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December 14, 2015

VIA FEDERAL EXPRESS

Mr. Mike Constantino  
Illinois Health Facilities & Services Review Board  
525 W. Jefferson Street  
2nd Floor  
Springfield, IL 62761

Re: #15-058

Dear Mike:

Per your request for additional information regarding the above project, please see below.

## **What is the FMV of the land being donated by HSHS to OSF?**

As you know, HSHS donated its hospital buildings/land and some equipment to OSF. The approximate fair market value of same was estimated at \$6,000,000.00. The valuation was not apportioned out to provide a number for the proposed FEC space and/or equipment specifically. However, the approximate GSF of the hospital building is 300,000 GSF. The FEC space is 12,476 GSF. Using the FEC GSF as a percentage of the total GSF of the hospital, and then assigning a like FMV percentage to the FEC space based on same, the FMV is estimated to be \$240,000.00.

I have attached a revised costs/sources of funds page, Attachment 7 and Attachment 9 to this correspondence, incorporating this information. To be clear, however, this is not a cost that OSF is incurring related to the project, since HSHS donated the land/building/equipment to OSF.

## **Will the FEC utilize any of the ambulatory services to be provided in the former St. Mary's hospital building by OSF, such as laboratory, imaging and/or PT?**

The only services that patients being treated in the FEC may use are imaging and laboratory. Regarding imaging, if a patient is not stable general x-rays will be provided in the FEC via a portable x-ray machine. If the patient is stable or if he or she needs an MRI or CT or ultrasound is required, the patient will be transported to an area where the imaging equipment is located that is outside of the FEC space (just as it was outside of the former St. Mary's hospital ED space). There will be one MRI, one CT and 2 fixed ultrasound pieces of equipment. The imaging equipment was used at St. Mary's Hospital and was part of the equipment donated by HSHS St.

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Mary's to OSF in contemplation of it providing ambulatory services at the former hospital location, and if approved, FEC services. Thus, these imaging pieces of equipment will be used not only for patients of the FEC, but also for ambulatory care patients seen by OSF Medical Group physicians and referred for imaging services. Attached is a copy of the 2014 utilization data for imaging filed by St. Mary's Streator. We anticipate volume will be similar, subject to the fact some of the utilization may have been related to inpatients at the hospital (although a relatively small percentage as St. Mary's patient volume was primarily from outpatient and ED visits).

With respect to lab services, they will be provided directly by the FEC.

Thank you, of course, should you have any questions do not hesitate to contact me.

Sincerely,

  
Clare Connor Ranalli

CCR/jae

Attachments

cc: Mark Hohulin  
Michael Henderson

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### 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			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)	\$725,000.00	N/A	\$725,000.00
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment	\$206,400.00	\$33,600.00	\$240,000.00
Other Costs To Be Capitalized	N/A	\$150,000.00	\$150,000.00
Acquisition of Building or Other Property (excluding land)			
<b>TOTAL USES OF FUNDS</b>			
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$931,400.00	\$183,600.00	\$1,115,000.00
Pledges			
Gifts and Bequests	\$206,400.00	\$33,600.00	\$240,000.00
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$931,400.00</b>	<b>\$183,600.00</b>	<b>\$1,115,000.00</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

### **Itemization of Project Costs**

Moveable Equipment: \$725,000.00

Various pieces of clinical equipment (e.g. EKG carts, pytis, IV pumps, cardiac monitors).

Other Costs To Be Capitalized

Artwork, Office Furniture,  
Signage, Miscellaneous Expenses \$150,000.00

NOTE: The FEC will be located in the former St. Mary's Hospital ED space and the FMV of same is estimated to be \$240,000.00. The building was donated to OSF. No modernization of the space is necessary.

## Cost Space Requirements

### Reviewable

Dept/Area	Cost	GSF		Amount of Proposed total GSF that is:			
		Exist.	Prop.	New Cust.	Mod	As Is	Vacated
FEC Patient Bays*	\$931,400.00	10,734	10,734	0	0	10,734	0

### Non-Reviewable/Project Related

Registration/Waiting, Administrative, (Physician Lounge and Sleep Room/Staff Room/Offices)	Cost	GSF		Amount of Proposed total GSF that is:			
		Exist.	Prop.	New Cust.	Mod	As Is	Vacated
Non-Clinical							
	\$183,600.00	1,742	1,742	0	0	1,742	0

There is an existing helipad which will be used as necessary for FEC operations. The existing GSF is former emergency department space utilized by HSHS St. Mary's, Streator, and is built out with a 650 GSF nursing station, 80 GSF decontamination area, 104 GSF EMS area, and the patient care rooms are 1,400 GSF each. There is also 1,500 GSF for storage and soiled utility.

Total Cost: \$1,115,000.00. However, the FMV of the space is not truly a cost the applicants will incur because the former hospital building was donated to OSF by HSHS.

