



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 • FAX: (217) 785-4111

December 13, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dan Colby, Vice President
Mercy Health System Corporation
1000 Mineral Point Avenue
Janesville, WI 53548

RE: **DENIAL OF APPLICATION**
Notice of an Opportunity for an Administrative Hearing
Illinois Health Facilities Planning Act
PROJECT: #10-089 Mercy Crystal Lake Hospital & Medical Center, Inc.
APPLICANT(S): Mercy Crystal Lake Hospital & Medical Center, Inc.
Mercy Alliance, Inc.

Dear Mr. Colby:

On December 7, 2011 the Illinois Health Facilities Planning Board issued its denial of the application for permit for the above-referenced project. The State Board rendered its decision following consideration of the CON application, supplemental information, public hearing materials, the State Board Staff Agency Report and the testimony of the applicant. The State Board's decision is based upon the applicant's failure to document that Project #10-089 as that proposed is in compliance with State Board's review criteria. The following are the allegations of non-compliance the State Board observed in the application:

Allegations of Non-Compliance

The applicants did not document conformance with the following review criteria:

- Criterion 1110.1430(b) - Planning Area Need
- Criterion 1110.1430(c) - Unnecessary Duplication/Maldistribution
- Criterion 1110.530(f) - Performance Requirements
- Criterion 1110.3030(a) - Clinical Services Other Than Categories of Service

Section 10 of the Illinois Health Facilities Planning Act (the "Act"), P.A. 78-1156 as amended, [20 ILCS 3960/10] affords you the opportunity for a hearing before a hearing officer appointed by the Director of the Illinois Department of Public Health. Such hearing shall be conducted in accordance with the provisions specified in Section 10 of the Act and the implementing rules, 77 IAC Part 1130. If you decide to exercise your right to an administrative hearing, you must submit a written notice of a request for such hearing to the Administrator of the State Board, postmarked within 30 days of

DENIAL LETTER

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receipt of this notice.

Notice to the Administrator may be made by forwarding the written request to my attention at the following address:

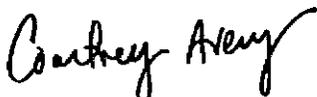
Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Notice to the Administrator constitutes notice to the State Board (77 IAC 1130.1020(b)). Failure to submit your request within this period constitutes a waiver of your right to an administrative hearing.

If you decide to exercise your right to an administrative hearing, the Illinois Health Facilities and Services Review Board, shall, within 30 days after the receipt of your request, appoint a hearing officer. The administrative hearing will afford you the opportunity to demonstrate that the application is consistent with the criteria upon which the action of the State Board was based. The State Board shall make a final determination following its consideration of the report of the administrative hearing, or upon default of the party to the hearing.

Should you have any questions, please contact Mike Constantino at 217 782 3516.

Sincerely,



Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board

Cc: Dale Galassie, Chairman
Frank Urso, General Counsel