

April 30, 2018

Mr. Mike Constantino
Illinois Health Facilities and
Services Review Board
525 West Jefferson Street, 2nd floor
Springfield, IL 62761

Dear Mr. Constantino,

Per your request, I have enclosed the answers to your questions in regards to CON 18-010.

I have also enclosed a letter of support for the CON from Quincy Area Chamber of Commerce.

Sincerely,



Betty Kasparie
Vice President
Audit, Risk & Compliance

Response to Questions for CON 18-010

1. The number of physician offices 24
The number of exam rooms 72
The number of procedure rooms 24
2. The non- clinical space at 25,366 is attached
3. \$1.2 million is the land cost
4. The existing MOB on the 11th street hospital campus is fully committed with physicians either already committed or recruitments in progress. Additional capacity is needed.
5. The procedures for radiology are attached.
6. The CSA is attached.
7. Itemized costs are attached

ROOM AREA SCHEDULE

NO.	NAME	AREA	COMMENTS	DEPARTMENT
Non-Clinical				
CIRCULATION				
C100	CORRIDOR	1186 SF	Non-Clinical	CIRCULATION
C101	STAFF / SERVICE CORRIDOR	2047 SF	Non-Clinical	CIRCULATION
C200	CORRIDOR	260 SF	Non-Clinical	CIRCULATION
C201	CORRIDOR	227 SF	Non-Clinical	CIRCULATION
C100.1	CORRIDOR	165 SF	Non-Clinical	CIRCULATION
C200.1	CORRIDOR	614 SF	Non-Clinical	CIRCULATION
C200.2	CORRIDOR	603 SF	Non-Clinical	CIRCULATION
C201.1	CORRIDOR	641 SF	Non-Clinical	CIRCULATION
C201.2	CORRIDOR	582 SF	Non-Clinical	CIRCULATION
CORE				
S101	STAIR	271 SF	Non-Clinical	CORE
EL100	ELEV 1	62 SF	Non-Clinical	CORE
EL101	ELEV 2	62 SF	Non-Clinical	CORE
S100	STAIR	271 SF	Non-Clinical	CORE
2007	MEN'S	259 SF	Non-Clinical	CORE
2006	WOMEN'S	259 SF	Non-Clinical	CORE
E200	ELEVATOR	62 SF	Non-Clinical	CORE
E201	ELEVATOR	62 SF	Non-Clinical	CORE
1005	MEN'S	258 SF	Non-Clinical	CORE
1004	WOMEN'S	260 SF	Non-Clinical	CORE
2004	MECH RM	794 SF	Non-Clinical	CORE
1009	MECHANICAL ROOM	694 SF	Non-Clinical	CORE
1011	IT	114 SF	Non-Clinical	CORE
2005	IT	107 SF	Non-Clinical	CORE
2003	JAN	77 SF	Non-Clinical	CORE
1008	JANITOR'S	82 SF	Non-Clinical	CORE
S200	STAIR	271 SF	Non-Clinical	CORE
S201	STAIR	271 SF	Non-Clinical	CORE
S102	STAIR	286 SF	Non-Clinical	CORE
1016A	UNISEX TOLIET	60 SF	Non-Clinical	CORE
S202	STAIR	236 SF	Non-Clinical	CORE
2004A	UNISEX TOLIET	52 SF	Non-Clinical	CORE
1016D	IT	110 SF	Non-Clinical	CORE
LOADING DOCK				
1900	LOADING	336 SF	Non-Clinical	LOADING DOCK
1902	HOUSEKEEPING STORAGE	122 SF	Non-Clinical	LOADING DOCK
1901	BIO HAZARD	148 SF	Non-Clinical	LOADING DOCK
LOBBY				
1000	LOBBY	3855 SF	Non-Clinical	LOBBY
1002	VEST	169 SF	Non-Clinical	LOBBY
1001	VEST	173 SF	Non-Clinical	LOBBY
1021	VEST	103 SF	Non-Clinical	LOBBY
1020	VESTIBULE	102 SF	Non-Clinical	LOBBY
C100C	CORRIDOR	1889 SF	Non-Clinical	LOBBY
C100E	CORRIDOR	1069 SF	Non-Clinical	LOBBY
C100G	LOBBY	3855 SF	Non-Clinical	LOBBY
1016B	CONFERENCE ROOM	292 SF	Non-Clinical	LOBBY
2008A	CONFERENCE ROOM	209 SF	Non-Clinical	LOBBY
1016C	VENDING	107 SF	Non-Clinical	LOBBY
RETAIL				
1012	RETAIL / COFFEE	788 SF	Non-Clinical	RETAIL
1016	FUTURE RETAIL SPACE	744 SF	Non-Clinical	RETAIL
1014	STORAGE	150 SF	Non-Clinical	RETAIL