<u>Ownership, Management and General Information</u>		<u>Patients by Race</u>		<u>Patients by Ethnicity</u>	
ADMINISTRATOR NAME:	John Flanders	White	95.6%	Hispanic or Latino:	0.0%
ADMINSTRATOR PHONE	815-673-4500	Black	2.0%	Not Hispanic or Latino:	97.6%
OWNERSHIP:	hospital Sisters Services, Inc.	American Indian	0.0%	Unknown:	2.4%
OPERATOR:	Hospital Sisters Services, Inc.	Asian	0.0%		
MANAGEMENT:	Church-Related	Hawaiian/ Pacific	0.0%	IDPH Number:	2659
CERTIFICATION:	None	Unknown	2.4%	HPA	C-02
FACILITY DESIGNATION:	General Hospital			HSA	2
ADDRESS	111 Spring Street	CITY:	Streator	COUNTY:	LaSalle County

**Facility Utilization Data by Category of Service**

<u>Clinical Service</u>	Authorized CON Beds 12/31/2014	Peak Beds Setup and Staffed	Peak Census	Admissions	Inpatient Days	Observation Days	Average Length of Stay	Average Daily Census	CON Occupancy Rate %	Staffed Bed Occupancy Rate %
<b>Medical/Surgical</b>	79	50	24	1,086	4,342	897	4.8	14.4	18.2	28.7
0-14 Years				0	0					
15-44 Years				106	314					
45-64 Years				326	1,307					
65-74 Years				202	840					
75 Years +				452	1,881					
<b>Pediatric</b>	3	3	3	16	37	2	2.4	0.1	3.6	3.6
<b>Intensive Care</b>	8	8	8	295	1,087	122	4.1	3.3	41.4	41.4
Direct Admission				295	1,087					
Transfers				0	0					
<b>Obstetric/Gynecology</b>	7	7	4	85	237	11	2.9	0.7	9.7	9.7
Maternity				70	195					
Clean Gynecology				15	42					
<b>Neonatal</b>	0	0	0	0	0	0	0.0	0.0	0.0	0.0
<b>Long Term Care</b>	0	0	0	0	0	0	0.0	0.0	0.0	0.0
<b>Swing Beds</b>			0	0	0		0.0	0.0		
<b>Acute Mental Illness</b>	0	0	0	0	0	0	0.0	0.0	0.0	0.0
<b>Rehabilitation</b>	0	0	0	0	0	0	0.0	0.0	0.0	0.0
<b>Long-Term Acute Care</b>	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	0					0				
<b>Facility Utilization</b>	<b>97</b>			<b>1,482</b>	<b>5,703</b>	<b>1,032</b>	<b>4.5</b>	<b>18.5</b>	<b>19.0</b>	

(Includes ICU Direct Admissions Only)

**Inpatients and Outpatients Served by Payer Source**

	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Totals
<b>Inpatients</b>	56.5%	14.6%	0.2%	12.9%	0.9%	14.9%	
	838	216	3	191	13	221	1,482
<b>Outpatients</b>	38.0%	18.3%	0.4%	35.6%	2.3%	5.3%	
	19663	9460	188	18425	1205	2762	51,703

<u>Financial Year Reported:</u>	7/1/2013 to	6/30/2014	<u>Inpatient and Outpatient Net Revenue by Payer Source</u>					<u>Charity Care Expense</u>	<u>Total Charity Care Expense</u>
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Totals			
<b>Inpatient Revenue (\$)</b>	61.3%	6.3%	0.9%	21.6%	9.9%	100.0%		1,923,110	
	9,198,638	942,301	135,833	3,242,059	1,483,751	15,002,582	410,367		
<b>Outpatient Revenue (\$)</b>	24.2%	13.9%	1.6%	58.3%	1.9%	100.0%			
	6,314,443	3,630,488	416,880	15,192,044	501,617	26,055,472	1,512,743	4.7%	

**Birthing Data**

Number of Total Births:	70
Number of Live Births:	70
Birthing Rooms:	0
Labor Rooms:	0
Delivery Rooms:	0
Labor-Delivery-Recovery Rooms:	4
Labor-Delivery-Recovery-Postpartum Rooms:	0
C-Section Rooms:	1
CSections Performed:	12

**Newborn Nursery Utilization**

	Level I	Level II	Level III+
Beds	4	0	0
Patient Days	174	0	0
Total Newborn Patient Days			174

**Organ Transplantation**

Kidney:	0
Heart:	0
Lung:	0
Heart/Lung:	0
Pancreas:	0
Liver:	0
Total:	0

**Laboratory Studies**

Inpatient Studies	36,232
Outpatient Studies	90,458
Studies Performed Under Contract	12,091

