ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Memorial Hospital Association		
Street Address: 1454 North County Road 2050		
City and Zip Code: Carthage, Illinois 62321		
County: Hancock	Health Service Area: 003	Health Planning Area: E05

Applicant(s) [Provide for each co-applicant (refer to Part 1130.220)]

Exact Legal Name: Iowa Health System d/b/a UnityPoint Health
Street Address: 1776 West Lakes Parkway, Suite 400
City and Zip Code: West Des Moines, Iowa 50266
Name of Registered Agent: Elizabeth Kurt
Registered Agent Street Address: 120 NE Glen Oak Avenue, Suite 101
Registered Agent City and Zip Code: Peoria, Illinois 61603
Name of Chief Executive Officer: Kevin Vermeer
CEO Street Address: 1776 West Lakes Parkway, Suite 400
CEO City and Zip Code: West Des Moines, Iowa 50266
CEO Telephone Number: (515) 241-6161

Type of Ownership of Applicants

- ☒ 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: Edward J. Green, Esq.
Title: Attorney
Company Name: Foley & Lardner LLP
Address: 321 North Clark Street, Suite 2800, Chicago, Illinois 60654
Telephone Number: (312) 832-4375
E-mail Address: egreen@foley.com
Fax Number: (312) 832-4700

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Memorial Hospital Association		
Street Address: 1454 North County Road 2050		
City and Zip Code: Carthage, Illinois 62321		
County: Hancock	Health Service Area: 003	Health Planning Area: E05

Applicant(s) [Provide for each co-applicant (refer to Part 1130.220)]

Exact Legal Name: Memorial Hospital Association
Street Address: 1454 North County Road 2050
City and Zip Code: Carthage, Illinois 62321
Name of Registered Agent: Elizabeth Kurt
Registered Agent Street Address: Peoria, Illinois 61603
Registered Agent City and Zip Code: Peoria, Illinois 61603
Name of Chief Executive Officer: Ada Bair
CEO Street Address: 1454 North County Road 2050
CEO City and Zip Code: Carthage, Illinois 62321
CEO Telephone Number: (217) 357-8566

Type of Ownership of Applicants

- ☒ 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: Edward J. Green, Esq.
Title: Attorney
Company Name: Foley & Lardner LLP
Address: 321 North Clark Street, Suite 2800, Chicago, Illinois 60654
Telephone Number: (312) 832-4375
E-mail Address: egreen@foley.com
Fax Number: (312) 832-4700

Additional Contact

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

Name: Ashley Kleemeier, Esq.
Title: Senior Counsel
Company Name: UnityPoint Health
Address: 1776 West Lakes Parkway, Suite 400, West Des Moines, Iowa 50266
Telephone Number: (515) 241-4662
E-mail Address: Ashley.kleemeier@unitypoint.org
Fax Number: (515) 241-4656

Additional Contact

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

Name: Steven Pratt, Esq.
Title: Partner
Company Name: Hall, Render, Killian, Heath & Lyman, P.C.
Address: 500 North Meridian Street, Suite 400
Telephone Number: (317) 977-1442
E-mail Address: spratt@hallrender.com
Fax Number: (317) 633-4878

Post Exemption 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: Ashley Kleemeier, Esq.
Title: Senior Counsel
Company Name: UnityPoint Health
Address: 1776 West Lakes Parkway, Suite 400, West Des Moines, Iowa 50266
Telephone Number: (515) 241-4662
E-mail Address: Ashley.kleemeier@unitypoint.org
Fax Number: (515) 241-4656

Additional Post Exemption 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: Ada Bair
Title: Chief Executive Officer
Company Name: Memorial Hospital Association
Address: 1454 North County Road 2050, Carthage, Illinois 62321
Telephone Number: (217) 357-8566
E-mail Address: ceo@mhtlc.org
Fax Number:

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Memorial Hospital Association
Address of Site Owner: 1454 North County Road 2050, Carthage, Illinois 62321
Street Address or Legal Description of Site: **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.

Current Operating Identity/Licensee

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

Exact Legal Name: Memorial Hospital Association

Address: 1454 North County Road 2050, Carthage, Illinois 62321

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

Operating Identity/Licensee after the Project is Complete

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

Exact Legal Name: Memorial Hospital Association

Address: 1454 North County Road 2050, Carthage, Illinois 62321

- ☒ 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.
- **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.

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.

Iowa Health System d/b/a UnityPoint Health ("UnityPoint") and Memorial Hospital Association ("Memorial") hereby seek a Certificate of Exemption ("COE") from the Illinois Health Facilities & Services Review Board (the "Review Board") to allow consummation of a proposed transaction (the "Transaction") whereby UnityPoint would no longer be the sole corporate member of Memorial. Instead, UnityPoint would provide management services to Memorial. UnityPoint and Memorial are collectively referred to as the "Applicants."

Memorial, an eighteen (18) bed general medical and surgical hospital, is located in Carthage, Illinois.

In 2018, UnityPoint became the sole corporate member of Memorial pursuant to that certain Affiliation Agreement (the "Affiliation Agreement"). See Review Board Project No. E-026-18. Recently, the leaders at UnityPoint and Memorial mutually agreed to change their original path toward full integration and pursue a strategic partnership through a management services agreement (the "Management Agreement"), rather than sole corporate membership. The Management Agreement will allow both organizations greater flexibility to adapt to changes in rural healthcare while also staying connected in key areas, like electronic medical records.

Because the Transaction will result in a change in the membership or sponsorship of a not-for-profit corporation that owns or controls an Illinois licensed health facility (as well as its physical plant and capital assets), the Transaction constitutes a change of ownership under Section 1130.140 of the Board's rules. The Transaction is contingent upon the approval of the Board. The Transaction is currently scheduled to close on the first day of the month following the Review Board's approval of this COE.

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: $16,624,458

Project Status and Completion Schedules

Outstanding Permits: Does the facility have any projects for which the State Board issued a permit that is not complete? Yes __ No **X**. If yes, indicate the projects by project number and whether the project will be complete when the exemption that is the subject of this application is complete.

There are no pending Certificates of Need for UnityPoint or Memorial. However, UnityPoint's affiliate, Pekin Memorial Hospital, has a pending Certificate of Exemption to discontinue its obstetrics category of service (COE Project No. E-030-19) and UnityPoint's affiliate, Trinity Medical Center d/b/a Trinity Rock Island, has a pending Certificate of Exemption to discontinue its long term care category of service (COE Project No. E-028-19). Both Certificates of Exemption were approved by the Review Board on August 6, 2019.

Anticipated exemption completion date (refer to Part 1130.570): On the first day of the month following the Review Board's approval of this COE.

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.

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 manager 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 is filed on the behalf of Iowa Health System d/b/a UnityPoint Health* 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 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 fee required for this Application is sent herewith or will be paid upon request.

