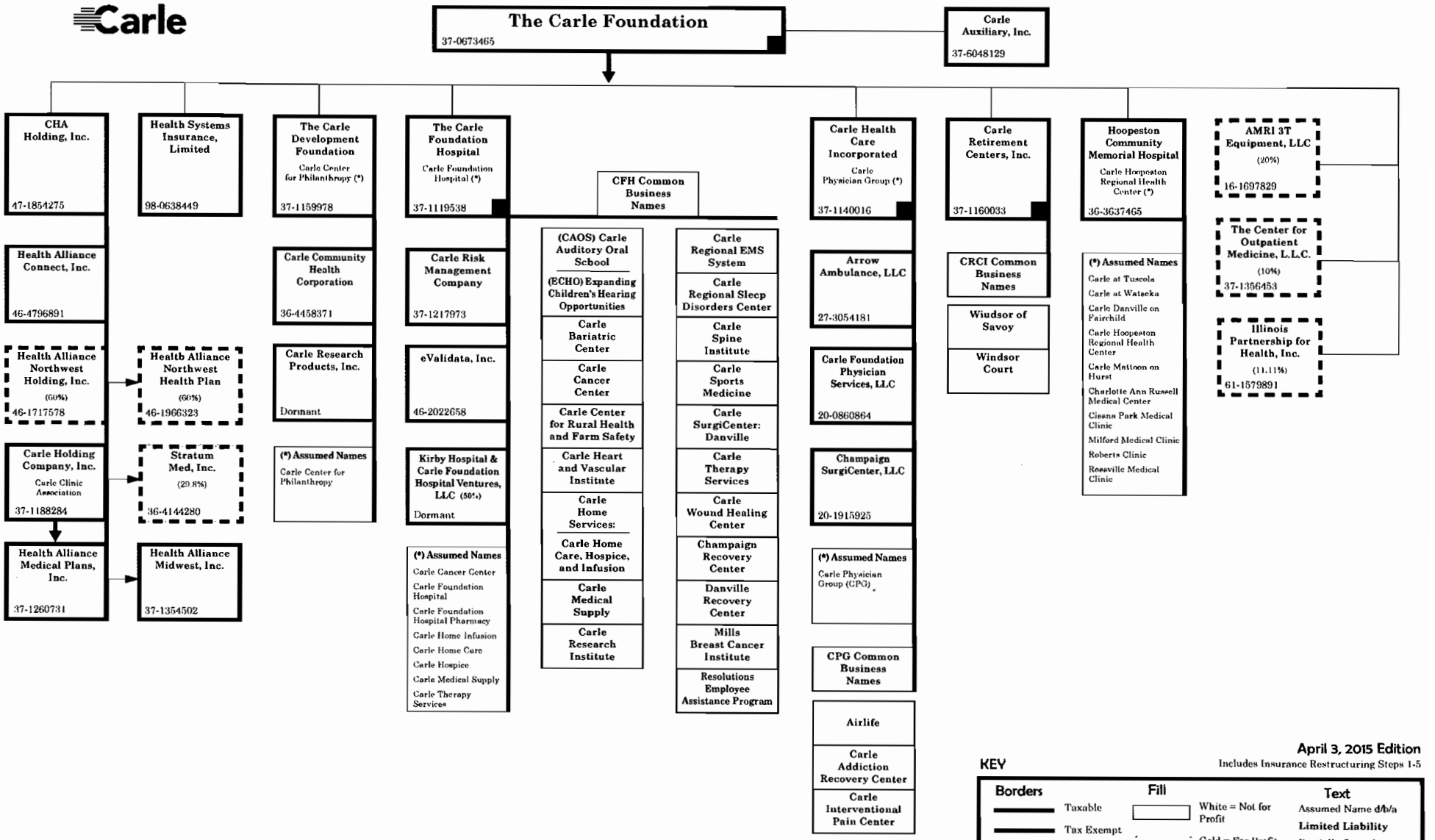
Jesse White

SECRETARY OF STATE

Authentication #: 1421701268

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

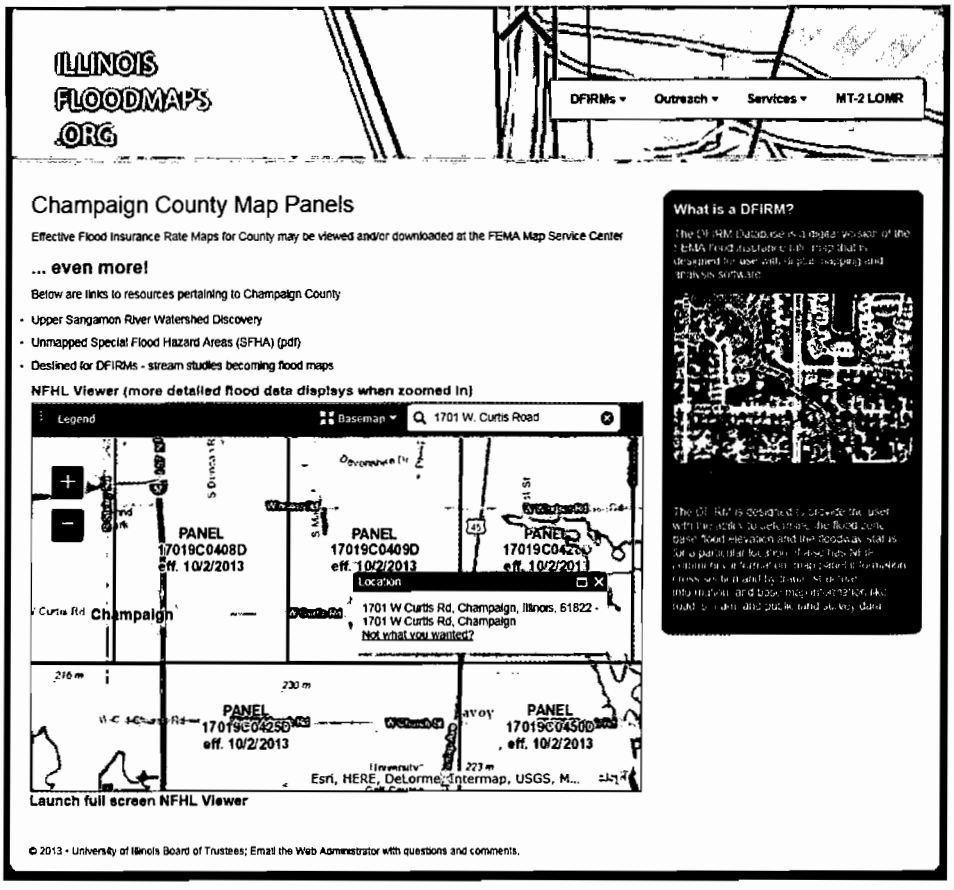
Attachment- 3


Carle
The Carle Foundation
37-0673465
Carle Auxiliary, Inc.
37-6048129
CHA Holding, Inc.
47-1854275
Health Systems Insurance, Limited
98-0638449
The Carle Development Foundation
Carle Center for Philanthropy (*)
37-1159978
The Carle Foundation Hospital
Carle Foundation Hospital (*)
37-1119538
CFH Common Business Names
Carle Health Care Incorporated
Carle Physician Group (*)
37-1140016
Carle Retirement Centers, Inc.
37-1160033
Hoopeston Community Memorial Hospital
Carle Hoopeston Regional Health Center (*)
36-3637465
AMRI 3T Equipment, LLC
(20%)
16-1697829
Health Alliance Connect, Inc.
46-4796891
Carle Community Health Corporation
36-4458371
Carle Risk Management Company
37-1217973
(CAOS) Carle Auditory Oral School
(ECHO) Expanding Children's Hearing Opportunities
Carle Bariatric Center
Carle Cancer Center
Carle Center for Rural Health and Farm Safety
Carle Heart and Vascular Institute
Carle Home Services:
Carle Home Care, Hospice, and Infusion
Carle Medical Supply
Carle Research Institute
Carle Regional EMS System
Carle Regional Sleep Disorders Center
Carle Spine Institute
Carle Sports Medicine
Carle SurgiCenter: Danville
Carle Therapy Services
Carle Wound Healing Center
Champaign Recovery Center
Danville Recovery Center
Mills Breast Cancer Institute
Resolutions Employee Assistance Program
Arrow Ambulance, LLC
27-3054181
CRCI Common Business Names
Wiudsor of Savoy
Windsor Court
(*) Assumed Names
Carle at Tuscola
Carle at Watseka
Carle Danville on Fairchild
Carle Hoopeston Regional Health Center
Carle Mattoon on Hurst
Charlotte Ann Russell Medical Center
Cissna Park Medical Clinic
Milford Medical Clinic
Roberts Clinic
Rossville Medical Clinic
The Center for Outpatient Medicine, L.L.C.
(10%)
37-1356453
Illinois Partnership for Health, Inc.
(11.11%)
61-1579891
Health Alliance Northwest Holding, Inc.
(60%)
46-1717578
Healtb Alliance Northwest Health Plan
(60%)
46-1966323
Carle Holding Company, Inc.
Carle Clinic Association
37-1188284
Stratum Med, Inc.
(20.8%)
36-4144280
Health Alliance Medical Plans, Inc.
37-1260731
Health Alliance Midwest, Inc.
37-1354502
Carle Research Products, Inc.
Dormant
(*) Assumed Names
Carle Center for Philanthropy
eValidata, Inc.
46-2022658
Kirby Hospital & Carle Foundation Hospital Ventures, LLC (50%)
Dormant
(*) Assumed Names
Carle Cancer Center
Carle Foundation Hospital
Carle Foundation Hospital Pharmacy
Carle Home Infusion
Carle Home Care
Carle Hospice
Carle Medical Supply
Carle Therapy Services
Carle Foundation Physician Services, LLC
20-0860864
Champaign SurgiCenter, LLC
20-1915925
(*) Assumed Names
Carle Physician Group (CPG)
CPG Common Business Names
Airlife
Carle Addiction Recovery Center
Carle Interventional Pain Center
KEY
April 3, 2015 Edition
Includes Insurance Restructuring Steps 1-5
Borders
Taxable
Tax Exempt
Inactive
Partially Owned
Fill
White = Not for Profit
Gold = For Profit
Red Square = Obligated Group Member
Text
Assumed Name d/b/a
Limited Liability
Partially Owned Percentage
Common Business Name

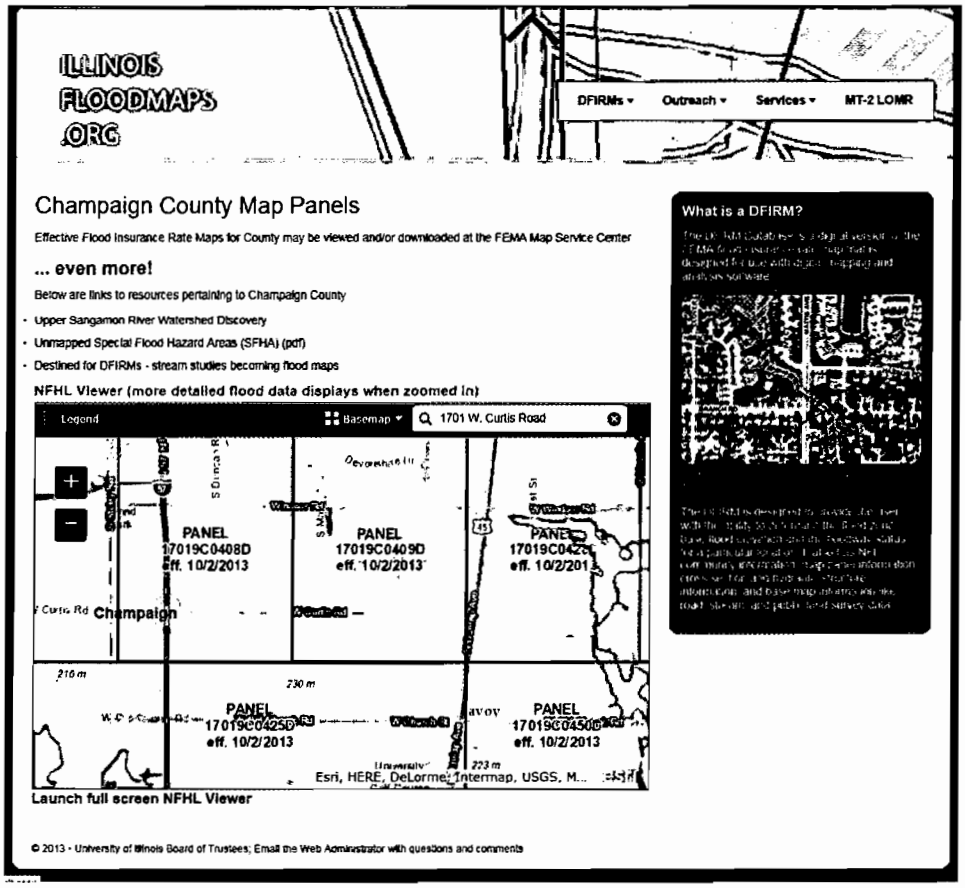
Flood Plain Requirements

The site of the proposed project complies with the requirements of Illinois Executive Order #2005-5. Please see the attached Flood Plain Insurance Rate Map (FIRM) documenting that 1701 W. Curtis Road in Champaign, Illinois is not located in a Special Flood Hazard Area.