**Surgery and Operating Room Utilization**

<u>Surgical Specialty</u>	<u>Operating Rooms</u>				<u>Surgical Cases</u>		<u>Surgical Hours</u>			<u>Hours per Case</u>	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Cardiovascular	0	0	0	0	3	11	2	9	11	0.7	0.8
Dermatology	0	0	0	0	11	238	11	203	214	1.0	0.9
General	0	0	5	5	57	245	102	224	326	1.8	0.9
Gastroenterology	0	0	0	0	83	529	122	403	525	1.5	0.8
Neurology	0	0	0	0	3	20	1	19	20	0.3	1.0
OB/Gynecology	0	0	1	1	47	83	59	79	138	1.3	1.0
Oral/Maxillofacial	0	0	0	0	0	0	0	0	0	0.0	0.0
Ophthalmology	0	0	0	0	0	324	0	235	235	0.0	0.7
Orthopedic	0	0	0	0	103	465	338	473	811	3.3	1.0
Otolaryngology	0	0	0	0	1	7	1	7	8	1.0	1.0
Plastic Surgery	0	0	0	0	0	0	0	0	0	0.0	0.0
Podiatry	0	0	0	0	0	9	0	14	14	0.0	1.6
Thoracic	0	0	0	0	7	10	10	9	19	1.4	0.9
Urology	0	0	0	0	16	188	19	162	181	1.2	0.9
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>331</b>	<b>2129</b>	<b>665</b>	<b>1837</b>	<b>2502</b>	<b>2.0</b>	<b>0.9</b>
<b>SURGICAL RECOVERY STATIONS</b>			Stage 1 Recovery Stations		4		Stage 2 Recovery Stations		12		

**Dedicated and Non-Dedicated Procedure Room Utilization**

<u>Procedure Type</u>	<u>Procedure Rooms</u>				<u>Surgical Cases</u>		<u>Surgical Hours</u>			<u>Hours per Case</u>	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Gastrointestinal	0	0	2	2	68	527	81	385	466	1.2	0.7
Laser Eye Procedures	0	0	1	1	1	72	1	18	19	1.0	0.3
Pain Management	0	0	1	1	0	174	0	44	44	0.0	0.3
Cystoscopy	0	0	1	1	7	106	8	98	106	1.1	0.9
<b>Multipurpose Non-Dedicated Rooms</b>											
Orthopedics	0	0	1	1	4	51	17	75	92	4.3	1.5
	0	0	0	0	0	0	0	0	0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0.0	0.0

**Emergency/Trauma Care**

Certified Trauma Center	No
Level of Trauma Service	<b>Level 1</b>
Operating Rooms Dedicated for Trauma Care	0
Number of Trauma Visits:	0
Patients Admitted from Trauma	0
Emergency Service Type:	Basic
Number of Emergency Room Stations	8
Persons Treated by Emergency Services:	11,902
Patients Admitted from Emergency:	1,277
Total ED Visits (Emergency+Trauma):	<b>11,902</b>

**Cardiac Catheterization Labs**

Total Cath Labs (Dedicated+Nondedicated labs):	0
Cath Labs used for Angiography procedures	0
Dedicated Diagnostic Catheterization Lab	0
Dedicated Interventional Catheterization Labs	0
Dedicated EP Catheterization Labs	0

**Cardiac Catheterization Utilization**

Total Cardiac Cath Procedures:	0
Diagnostic Catheterizations (0-14)	0
Diagnostic Catheterizations (15+)	0
Interventional Catheterizations (0-14):	0
Interventional Catheterization (15+)	0
EP Catheterizations (15+)	0

**Free-Standing Emergency Center**

Beds in Free-Standing Centers	
Patient Visits in Free-Standing Centers	
Hospital Admissions from Free-Standing Center	

**Cardiac Surgery Data**

Total Cardiac Surgery Cases:	0
Pediatric (0 - 14 Years):	0
Adult (15 Years and Older):	0
Coronary Artery Bypass Grafts (CABGs) performed of total Cardiac Cases :	0

**Outpatient Service Data**

Total Outpatient Visits	<b>51,703</b>
Outpatient Visits at the Hospital/ Campus:	41,985
Outpatient Visits Offsite/off campus	9,718

<u>Diagnostic/Interventional Equipment</u>	<u>Examinations</u>					<u>Therapeutic Equipment</u>			<u>Therapies/ Treatments</u>
	Owned	Contract	Inpatient	Outpt	Contract	Owned	Contract		
General Radiography/Fluoroscopy	11	0	2,582	9,606	0	Lithotripsy	0	1	36
Nuclear Medicine	1	0	46	962	0	Linear Accelerator	0	0	0
Mammography	1	0	0	3,078	0	Image Guided Rad Therapy			0
Ultrasound	4	0	655	4,455	0	Intensity Modulated Rad Thrp			0
Angiography	1	0				High Dose Brachytherapy	0	0	0
Diagnostic Angiography			0	0	0	Proton Beam Therapy	0	0	0
Interventional Angiography			0	0	0	Gamma Knife	0	0	0
Positron Emission Tomography (PET)	0	1	0	49	0	Cyber knife	0	0	0
Computerized Axial Tomography (CAT)	1	0	723	3,351	0				
Magnetic Resonance Imaging	1	0	13	826	0				