25,336 SF

48th and Maine: Imaging Volume Projects

2.21.2018

	Projection Assumptions					Total	
	10%	3% Vol	Shift / New	20%	Volume		
Blessing Outpatient Imaging Volumes	FY 16	FY 17	FY 18 Annlzd	Market Share	Growth	Physician Growth	Volume
General Diagnostic	33,256	33,873	33,789	4,100	1,014	6,758	11,871
CT	11,765	12,851	13,194	480	396	2,639	3,515
MRI	3,670	3,484	3,555	500	107	1,778	2,384
Ultrasound	6,995	7,228	6,855	-	206	3,428	3,633

M. Criterion 1110.270 - 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
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

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 <u>ATTACHMENT 31</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Clinical Services Areas

<u>Service</u>	<u>Existing</u>	<u>Proposed</u>
Cat Scan	0	1
General	0	2
MRI	0	1
Ultrasound	0	2

The only two services listed as Clinical Service areas that are not Categories of services are diagnostic imaging and laboratory. The Services are to be established under a wholly owned Blessing Hospital LLC, but will not be established under the hospital license. For establishment of these services only diagnostic is being addressed as lab does not have a target volume.

To demonstrate compliance, the following responses are being provided.

1. The proposed project is located in E-05 Hospital planning area. The E-05 **Planning Area E includes:** Adams and Hancock Counties; Schuyler County Townships of Birmingham, Brooklyn, Camden, and Huntsville; Brown County Townships of Pea Ridge, Missouri, Lee, Mount Sterling, Buckhorn and Elkhorn. There is only one other hospital within the service area, a critical access hospital in Carthage, Illinois, which is 43 miles from Quincy. Blessing's primary service area includes six counties, four in West Central Illinois (Adams, Brown, Pike, Hancock and two in Northeast Missouri (Marion and Lewis). More than 80% of Blessing's business comes from the primary service area. The intent of this project is to improve access for residents of the service area. The population is not growing, but the age of the population increase which increases demand for health care services. In addition, the organization is working very specifically to increase service ability so residents do not need to leave the area and are able to stay near their homes and family support systems.
2. It is expected the majority of the patients served will be from growth of the Blessing Health system volume increase due to added physician specialists and transfer of some of the services from Blessing Hospital's outpatient volume. Some of the physicians currently located in the current medical office building will be relocating to the 48th street campus to allow for more specialists with hospital practices to locate in the current building. It is the intent to add orthopedic services to the 48th street location and today approximately 750 cases leave the market every year for service. This location will be more accessible, than the hospital campus. The CEO of the Blessing Health system and physicians have committed to sending cases to the lab and x-ray services. See the attached letters. Physician visits at the clinic has continued to increase for the last several years as we have continued to expand services offered. The following numbers reflect the growth:
2016: 162,343
2017: 180,330
3. The impact to other area providers for radiology and ultrasound is not expected to occur due to the volume being from current or new providers being recruited. The goal is to maintain more of the volume in Quincy rather than patients having to travel to other larger hospital (nearest larger hospital is 100 mile). Blessing expects to serve only its service area residents. This project would not have a negative impact on the other critical access hospital in the market.
4. The projected utilization levels would exceed the state thresholds. Again, these services will be provided by a LLC which will not operate under the Blessing Hospital License.

B *BLESSING*

Physician Services

April 30, 2018

Ms. Betty Kasparie
Corporate Compliance Officer
Blessing Health System
PO Box 7005
Quincy, IL 62305

Dear Ms. Kasparie,

Please accept this letter in support of Blessing Health Systems proposed medical office building located at the intersection of 48th and Maine in Quincy, IL. This office building is imperative to the growth of our provider recruitment to serve the residents of our community.