Attachment-5



Same map without location box:



Attachment- 5

Historic Resources Preservation Act Requirements

The applicants propose to expand the existing two-story outpatient medical office building located at 1701 W. Curtis Road in Champaign, Illinois. A letter from the Illinois Historic Preservation Agency stating that the proposed project complies with the requirements of the Historic Resources Preservation Act is included as part of this Attachment-6.

Illinois Historic Preservation Agency

1 Old State Capitol Plaza, Springfield, IL 62701-1512

FAX (217) 524-7525
www.illinoishistory.gov

Champaign County
Champaign
CON - New Addition
1701 W. Curtis Road
IHPA Log #014050815

May 28, 2015

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

Dear Mr. Anderson:

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

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

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

If you have any further questions, please contact me at 217/785-5031.

Sincerely,

Rachel Leibowitz, Ph.D.
Deputy State Historic
Preservation Officer

Project Costs			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs			
Preliminary Design	$140,000	$130,000	$270,000
Precon Budgets	$62,000	$65,000	$127,000
Total	**$202,000**	**$195,000**	**$397,000**
Site Survey and Soil Investigation	**$70,000**	**$70,000**	**$140,000**
Site Preparation	**$570,000**	**$680,000**	**$1,250,000**
Off Site Work	**$200,000**	**$850,000**	**$1,050,000**
New Construction Contracts	**$10,965,000**	**$4,515,000**	**$15,480,000**
Modernization Contracts	**$1,057,000**	**$320,000**	**$1,377,000**
Contingencies			
New Construction	$1,041,675	$428,925	$1,470,600
Modernization	$151,360	$41,420	$192,780
Total	**$1,193,035**	**$470,345**	**$1,663,380**
Architectural Fees			
New Construction	$700,000	$475,000	$1,175,000
Modernization	$95,000	$50,000	$145,000
Total	**$795,000**	**$525,000**	**$1,320,000**
Consulting and Other Fees			
IDPH Permits	$25,000	$25,000	$50,000
City Permits	$130,000	$130,000	$260,000
Special Inspections	$75,000	$125,000	$200,000
Commissioning	$50,000	$70,000	$120,000
CON Fees/Expenses	$100,000	$100,000	$200,000
Consultants	$120,000	$185,000	$305,000
Total	**$500,000**	**$635,000**	**$1,135,000**

Movable or Other Equipment (not in construction contracts)			
Equipment General	$1,250,000	$1,000,000	$2,250,000
Furniture	$300,000	$450,000	$750,000
Secuirty Access/Cameras	$50,000	$86,500	$136,500
IT/Telecom	$180,000	$325,000	$505,000
Signs /Wayfinding	$42,500	$67,620	$110,120
Lab Equipment	$100,000	$86,000	$186,000
Total	**$1,922,500**	**$2,015,120**	**$3,937,620**
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	**$200,000**	**$550,000**	**$750,000**
Acquisition of Building or Other Property (excluding land)	**$0**	**$0**	**$0**
TOTAL USES OF FUNDS	**$17,674,535**	**$10,825,465**	**$28,500,000**

Active CON Permits

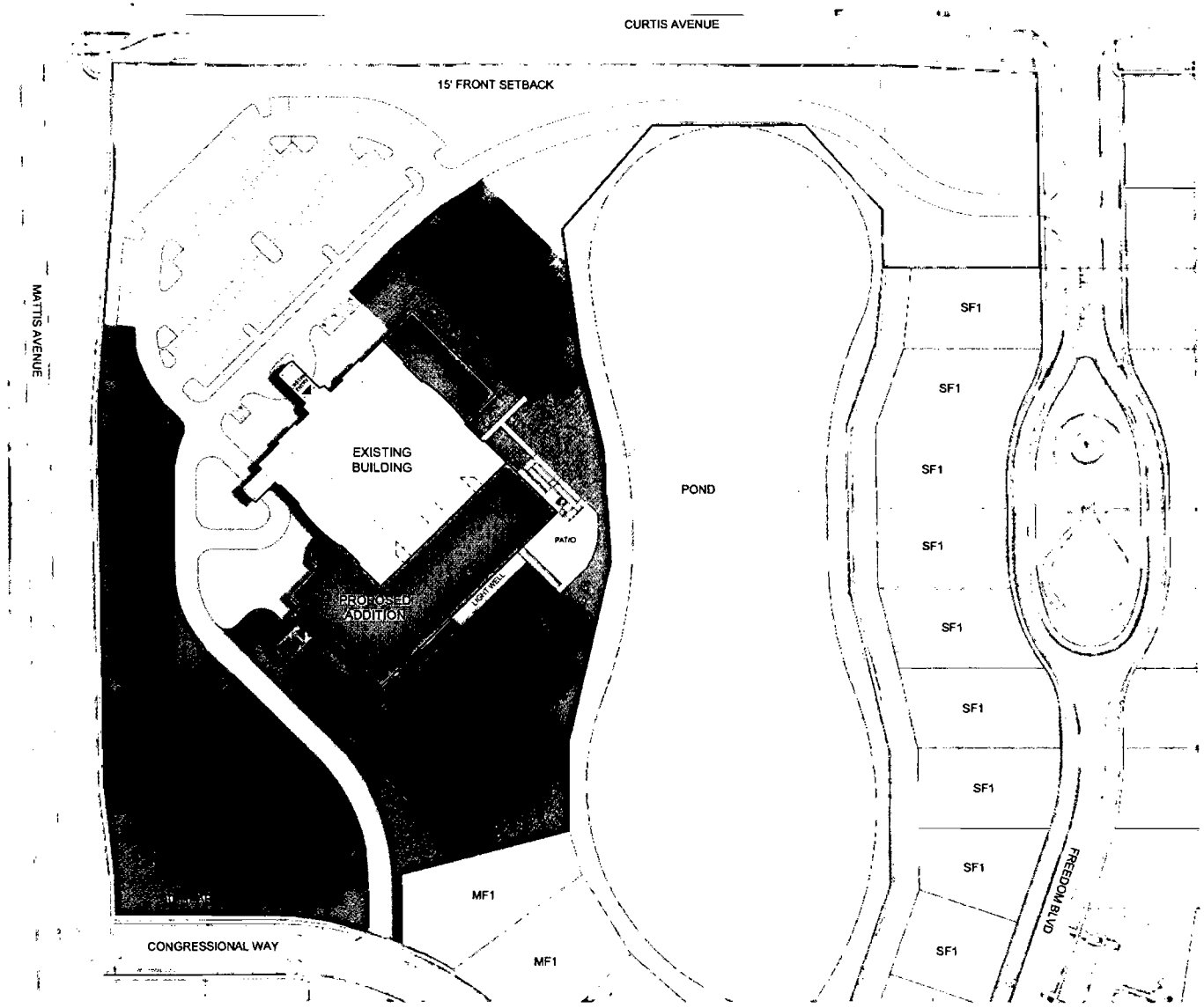
The Carle Foundation Hospital has two active CON permits:

CON 14-015: Med/Surg Expansion Project

- The CON permit for project 14-015 was approved on August 27, 2014.
- It is anticipated that the project will be obligated by the January 31, 2016 obligation deadline.
- An annual progress report has not yet been filed. One will be filed by the September 27, 2015 deadline.
- The project completion date of record is January 31, 2016. It is anticipated that the project will be completed in advance of this date.

CON 15-002: Outpatient Orthopedic and Sports Medicine Facility

- The CON permit for project 15-002 was approved on April 21, 2015.
- It is anticipated that the project will be obligated by the October 21, 2016 obligation deadline.
- An annual progress report has not yet been filed. One will be filed by the April 21, 2016 deadline.
- The project completion date of record is January 31, 2017. It is anticipated that the project will be completed in advance of this date.



1 SITE - PROPOSED ADDITION

Parking Counts

Existing: 219
New: 331
Total: 550 spaces

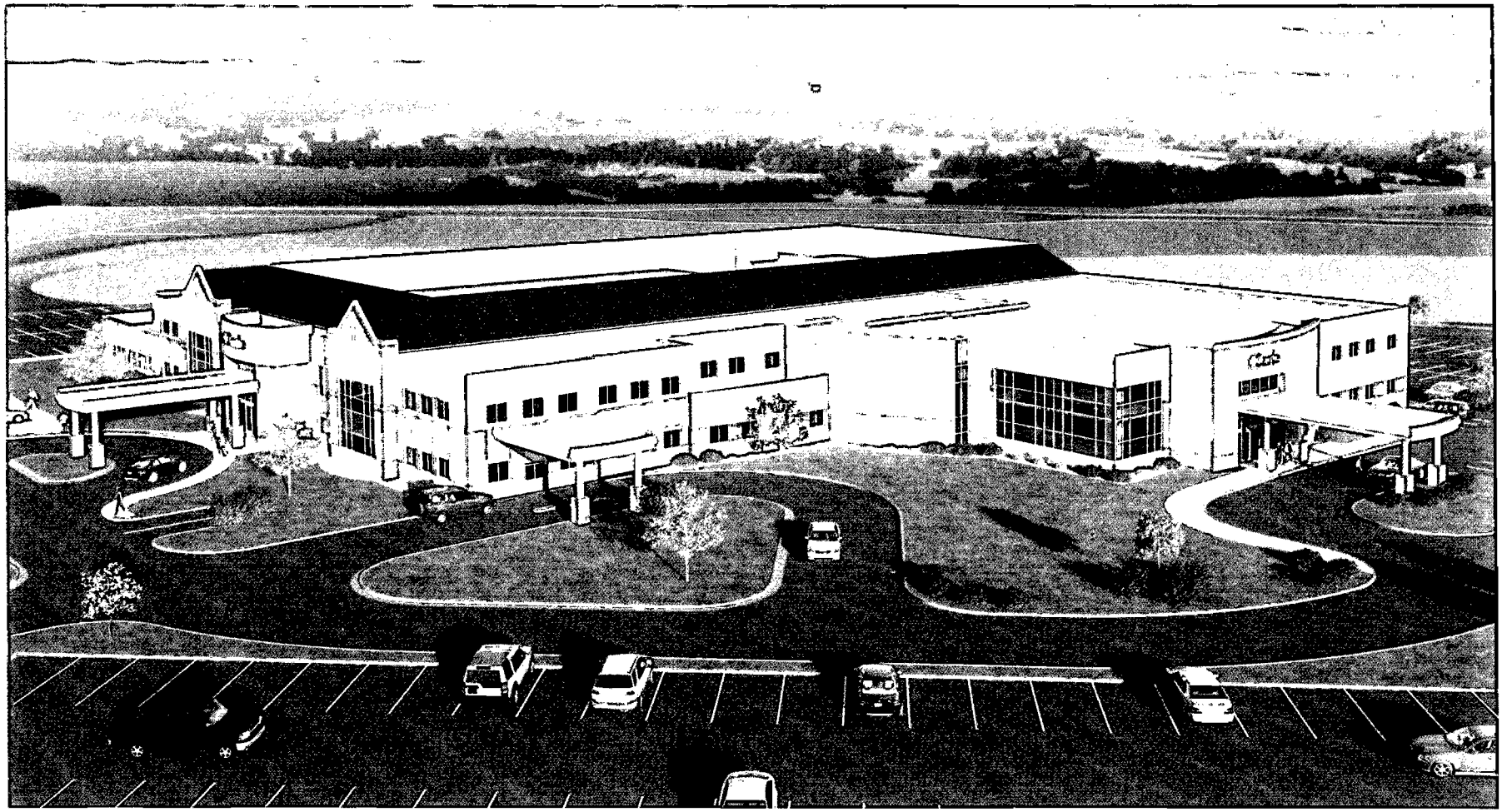
Site | SD-01

ECKENHOFF SAUNDERS ARCHITECTS
architecture planning interior design

Carle Curtis Clinic Expansion
June 2015

Carle
Carle Foundation Hospital

Attachment- 8



Aerial View Looking East

Cost Space Requirements

The Applicants propose to expand an existing two story outpatient medical office building.