SIGNATURE

Art Nizza
PRINTED NAME

Executive Vice President & COO
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 29th day of July

Signature of Notary

Seal

LISA A. KLOBNAK
Commission Number 773300
My Commission Expires
January 2, 2022

SIGNATURE

Dan Carpenter
PRINTED NAME

Senior Vice President & CFO
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 29th day of July

Signature of Notary

Seal

MARCIA T PHILIPH
Commission Number 170500
My Commission Expires
April 24, 2021

*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 manager 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 is filed on the behalf of Memorial Hospital Association*
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 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 fee required for this Application is sent herewith or will be paid upon request.

Ada Bair
SIGNATURE

Ada Bair
PRINTED NAME

Chief Executive Officer
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 13 day of August, 2019

Shelly A. Fox
Signature of Notary

Seal
OFFICIAL SEAL
SHELLY A FOX
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/20/23

Teresa Smith
SIGNATURE

Teresa Smith
PRINTED NAME

Chief Financial Officer
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 13 day of August, 2019

Shelly A. Fox
Signature of Notary

Seal
OFFICIAL SEAL
SHELLY A FOX
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/20/23

*Insert EXACT legal name of the applicant

SECTION II – BACKGROUND

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 listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.

3. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application. Please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.

4. 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.**

5. If, during a given calendar year, an applicant submits more than one Application, 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 that the information was 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 5 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 5.

SECTION III. CHANGE OF OWNERSHIP (CHOW)

☐ Purchase resulting in the issuance of a license to an entity different from current licensee.

☐ Lease resulting in the issuance of a license to an entity different from current licensee.

☐ Stock transfer resulting in the issuance of a license to a different entity from current licensee.

☐ Stock transfer resulting in no change from current licensee.

☐ Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee.

☐ Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee.

☒ Non-profit Corporation Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity.

☐ Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets.

☐ Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility.

☐ Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee.

☐ Change of ownership among related persons resulting in a license being issued to an entity different from the current licensee

☐ Change of ownership among related persons that does not result in a license being issued to an entity different from the current licensee.

☐ Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets and explain in "Narrative Description."

1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

1. Prior to acquiring or entering into a contract to acquire an existing health care facility, a person shall submit an application for exemption to HFSRB, submit the required application-processing fee (see Section 1130.230) and receive approval from HFSRB.

2. If the transaction is not completed according to the key terms submitted in the exemption application, a new application is required.

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

APPLICABLE REVIEW CRITERIA	CHOW
1130.520(b)(1)(A) - Names of the parties	X
1130.520(b)(1)(B) - Background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.	X
1130.520(b)(1)(C) - Structure of the transaction	X
1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction	X
1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.	X
1130.520(b)(1)(F) - Fair market value of assets to be transferred.	X
1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)]	X
1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section	X
1130.520(b)(3) - If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction	X
1130.520(b)(4) - A statement as to the anticipated benefits of the proposed changes in ownership to the community	X

1130.520(b)(5) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership;	X
1130.520(b)(6) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;	X
1130.520(b)(7) - A description of the selection process that the acquiring entity will use to select the facility's governing body;	X
1130.520(b)(8) - A statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility	X
1130.520(b)(9)- A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.	X

APPEND DOCUMENTATION AS ATTACHMENT 6 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV. CHARITY CARE INFORMATION

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 7.

CHARITY CARE			
	Year	**Year**	**Year**
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

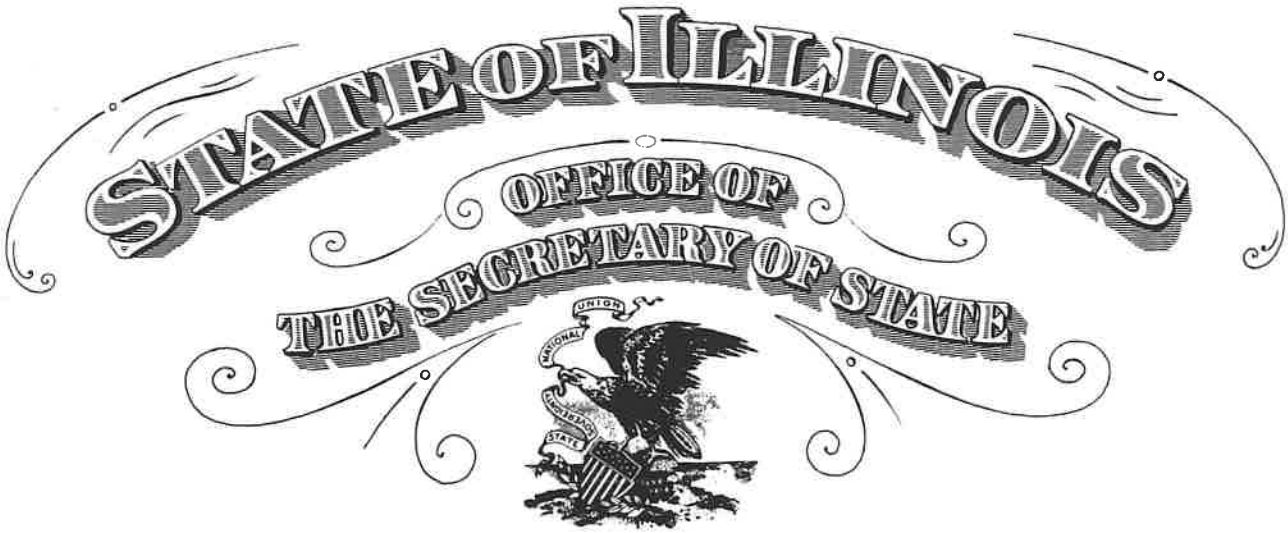
APPEND DOCUMENTATION AS ATTACHMENT 7 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Section I
Attachment 1
Applicant Identification

The Certificates of Good Standing for Iowa Health System d/b/a UnityPoint Health ("UnityPoint") and Memorial Hospital Association ("Memorial") are attached at ATTACHMENT 1.

#E-041-19

File Number 6720-693-2



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

IOWA HEALTH SYSTEM, INCORPORATED IN IOWA AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON JUNE 15, 2010, 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 A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO CONDUCT AFFAIRS 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* 24TH *day of* JULY *A.D.* 2019 .

