12-080

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED
SEP 17 2012
HEALTH FACILITIES & SERVICES REVIEW BOARD

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Memorial Medical Center		
Street Address: 701 N. First Street		
City and Zip Code: Springfield, 62781		
County: Sangamon	Health Service Area: E-01	Health Planning Area: 3

Applicant /Co-Applicant Identification
[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name: Memorial Health System
Address: 701 North First Street, Springfield, IL 62781
Name of Registered Agent: Anna N. Evans, General Counsel & VP of Internal Audit and Compliance
Name of Chief Executive Officer: Edgar J. Curtis, President and Chief Executive Officer
CEO Address: 701 North First Street, Springfield, IL 62781
Telephone Number: 217-788-3340

Type of Ownership of Applicant/Co-Applicant

☒	Non-profit Corporation	☐	Partnership		
☐	For-profit Corporation	☐	Governmental		
☐	Limited Liability Company	☐	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 during the review period]

Name: Mitchell L. Johnson
Title: Senior Vice President and Chief Strategy Officer
Company Name: Memorial Health System
Address: 701 North First Street, Springfield, IL 62781
Telephone Number: 217-788-3529
E-mail Address:johnson.mitch@mhsil.com
Fax Number: 217-788-5520

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

Name: Michael I. Copelin
Title: President
Company Name: Copelin Healthcare Consulting
Address:42 Birch Lake Drive, Sherman, IL 62684
Telephone Number: 217-496-3712
E-mail Address:micbball@aol.com
Fax Number: 217-496-3097

Post 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: Mitchell L. Johnson
Title: Senior Vice President and Chief Strategy Officer
Company Name: Memorial Health System
Address: 701 North First Street, Springfield, IL 62781
Telephone Number: 217-788-3529
E-mail Address:johnson.mitch@mhsil.com
Fax Number: 217-788-5520

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Memorial Health System
Address of Site Owner: 701 North First Street, Springfield, IL 62781
Street Address or Legal Description of Site: 701 North First Street, Springfield, IL 62781 **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.

Operating Identity/Licensee

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

Exact Legal Name: Memorial Medical Center
Address: 701 North First Street, Springfield, IL 62781

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

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at **www.FEMA.gov** or **www.illinoisfloodmaps.org**. **This map must be in a readable format**. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 **(http://www.hfsrb.illinois.gov)**.

APPEND DOCUMENTATION AS ATTACHMENT -5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

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

DESCRIPTION OF PROJECT

1. Project Classification

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:	Part 1120 Applicability or Classification: [Check one only.]
☐ Substantive	☐ Part 1120 Not Applicable
☒ Non-substantive	☐ Category A Project
	☒ Category B Project
	☐ DHS or DVA Project

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.

The proposed project is classified as a Non-Substantive project because it does not meet the requirements to be classified as Emergency or Substantive. The project encompasses both clinical and non-clinical areas at Memorial Medical Center, 701 North First Street, Springfield, IL, 62781-0001.

The Clinical Service Areas include:

- Construction of a vertical expansion on top of an existing building containing all-private, replacement medical surgical beds
- Construction, modernization and horizontal expansion of the hospital's Main Surgery
- Construction of hospital's Main Surgery Post Anesthesia Recovery Unit
- Construction, consolidation, relocation of Main Surgery Stage II recovery area
- Construction, consolidation, relocation of Main Surgery Prep/Pre-Surgery Testing
-

The project also includes construction, modernization and expansion of non-clinical spaces including:

- The hospital's external main entrance, main lobby and public spaces.
- The hospital's utility infrastructure including mechanical/electrical penthouses over the new vertical and horizontal additions to the existing E-building and a new two-story horizontal addition to the existing central power plant.
- Utility closets, utility, mechanical and data shafts.
- Family support and waiting areas.
- Medical, nursing and other professional education support space.
- Storage.
- Elevators, elevator lobbies, shafts and stairwells.

Schematic drawings appear on the following pages.