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area (list below)	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
Reviewable							
Physician Diagnosis & Treatment Rooms	$14,578,944	46,144	93,144	47,000	6,000	40,144	0
Laboratory	$672,962	1,886	3,886	1,000	1,000	1,886	0
Diagnostic Imaging	$753,500	1,471	2,600	1,129	0	1,471	0
Cardiac Rehab	$812,345	0	3,000	3,000	0	0	0
Convenient Care	$856,784	3,600	8,471	7,471	1,000	3,600	0
Total Reviewable	**$17,674,535**	**53,101**	**111,101**	**59,600**	**8,000**	**47,101**	**0**
Non-Reviewable							
Mechanical & Other Building Systems	$2,137,500	545	5,545	5,000	0	545	0
Administrative	$6,675,965	13,653	23,653	10,000	0	13,653	0
Other Non-Clinical	$2,012,000	658	6,658	5,000	1,000	658	0
Total Non-Reviewable	**$10,825,465**	**14,856**	**35,856**	**20,000**	**1,000**	**14,856**	**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.

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

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

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.

Attachment-11

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 2nd day of July 2015

Signature of Notary

seal

OFFICIAL SEAL
ERIN ELIZABETH KNIGHT
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 4/15/2017

Attachment-11

HF107132

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
12/31/2015		0003798

General Hospital

Effective: 01/01/2015

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

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #4012320 10M 3/12

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 12/31/2015

Lic Number 0003798

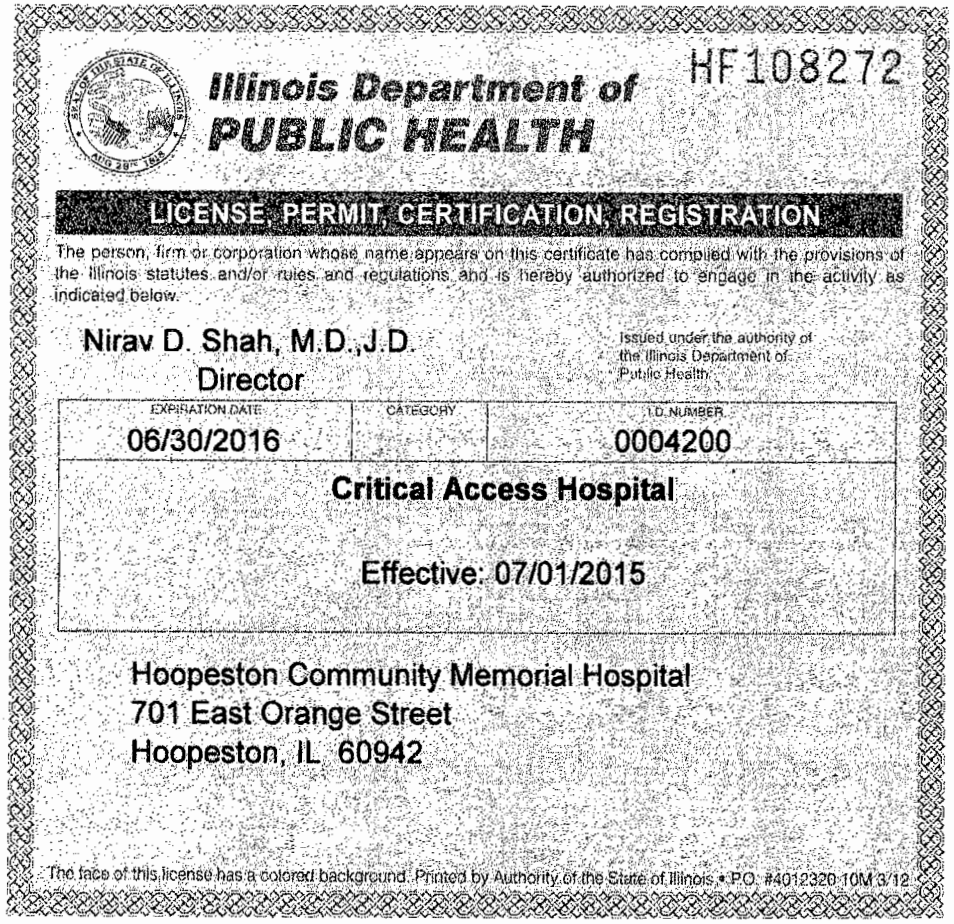
Date Printed 11/25/2014

The Carle Foundation Hospital

611 West Park Street
Urbana, IL 61801

FEE RECEIPT NO.

HF108272



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.

Nirav D. Shah, M.D.,J.D.
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
06/30/2016		0004200

Critical Access Hospital

Effective: 07/01/2015

Hoopeston Community Memorial Hospital
701 East Orange Street
Hoopeston, IL 60942

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #4012320 10M 3/12

DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 06/30/2016

Lic Number 0004200

Date Printed 05/12/2015

Hoopeston Community Memorial Hosp

701 East Orange Street
Hoopeston, IL 60942

FEE RECEIPT NO.

Attachment- 11

HF107016

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
1/31/2016		7002959

Ambulatory Surgery Treatment Center

Effective: 02/01/2015

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

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #4012320 10M 3/12

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 1/31/2016

Lic Number 7002959

Date Printed 11/18/2014

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

FEE RECEIPT NO.

Attachment- 11

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	08/01/2015	4000015

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

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

Illinois Department of PUBLIC HEALTH

HF106271

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
07/31/2015		7002439

Ambulatory Surgery Treatment Center

Effective: 08/01/2014

Carle Surgicenter
2300 N. Vermilion
Danville, IL 61832

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #4012320 10M 3/12

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	08/01/2015	4000019

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

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

DNV·GL

CERTIFICATE OF ACCREDITATION

Certificate No.:	Initial date:	Valid until:
181715-2015-AHC-USA-NIAHO	6/29/2015	6/29/2018

This is to certify that:

Carle Foundation Hospital

611 W. Park St, Urbana, IL 61801

has been found to comply with the requirements of the:

NIAHO® Hospital Accreditation Program

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

This certificate is valid for a period of three (3) years from the Effective Date of Accreditation.

For the Accreditation Body:
DNV GL - Healthcare
Katy, TX

Patrick Horine
Chief Executive Officer

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

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)

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

Overview of Purpose

The Applicants propose to expand their existing two story outpatient medical office building located at 1701 W. Curtis Road in Champaign, Illinois by building an addition to the building. The project will increase the amount of clinical space from 53,101 sq. ft. to 111,101 sq. ft. while increasing the amount of non-clinical space from 14,856 sq. ft. to 35,856 sq. ft.

The building addition would accommodate the Applicants' need for additional physician offices and ancillary space for the primary care and related specialties currently offered at the location (including adult medicine, family medicine, pediatrics, convenient care, OB/GYN and dermatology). It would also relocate professional allergy, endocrinology and rheumatology services currently located within Carle's Kirby Ave. clinic in Champaign. Finally, Carle Foundation Hospital will relocate and update its cardiac rehab services which are currently located on Carle's main hospital campus. As the Kirby clinic location is currently leased, Carle would end that lease and integrate the services currently provided at the Kirby location. This will improve its real estate management function. The integration of services would also improve efficiency and convenience for patients, physicians and staff and the addition would allow for additional space as new primary care and related specialties are recruited. The move would also allow Carle to backfill the vacated space in the hospital for tertiary care services.

The purpose of this project is to improve access and quality of care for patients in the broad geographic area served by Carle. Carle Foundation Hospital is a 393 bed tertiary care hospital, a Level 1 trauma center, and a primary stroke center. It is the primary safety net hospital for the region, and is an IDPH designated Regional Hospital Coordinating Center, which is a hospital which serves as a centralized coordination center to address the challenges of emergency events such as catastrophic events related to weather, accidents or terrorism. To complement the tertiary services that the hospital provides, Carle consistently recruits physicians in the various disciplines required in a metropolitan area to ensure, as care shifts to the outpatient setting, the availability of physician services to the communities it serves. The project will improve access in Planning Area D-01 to primary and specialty care, which are key areas of health care services demand in the area. Access to these services is essential to the overall well-being of the communities Carle Foundation Hospital services, particularly in light of the aging population and the co-morbidities associated with that shifting age cohort.

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

As shown in Table 1110.230(a) which is attached as Attachment 12A, 97.5% of the patients who receive care that will be offered at the proposed facility reside within Carle's defined planning area. The Applicants do not expect the Project to alter the catchment area for these services.

Attachment- 12

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

A map of the Carle Foundation Hospital service area is attached as Attachment 12B. Carle Foundation Hospital 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. **Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the Project.**

A. Increasing Demand For Providers

Carle expects increasing demand for the services that would occupy the Curtis site, including primary care, convenient care, allergy, rheumatology and endocrinology services, due to a number of external factors. According to the U.S. Department of Health and Human Services, demand for primary care services is projected to grow through at least 2020. Although this projected increase in demand is mostly due to population expansion and aging, the estimated expansion of health insurance coverage under full implementation of the Affordable Care Act will also contribute. Similarly, demand for allergy-related services is projected to increase significantly by 2020 (United Allergy Services). Demand for rheumatology services is projected to increase as well due to an aging population which will increase the number of people with rheumatic disorders (Deal et al). The rate of use of endocrinology services, particularly those related to osteoporosis and type 2 diabetes is also expected to increase (Medscape).

In addition to external growth drivers, Carle's projected growth in utilization is also attributable to several internal factors, which the Applicants anticipate will continue for the foreseeable future. These factors include Carle's ongoing access initiative that has allowed over 34,000 new patients to access the health system in the last three years as well as its participation in the Health Alliance Connect Medicaid Program and the State of Illinois Accountable Care Entity (ACE) program. Other contributing factors include Carle Foundation Hospital's position as a tertiary care facility and its affiliations, strategic partnerships and outreach initiatives designed to ensure the medical needs of residents in east central Illinois are met close to home.

In addition to growth in demand, there are also increased documentation demands created through federal Meaningful Use requirements that necessitate additional utilization of electronic health record (EHR) technology. According to a study published by the Journal of the American Medical Association, physicians lose 48 minutes per day through their interaction with EHRs. Despite work to optimize its electronic health record, Carle has seen this burden on physicians' practices reduce the number of patients they can see each day.

