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 ATTORNEYS AT LAW

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**HEALTH FACILITIES &  
 SERVICES REVIEW BOARD**

REPLY TO:

607 East Adams Street  
 Suite 800  
 P.O. Box 5131  
 Springfield, IL 62705

P: 217-544-1144  
 F: 217-522-3173

401 S.W. Water Street  
 Suite 301  
 Peoria, IL 61602

P: 309-674-1144  
 F: 309-671-4368

[www.sorlinglaw.com](http://www.sorlinglaw.com)

**Lisa Harms Hartzler**  
 Attorney at Law  
[lhartzler@sorlinglaw.com](mailto:lhartzler@sorlinglaw.com)

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 Silas L. McCormick  
 Michelle L. Blackburn  
 Jeffrey T. Baker  
 J. Scott Williams\*

Of Counsel:  
 William S. Hanley  
 William B. Bates  
 Mark H. Ferguson

Retired:  
 Philip E. Hanna  
 Patrick V. Reilly

Sorling, Catron and Hardin  
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March 10, 2011

Mr. Dale Galassie  
 Acting Chairman  
 Illinois Health Facilities and Services Review Board  
 525 West Jefferson Street, Second Floor  
 Springfield, IL 62761

Re: PROJECT 11-012: Lawrence County Memorial Hospital  
 Request for Declaratory Ruling

Dear Mr. Galassie:

Lawrence County Government and Lawrence County Memorial Hospital (the "Applicants") have applied for a Certificate of Need Permit approving the conversion of the county-owned hospital to an Illinois not-for-profit corporation. They received notice that their application was received on February 15, 2011, was deemed complete as of the same date, and is considered a non-substantive project. Applicants submitted a check for \$2,500.00 with their application. They were notified that the balance of their fee was determined to be \$38,072.95, and have paid that amount. Consideration of the application by the State Board has been tentatively scheduled for the May 10, 2011 State Board Meeting.

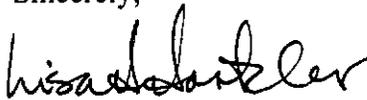
The Applicants respectfully request that the State Board issue a Declaratory Ruling under Section 1130.810(d) of the Health Facilities Planning Procedural Rules, 77 Ill. Admin. Code 1130.810, waiving the balance of their fee. The request is based on two primary reasons.

First, one goal of the conversion is to produce financial savings by simply shifting hospital staff from County employment to a not-for-profit corporation. The County, like most local governments, is operating under severe financial restraints and needs to cut costs and simplify its operations. The balance of the fee paid is a significant burden on the County. Consequently, the Applicants request that the State Board recognize the unique financial constraints of a rural county doing its best to assure the continuation of a Critical Access Hospital by waiving this balance.

Second, this application for Certificate of Need Permit involves no capital costs. No one is purchasing assets, nothing is being built, nor are any services being expanded. A "project cost" based on the value of those assets is not an accurate assessment of the real costs or expenditures involved here. The proposal is merely a reorganization of control from the County to a community-based not-for-profit organization. There is no purchase price or any borrowing that can absorb an additional fee; the County has dug into its own pockets to pay this fee, which is a hardship.

The Applicants, therefore, respectfully request that the State Board issue a Declaratory Ruling waiving the balance of the fee assessed here under Project 11-912. Alternatively, the Applicants request a reduction of the fee in consideration of the financial situation of the County and the hospital.

Sincerely,



Lisa Harms Hartzler

LHH:dw

cc: William Gray, Lawrence County Board  
Douglas Florkowski, Lawrence County Memorial Hospital