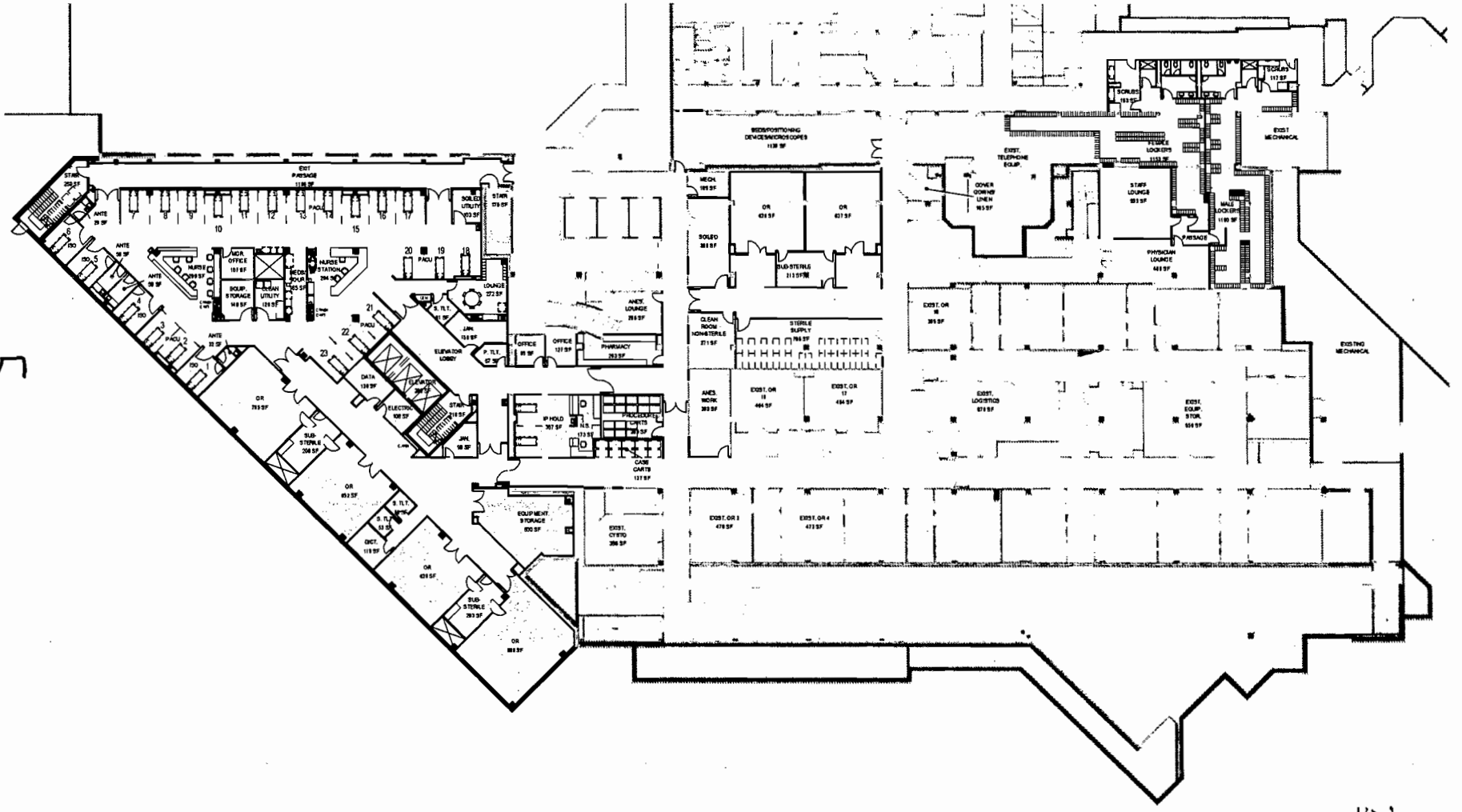
Memorial HEALTH SYSTEM

PATIENT CARE TOWER | SURGERY EXPANSION | INFRASTRUCTURE | LEARNING INSTITUTE

MEMORIAL MEDICAL CENTER/ SURGERY ADDITION AND REVNOVATION

LOWER LEVEL PLAN

09/04/12



1 SURGERY - LOWER LEVEL
1/32" = 1'-0"

Life Structures

Memorial HEALTH SYSTEM

MEMORIAL MEDICAL CENTER/ PATIENT CARE TOWER
3rd LEVEL - IMC

3rd LEVEL - IMC
1/8" = 1'-0"

SCALE: 1/8" = 1'-0"