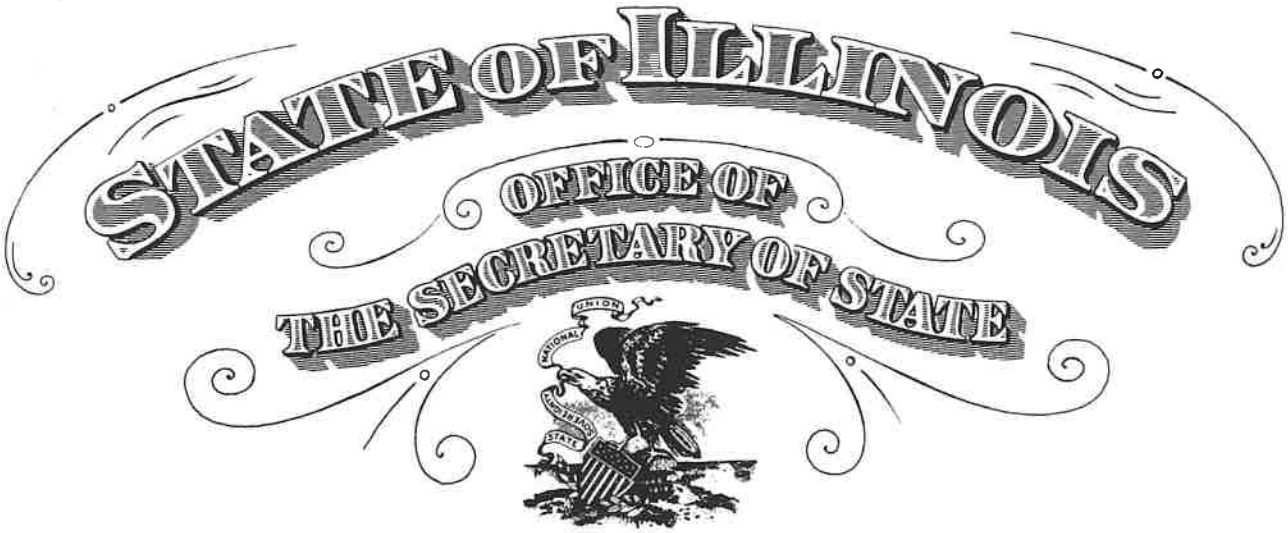
Authentication #: 1920503130 verifiable until 07/24/2020
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

Attachment 1

#E-041-19

File Number 2982-629-3



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

MEMORIAL HOSPITAL ASSOCIATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MAY 26, 1947, 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* 24TH *day of* JULY *A.D.* 2019 .

Authentication #: 1920503100 verifiable until 07/24/2020
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

Attachment 1

Section I
Attachment 2
Site Ownership

Memorial currently owns the land, buildings, and other real estate comprising the campus of Memorial Hospital. An Affidavit from Ada Bair, the Chief Executive Officer of Memorial, in support of this Criterion is attached at ATTACHMENT 2.

Following the Transaction, Memorial will continue to own the land, buildings, and other real estate comprising the campus of Memorial Hospital.

#E-041-19

UnityPoint Health
Memorial Hospital

July 23, 2019

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761-0001

Mr. Michael Constantino
Supervisor, Project Review Section
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761-0001

Re: Certification of Corporate Ownership of Memorial Hospital Association (Memorial Hospital Association Certificate of Exemption)

Dear Ms. Avery and Mr. Constantino:

I hereby certify, under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109, that Memorial Hospital Association, an Illinois not-for-profit, owns and operates Memorial Hospital Association, a critical access hospital located at 1454 North County Road 2050, Carthage, Illinois.

Sincerely,

Ada Bair
Chief Executive Officer

SUBSCRIBED AND SWORN
to before me this 13 day
of August, 2019.

Notary Public

OFFICIAL SEAL
SHELLY A FOX
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/20/23

1454 North County Road 2050, PO Box 160, Carthage, Illinois 62321

Section I
Attachment 3
Operating Entity/Licensee

Memorial is currently the licensee and operator of Memorial Hospital.

Memorial will continue to be the licensee and operator of Memorial Hospital following the Transaction.

#E-041-19

File Number 2982-629-3

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

MEMORIAL HOSPITAL ASSOCIATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MAY 26, 1947, 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.

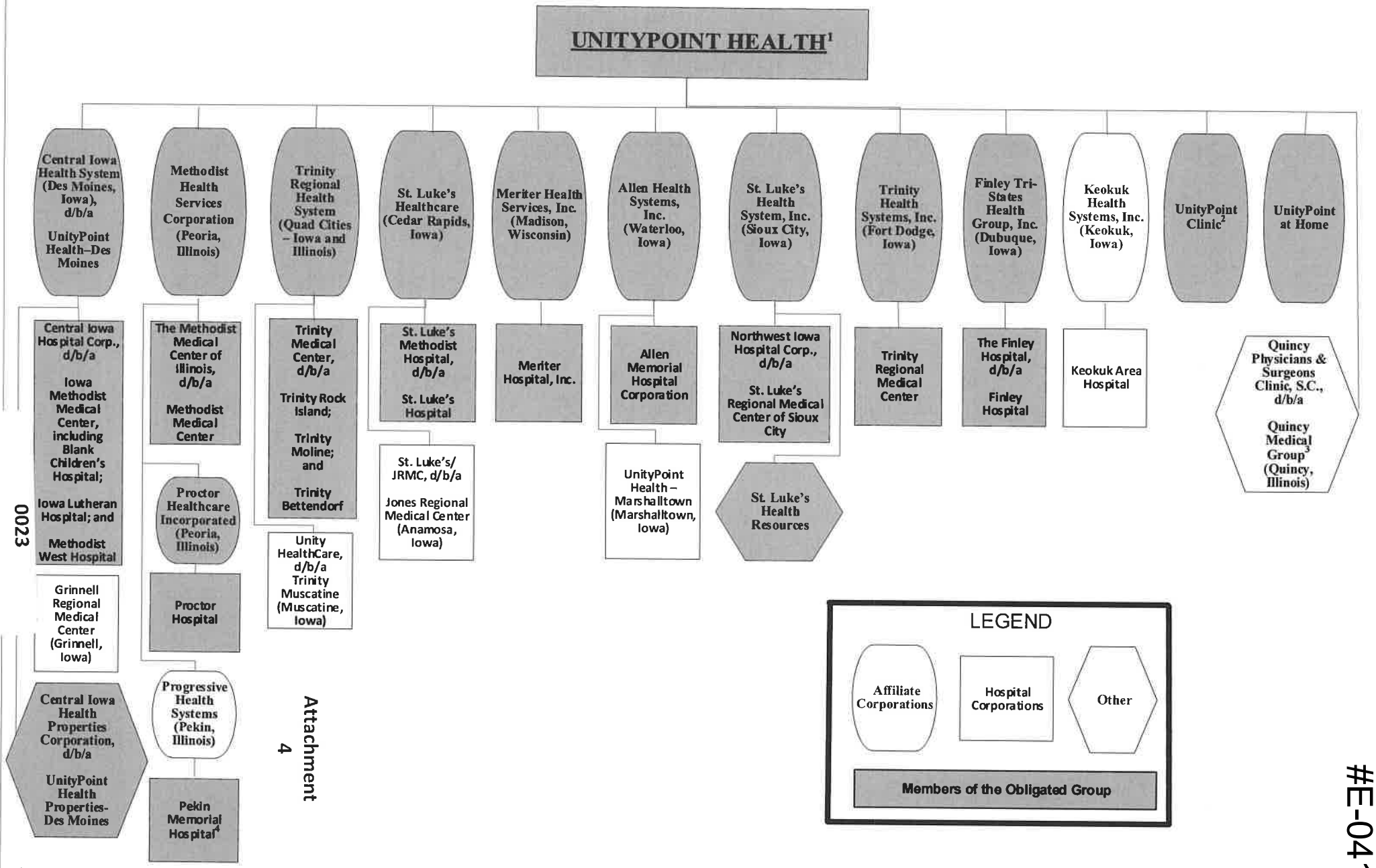
In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 24TH *day of* JULY *A.D.* 2019 .