In 2016, we brought over 30 new providers to the community in various specialties such as Family Medicine, Nephrology, Cardiology and Urology to name a few. In 2017, we added yet another 28 multispecialty providers. This year in 2018, I expect us to end the year with approximately 15 new providers. These providers, once they arrive, will essentially fill the remaining existing medical office capacity for 4 -5 providers in our current medical office building on campus. Without the proposed expansion of medical office space at the intersection of 48th and Maine, recruitment would need to be limited to only "replacement" of those providers retiring or leaving the community. The proposed office building allows us to continue recruitment of both Family Medicine and specialty providers needed for the primary and secondary markets that we humbly serve.

Due to the multispecialty providers and the patients they care for, they will require Diagnostic Imaging, Computerized Tomography (CT) and Magnetic Resonance Imaging (MRI) as well as full laboratory capability. Without these services, patients would be required to travel to obtain these services at the hospital's main campus. This would require two separate trips and a second return trip to the provider's office for follow up / result reporting.

Thank you for your consideration of these factors in your project. Our patients and communities around us will be the beneficiaries of our medical staff planning and recruitment.

Respectfully yours,



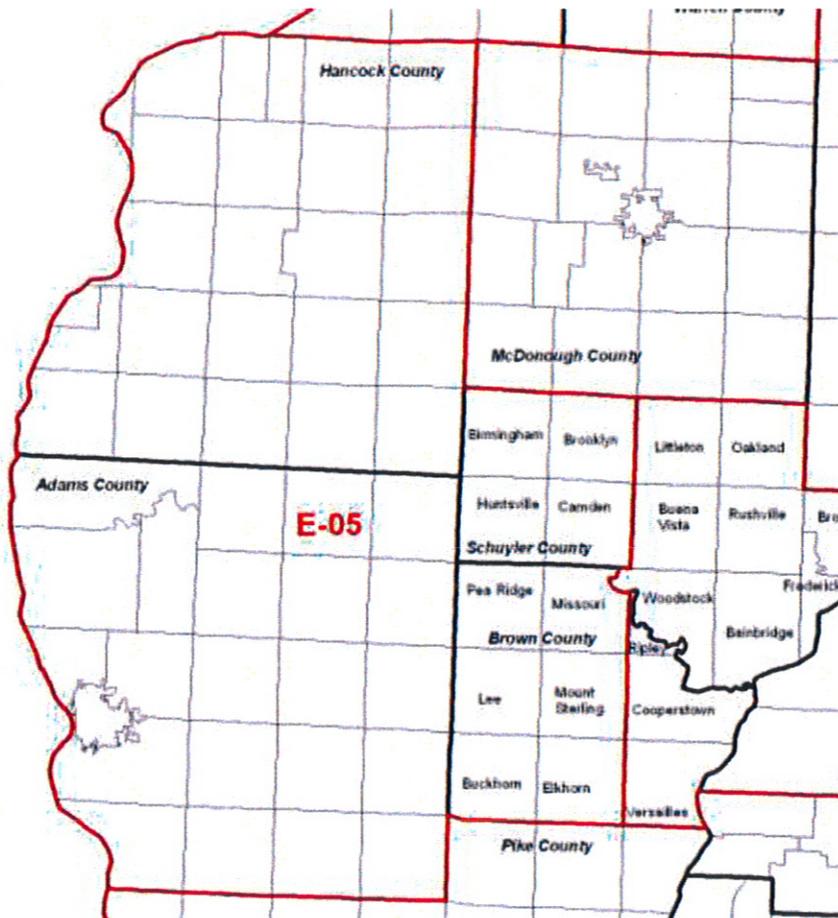
R. Scott Koelliker, RN, FACHE
Executive Vice President
Blessing Physician Services

SK/rae

Attachment: 31

Inventory of Health Care Facilities and Services
and Need Determinations

- E) **Planning Area E-5:** Adams and Hancock Counties; Schuyler County Townships of Birmingham, Brooklyn, Camden, and Huntsville; Brown County Townships of Pea Ridge, Missouri, Lee, Mount Sterling, Buckhorn and Elkhorn.