Life Structures

Memorial
HEALTH SYSTEM

MEMORIAL MEDICAL CENTER/ PATIENT CARE TOWER
4/4.5 LEVEL - ORTHO

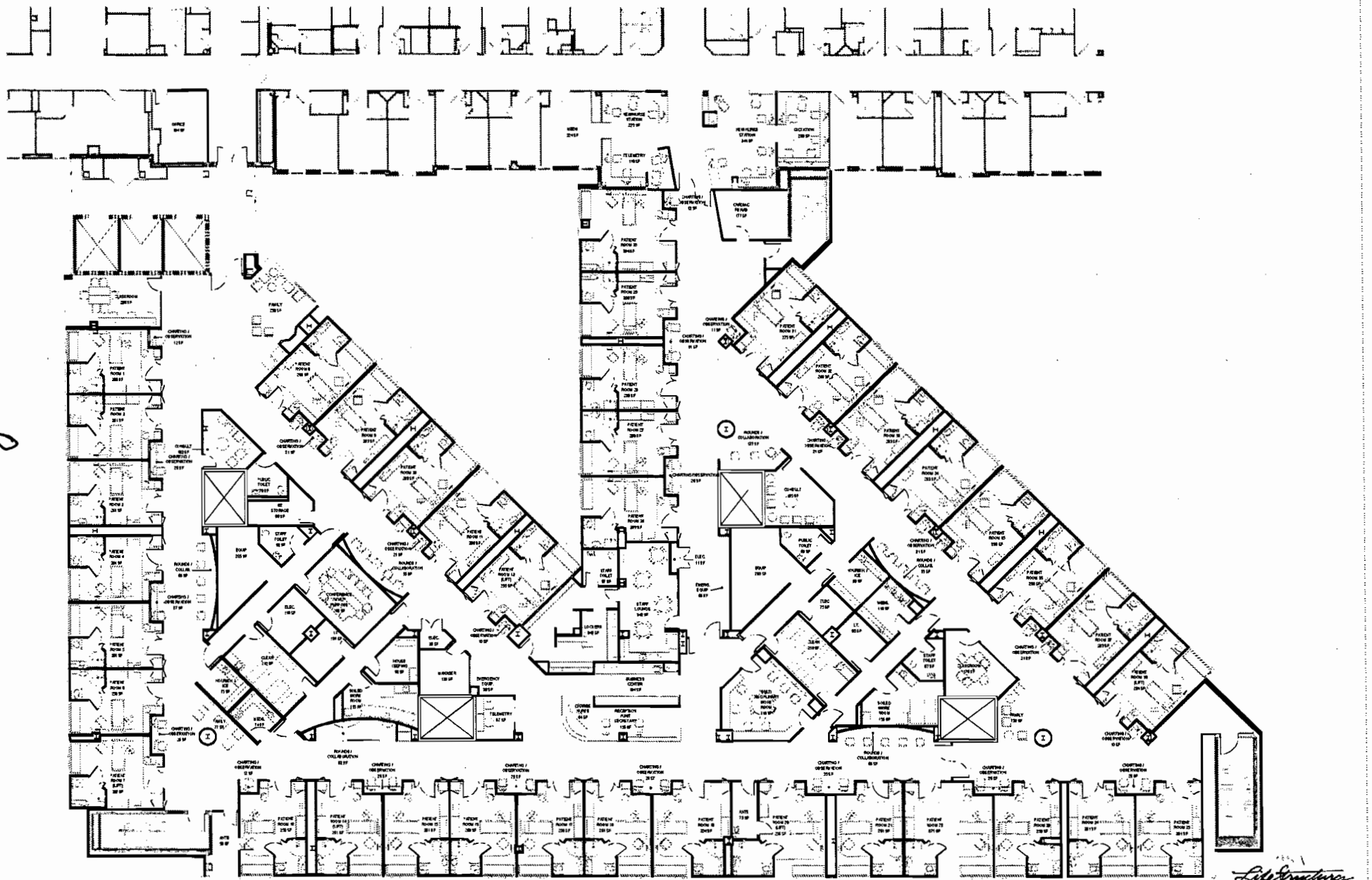
① 4/4.5 LEVEL - ORTHO
1/8" = 1'-0"

SCALE: 1/8" = 1'-0"

Life Structures

Memorial HEALTH SYSTEM

MEMORIAL MEDICAL CENTER/ PATIENT CARE TOWER
6th LEVEL - CARDIAC



6th LEVEL - CARDIAC
1/8" = 1'-0"

SCALE: 1/8" = 1'-0"