As a result of the aforementioned factors, many patients experience significant wait times for an available appointment with Carle providers. Accordingly, Carle is recruiting to add the following providers at the site of the proposed expansion (Curtis Rd. clinic):

- 24 net new primary care providers (family medicine, adult medicine and pediatrics) over the next four years (2015-2018)
- One new allergy provider in 2015
- Two new endocrinologists in 2015 and 2016

- One new rheumatologist in 2015
- 5 additional acute care and convenient care providers to cover both the Curtis Rd. and Windsor Rd. locations

All of the above providers will improve patient access; however, the additional convenient care providers should prove to be particularly impactful. Convenient care at the Curtis Rd. location is available daily and on holidays from 8 a.m. to 8 p.m., but patients currently face significant delays in seeing a physician, sometimes waiting for hours. Adding space and providers for convenient care will enable more patients regardless of insurance or previous history with Carle providers to come for an unscheduled appointment. Convenient care is particularly well suited for patients who need flexible hours due to work, school or family commitments. Importantly, since convenient care can diagnose and treat non-emergency urgent matters, it allows people to get the level of care they need, when they need it and in the lowest cost environment. Since Carle's Emergency Department continues to be heavily utilized, this is a critical benefit that will allow for more effective use of ED resources. In keeping patients out of the Emergency Department, convenient care also yields government, payor and patient savings.

B. Increasing Demand For Cardiac Rehab Services

Carle's cardiac rehab program has also seen an increase in demand, which it expects to continue going forward. This growth was due in large part to the recent addition of congestive heart failure as a covered diagnosis for the program. Carle cardiac rehab has also seen an uptick in referrals due to its recent partnership with the Silver Sneakers program, a program that helps older adults take greater control of their health by encouraging physical activity.

C. Limitations of Current Spaces

There are significant issues with Carle's current Kirby Ave. location related to space, accessibility and security for patients and staff. First of all, the space is not ideal for current volumes, and can certainly not accommodate additional providers. The allergy injection room is an area of particular concern since it will need to expand to ensure patient privacy. Additionally, some Kirby Ave. support staff must work in the hallways due to lack of offices and work stations. The building itself- a leased space- also has a number of issues. Since it is quite old, there are ongoing problems with heating/cooling, septic and roof leaking. Patient parking has also become a serious concern since the lot is small, has few ADA accessible spaces and is shared with commercial businesses including restaurants and service businesses. Finally, there have been increased security issues over the past year with staff cars being burglarized and damaged, drug dealing concerns, and patients and staff being harassed for money in the parking lot.

Carle's current cardiac rehab space also requires upgrades. Below are issues that would be addressed by the proposed project:

- The current cardiac rehab space is oddly shaped and not large enough to properly space out the exercise equipment. Equipment is currently too close to walls and other equipment to allow for easy maneuverability of wheelchairs and/or walkers, especially when there are multiple patients in wheelchairs or using walkers. Also, patients must stand in between cardio equipment when performing free weight

exercises. Ideally, there would be a separate space free of equipment and other obstacles to perform stretches and strength exercises.

- Because there is no room to add needed equipment, patients must wait to use certain machines.
- Due to space constraints, there is exercise equipment in the waiting area. This leaves no true waiting room for patients.
- The room temperature is difficult to control and is often too cold.
- The locker room spaces are inadequate for patient privacy.
- Patients dislike the restroom facilities in the space.
- Patient parking and check-in, scheduling and registration are a long distance from the cardiac rehab gym.

D. More Fully Integrate Primary Care with Related Services

It is ineffective to have allergy, rheumatology, endocrinology and cardiac rehab located in separate locations from primary care, as doing so requires duplication of resources and creates inefficiencies for patients. If these services were to be co-located physicians could more easily discuss and collaborate on mutual patients, and patients could minimize travel. Furthermore, Carle could reduce the cost of providing health care by reducing staffing needs and overhead expenses.

E. Ability to Backfill Cardiac Rehab Space

Cardiac rehab is currently located on the same floor as Carle's perioperative area (operating rooms and prep/recovery areas). Its space will be integral when Carle seeks to modernize and expand its perioperative area in the near future.

4. **Cite the sources of the information provided as documentation.**

Carle performs ongoing internal utilization studies. The source of this information includes internal reports as well as information reported to IDPH. Illinois Health Facilities and Services Review Board, Individual Hospital Profiles 2008-2013 *available at* http://hfsrb.illinois.gov/HospProf_ABR.htm (last visited May 15, 2015).

Information on growth in demand for primary care services taken from the Health Resources and Services Administration's webpage *available at* http://bhpr.hrsa.gov/healthworkforce/supplydemand/usworkforce/primarycare/ (last visited May 15, 2015)

Information on growth in demand for allergy services taken from United Allergy Services *available at* http://www.unitedallergyservices.com/data-presented-world-allergy-organization-annual-symposium-demonstrates-safety-self-administered-allergy-shots/ (last visited May 15, 2015)

Information on growth in demand for rheumatology services taken from a scholarly article authored by Deal et al *available at* http://www.ncbi.nlm.nih.gov/pubmed/17328042 (last visited May 15, 2015)

Information on growth in demand for endocrinology services taken from Medscape *available at* http://www.medscape.com/viewarticle/827244 (last visited May 15, 2015)

Information on physician productivity loss due to Meaningful Use requirements taken from Clinical Innovation + Technology *available at* http://www.clinical-innovation.com/topics/ehr-emr/study-physicians-lose-48-minutes-day-related-ehr-use (last visited June 16, 2015)

Information on cost savings associated with using convenient care *available at* http://fairhealthconsumer.org/reimbursementseries.php?id=19 (last visited June 29, 2015)

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

As discussed in greater detail above, demand for the services that will inhabit Carle's expanded Curtis Rd. clinic is expected to increase to a point where Carle will not be able to meet all of the medical needs of patients residing in east central Illinois without addressing its space concerns. Accordingly, the proposed expansion is needed to maintain access to high quality health services for patients residing in Carle's service area.

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

Carle's prevailing objectives are to enhance access to primary and specialty outpatient care for patients and to improve the quality of these services. Specifically, the goals of the Project are:

- To meet the increased demand for primary care, convenient care, allergy, rheumatology, endocrinology and cardiac rehab services.
- To mitigate the projected incremental shortage of exam rooms over the next five years.
- To streamline the delivery of medical care to patients in the outpatient setting.

These goals can be achieved within the timeframe for Project completion.

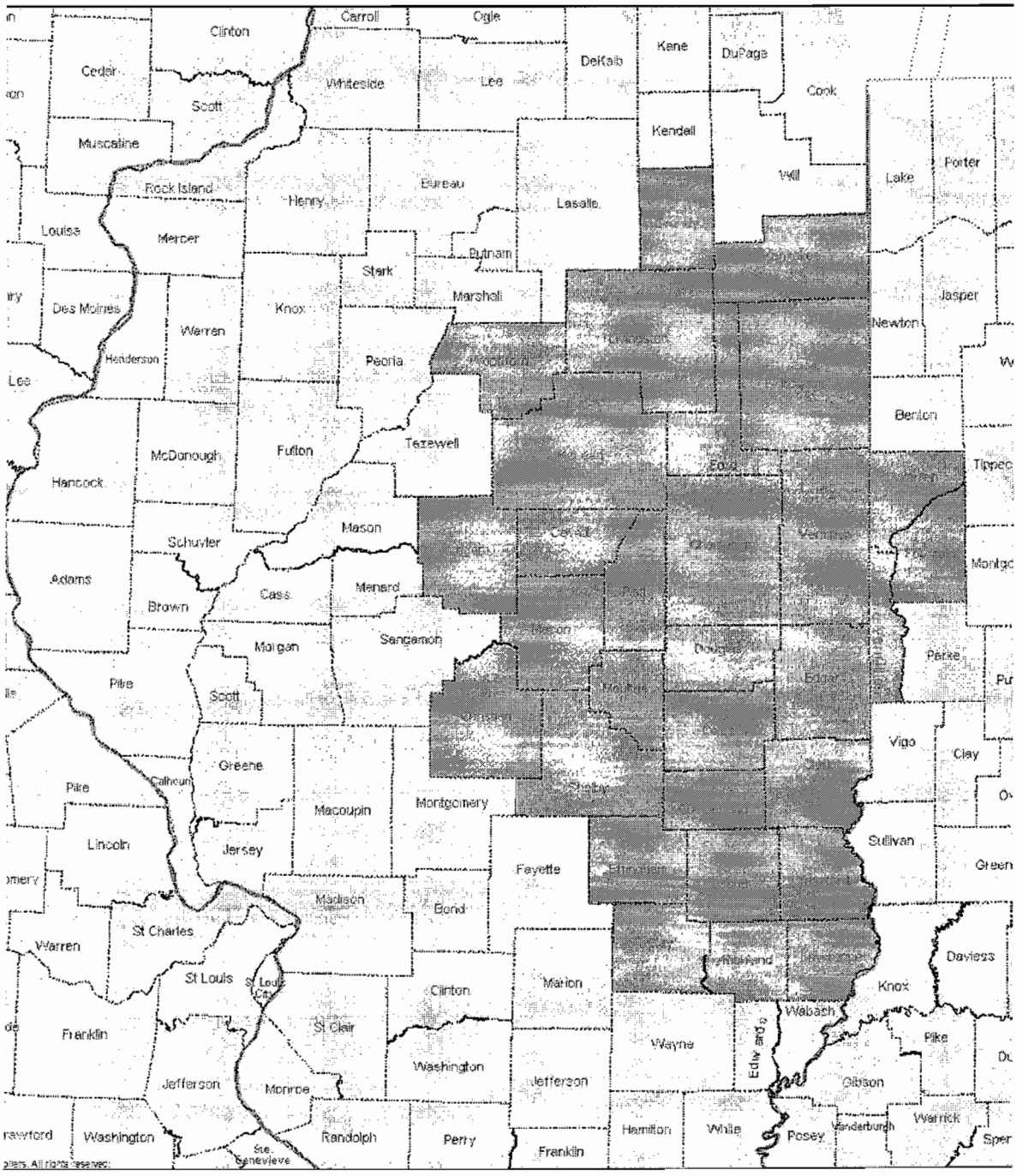
ATTACHMENT 12-A

Table 1110.230(a) Curtis Rd. and Kirby Ave. Allergy, Endocrinology & Rheumatology 2014 Utilization by County		
County	**Visits**	**Percent of Visits**
CHAMPAIGN	106,946	76.5%
VERMILION	7,351	5.3%
DOUGLAS	5,509	3.9%
PIATT	4,542	3.2%
FORD	2,366	1.7%
COLES	1,946	1.4%
IROQUOIS	1,615	1.2%
DEWITT	1,041	0.7%
MCLEAN	846	0.6%
MACON	821	0.6%
EDGAR	793	0.6%
MOULTRIE	317	0.2%
EFFINGHAM	289	0.2%
CLARK	218	0.2%
SHELBY	202	0.1%
CUMBERLAND	202	0.1%
LIVINGSTON	197	0.1%
FOUNTAIN, IN	183	0.1%
VERMILLION, IN	148	0.1%
CRAWFORD	105	0.1%
KANKAKEE	95	0.1%
JASPER	90	0.1%
CLAY	73	0.1%
WARREN, IN	72	0.1%
CHRISTIAN	69	0.0%
RICHLAND	59	0.0%
LAWRENCE	59	0.0%
LOGAN	44	0.0%
MONTGOMERY, IN	37	0.0%
GRUNDY	29	0.0%
WOODFORD	23	0.0%
Total visits* from service area	**136,287**	**97.5%**
Total visits* outside service area	**3,473**	**2.5%**
Total	**139,760**	**100.0%**

A visit is defined as CPT codes 99201-99205, 99211-99215 and 99241-99245

ATTACHMENT 12-B

Carle's Service Area



Attachment- 12

Alternatives to the Proposed Project

The Applicants propose to expand their existing two story outpatient medical office building located at 1701 W. Curtis Road in Champaign, Illinois. They believe that the proposed project is the most effective and least costly alternative to the other alternatives considered when balancing access and quality with costs. The following narrative consists of a comparison of the proposed project to alternative options.

The Applicants have considered 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 the growing importance of outpatient primary care and specialty services described throughout this application and would, therefore, result in a deterioration of patient access over time. Furthermore, doing nothing would not improve patient access to preventative services and ongoing supervision of chronic medical conditions which are more effectively managed with consistent monitoring. As a result, if patient demand for physician services is not met, health care costs will not be reduced.