Authentication #: 1920503100 verifiable until 07/24/2020
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

Section I
Attachment 4
Organizational Relationships

The organizational charts for the Applicants are attached at ATTACHMENT 4.



[1] UnityPoint Health and logo is a registered trademark of Iowa Health System, d/b/a UnityPoint Health.

[2] UnityPoint Clinic is a d/b/a of Iowa Physicians Clinic Medical Foundation, an Iowa nonprofit corporation and a Tax Exempt Organization.

[3] UnityPoint Health, through a physician designee, owns or controls 45% of the stock of Quincy Physicians & Surgeons Clinic, S.C., d/b/a Quincy Medical Group, an Illinois service corporation.

[4] Pekin Memorial Hospital became a member of the Obligated Group with the issuance of the Series 2018 Bonds.

This chart reflects the primary entities which provide, directly or indirectly, patient care or services. All are controlled by UnityPoint Health, except for Quincy Medical Group. This chart does not reflect all UnityPoint Health controlled entities, including those providing insurance services.

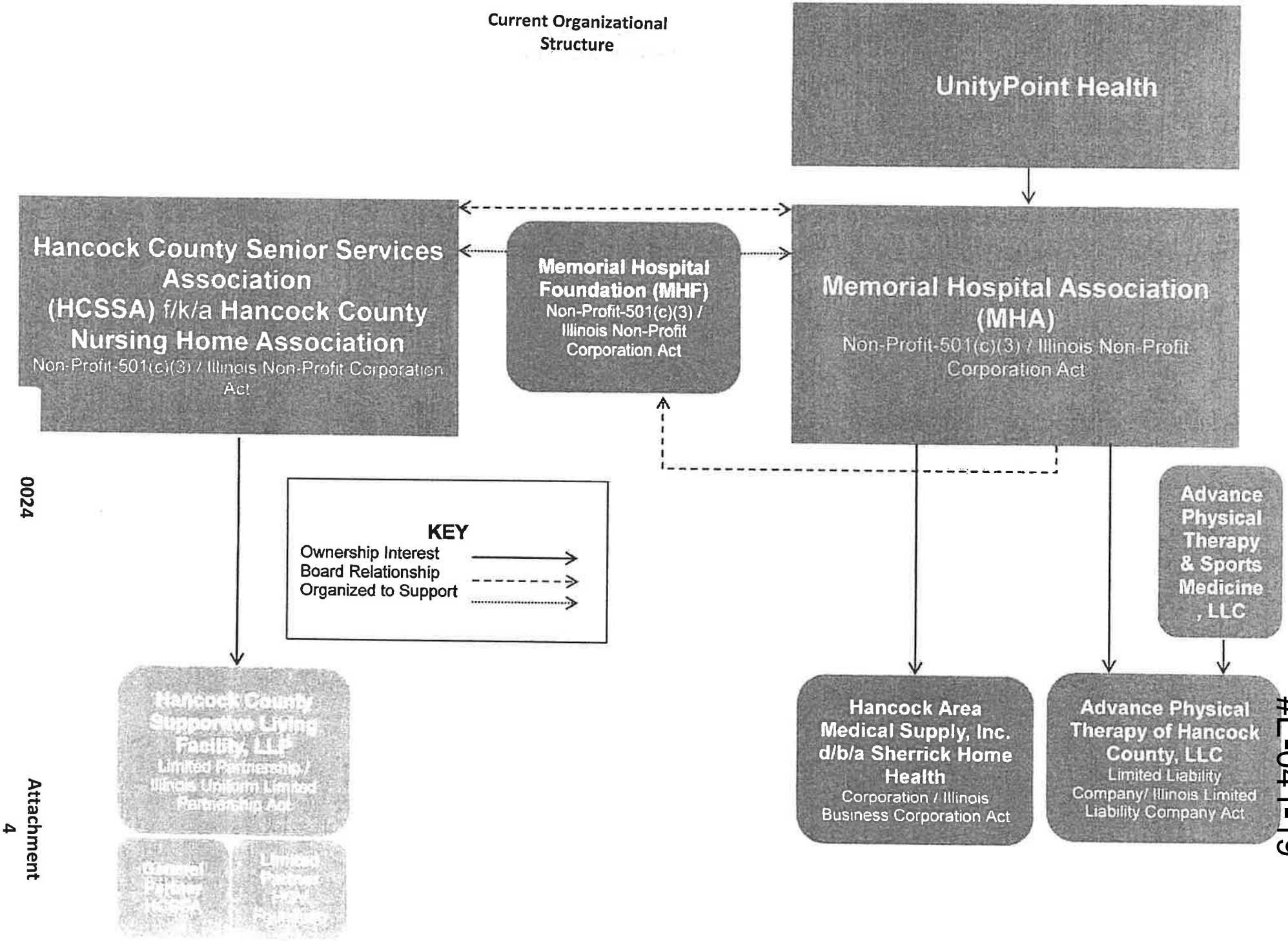
07-29-2019

Attachment 4

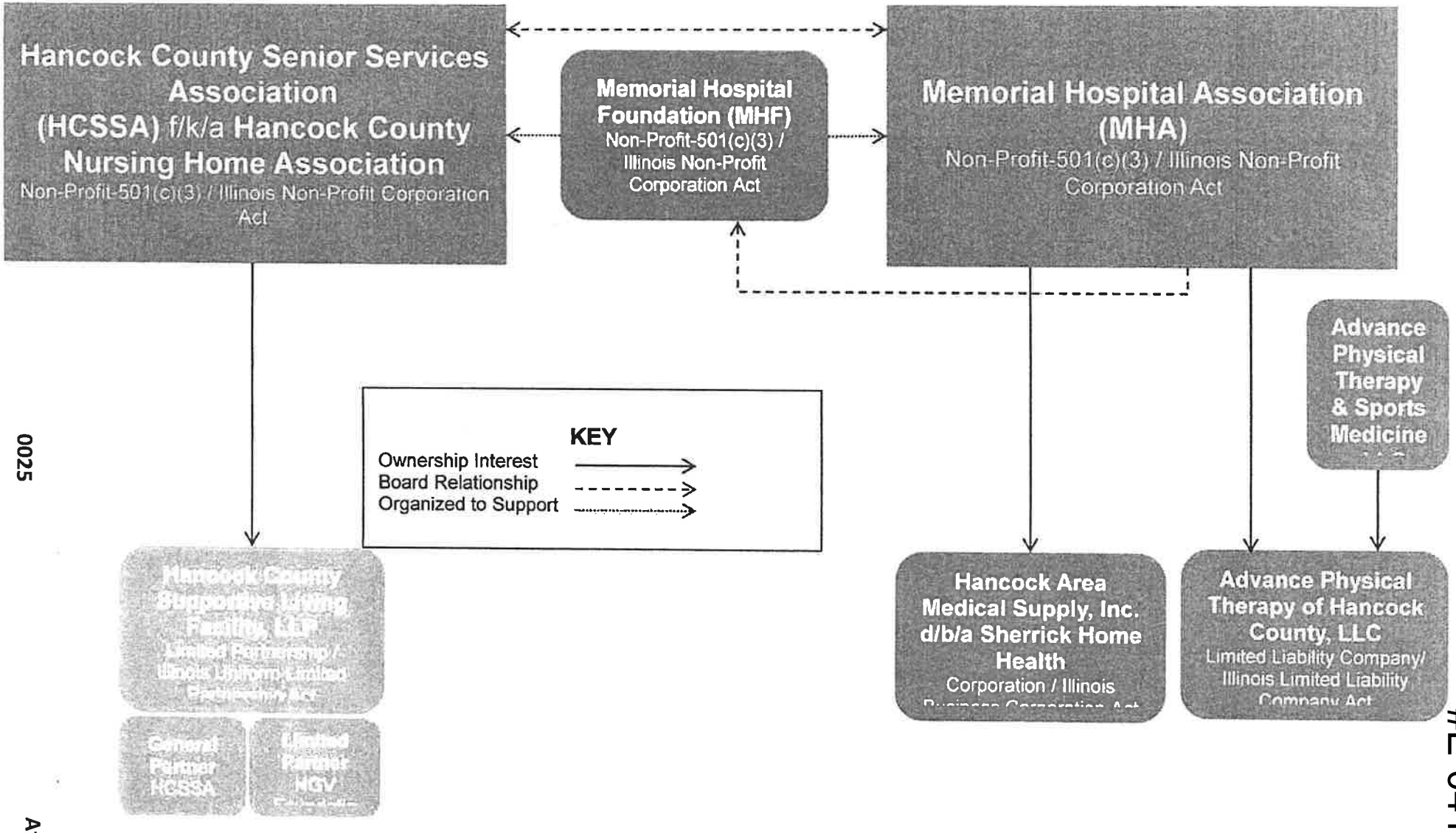
0023

#E-041-19

Current Organizational Structure



Post-Transaction
Organizational Structure



Attachment 4

#E-041-19

Section II
Attachment 5
Background of Applicants

Memorial

1. Memorial owns and operates an eighteen (18) bed general medical and surgical hospital in Carthage, Illinois. Memorial owns no other licensed healthcare facilities in Illinois.

2. On or about January 4, 2018, Memorial received a Statement of Deficiencies, Form CMS-2567 (the "Statement of Deficiencies"), from the Centers for Medicare & Medicaid Services ("CMS"), which was generated as a result of a Sample Validation Survey conducted by the Illinois Department of Public Health ("IDPH") on or about December 15, 2017. The Statement of Deficiencies concerned 42 C.F.R. Part 485.623 - Physical Plant and Environment. Based on the cited deficiencies, Memorial was advised that it lost its deemed status. Prior to the stated deadline, Memorial submitted its Plan of Correction (the "Plan of Correction") to CMS and IDPH in response to the Statement of Deficiencies. CMS and IDPH accepted and approved Memorial's Plan of Correction and Memorial subsequently passed its follow-up survey and was found to be in full compliance with the Conditions of Participation for critical access hospitals set forth at 42 C.F.R. Part 485. Other than the foregoing, there have been no adverse actions taken against any facility owned or operated in Illinois by Memorial during the three (3) years prior to the filing of this Application. A letter certifying the above information is attached at ATTACHMENT 5.

3. An authorization letter granting access to the Review Board and the Illinois Department of Public Health ("IDPH") to verify information about Memorial is attached at ATTACHMENT 5.

