



Ferrell Hospital

1201 Pine Street | Eldorado, IL 62930 | P: 618-273-3361 | F: 618-273-2571

December 14, 2016

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Michael Constantino
Senior Reviewer
Illinois Health Facilities and Services Review Board
525 West Jefferson St.
Springfield, IL 62761

Re: Project #16-048 – Ferrell Hospital

Dear Mr. Constantino:

We received your letter dated December 8, 2016 regarding needed follow-up items in reference to our application for permit for the modernization of Ferrell Hospital. The information requested is discussed below.

1. **Co-applicant Name.** The legal entity of the co-applicant is Deaconess Regional Healthcare Network Illinois, LLC. This entity was established to form a network of healthcare providers in southeastern Illinois with the purpose of providing a forum for affiliates to collaborate and improve healthcare services. This entity is a co-applicant per response number 3 below. Corrected permit application pages are attached.
2. **Entity providing management services to the hospital.** Deaconess Regional Healthcare Services Illinois, Inc. provides management services to Ferrell Hospital under a management contract. This entity differs from the Network and has no “control” over Ferrell as defined by Illinois Health Facilities and Services Review Board Rules (see response number 3 below).
3. **Role of Co-Applicant in relation to Ferrell Hospital.** Deaconess Regional Healthcare Network, LLC appoints two of the ten seats on the Ferrell Hospital Community Foundation Board; however, Ferrell Hospital operates as an independent community hospital. Through its Board appointments and reserve powers, Deaconess Regional Healthcare Network, LLC retains some capital expenditure control over this proposed modernization project and is thus named as the co-applicant per Review Board rules.
 - a. **Is the co-applicant a for-profit or not for profit entity?** The co-applicant is an Illinois not for profit entity.
 - b. **Is the co-applicant providing financing or funding to Ferrell Hospital or guaranteeing any debt?** Deaconess Regional Healthcare Network Illinois, LLC provided Ferrell Hospital with \$510,000 (See page 23 of the CON application, Attachment 7) as a contribution to the project financing. Deaconess Regional Healthcare Network Illinois, LLC does not guarantee any debt for Ferrell Hospital nor does any Deaconess related

M. Constantino
Illinois Health Facilities and Services Review Board
Re: Project #16-048 – Ferrell Hospital
Page 2

entity. Ferrell Hospital Community Foundation will be solely responsible for project funding with the exception of this contribution. .

4. **Illinois Historic Preservation Agency (IHPA) inquiry.** We are currently scheduling a site visit with the IHPA for the week of December 19th. It is our hope to have additional insight regarding their inquiry and a determination of resolution after the site visit so as to not disrupt the project timeline for completion. Furthermore, it is our understanding that the USDA will require resolution to the IHPA inquiry prior to providing financing for the proposed modernization.
5. **Deaconess Health System Audited Financial Statements.** As Deaconess Health System does not offer Ferrell Hospital or the Ferrell Hospital Community Foundation Board any financial guarantees, nor does it maintain control over Ferrell Hospital or the modernization project, it is our understanding that Deaconess Health System's audited financial statements would not be relevant to this Application. We would be happy to discuss this inquiry with you further if you so deem it necessary.

Thank you, Mr. Constantino, for your prompt response after review of our application. We hope this information is helpful as you continue your review and please let us know if there is any additional information needed at this time. We look forward to your continued review.

Sincerely,



Alisa Coleman, MHA
Chief Executive Officer
Ferrell Hospital
acoleman@ferrellhosp.org
618-273-2571

Attachments: Project 16-048 Corrected Page 2
Project 16-048 Corrected Page 48
Project 16-048 Updated Page 51
Project 16-048 Substitute Page 56