Under this option, patient access and the cost of providing care would be adversely affected. For these reasons, this alternative was rejected.

Project of Lesser Scope: Decrease Project Costs by Reducing Scale

The Applicants believe that the Project is conservative given current and anticipated demand for services. If the scope of the Project was contracted, additional expansions at this site or other Carle locations would be required in the not too distant future to accommodate projected demand. Multiple smaller projects can ultimately be more costly than a single project.

Under this option, project costs would be reduced in the short term, but would increase in the long term. For this reason, this alternative was rejected.

Project of Greater Scope: Build Facility With Additional Capacity

This alternative was considered since capacity may again be an issue within five years. However, due to future uncertainties, the Applicants opted for a more measured approach. If volumes continue to grow as anticipated, the Applicants will add additional space in the future at one or more of its ambulatory care locations.

Alternatives to the Proposed Project

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 inpatient rehab services, but the project involves 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.

Expand Windsor Road Primary Care Clinic

Carle considered renovating its other primary care clinic in Champaign-Urbana (Windsor Rd.) instead of or in addition to its Curtis Road Clinic. However, after careful consideration, Carle ultimately decided to add all of the additional capacity at the Curtis Rd. location. If Carle were to split the renovated space between both locations, it would incur additional construction expense. A second renovation would also result in additional disruptions due to construction noise and debris. Conversely, an analysis of population growth within the community clearly showed that southwest Champaign near the Curtis Road location will be a source of significant population growth moving forward.

Under this option, project cost would increase and patient satisfaction would be adversely impacted or fewer patients would gain access to services. For these reasons, this alternative was rejected.

D) Expand the existing two story outpatient medical office building located at 1701 W. Curtis Road (Proposed).

The chosen option will improve patient access by ensuring adequate office space to meet forecasted volumes. It will also improve operational efficiency and reduce healthcare costs.

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

Size of Project

The Applicants propose to expand their existing two story outpatient medical office building located at 1701 W. Curtis Road in Champaign, Illinois.

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

General radiology is a department that has an established State standard of 1,300 dgsf/unit. The Applicants propose to add a second x-ray unit to bring the total amount of general radiology space to 2,600 dgsf. This proposed dgsf per x-ray unit of 1,300 dgsf is within the state standard.

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**	**STATE STANDARD**	**DIFFERENCE**	**MET STANDARD?**
X-ray	1,300 dgsf/unit	1,300 dgsf /unit	-	Yes

The proposed project is within the state standards for the services being added.

The proposed project will also involve the construction of cardiac rehab space and exam and treatment rooms for physicians and midlevel practitioners. The cardiac rehab space will encompass 3,000 dgsf. The exam and treatment rooms will encompass 93,144 dgsf plus an additional 8,471 dgsf for convenient care providers. There are no size standards for these departments under the State Board's rules. However, a description of the space plan is included in Attachment 15.

Project Services Utilization

The proposed project will include spaces for patient exam rooms for outpatient care including convenient care, general radiology and cardiac rehabilitation. Section 1100.Appendix B of the Administrative Code documents the established standards for general radiology procedures. There are no similar standards for cardiac rehab services or for patient examination rooms.

For the expanded space within the Curtis Rd. outpatient medical office building, the Applicants propose:

- **Two additional general x-ray units**

  The table below shows the volume of general radiology procedures at the Curtis Rd. location. Based on the utilization standard of 8,000 procedures per unit and the utilization of the current equipment, x-ray procedures exceeded the state standard in 2013, 2014 and annualized 2015. Current utilization justifies a second x-ray unit. Further, based on growth trends the Applicants project that volumes will continue to grow in the future.

Historical & Projected General Radiology Utilization Curtis Rd. Location			
Year	**Utilization**	**Units**	**Annual Growth**
2013	11,164	1	n/a
2014	11,235	1	0.6%
2015*	12,248	1	9.0%
Projected 2016	12,829	1	4.7%
Projected 2017	13,437	2	4.7%
Projected 2018	14,074	2	4.7%

*Annualized through 5/31/15

Assuming a 4.7% growth rate over the next three years, Year 1 utilization is projected to be 13,437 procedures. Year 2 utilization is projected to be 14,074 procedures. Utilization in both years is projected to exceed the minimum state standard to justify a second x-ray unit.

	Department / Service	**Historical Utilization**	**Projected Utilization (Procedures)**	**State Standard (Procedures)**	**Met Standard?**
Year 1	General Radiology	12,248 (2015)	13,437	8,000	Yes
Year 2	General Radiology		14,074		Yes

- **3,000 square feet of space for cardiac rehabilitation**

  There is no State standard for utilization of cardiac rehab space. The size of this area was determined through discussions with staff to assess the needs of the patients and by working with experts in the field of cardiac rehab department design. The space includes a gym in which Exercise Specialists will provide cardiac rehabilitation services. Based on cardiac rehab volumes in the most recent year (9,886 visits in 2014) and the general

growth of the service, the Applicants expect in excess of 10,000 patient encounters in Year 2. Furthermore, growth is expected due to the recent addition of congestive heart failure as a covered diagnosis qualifying a patient for cardiac rehabilitation services as well as based on Carle cardiac rehab's partnership with the Silver Sneakers program, the program mentioned in Attachment 12 which helps older adults take greater control of their health by encouraging physical activity.

- **62 exam rooms for traditional patient encounters and five exam rooms for convenient care**

  There are no associated standards for utilization of patient exam rooms to be used for non-surgical outpatient encounters. The number of rooms was chosen to accommodate ongoing recruitment of additional physicians and associated mid-level providers in addition to existing providers at the Curtis Rd. and Kirby Ave. locations as discussed in Attachment- 12. In anticipation of adding over 30 new providers (net of ongoing provider attrition based on retirement, relocation and other factors) and their supporting staff involved in patient encounters at this site, the Applicants propose to expand to 62 regular exam rooms. To provide for the most efficient throughput, physicians will have two to three patients using an exam room at any given time. Additionally, depending on the nature of the visit, those patients will also use adjacent rooms for their diagnosis and treatment.

  While some of the exam rooms will be standard without significant specialization, the applicants are also planning for rooms specially equipped with educational materials, equipment and supplies that are unique to a variety of subspecialties. Based on the patient encounter volumes in the most recent year (139,760 in 2014) and the general growth of the services, the applicants expect to see in excess of 150,000 patient encounters with providers in Year 2.

  The five convenient care exam rooms will be available to address non-critical urgent care visits which are scheduled on a walk-in/immediate care basis. Convenient care rooms are slightly larger than traditional exam rooms, but there are no other differences.

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

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

- Medical/Surgical, Obstetric, Pediatric and Intensive Care
- 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
- Freestanding Emergency Center Medical Services

Section VII, Service Specific Review Criteria
Clinical Service Areas Other than Categories of Services – Review Criteria
Criterion 1110.3030(c)

1. Necessary Expansion

The Applicants are seeking to expand their existing two story outpatient medical office building located at 1701 W. Curtis Road in Champaign, Illinois by building an addition to the building. As described in further detail in the section below, the Project is necessary to accommodate service demand as well as to create space in the acute care facility for hospital services.

2. Utilization- Service or Facility

The Applicants propose to expand an existing medical office building. Except for general radiology services which will meet the State standard for utilization, there is no associated standard for utilization of the services that will be provided in this building. The added space is necessary to meet the projected demand for primary care, convenient care, allergy, rheumatology, endocrinology, diagnostic imaging and cardiac rehab services in the future.

As described in further detail in Attachment 12, the Applicants are recruiting to add over 30 net new providers who will practice at this location. The increased demand these providers will be addressing is due in part to internal factors including Carle's access initiative and participation in the Health Alliance Connect Medicaid Program and the Accountable Care Entity (ACE) program. Growth has also been driven by Carle's affiliations, strategic partnerships and outreach initiatives designed to ensure the medical needs of residents in east central Illinois are met close to home. Furthermore, external factors including demographic trends and advances in medicine have increased demand for primary care, convenient care, allergy, rheumatology, endocrinology and cardiac rehab services.

Section 1120.120 Availability of Funds

The applicants have the following bond rating:

- A+ from Standard & Poor's Rating Services (December 31, 2014), included as part of Attachment-36

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

STANDARD & POOR'S
RATINGS SERVICES
McGRAW HILL FINANCIAL

130 East Randolph Street
Suite 2900
Chicago, IL 60601
tel 312-233-7000
reference no.: 40222534

December 31, 2014

The Carle Foundation
602 West University Avenue
Urbana, IL 61801
Attention: Mr. Scott Hendrie, Director - Accounting and Treasury Services

Re: ***The Carle Foundation, Illinois, Issuer Credit Rating***

Dear Mr. Hendrie:

Standard & Poor's Ratings Services ("Ratings Services") hereby affirms its rating of "A+" for the above-referenced issuer and changed the outlook to positive from stable. A copy of the rationale supporting the rating and outlook is enclosed.

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Standard & Poor's Ratings Services
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55 Water Street
New York, NY 10041-0003

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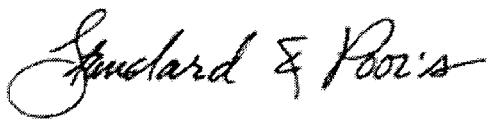

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No Third Party Beneficiaries. Nothing in any credit rating engagement, or a credit rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of a credit rating. No person is intended as a third party beneficiary of any credit rating engagement or of a credit rating when issued.

Section 1120.130 Financial Viability

The applicants have the following bond rating:

- A+ from Standard & Poor's Rating Services (December 31, 2014), 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:

- A+ from Standard & Poor's Rating Services (December 31, 2014), included as part of Attachment-36

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

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

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

Re: Conditions of Debt Financing

Dear Chair Olson:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1120.140(b) that the selected form of debt financing the project will be the lowest net cost available.

Sincerely,

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

Notarization:

Subscribed and sworn to before
me this 2nd day of July 2015

Signature of Notary

seal

OFFICIAL SEAL
ERIN ELIZABETH KNIGHT
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 4/15/2017

Attachment- 39b

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

The applicants propose to expand their existing two story outpatient medical office building

The table below provides information regarding costs as they relate to 269,773 equivalent 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 (2017 Projected)	269,773
2	Total Capital Cost (2017 Projected)	$66,805,801.00
3	Total Operating Cost (2017 Projected)	$463,293,712.00
4	Capital Cost per Equivalent Patient Day	$247.64
5	Operating Cost per Equivalent Patient Day	$1,717.35

Safety Net Impact Statement

The Applicants propose to expand their existing two story outpatient medical office building. No services are being discontinued or added to the scope of services provided by Carle Foundation Hospital. The Project will enhance the delivery of care for Carle Foundation Hospital which serves its broad patient base without regard to ability to pay. This includes the enhancement of services to individuals now covered under insurance provisions of the Affordable Care Act and under the Health Alliance Connect Medicaid Program and the Accountable Care Entity (ACE) program. The project 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.

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 2013, Carle provided 73.6% of all charity care and 86.7% of all Medicaid care in the D 01 planning area.[1] As discussed in the Purpose of the Project narrative, demand for Carle's primary care and specialty services is anticipated to exceed Carle's existing capacity. The Project is therefore necessary to ensure all patients including those who rely on Carle as a safety net provider in east central Illinois have continued access to primary and specialty care.

   The Project will not impact Carle's Medicaid and/or charity care policies. Patients seeing Carle providers in the proposed facility will be eligible for the same charity care benefits that are available at the current locations.

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 medical office building expansion will not adversely impact the ability of other providers or health care systems to serve patients seeking safety net services. The Applicants do not believe there will be any adverse impact on other providers or health care systems, as the Project is addressing the demand for services that Carle is already providing in Champaign-Urbana.

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 building 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.

---

[1] Based on charity care expense and Medicaid revenue reported on 2013 Annual Hospital Questionnaire.