UnityPoint

4. UnityPoint is currently the sole corporate member of Memorial. UnityPoint is also the sole corporate member of not-for-profit holding companies that are the sole corporate members of the following general acute care hospitals in Illinois: The Methodist Medical Center of Illinois (Peoria); Pekin Memorial Hospital (Pekin); Proctor Hospital (Peoria); Trinity Medical Center d/b/a Trinity Moline (Moline); and Trinity Medical Center d/b/a Trinity Rock Island (Rock Island).

5. There have been no adverse actions taken against any facility owned or operated in Illinois by UnityPoint during the three (3) years prior to the filing of this Application. A letter certifying the above information is attached at ATTACHMENT 5. But see paragraph 2 above involving Memorial, which happened prior to the date in which UnityPoint became the sole corporate member of Memorial.

6. An authorization letter granting access to the Review Board and the Illinois Department of Public Health ("IDPH") to verify information about UnityPoint is attached at ATTACHMENT 5.

#E-041-19

UnityPoint Health
Memorial Hospital

July 23, 2019

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761-0001

Mr. Michael Constantino
Supervisor, Project Review Section
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761-0001

Re: No Adverse Actions Certification (Memorial Hospital Association Certificate of Exemption)

Dear Ms. Avery and Mr. Constantino:

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 § 1130.520(b)(1)(B), as follows:

1. On or about January 4, 2018, Memorial Hospital (the "Hospital") received a Statement of Deficiencies, Form CMS-2567 (the "Statement of Deficiencies"), from the Centers for Medicare & Medicaid Services ("CMS"), which was generated as a result of a Sample Validation Survey conducted by the Illinois Department of Public Health ("IDPH") on December 15, 2017. The Statement of Deficiencies concerned 42 C.F.R. Part 485.623 - Physical Plant and Environment. Based on the cited deficiencies, the Hospital was advised that it lost its deemed status. Prior to the stated deadline, the Hospital submitted its Plan of Correction (the "Plan of Correction") to CMS and IDPH in response to the Statement of Deficiencies. CMS and IDPH accepted and approved the Hospital's Plan of Correction and the Hospital subsequently passed its follow-up survey and was found to be in full compliance with the Conditions of Participation for critical access hospitals set forth at 42 C.F.R. Part 482.

2. Other than the matter described above, there have been no adverse actions taken against any Illinois facility owned or operated by Memorial Hospital Association during the three (3) years prior to the filing of this Certificate of Exemption.

Sincerely,

Ada Bair
Chief Executive Officer

SUBSCRIBED AND SWORN
to before me this 13 day
of August, 2019.