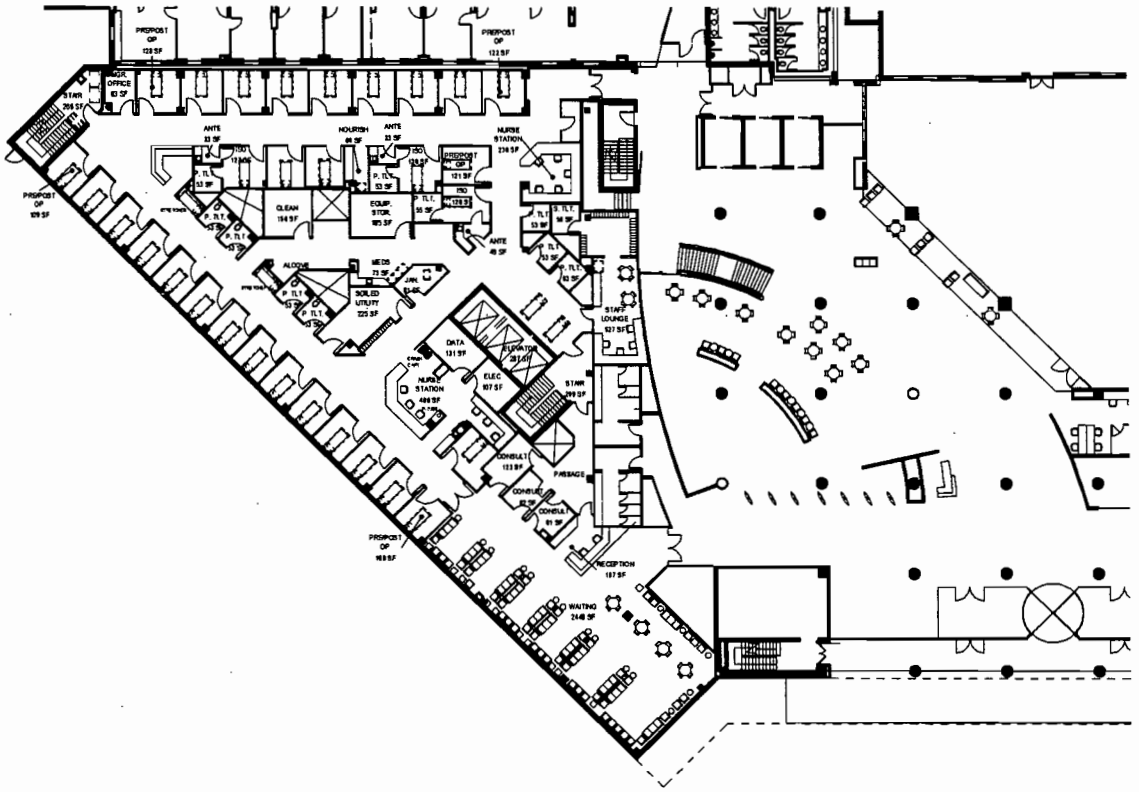
Life Structures

Memorial HEALTH SYSTEM

PATIENT CARE TOWER | SURGERY EXPANSION | INFRASTRUCTURE | LEARNING INSTITUTE

MEMORIAL MEDICAL CENTER/ SURGERY ADDITION AND REVNOVATION
FIRST LEVEL PLAN

08/28/12



1 SA_FIRST FLOOR SCHEMATIC DESIGN PLAN_1_32
1/32" = 1'-0"

Life Structures

9

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-clinical components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NON-CLINICAL**	**TOTAL**
Preplanning Costs	$ 780,936	$ 402,300	**$ 1,183,236**
Site Survey and Soil Investigation			**0**
Site Preparation	$ 389,093	$ 200,442	**$ 589,534**
Off Site Work			**0**
New Construction Contracts	$ 39,834,526	$ 22,847,655	**$ 62,682,180**
Modernization Contracts	$ 3,916,452	$ 2,049,886	**$ 5,966,339**
Contingencies	$ 4,375,098	$ 2,489,754	**$ 6,864,852**
Architectural/Engineering Fees	$ 3,113,761	$ 1,604,059	**$ 4,717,820**
Consulting and Other Fees	$ 1,800,247	$ 732,400	**$ 2,532,648**
Movable or Other Equipment (not in construction contracts)	$ 13,152,765	$ 15,079,032	**$ 28,231,796**
Bond Issuance Expense (project related)	$ 3,172,000		**$ 3,172,000**
Net Interest Expense During Construction (project related)	$ 2,828,000		**$ 2,828,000**
Fair Market Value of Leased Space or Equipment			**0**
Other Costs To Be Capitalized	$ 369,600	$ 3,219,497	**$ 3,589,097**
Acquisition of Building or Other Property (excluding land)			**0**
TOTAL USES OF FUNDS	**$ 73,732,477**	**$ 48,625,024**	**$ 122,357,501**
SOURCE OF FUNDS	**CLINICAL**	**NON-CLINICAL**	**TOTAL**
Cash and Securities	$ 10,000,000	$ 2,357,501	**$ 12,357,501**
Pledges			**0**
Gifts and Bequests			**0**
Bond Issues (project related)	$ 63,732,477	$ 46,267,523	**$ 110,000,000**
Mortgages			**0**
Leases (fair market value)			**0**
Governmental Appropriations			**0**
Grants			**0**
Other Funds and Sources			**0**
TOTAL SOURCES OF FUNDS	**$ 73,732,477**	**$ 48,625,024**	**$ 122,357,501**

NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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: $_____

The project involves the establishment of a new facility or a new category of service
☐ Yes ☒ No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is $ _____.

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary
☒ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): _____December 31, 2016_____
Midpoint of construction: ___January 30, 2015____

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

☐ Purchase orders, leases or contracts pertaining to the project have been executed.
☐ Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies
☒ Project obligation will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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.

Cost Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage, either **DGSF** or **BGSF,** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
Medical Surgical Units (this project)	$ 44,976,811	103,894	171,587	74,164	0	97,424	6,470
Surgery (Main)	$ 19,170,444	26,864	54,964	11,750	16,350	26,864	0
PACU (Main)	$ 3,686,624	4,201	4,125	4,125	0	0	4201
Stage II recovery (Main)	$ 5,898,598	0	11,989	11,989	0	0	1,068
Total Clinical	**$ 73,732,477**	**134,959**	**242,665**	**102,027**	**16,350**	**124,288**	**11,739**
NON REVIEWABLE							
Family support and waiting areas	$ 7,813,949	14,717	27,605	12,888	0	14,717	0
Medical Education, Resident Sleeping Rooms	$ 2,563,209	4,828	9,055	4,228	0	4,828	0
Elevators, Shafts, Lobbies, Stairwells	$ 7,212,199	13,584	25,479	11,896	0	13,584	0
Building Connections	$ 5,544,733	0	9,145	5,145	4,000	0	0
Utility closets, utility, mechanical and data shafts (this project)	$ 798,038	1,503	2,819	1,316	0	1,503	0
Mechanical and Electrical Penthouses	$ 4,160,520	0	21,000	21,000	0	0	0
Central Power Plant	$ 15,219,182	0	4,500	4,500	0	0	0
1st Floor E bldg space (this project)	$ 1,847,314	2,300	9,800	0	9,800	0	0
E-Front Entrance/Circle Drive	$ 3,465,881	0	0	0	0	0	0
Total Non-clinical	**$ 48,625,024**	**36,931**	**109,404**	**60,973**	**13,800**	**34,631**	**0**
TOTAL	**$ 122,357,501**	**171,890**	**352,069**	**163,000**	**30,150**	**158,919**	**11,739**

APPEND DOCUMENTATION AS ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert following this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which the data are available. Include observation days in the patient day totals for each bed service.** Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME: Memorial Medical Center		**CITY: Springfield**			
REPORTING PERIOD DATES:		**From: January 1, 2011**			**to: December 31, 2011**
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days**	**Bed Changes**	**Proposed Beds**
Medical/Surgical	349	19458	88657	0	349
Obstetrics	21	1782	3977	0	21
Pediatrics	7	286	821	0	7
Intensive Care	49	2713	13314	0	49
Comprehensive Physical Rehabilitation	30	433	5111	0	30
Acute/Chronic Mental Illness	44	1116	10572	0	44
Neonatal Intensive Care	0	0	0	0	0
General Long Term Care	0	0	0	0	0
Specialized Long Term Care	0	0	0	0	0
Long Term Acute Care	0	0	0	0	0
Other (identify)	0	0	0	0	0
TOTALS:	500	24989	122452	0	500

* Patient Days are reported for inpatient days plus observation days on nursing units
** Intensive Care Admissions include Transfer into Intensive Care Unit
*** Total Admissions exclude transfers into the Intensive Care Unit.