Safety Net Impact Statement

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 12**	**FY 13**	**FY 14**
Inpatient	1,756	3,220	3,433
Outpatient	21,729	60,338	74,474
Total	**23,485**	**63,558**	**77,907**
Charity Care (cost in dollars)	**FY 12**	**FY 13**	**FY 14**
Inpatient	$10,681,168	$12,084,283	$9,470,253
Outpatient	$8,063,826	$12,702,816	$14,208,401
Total	**$18,744,995**	**$24,787,099**	**$23,678,654**

2. Medicaid Information

Medicaid (# of patients)	**FY 12**	**FY 13**	**FY 14**
Inpatient	2,961	2,308	3,314
Outpatient	60,014	104,001	182,284
Total	**62,975**	**106,309**	**185,598**
Medicaid (Revenue)	**FY 12**	**FY 13**	**FY 14**
Inpatient	$54,396,000	$73,247,000	$73,650,000
Outpatient	$7,495,000	$9,303,000	$13,775,000
Total	**$61,891,000**	**$82,550,000**	**$87,425,000**

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 2014 (Attachment-11a)

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 / 2014 (Month Day Year) **through** 12 / 31 / 2014 (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 I, PPS Inpatient Ratios), not the charges for the services.

Charity Care.....$24,557,104

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

Attachment- 40a

[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	$2,010,374
Volunteer Services	
a) Employee Volunteer Services	$63,737
b) Non-Employee Volunteer Services	$783,787
c) Total (add lines a and b)	$847,524
Education	$9,459,089
Government-sponsored program services	$0
Research	$4,449,868
Subsidized health services	$7,946,757
Bad debts	$2,173,065
Other Community Benefits	$322,417

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

6/23/2015
Date

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

(217) 326-8505
Phone: Area Code / Telephone No.

Signature

6/23/15
Date

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

(217) 344-2824
FAX: Area Code / FAX no.

Mission Statement – Attachment 1

The Carle Foundation Mission Statement was adopted by Carle's Board of Trustees 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. This mission statement looks beyond medicine to include research and education, both of which remain highly valued by our organization.

The following vision statement was adopted 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.**

Benefiting the community is central to everything we do at Carle, and is so important it is a pillar of the organization's strategic plan.

Community Benefit Plan – Attachment 2

For more than 80 years, Carle has stayed true to its core purpose to provide care to all who need it. Access to health care – particularly for those in poverty – remains a predominant need. According to the U.S. Census Bureau, in Champaign County alone, 22%, or more than 45,000 people, live in poverty. To address these significant needs in 2014, **Carle Foundation Hospital contributed a total of $51,766,198 in benefit to our community.**

Carle Foundation Hospital's current Community Benefit Implementation Plan is intended to address prioritized community needs, identified by the latest Community Health Needs Assessment (CHNA) conducted in Champaign-Urbana in 2014. This CHNA was done in conjunction with Champaign Urbana Public Health District, Champaign County Regional Planning Commission, Presence Covenant Medical Center, and United Way of Champaign County. While there are a number of additional needs as identified by data and input from community leaders, the following four health areas were selected as top priorities:

1. Access to Care
2. Behavioral Health
3. Obesity
4. Violence

Access to Care

Community Care Discount Program
Carle's Community Care Discount Program provides discounted or free care to those who need it. The current policy, revised March 26, 2014, is included (Attachment 3-A), along with an additional policy, reviewed April 1, 2014, that reflects our compliance with the Illinois Hospital Uninsured Patient Discount Act (Attachment 3-B).

To ensure we are meeting the needs of the community, the Finance and Quality Committees of the Carle Board of Trustees review and evaluate charity care figures quarterly. We do not limit the amount of charity care we provide, at this time. It's our goal to increase the number of people who benefit from our nationally-recognized charity care program.

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 2014, charity care for Hospital patients alone totaled $24,557,104 at cost, serving 22,480 unique individuals.*** While charity care costs decreased since 2013, the number of patients receiving financial assistance from Carle Foundation Hospital increased, which includes a number of *insured* patients – especially Medicaid and High-Deductible Health Plan patients – now needing supplemental assistance with their bills.

While it is not included in the Hospital figure reported, the total number of patients receiving assistance through The Carle Foundation charity care program across the health system was 31,608 individuals. That is an increase of more than 4,000 people who received care than in 2013. This system-wide figure includes individuals served at Carle Physician Group and other Foundation entities including Arrow Ambulance and Carle Home Health Services.

Our practice is to look at each 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, and we auto-qualify certain patient populations for Community Care, such as the homeless and SNAP (Supplemental Nutrition Assistance Program) recipients.

Review Status

Representatives from the Hospital's administration, Financial Services, Registration, Case Management and Insurance Contracting departments continued to meet – four times in 2014 – with the local Community Coalition of the Champaign County Health Care Consumers, including 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 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, billboards, bus boards and web; continued presence in appropriate community publications; and on-site via displays throughout the hospital and clinics
- Simplified application form, including a version in Spanish
- Information about the Community Care program on all statements, collection letters and Hospital admission packets, and billing envelopes prominently stating, *"Need help with your medical bill? Call 888-479-0008."*
- Community Care information and applications at all registration points, Hospital main lobby and carle.org
- Staff at Frances Nelson Health Center operated by Promise Healthcare, the local FQHC, and community free clinics equipped with a supply of applications and knowledge to assist their patients in completing them
- Meetings with local legislators to help them assist constituents with healthcare needs, including financial assistance

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 sought ways to initiate and expand healthcare services for the underinsured and uninsured by working collaboratively with community organizations and leaders. In the 2014-16 Community Health Needs Assessment, Access to Care was the top priority of identified needs, and as part of Carle's plan to improve access, the organization supports community clinics.

Free Clinic Support

Promise Healthcare at Frances Nelson Health Center – $292,372

Carle continued to support Promise Healthcare at Frances Nelson Health Center (FNHC), a Federally Qualified Health Center, through funding, leadership support, patient care services, supplies and more. In 2005, Carle purchased a building and renovated for a total investment of $1.2 million, charging $1 rent for the first three years of occupancy and has since provided support for facilities, leadership and clinical services. In 2014, this included:

- $252,258 in contributions to United Way of Champaign County, designated for Promise Healthcare to enhance services and access to care
- Carle's All About Baby staff provides regular prenatal, breastfeeding and newborn care education along with a teen pregnancy program at the clinic at a cost of $30,346
- An additional $9,768 for in-kind supplies, board involvement and other needs was also provided
- Frances Nelson Health Center is a residency site for the Carle Family Medicine Residency program and residents provide care as part of their education although the residents' time is not reported as a Community Benefit.

Champaign County Christian Health Center – $43,488

As lead funder of 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 more than 1,200 patient visits and 550 new patients served in 2014. A number of the volunteer medical staff is Carle physicians, nurses and technicians 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 more than $450,000 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 Community Health Center, a local Muslim-based clinic that provides free care to hundreds of uninsured and underinsured residents of Champaign County. Since 2013, Avicenna has partnered with Promise Healthcare to co-locate at its Frances Nelson Health Center in Champaign.

A number of Carle physicians volunteer at Avicenna or serve on its Board of Directors, and Carle also works with the free clinic so they can access specialty care as well as lab results for their patients.

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, though several operate at a loss. Some of these at-loss subsidized services include:

Community Parish Nurse Program

Carle has one of the largest Parish Nurse groups in the nation, with 490 nurses from 235 congregations in 33 counties in four states. The program trains nurses from local churches to educate congregants and advocate for their healthcare interests. In 2014, 13 RNs completed training, logging more than 8,000 hours of service to their congregations. The group also distributed more than 1,000 Vial of Life kits in 2014; more than 21,000 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 and speak to a nurse around-the-clock. In 2014, staff responded to 5,644 calls for assistance. There were 9,003 inpatient visits, 776 outpatient visits to the in-hospital clinic, and 4,338 visits to the two Carle regional outpatient facilities. During this time, the Breastfeeding Clinic also made significant progress toward achieving a Baby-Friendly Hospital designation, which they hope to accomplish in 2016.

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 $201,077 in 2014 is not included in Carle Foundation Hospital's community benefit reporting.

Efforts to address Access to Care in the Region

Carle continued to provide board leadership and support for a number of organizations within Coles County that address access to care in the region:

- Physician leadership on the Coles Community Health Center (a FQHC) Board of Governors
- Presence on the Regional Healthcare Coalition, a group of regional resources for Emergency Services in order to address public health concerns and risks
- Physician support on the newly-formed Coles Community Health Council that started when Ebola became a public health concern in October

Carle also opened a new primary care center in December 2013 and continued to recruit providers which will allow additional access to care and will offer space needed for additional specialty care access in Coles County.

Prescription Affordability

As a 340B provider, Carle has contracted with certain area retail pharmacies to offer discounted scripts for self-pay patients. Uninsured/self-pay patients purchasing prescriptions out-of-pocket from a contracted 340B pharmacy will receive discounts that make prescriptions more affordable. Launched in the fourth quarter of 2014, the program saw more than 1,060 prescriptions filled at a total savings of $275,000 over the usual and customary retail price. The benefit to patients should be even greater in 2015, after a full year of availability. The program lessens the financial burden on uninsured patients due to realized prescription discounts, improves health outcomes by improving patient compliance with pharmaceutical therapy due to improved affordability of medications, and has the potential to reduce unnecessary readmissions and/or unnecessary specialty visits due to improved patient compliance with prescribed drug regimens.

Physician and APP Recruitment

Carle continues to actively recruit new primary care providers (physicians and APPs) to increase available capacity for existing patients and new patients. Our current plans are to recruit 24 new primary care providers at the Curtis Road clinic in Champaign. Additionally, we expect to hire more specialists and staff at the main campus as services are expanded in the hospital and campus specialty clinics:

- 24 net new providers in Family Practice, Adult Medicine, and Pediatrics
- Recruiting for one Allergy physician, two new endocrinologists, and one new rheumatologist
- Recruiting for five additional Convenient Care providers

Behavioral Health

Carle will address behavioral health issues by continuing to expand its capacity and supporting community programs and services that support increased access to behavioral health services.

Carle Foundation Hospital will pursue these initiatives to improve behavioral health outcomes:

1. Recruit behavioral health providers to add capacity within the community
2. Support community behavioral/mental health services through donations
3. Support educational and training programs of local providers
4. Support discussions with local behavioral health providers about expanding community access to their services
5. Establish an internal Behavioral Health Workgroup to address needs and actions for managing patients from across the Carle systems that have behavioral health needs

Measures of success:

- Increase number of Carle behavioral health providers
- Donation support to Community Elements
  - Cash donations
  - Use of space
- Donation to Champaign County Mental Health Board

- Community Training Program support
- Financial support of Community Jail/ER Diversion Project
- In Coles County, maintained a presence on the board for LifeLinks, a mental health services agency, in support of strengthening mental health services for adults and children in the region

Obesity

Carle supports initiatives to reduce childhood obesity 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:

- We continue to support activities aimed at improving the health of families throughout the community by funding programs including Mahomet Area Youth Club's half marathon, Danville YMCA Strong Kids campaign, Vermilion County Fun Run, Kirby Derby, and various walks and races.
- In Coles County, Girls on the Run was implemented to help young women become physically stronger and build their self-esteem. Enrollment for the program has grown from 15 to 321 young women from five counties, and the bi-annual 5K has grown to more than 800 runners.

Carle Foundation Hospital will pursue these initiatives to reduce obesity levels:

1. Donations to support school-based programs
2. Donations to regional programs
3. Donations to community programs that encourage physical activity and nutritional education (i.e., Prosperity Gardens)
4. Carle has launched a diabetes program in conjunction with Health Alliance Medical Plans to examine data, stratify patient risk, install best practice medical management and evaluate cost-effective management protocols

Violence

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

Interpersonal Violence Program

This program focuses on reducing domestic violence, as well as training for Sexual Assault Nurse Examiners (SANE) and others who treat sexual assault and abuse victims. Carle has eight SANE nurses in the Emergency Department – who assisted with 126 adult/adolescent and pediatric sexual assault patients this year – and is known as a resource and leader throughout the state. Notable 2014 accomplishments include:

- Trained Rape Crisis Center staff, U of I, Parkland and DACC nursing students; provided clinical rotations; and presented to EMS members
- Presented multiple seminars throughout the state, speaking on pediatric child abuse and neglect, sexual assault, and interpersonal violence
- Participated in the Illinois Hospital Association / Attorney General's project to increase SANEs throughout Illinois
- Lead SANE served on the Commission for Forensic Nursing Certification, an international board appointment, and as a participant in a national think-tank regarding SANE education and program sustainability
- Provided information for national research on DNA retrieval from sexual abuse victims

Child Abuse Safety Team (CAST)

The Child Abuse Safety Team (CAST) is a program dedicated to the safety of child abuse victims, led by Dr. Brent Reifsteck, a pediatric hospitalist. Dr. Reifsteck is on call 24/7 to identify suspected abuse, ensure proper investigation and testing, and communicate with state and local agencies.