Shelly A. Fox
Notary Public

OFFICIAL SEAL
SHELLY A FOX
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/20/23

1454 North County Road 2050, PO Box 160, Carthage, Illinois 62321

#E-041-19

UnityPoint Health
Memorial Hospital

July 23, 2019

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761-0001

Mr. Michael Constantino
Supervisor, Project Review Section
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761-0001

Re: Authorization to Access Information (Memorial Hospital Association Certificate of Exemption)

Dear Ms. Avery and Mr. Constantino:

I hereby authorize the Illinois Health Facilities & Services Review Board (the "Board") and the Illinois Department of Public Health ("IDPH") to access all information necessary to verify any documentation or information submitted by Memorial Hospital Association with this Certificate of Exemption. I further authorize the Board and IDPH to obtain any additional documentation or information which the Board or IDPH finds pertinent and necessary to process this Certificate of Exemption.

Sincerely,

Ada Bair
Chief Executive Officer

SUBSCRIBED AND SWORN
to before me this 13 day
of August, 2019.

Shelly A. Fox
Notary Public

OFFICIAL SEAL
SHELLY A FOX
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/20/23

1454 North County Road 2050, PO Box 160, Carthage, Illinois 62321

UnityPoint Health

UnityPoint Health®
1776 West Lakes Parkway, Suite 400
West Des Moines, IA 50266
Office: (515) 241-6161
Fax: (515) 241-5712
unitypoint.org

July 29, 2019

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761-0001

Mr. Michael Constantino
Supervisor, Project Review Section
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761-0001

Re: No Adverse Actions Certification (Memorial Hospital Association Certificate of Exemption)

Dear Ms. Avery and Mr. Constantino:

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 § 1130.520(b)(1)(B), that there have been no adverse actions taken against any Illinois facility owned or operated by Iowa Health System d/b/a UnityPoint Health ("UnityPoint") during the three (3) years prior to the filing of this Certificate of Exemption, except as noted by Ms. Ada Bair relative to Memorial Hospital Association ("Memorial"), which occurred prior to UnityPoint's affiliation with Memorial.

Sincerely,

Art Nizza
Executive Vice President & COO

SUBSCRIBED AND SWORN
to before me this 29th day
of July, 2019.

Notary Public

NOTARIAL SEAL IOWA
LISA A. KLOBNAK
Commission Number 773300
My Commission Expires
January 2, 2022

UnityPoint Health

UnityPoint Health®
1776 West Lakes Parkway, Suite 400
West Des Moines, IA 50266
Office: (515) 241-6161
Fax: (515) 241-5712
unitypoint.org

July 29, 2019

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761-0001

Mr. Michael Constantino
Supervisor, Project Review Section
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761-0001

Re: Authorization to Access Information (Memorial Hospital Association Certificate of Exemption)

Dear Ms. Avery and Mr. Constantino:

I hereby authorize the Illinois Health Facilities & Services Review Board (the "Board") and the Illinois Department of Public Health ("IDPH") to access all information necessary to verify any documentation or information submitted by Iowa Health System d/b/a UnityPoint Health with this Certificate of Exemption. I further authorize the Board and IDPH to obtain any additional documentation or information which the Board or IDPH finds pertinent and necessary to process this Certificate of Exemption.

Sincerely,

Art Nizza
Executive Vice President & COO

SUBSCRIBED AND SWORN
to before me this 29th day
of July, 2019.

Notary Public

NOTARIAL SEAL IOWA
LISA A. KLOBNAK
Commission Number 773300
My Commission Expires
January 2, 2022

Section III
Attachment 6
Criterion 1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

Criterion 1130.520(b)(1)(A), Name of the Parties

1. Iowa Health System d/b/a UnityPoint Health and Memorial Hospital Association.

Criterion 1130.520(b)(1)(B), Background of the Applicants

1. See Criterion 1110.230(a), Background of The Applicants, in support of this Criterion.

Criterion 1130.520(b)(1)(C), Structure of the Transaction

1. In 2018, UnityPoint became the sole corporate member of Memorial pursuant to that certain Affiliation Agreement (the "Affiliation Agreement"). See Review Board Project No. E-026-18. Recently, the leaders at UnityPoint and Memorial mutually agreed to change their original path toward full integration and pursue a strategic partnership through a management services agreement (the "Management Agreement"), rather than sole corporate membership. The Management Agreement will allow both organizations greater flexibility to adapt to changes in rural healthcare while also staying connected in key areas, like electronic medical records.

Thus, following the Transaction, UnityPoint will no longer be the sole corporate member of Memorial. Instead, UnityPoint will provide management services to Memorial pursuant to the Management Agreement.

Criterion 1130.520(b)(1)(D), Licensed Party

1. Memorial will continue to be the licensee and operator of Memorial Hospital following the Transaction.

Criterion 1130.520(b)(1)(E), List of Ownership Interests in the Licensed Party

1. Memorial is currently the licensee and operator of Memorial Hospital. Following the Transaction, Memorial will continue to be the licensee and operator of Memorial Hospital.

2. Memorial currently owns the land, buildings, and other real estate comprising the campus of Memorial Hospital. Following the Transaction, Memorial will continue to own the land, buildings, and other real estate comprising the campus of Memorial Hospital.

3. Following the Transaction, UnityPoint will no longer be the sole member of Memorial.

4. Following the Transaction, UnityPoint will provide management services to Memorial.

Criterion 1130.520(b)(1)(F), Fair Market Value of Equity Being Transferred

1. The anticipated fair market value of Memorial is approximately $16,624,458, which is the approximate net asset value of Memorial as of June 30, 2019. This amount is identified solely for purposes of this COE.

Criterion 1130.520(b)(1)(G), Purchase Price of the Equity Being Transferred

1. There is no "purchase price" associated with the Transaction.

Criterion 1130.520(b)(2), Completion of Pending CONs

1. There are no pending Certificates of Need for UnityPoint or Memorial. However, UnityPoint's affiliate, Pekin Memorial Hospital, has a pending Certificate of Exemption to discontinue its obstetrics category of service (COE Project No. E-030-19) and UnityPoint's affiliate, Trinity Medical Center d/b/a Trinity Rock Island, has a pending Certificate of Exemption to discontinue its long term care category of service (COE Project No. E-028-19). Both Certificates of Exemption were approved by the Review Board on August 6, 2019.

Criterion 1130.520(b)(3), Charity Care Policies

1. Memorial Hospital will not adopt more restrictive charity care policies following the Transaction, and for no less than two years thereafter. See ATTACHMENT 6. Copies of the current charity care polices at Memorial Hospital are attached at ATTACHMENT 6.

Criterion 1130.520(b)(4), Benefits to the Community

1. The Applicants believe that the transition to a management agreement will allow Memorial and UnityPoint greater flexibility to adapt to changes in rural healthcare while also staying connected in key areas, like electronic medical records.