PROJECT COSTS and SOURCES OF FUNDS

PROJECT Costs

Pre-Planning Costs

Market Analyses	\$0		
Transactional	\$0		
Site Selection	\$0		
Misc./Other	\$0		
		<u>\$0</u>	\$0

Site Survey & Soil Investigation

Site Survey	\$12,000		
Soil Investigation	\$12,200		
		\$24,200	

Site Preparation

Landscaping	\$147,000		
Water Remediation	\$269,063		
Parking/Road & Walk-ways	\$951,141		
Exterior Lighting/Signage	\$130,095		
Misc./Other	\$2,160,269		
		<u>\$3,657,568</u>	\$3,657,568

New Construction*

Per ATTACHMENT 39C		\$20,481,965	
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Construction Contingency

Per ATTACHMENT 39C		\$1,312,500	
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Architectural & Engineering Fees

Preliminary Renderings	\$26,250		
Design	\$906,938		
Engineering	\$319,725		
Reg. Agency Interaction	\$10,500		
Project Monitoring	\$31,500		
Reimbursables	\$21,000		
Misc./Other	\$0		
		<u>\$1,315,913</u>	

Consulting and Other Fees

Legal	\$0		
Zoning-Related	\$0		
CON-Related	\$0		
Reg. Approvals, other	\$0		
Project Management	\$84,000		
Relocation-related	\$0		
Local Permitting	\$96,707		
Interior Design	\$42,000		
Insurance	\$91,233		
Commissioning	\$0		
Materials Testing	\$73,500		

Equipment Planning		\$0	
Misc./Other		\$0	
		<u> </u>	\$387,441
Moveable Equipment			
RT/Imaging/Lab		\$0	
Other Equipment		\$0	
Shipping & Install. @ 3.5%		\$0	
		<u> </u>	\$0
Fair Market Value of leased Space			
MMG leased Space••		\$0	
Other Costs to be Capitalized			
Build-Out of MMG Offices	0	\$0	
Property-Related Costs		\$0	
		<u> </u>	\$0
TOTAL COST			\$27,179,586
PROJECT COSTS and SOURCES OF FUNDS			
SOURCES OF FUNDS			
Cash and Securities		\$0	
FMV of MMG leased Space		\$0	
		<u> </u>	
TOTAL SOURCES OF FUNDS			\$0

" please see attached note

•• lease payments during initial term of lease

0 " maintenance of protected waterway, etc.



QUINCY AREA
CHAMBER OF
COMMERCE

Chairman
Illinois Health Facilities Planning and Services Review Board
525 West Jefferson Street
Springfield, IL 62761

Dear Chairman:

We write this letter of support on behalf of the proposed Blessing Hospital Medical Office Building at 4800 Maine Street, Quincy, Illinois. The Board of Directors of the Quincy Area Chamber of Commerce unanimously voted in favor of this new addition to our community.

As the largest hospital in a 100-mile radius of Quincy, Blessing plays a pivotal role in providing healthcare to the tri-state residents. Blessing provides services locally that add value to the quality of life for families in our community, reducing the burden of extended travel for care and support of their loved ones.

The Blessing Health System is a vital part of the economy both locally and the tri-state area. We appreciate Blessing's commitment to our community, which has resulted in the growth and investment needed to meet the public's healthcare needs. As reported in Blessing's report to the community, the healthcare system provided \$6.9 million in free care to those in need; with number of lives touched- 2,755.

The 48th Street location is on the east side of the city and will provide a great access point to the I-72 Expressway and tri-state residents. The Chamber is committed to enhancing the business climate and economic well being of the Quincy area. Blessing's expansion will accommodate the continued need for physicians in this area, and space to allow this opportunity is essential.

On behalf of the Chamber of Commerce, we encourage your support of Blessing's effort to continue to grow, provide the needed health care, and services to our region.

Sincerely,

Latonya Brock
Executive Director
Quincy Area Chamber of Commerce

Debbie Reed
Board Chair
Quincy Area Chamber of Commerce