In 2014, Dr. Reifsteck saw 81 children, averaging three hours per patient, and put in more than 120 hours in administrative time. Overall, this program amounted to nearly $70,000 in community benefit in 2014.

Risk Watch

A longstanding partnership between Carle and local police and fire departments, Risk Watch reached 10,903 children in Champaign-Urbana in 2014 by integrating the message into curriculum at all public schools and one private school.

New in 2014, all school districts were required to educate students and parents on inappropriate touching of children per mandate in compliance with Erin's Law, a law named after a survivor of child sexual assault. Risk Watch, in conjunction with American Red Cross and Rape Advocacy, Counseling & Education Services (RACES), implemented a Body Safety program to educate children about abduction and inappropriate touching. Within the first two months of this module being presented in the Urbana schools, a child attending this presentation disclosed abuse. The person she identified has been prosecuted and found guilty.

Other Risk Watch curriculum also includes education about avoiding falls, choking, strangulation, suffocation and poisoning, and is taught by appropriate experts meeting Illinois State Learning Standards for prevention education at the elementary level. By reaching to the children – who are diverse in culture, race, as well as socioeconomic levels – this region sees fewer accidental injuries and deaths.

Playing It Safe

In its 18th year of teaching children and parents how to prevent unintentional injuries, this free safety fair – co-sponsored with Safe Kids® Champaign County – involved nearly 50 interactive stations staffed by local agencies. Highlights include car seat safety checks and child identification kits. More than 1,800 children and parents attended.

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 the farming community. Of more than 3,200 people trained in 2014, more than 1,900 were children. All programs remain free to those in Carle's service area.

- Reached 1,114 students through 58 rural school programs. Topics included tractor rollovers, grain entrapments, Farm Family Emergency Response, ATV, bike, animal, chemical and food safety and more.
- Coordinated Progressive Ag Safety Days® in Champaign, Vermilion, Piatt and Ford Counties, reaching 807 children and 58 adults
- Certified 491 people in CPR and first aid
- Provided Agricultural Emergency Response training to 306 first responders
- Placed Emergency Action Tubes on an additional 30 farms in 2014, bringing the number of protected farmsteads to 100 since the program started at Carle in 2012. These sealed cylinders contain a detailed map of the farm, helping protect farmsteads and aid emergency responders.

Continued Community Support

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.

Besides maintaining the Carle Community Care Discount Program and serving Medicaid and Medicare patients despite government reimbursement being 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 Auditory Oral School
- ECHO (Expanding Children's Hearing Opportunities; Pediatric Hearing Services)
- 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.

More than 100 community organizations received support in 2014, including:

- Alzheimer's Association
- Champaign County Christian Health Center
- Champaign County Health Care Consumers
- Champaign County Mental Health Board
- Champaign-Urbana Public Health District
- Children's Advocacy Center
- Coles County Council on Aging
- Crisis Nursery
- Cunningham Children's Home
- Danville Family YMCA
- Developmental Services Center
- Eastern Illinois Food Bank
- Family Service of Champaign County
- Mahomet Area Youth Club
- Parkland College Foundation
- United Way

Carle/Salvation Army Toy Drive

For the 30th year, Carle was a primary sponsor of this annual event, in partnership with WHMS/WDWS/WKIO radio. We gathered 1,906 toys, and cash and gift cards totaling more than $3,300 that were distributed by Salvation Army.

United Way

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

- $141,152: Carle's match to employee contributions, which were distributed to communities served by United Way in Champaign, Coles, Douglas, Iroquois, Kankakee, Macon, Moultrie, Shelby and Vermilion counties. When requested, employee donations were directed to counties where they reside.

- $8,313: In-kind donations, including board leadership time, and other 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 $10 million was invested in programs that address community-wide workforce and

education issues, strengthening the training and availability of professionals to care for our communities' healthcare needs now and in the future.

In 2014, the most significant contributions went towards:

- Graduate Medical Education programs: maintaining three medical residency programs, and serving as a clinical site for a fourth. In 2014, there were 25 residents practicing on Carle's campus.

- 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 in order to discover new diagnostic and treatment modalities that will improve delivery and quality of care. The research program is predominantly in conjunction with Carle physicians, University of Illinois scientists and entrepreneurial companies.

Emphasis has been on continuing to create an infrastructure for a robust research program. Program successes in 2014 included:

- In Carle Ophthalmology, two physicians – Leanne Labriola and Michael Tsipursky – started a research program in 2014. There were eight active and three pending studies including collaborative studies with professor Dipanjan Pan, University of Illinois.

- Dr. Glenn Gordon, Digestive Health, joined Carle and is enhancing the research program in Digestive Health Center. Two research coordinators are now embedded and we are hiring a third research coordinator and manager to support the expected 25-35 industry-sponsored clinical trials.

- Neuroscience has a contracted Director for Research.

As of December 2014, Carle Research Institute had 164 active and pending studies.

Emergency Management
Emergency Management continued to be a strategic priority of Carle Foundation Hospital, and our initiatives in this area include training for our facility and our community, leadership in planning community-wide responses to various 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, working 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. Carle also began preparations to address Ebola Virus needs and has continued this work in collaboration with local, county, state and federal agencies.

In 2014, we allocated more than $25,000 of grant funds to community benefit programming, including:

- $20,000 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

- $3,600 Regional Decontamination First Receive Course, held at Dr. John Warner Hospital. Hospitals regionally were able to send their staff to attend.

- $2,300 for the renewal of Starcom radio licensing fees for regional hospitals, allowing Carle the ability to stay in contact with each of our regional hospital, other hospitals throughout the state, regional partners, and state partners during disasters.

- More than $4,000 of in-kind services for Emergency Preparedness, including work on Ebola-related communications and 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 our primary service area, with the focus on Champaign County. This represents our headquarters and other counties where Carle has a thriving presence. Our reach extends into 14 adjoining, rural Illinois counties. These areas comprise nearly 50% of the Carle service area's population of about 1.2 million residents.

Pockets of extreme poverty exist throughout this region. The programs within our community benefit plan generally have impact upon all the targeted communities, with certain programs directed at specific populations. A greater proportion of resources will be allocated in Champaign County, followed by Coles and Vermilion counties, where our community benefit program has long been established.

Carle Foundation Hospital serves as the region's only Level I Trauma Center and 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, 2014-16, which was fully approved by The Carle Foundation Board of Trustees on December 12, 2014. The underlying long-term goals of the strategic plan include quality improvement, customer service improvement, enhanced physician relationships, expanding research, and financial/mission stewardship.

Acknowledging the need for local and regional research and prompted by the mandate of the Patient Protection and Affordable Care Act, Carle conducted a community health needs assessments in 2014 in collaboration with Presence Covenant Medical Center, Champaign County Public Health District, Champaign County Regional Planning Commission, and United Way. Fresh research was conducted by the public health departments of Champaign County.

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.

We use the Healthy Communities Institute web application that shares health indicators for Champaign, Coles and Vermilion counties. Available to the public on carle.org, this information informs our community benefit planning.

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		
Effective Date	04/10	**Review Frequency**	Every 3 years
Review Date	09/01/11; 03/26/14		
Revision Date	09/01/11; 03/26/14		

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		Hoopeston Regional Health Center	X	Therapy Services - MTCH
X	Arrow Ambulance	X	Hospice		Windsor Court
	Auditory Oral School	X	Carle Medical Supply		Windsor of Savoy
X	Cancer Center/Mills Breast Cancer Institute		Risk Management Company		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 (Carle) may be considered through the Community Care Discount Program. 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

Definitions

A. **Family/Household Size** - includes those dependents listed on tax returns, divorce decree, or child support order. Defined by the IRS for tax filing purposes under section 36B (d) (1), "a taxpayer's family consists of the individuals for whom the taxpayer claims a personal exemption deduction under section 151 for the taxable year. Taxpayers may claim a personal exemption deduction for themselves, a spouse, and each of their dependents. Section 152 provides

that a taxpayer's dependent may be a qualifying child or qualifying relative, including an unrelated individual who lives with the taxpayer. Family size is equal to the number of individuals in the taxpayer's family."

B. **Resident** – a person who lives in the state of Illinois or within certain Indiana counties (Benton, Fountain, Montgomery, Parke, Putnam, Vermillion, or Warren) and who intends to remain living within Illinois or the above identified Indiana counties indefinitely. Relocation for the sole purpose of receiving health care benefits does not satisfy the residency requirement.

C. **Underinsured** - a person without insurance benefits for services provided due to exclusions of coverage by the insurance provider. This does not apply to those circumventing insurance restriction or specification or out-of-network services.

D. **Generally accepted standards of medical practice**:
   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.

E. **Uninsured patient** - a resident who is a patient and is not covered under a policy of health insurance and is not a beneficiary under a public or private health insurance, health benefit, or other health coverage program, including high deductible health insurance plans, workers' compensation, accident liability insurance, or other third party liability.

Statement of Policy

A. Any patient or responsible party may apply for the Community Care Discount Program, regardless of insurance coverage.

B. Certain identified patient populations are presumptively eligible for the Community Care Discount Program. Further detailed information is contained within the Presumptive Eligibility Policy - AD355.

C. Carle desires that all patients be aware of the Community Care Discount Program, and all other financial assistance programs available at Carle. That those eligible be identified as early in the care, treatment, 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.
   1. 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 designee 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. If the patient applies for government assistance, documentation of the determination from the government program is required for reprocessing of the Community Care Discount Program application.
      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.
   2. The Community Care Discount Program amount is dependent on applicant's household income and family size compared to the currently published Federal Poverty Level guidelines at the time of application and the facility where the services were performed.

Federal Poverty Level	≤ 125%	>135% but ≤200%	>200% but ≤230%	>230% but ≤270%	>270% but ≤300%	≤ 400%	≤ 600%
Community Care Discount Program	100%		75%	50%	25%	N/A	N/A
Capped Program (CCDP participating facilities only)	Limits patient's Carle medical expenses to 40% of the household's gross annual income.						N/A
Illinois Uninsured Hospital Patient Discount Program (Carle Foundation Hospital)	Limits patient's Carle medical expenses to 25% of the household's gross annual income. See policy AD346 for additional information.						
Illinois Uninsured Hospital Patient Discount Program (Carle Hoopeston Regional Health Care)	See policy AD346 for additional information.					N/A	

Hoopeston Regional Health Center Charity Care	100%	50%	N/A	N/A

3. To apply for the Community Care Discount Program, the guarantor or patient must complete the Carle application for financial assistance completely and return verification of income and assets.
   a. Verification of income for the previous 12 months is required. Income eligibility will be based on the most current published Federal Poverty Guidelines.
      - Monthly family income sources/documentation:
        - Wage statements
        - Self-employment income and expenses
        - Unemployment compensation
        - Award letters from the following types of income:
          * Social Security
          * Social Security Disability
          * Veterans' pension
          * Veterans' disability
          * Private disability
          * Workers' compensation
        - Retirement Income
        - Child support, alimony or other spousal support
        - Other miscellaneous income sources.
      - Prior year's Federal Tax Return document with all attachments and schedules, if filed.
   b. Statement of assets. Liquid assets in excess of $2,000.00 will be considered as additional available income. Pension and/or retirement accounts will not be considered liquid assets. Funds distributed from a pension or retirement account will constitute income when determining financial eligibility.
      - Checking
      - Savings
      - Health Spending Account
      - Medical Flexible Spending Account
      - Stocks/Bonds
      - Certificates of Deposit
      - Mutual Funds
      - Automobiles or other vehicles (in excess of 1 personal vehicle).
      - Real Property assessed value (in excess of personal residence)
4. 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 signature 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 six (6) month limitation.
5. Applicants may appeal Community Care Discount Program discount determination by sending a written appeal to the Manager of Receivables Management. Further appeals may be directed to the Director of Patient Financial Services, and may be escalated to either the Vice President of Revenue Cycles or 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).