Criterion 1130.520(b)(5), Cost Savings

1. At this time, it is not possible to predict with specificity the cost savings that will be realized.

Criterion 1130.520(b)(6), Quality Improvement

1. Memorial takes great pride in the quality of services that it has provided to its patients. The Applicants believe that a transition to a management agreement will allow Memorial and UnityPoint greater flexibility to adapt to changes in rural healthcare while also staying connected in key areas, like electronic medical records.

Criterion 1130.520(b)(7), Governing Body

1. Pursuant to last year's affiliation, UnityPoint had the right to approve and remove Memorial's board members. UnityPoint also had the right to appoint one Memorial board member.

2. After the Transaction set forth in this COE and under the Management Agreement, the Memorial board would be self-perpetuating, with no approval/removal rights held by UnityPoint.

Criterion 1130.520(b)(8), Section 1110.240 Written Response

1. The review criteria set forth in 77 Ill. Admin. Code § 1110.240 have been addressed, a copy of which is available for public review at Memorial Hospital.

Criterion 1130.520(b)(9), Scope of Service Changes or Charity Care Changes

1. The Transaction set forth in this COE will result in no reductions in the services offered at Memorial Hospital.

2. Memorial Hospital will not adopt more restrictive charity care policies following the Transaction, and for no less than two years thereafter. See ATTACHMENT 6.

#E-041-19

UnityPoint Health
Memorial Hospital

July 23, 2019

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761-0001

Mr. Michael Constantino
Supervisor, Project Review Section
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761-0001

Re: Criterion 1130.520(b)(3), Charity Care Certification (Memorial Hospital Association Certificate of Exemption)

Dear Ms. Avery and Mr. Constantino:

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 § 1130.520(b)(3), that Memorial Hospital Association ("Memorial") shall not adopt more restrictive charity care policies following the proposed transaction described in the Certificate of Exemption between Iowa Health System d/b/a UnityPoint Health and Memorial, and for no less than two years thereafter.

Sincerely,

Ada Bair
Chief Executive Officer

SUBSCRIBED AND SWORN
to before me this 13 day
of August, 2019.

Notary Public

OFFICIAL SEAL
SHELLY A FOX
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/20/23

1454 North County Road 2050, PO Box 160, Carthage, Illinois 62321

Memorial Hospital
Carthage, Illinois

POLICY TITLE: Financial Assistance Policy
RECOMMENDED BY: Patient Access and Patient Accounts
CONCURRENCE(S): Memorial Medical Clinics
REVIEWED: _____
ADMINISTRATIVE APPROVAL: _____

SUPERSEDES: Uncompensated Services
EFFECTIVE DATE: October 2006
REVISED: 04/08, 05/13, 12/13, 02/14, 07/14, 02/15, 6/15, 12/15, 01/16, 0216, 0616, 02/17, 6/17,

MEDICAL STAFF/DIRECTOR APPROVAL: _____

Policy:
Memorial Hospital and Memorial Medical Clinics are everything you would expect from your health care provider – a trusting, loving, caring approach to each individual patient. As part of this commitment, Memorial Hospital and Memorial Medical Clinics, a non-profit organization, serve patients in difficult financial circumstances and offers financial assistance to those who have an established need to receive medically necessary medical services.

Financial Assistance is defined as healthcare services provided at no charge or at a reduced charge to patients who do not have nor cannot obtain adequate financial resources or other means to pay for their care. This is in contrast to bad debt, which is defined as patient and/or guarantor who, having the financial resources to pay for health care services, has demonstrated by their actions an unwillingness to resolve a bill. The granting of charity shall be based on an individualized determination of financial need, and shall not take into account, race, creed, gender, national origin, disability, age, social immigrant status, color, religion, or sexual orientation.

Included: Screening and/or wellness services that fall within the recommendations of the American Cancer Society Guidelines.

The following services are specifically excluded from the Financial Assistance Policy for Memorial Hospital and Memorial Medical Clinics:

1. Elective fertility and/or infertility services, cosmetic services, etc.
2. Mole or wart removal unless medically necessary
3. Joint Replacement
4. Elective procedures not considered to be medically necessary
5. This is not an all-inclusive list and is subject to addition/deletion.

Purpose:
To establish policies and procedures necessary to insure that patients of Memorial Hospital and Memorial Medical Clinics, who for economic and financial reasons cannot meet the requirements of the collection policy, are provided with Memorial Hospital's Financial Assistance Policy.

Covered Providers:
Memorial Hospital, Memorial Medical Clinics, Memorial Medical Clinics Employed Providers, AIMS Physicians

Non-Covered Providers:
Clinical Radiologists, Heart Care Midwest, Blessing Physician Services, Burlington Neurology, Edward F. McKenney D.O., Central IL Pathology, Poplar Health, McDonough Eye Associates, Prairie Cardiovascular, Peoria Echo, Quincy Medical Group, Illinois Bariatric Center, Richard Sowlles, DPM, and Illinois Cancer Care

Procedure:
Eligibility criteria for financial assistance are based on the Federal Poverty Income Guidelines.

A. The following definitions will be used in determining eligibility for services provided at no charge or at reduced charges:

   a. **Family:**
      1. Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption is a family. If a person lives with a family, income included is the income of all related family members. Income from non-relatives, such as housemates, does not count.

      2. According to the Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance. Additionally, income from anyone that is financially responsible for the applicant should be included on the application.

   b. **Income**:
      1. Family income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines. For administrative purposes income data for part of a year may be annualized in order to determine eligibility. For instance, three months of income will be multiplied by 4 to annualize the 12 months of income. Income taxes from the previous year may also be required for income verification.

      2. Income is determined on a before-tax basis and includes wages and salaries before any deductions (as verified by copies of a W2, income tax return, or check stub); unemployment compensation, worker's compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, strike benefits from union funds, annuity payments and miscellaneous sources.

      3. Net receipts from non-farm self-employment (receipts from a person's own unincorporated business, professional enterprise, or partnership, less deductions for business expenses).

      4. Net receipts from farm self-employment (receipts from a farm which one operates as an owner, renter, or sharecropper, less deductions for farm operating expenses excluding depreciation and any loss carried forward).

5. Income excludes: capital gains or losses, tax refunds, loans, or compensation for injury; Any non-cash benefits, such as the employer-paid or union-paid portion of health insurance or other employee fringe benefits, food or housing received in lieu of wages, the imputed value of rent from owner-occupied non-farm or farm housing, and such Federal non-cash benefit programs as Medicare, Medicaid, food stamps, school lunches, and housing assistance.

B. Eligibility for charity will be considered for those individuals who are uninsured, underinsured, and ineligible for any government health care program, for services without third party payments, and for those who are unable to pay for their care based upon a determination of financial need in accordance with this policy.

C. All eligible patients are billed according the Average Generally Billed for emergent or medically necessary care using the Look Back Method.

D. Applications for financial assistance can be picked up and should be returned to Patient Accounts, 630 Locust St, Lower Level, PO Box 160, Carthage, IL 62321. All inquiries about this policy should be referred to Patient Accounts – 217-357-6591. Applications are available on Memorial Hospital's web site at www.mhtlc.org. (Translation services are available upon request.)

E. Applications for financial assistance will be available on accounts for 240 days from the first bill post discharge. Once an application is received extraordinary collection actions will be suspended until determination of eligibility is finalized and the patient has been sent a 30 day notice of the determination and a financial assistance brochure.

F. Applicants requesting financial assistance under this policy may be asked to provide the following information: a completed application, income verification, and a denial from Medicaid.

G. Income verification may include, but is not limited to, income taxes, paycheck stubs, or notes from employers for gross taxable wages and salaries, gross income less employment expenses (excluding depreciation and any loss carried forward) for self-employed or any other form of taxable income. Consideration of applications will not take place until all needed income verification is received.

H. It is preferred but not required that a request for charity and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at any point in the collection cycle.

I. Determination of eligibility will remain valid for six (6) months from the date of approval for all services without outstanding third party payments as long as funds are available. If there is a change in financial circumstances, an updated or new application must be completed.

J. If a household income falls within the guidelines listed below, the members of the household unit are entitled to discounted services according to the guidelines. The household income must be at or below the guidelines listed below:

*For family units with more than 8 members, add $4,180 for each additional member.
*Percentages are calculated on balances after all possible payers have remitted.
*Tier three will only be used for insured patients and never used for uninsured patients.

Size of Family		*No Patient Share	Tier One *Patient Share is 25%		Tier Two *Patient Share is 50%		Tier Three *Patient Share is 75%	
1	$12,060	$18,090	$18,091	$24,120	$24,121	$30,150	$30,151	$36,180
2	$16,240	$24,360	$24,361	$32,480	$32,481	$40,600	$40,601	$48,720
3	$20,420	$30,630	$30,631	$40,840	$40,841	$51,050	$51,051	$61,260
4	$24,600	$36,900	$36,901	$49,200	$49,201	$61,500	$61,501	$73,800
5	$28,780	$43,170	$43,171	$57,560	$57,561	$71,950	$71,951	$86,340
6	$32,960	$49,440	$49,441	$65,920	$65,921	$82,400	$82,401	$98,880
7	$37,140	$55,710	$55,711	$74,280	$74,281	$92,850	$92,851	$111,420
8	$41,320	$61,980	$61,981	$82,640	$82,641	$103,300	$103,301	$123,960

K. The balance the patient owes after financial assistance is applied must be no more than 49% of the original total charges. Therefore, any balance after financial assistance is applied that is over 49% of the original total charges will have an additional discount applied to bring the patient portion to no more than 49% of the original total charges.

L. PRESUMPTIVE ELIGIBILITY: A patient may appear eligible for charity care discounts, but there is no financial assistance form or due to a lack of supporting documentation. Often there is adequate information provided by the patient through other sources, which could provide sufficient evidence to provide the patient with charity care assistance.

In the event there is no evidence to support a patient's eligibility for charity care, Memorial Hospital and Memorial Medical Clinics could use outside agencies in determining estimate income amounts for the basis of determining charity care eligibility and potential discount amounts. Presumptive eligibility may be determined on the basis of individual life circumstance. In these situations, a patient is deemed to be eligible for 100% write off. A patient in this situation is presumed to be eligible and therefore does not need to complete a financial assistance application if they can provide proof that they meet one of the following criteria:

a. Patient states that he/she is homeless. The due diligence efforts must be documented.
b. Patient is deceased with no known estate.
c. Patient is mentally incapacitated with no one to act on their behalf.
d. Patient is currently eligible for Medicaid, but was not eligible on a prior date of service or for non-covered services. Instead of making the patient duplicate the required paperwork Memorial Hospital will rely on the financial assistance determination process from Medicaid.
e. Patients eligible for energy assistance, food stamps, and/or free lunches.
f. Accounts deemed uncollectible by a contracted collection agency.
g. In the event of "special" circumstances where the income exceeds the poverty guidelines but medical bills are high, the Patient Account Director and/or Chief Financial Officer may determine partial or full eligibility provided proper documentation is available.

M. Applicants approved for reduced charges must pay their portion within the guidelines of the Financial and Collection Policy. Other collection efforts may be pursued if balance is not paid within the guidelines established in the Financial and Collection Policy. This policy is available upon request from Patient Accounts.

N. All applicable uninsured discounts will be applied according to the Uninsured Patient and Prompt Pay Discount Policy.

O. Credit balances will be reviewed and reconciled according to the Financial and Collection Policy.

P. Application for financial assistance will be forwarded to the Director of Patient Accounts for approval. Determination will be made within thirty (30) days of receipt of all requested information. Approved applications resulting in a write off of more than $2,501 will be countersigned by the Chief Financial Officer (CFO) or Chief Executive Officer (CEO).

Q. In implementing this policy, Memorial Hospital's management shall comply with all other federal, state, and local laws, rules and regulations that may apply to activities conducted pursuant to this policy.

Section IV
Attachment 7
Charity Care

UnityPoint Facilities Located in Illinois:

The Methodist Medical Center of Illinois (Peoria)

	2016	2017	2018
Total Net Patient Revenue	366,118,328	375,147,648	393,686,818
Cost of Charity Care	1,892,817	1,646,451	2,482,142
Cost of Charity Care/Total Net Patient Ratio	0.52%	0.44%	0.63%

Pekin Memorial Hospital (Pekin)

	2016	2017	2018
Total Net Patient Revenue	65,815,570	60,482,345	57,258,039
Cost of Charity Care	292,000	242,184	337,393
Cost of Charity Care/Total Net Patient Ratio	0.44%	0.40%	0.59%

Proctor Hospital (Peoria)

	2016	2017	2018
Total Net Patient Revenue	100,720,439	116,460,368	121,614,669
Cost of Charity Care	344,993	475,719	572,562
Cost of Charity Care/Total Net Patient Ratio	0.34%	0.41%	0.47%

Trinity Medical Center (Rock Island and Moline)

	2016	2017	2018
Total Net Patient Revenue	298,962,000	336,408,000	323,958,000
Cost of Charity Care	2,453,000	2,205,000	2,231,000
Cost of Charity Care/Total Net Patient Ratio	0.82%	0.66%	0.69%

The charity care numbers for Memorial Hospital for the past three years are set forth below:

Memorial Hospital (Carthage)

	2015	2016	2017
Total Net Patient Revenue	22,176,818	23,483,166	25,105,400
Cost of Charity Care	174,000	121,000	279,076
Cost of Charity Care/Total Net Patient Ratio	0.78%	0.52%	1.1%

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

INDEX OF ATTACHMENTS

ATTACHMENT NO.		PAGES
1	Applicant Identification including Certificate of Good Standing	15-17
2	Site Ownership	18-19
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	20-21
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	22-25
5	Background of the Applicant	26-30
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7	Charity Care Information	40-42