D. The Community Care Discount Program discount will apply to the residual patient balances after all other payments from sources such as Medicare, insurance companies, third party legal settlements, and/or patient funds are received and posted.
   1. Patients who purposefully circumvent insurance requirements (i.e. waiting periods, preauthorization, etc.) may be held responsible for the billable services and not receive any discounts on services.

2. Patients who knowingly provide untrue information on the application for financial assistance, will be ineligible for financial assistance, any financial assistance granted may be reversed, and may be held responsible for the billable services.
3. 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.
4. 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).
5. 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.

E. 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.

F. 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.

G. 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 may be requested as stated in C1.
1. Carle will not file collection suit liens on a primary residence.
2. Carle will not authorize body attachments for purposes of medical debt collection.

H. 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.

I. Carle will utilize the Centers for Medicare and Medicaid Services coverage guidelines when determining services that qualify for the Community Care Discount Program.
1. 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).
2. 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.

Procedure

A. Patients with financial concerns should be identified by Carle personnel as soon as possible in the registration, care, treatment, and billing 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. 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.
2. Patients are encouraged to apply for the Community Care Discount Program within 60 days after discharge or provision of service. 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).
3. Upon receipt of the Community Care Discount Program application by Patient Financial Services – Receivables Management staff, EPIC Prelude and Resolute systems will be populated:
   a. All collection activity will be held until the application processing is completed.
   b. Application and supporting documentation will be scanned into OnBase and the paper copies destroyed.
   c. Applicant will be notified of any missing documentation.

d. 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.

4. The completed application should include:
   a. Income verification
      - 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. Asset verification
   c. The patient or responsible party must provide verification of the number of family/household members.

B. 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.
   1. Applications received prior to April 23, 2013 are maintained by paper and warehoused.
   2. Applications received on or after April 23, 2013 are maintained electronically within OnBase.

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 with other private pay accounts. See the Payment Policy - AD335.

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

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

Other Related Links

Hospital Uninsured Patient Discount Program - AD346
Carle Hoopeston Regional Health Care Charity Care - HOOPAD100

References

210 ILCS 88/27 – Fair Patient Billing Act (Illinois Public Act 96-965)
210 ILCS 89 – Hospital Uninsured Patient Discount Act

Electronic Approval on File

Dennis Hesch
Executive Vice President/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		
Effective Date	01/26/12	**Review Frequency**	3 years
Review Date	04/01/14		
Revision Date	04/01/14		

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
X	Carle Hoopeston Regional Health Center				
Scope Exclusions					

Purpose

A. To identify and assist those patients who are uninsured and who are financially eligible to receive discounts for specified medical expenses through the State of Illinois Hospital Uninsured Patient Discount Act (Illinois Public Act 095-0965).

B. Coverage is limited to services provided and billed by the Carle Foundation Hospital and Carle Hoopeston Regional Health Center's hospital location as a licensed hospital under the Health Facilities and Regulation (210 ILCS 85/) Hospital Licensing Act.

Definitions

A. **Generally accepted standards of medical practice**:
   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.

B. **Family/Household Size** – includes those dependents listed on tax returns, divorce decree, or child support order. Defined by the IRS for tax filing purposes under section 36B (d) (1), "a taxpayer's family consists of the individuals for whom the taxpayer claims a personal exemption deduction under section 151 for the taxable year. Taxpayers may claim a personal exemption deduction for themselves, a spouse, and each of their dependents. Section 152 provides that a taxpayer's dependent may be a qualifying child or qualifying relative, including an unrelated individual who lives with the taxpayer. Family size is equal to the number of individuals in the taxpayer's family."

C. **Resident** – a person who lives in the state of Illinois or within certain Indiana counties (Benton, Fountain, Montgomery, Parke, Putnam, Vermillion, or Warren) and who intends to remain living within Illinois or the above identified Indiana counties indefinitely. Relocation for the sole purpose of receiving health care benefits does not satisfy the residency requirement.

D. **Uninsured patient** – a resident who is a patient and is not covered under a policy of health insurance and is not a beneficiary under a public or private health insurance, health benefit, or other health coverage program, including high deductible health insurance plans, workers' compensation, accident liability insurance, or other third party liability.

Statement of Policy

A. Any uninsured patient who is an Illinois resident may apply for the Hospital Uninsured Patient Discount Program.
B. Certain identified patient populations are presumptively eligible for the Hospital Uninsured Patient Discount Program. Further detailed information is contained within the Presumptive Eligibility Policy - AD355.
C. Carle 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).
   1. Patients who knowingly provide untrue information on the application for financial assistance, will be ineligible for financial assistance, any financial assistance granted may be reversed, and may be held responsible for the billable services.
   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. 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.
      b. If the patient applies for government assistance, documentation of the determination form the government program is required for reprocessing of the financial assistance application.
   3. The Hospital Uninsured Patient Discount amount is dependent on applicant's household income and family size compared to the published Federal Poverty Level guidelines at the time of application and the facility where the services were performed.
      a. Services performed and billed by the Carle Foundation Hospital, the household income cannot exceed 600% of the Federal Poverty Level.
      b. Services performed and billed by the Carle Hoopeston Regional Health Center, the household income cannot exceed 300% of the Federal Poverty Level.

Federal Poverty Level	≤ 125%	>135% but ≤200%	>200% but ≤230%	>230% but ≤270%	>270% but ≤300%	≤ 400%	≤ 600%
Illinois Uninsured Hospital Patient Discount Program (Carle Foundation Hospital)							
Illinois Uninsured Hospital Patient Discount Program (Carle Hoopeston Regional Health Care)						N/A	

   4. To apply for the Illinois Hospital Uninsured Patient Discount Program, the guarantor or patient must complete the application for financial assistance (Community Care application for Carle Foundation Hospital or Charity Care application for Carle Hoopeston Regional Hospital) completely and return verification of Illinois residency, income and assets.
      a. Residency verification documentation:
         - Any document within the income verification listing with a preprinted address
         - Valid state-issued identification card
         - Recent (last 60 days) residential utility bill
         - Valid lease agreement
         - Current vehicle registration card
         - Voter registration card
         - Mail addressed to patient at an Illinois address from a government office
         - Statement from a family member that the patient resides at the same address with one of the above residency verifications.
      b. Verification of income for the previous 12 months is required. Income eligibility will be based on the most current published Federal Poverty Guidelines.
         - Monthly family income sources/documentation:

- Wage statements
- Self-employment income and expenses
- Unemployment compensation
- Award letters from the following types of income:
  * Social Security
  * Social Security Disability
  * Veterans' pension
  * Veterans' disability
  * Private disability
  * Workers' compensation
- Retirement Income
- Child support, alimony or other spousal support
- Other miscellaneous income sources

• Prior year's Federal Tax Return document with all attachments and schedules.

c. Statement of assets. Liquid assets in excess of $2,000.00 will be considered as additional available income. Pension and/or retirement accounts will not be considered liquid assets. Funds distributed from a pension or retirement account will constitute income when determining financial eligibility.

- Checking
- Savings
- Stocks
- Certificates of Deposit
- Mutual Funds
- Automobiles or other vehicles (in excess of 1 personal vehicle).
- Real Property assessed value (in excess of personal residence).

D. The Illinois Hospital Uninsured Patient Discount amount is determined from the most recently filed Medicare cost report for the hospital where the discount is being applied. 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.

E. If approved for the Illinois 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).
   1. The cap does not coordinate with other hospitals outside of the Carle organization.
   2. The patient is responsible for notifying Carle's Patient Financial Services office when their expenses might be close to exceeding this cap.

F. Illinois Hospital Uninsured Patient Discount Program is only for uninsured patients as defined within the Act. If a patient is found to have insurance, their application will be reviewed for other financial assistance programs that may be beneficial for the patient.

G. Patients must apply for the Illinois 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.

H. Only billed encounters, for those Carle entities that fall under the Act, exceeding $300.00 are eligible for the discount will be reviewed for discount under the Illinois Hospital Uninsured Patient Discount Program.

I. Medical care that does not meet the generally accepted standards of medical practice as defined by the act and the Centers for Medicare and Medicaid Services is excluded from the Illinois Hospital Uninsured Patient Discount Program discounts.

J. 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.

Procedure

A. Patients with financial concerns should be identified by Carle personnel as soon as possible in the registration, care, treatment, and billing 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 Illinois Hospital Uninsured Patient Discount Program. If the patient does not meet the eligibility criteria for a government program, they may still be eligible for the Illinois Hospital Uninsured Patient Discount Program.

2. Patients are required to apply for the Illinois Hospital Uninsured Patient Discount Program within 60 days after discharge or provision of service. The application for financial assistance 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).
3. Upon receipt of the financial assistance application by Patient Financial Services – Receivables Management staff, EPIC Prelude and Resolute systems will be populated.
   a. All collection activity will be held until processing is completed.
   b. Application and supporting documentation will be scanned into OnBase and the paper copies destroyed.
   c. Applicant will be notified of any missing documentation..
   d. 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.
4. The completed application should include:
   a. Income verification.
      - 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. Asset verification.
   c. Illinois residency verification.
   d. The patient or responsible party must provide verification of the number of family/household members.

B. 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.
   1. Applications received prior to April 23, 2013 are maintained by paper and warehoused.
   2. Applications received on or after April 23, 2013 are maintained electronically within OnBase.

C. 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.

D. 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.

E. Patients who qualify for a partial discount of the balance will be required to pay the remainder due, as with other private pay accounts. See the Payment Policy-AD335.

F. The total of the Illinois 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

HOOPAD100 - Carle Hoopeston Regional Health Care Charity Care

References

210 ILCS 88/27 – Fair Patient Billing Act (Illinois Public Act 96-965)

210 ILCS 89 – Hospital Uninsured Patient Discount Act

Electronic Approval on File

Dennis Hesch
Executive Vice President/Chief Financial Officer

Category/Program Title	Benefit
Community Building Activities (F)	
Economic Development (F2) Economic Development	**98,008**
Community Support (F3) Disaster Readiness	**4,321**
Coalition Building (F6) HelpSource Neighborhood Meetings	**1,316**
Community Health Improvement Advocacy (F7) Champaign County Healthcare Consumers	**2,737**
Workforce Development (F8) Health Career Programs Mentoring Programs and Job Shadowing	**205,424**
Community Benefit Operations (G)	
Dedicated Staff (G1) Dedicated Staff	**1,184**
Community Needs/Health Assets Assessment (G2) Community Health Needs Assessment	**1,894**
Other Resources (G3) Salvation Army Toy Drive	**7,533**
OTHER COMMUNITY BENEFITS – *Grand Total*	**$322,417**

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		
		2012	2013	2014
1	Net Patient Revenue	$419,650,000	$581,961,262	$667,577,000
2	Amount of Charity Care (charges)	$89,380,238	$131,822,322	$118,978,293
3	Cost of Charity Care	$18,744,995	$24,787,099	$23,678,654
4	Ratio of the cost of Charity Care to Net Patient Revenue	4.5%	4.3%	3.5%

Hoopeston Community Memorial Hospital

		Charity Care		
		2012	2013	2014
1	Net Patient Revenue	$24,562,725	$25,847,959	$34,612,000
2	Amount of Charity Care (charges)	$1,535,105	$1,829,753	$4,785,834
3	Cost of Charity Care	$958,017	$830,495	$2,074,018
4	Ratio of the cost of Charity Care to Net Patient Revenue	3.9%	3.2%	6.0%