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 manger 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 for Permit is filed on the behalf of Memorial Medical Center* 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 for permit 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 permit application fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

Edgar J. Curtis
PRINTED NAME

President & Chief Executive Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 13th day of September

Signature of Notary

Seal

"OFFICIAL SEAL"
Cindy Appenzeller
Notary Public, State of Illinois
My Commission Expires 8/12/2013

SIGNATURE

Robert W. Kay
PRINTED NAME

Chief Financial Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 13th day of September

Signature of Notary

Seal

"OFFICIAL SEAL"
Cindy Appenzeller
Notary Public, State of Illinois
My Commission Expires 8/12/2013

*Insert EXACT legal name of the applicant

CERTIFICATION

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- in the case of a limited liability company, any two of its managers or members (or the sole manger 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);
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SIGNATURE

Edgar J. Curtis
PRINTED NAME

President & Chief Executive Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 13th day of September

Signature of Notary

Seal

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Notary Public, State of Illinois
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SIGNATURE

Robert W. Kay
PRINTED NAME

Chief Financial Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 13th day of September

Signature of Notary

Seal

"OFFICIAL SEAL"
Cindy Appenzeller
Notary Public, State of Illinois
My Commission Expires 8/12/2013

*Insert EXACT legal name of the applicant

SECTION II. DISCONTINUATION

THIS SECTION IS NOT APPLICABLE BECAUSE THIS PROJECT WILL NOT DISCONTINUE A CATEGORY OF SERVICE.

This Section is applicable to any project that involves discontinuation of a health care facility or a category of service. **NOTE:** If the project is solely for discontinuation and if there is no project cost, the remaining Sections of the application are not applicable.

Criterion 1110.130 - Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any that is to be discontinued.
2. Identify all of the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued, and the length of time the records will be maintained.
6. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 60 days following the date of discontinuation.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.130(b) for examples.

IMPACT ON ACCESS

1. Document that the discontinuation of each service or of the entire facility will not have an adverse effect upon access to care for residents of the facility's market area.
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within 45 minutes travel time of the applicant facility.
3. Provide copies of impact statements received from other resources or health care facilities located within 45 minutes travel time, that indicate the extent to which the applicant's workload will be absorbed without conditions, limitations or discrimination.

APPEND DOCUMENTATION AS ATTACHMENT-10, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION III – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

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 certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. 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.**
4. If, during a given calendar year, an applicant submits more than one application for permit, 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 the information has been 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-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Agency Report.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

A) Proposing a project of greater or lesser scope and cost;

B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;

C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

D) Provide the reasons why the chosen alternative was selected.

2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**

2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following::

   a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;

   b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;

   c. The project involves the conversion of existing space that results in excess square footage.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	**PROPOSED BGSF/DGSF**	**STATE STANDARD**	**DIFFERENCE**	**MET STANDARD?**

APPEND DOCUMENTATION AS ATTACHMENT-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	**HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.**	**PROJECTED UTILIZATION**	**STATE STANDARD**	**MET STANDARD?**
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE. APPLICATION FORM.

SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA

This Section is applicable to all projects proposing establishment, expansion or modernization of categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). After identifying the applicable review criteria for each category of service involved , read the criteria and provide the required information, AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

A. Criterion 1110.530 - Medical/Surgical, Obstetric, Pediatric and Intensive Care

1. Applicants proposing to establish, expand and/or modernize Medical/Surgical, Obstetric, Pediatric and/or Intensive Care categories of service must submit the following information:

2. Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
☒ **Medical/Surgical**	**349**	**349**
☐ **Obstetric**		
☐ **Pediatric**		
☐ **Intensive Care**		

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

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.530(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.530(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.530(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.530(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.530(b)(5) - Planning Area Need - Service Accessibility	X		
1110.530(c)(1) - Unnecessary Duplication of Services	X		
1110.530(c)(2) - Maldistribution	X	X	
1110.530(c)(3) - Impact of Project on Other Area Providers	X		
1110.530(d)(1) - Deteriorated Facilities			X

APPLICABLE REVIEW CRITERIA		Establish	Expand	Modernize
1110.530(d)(2) -	Documentation			X
1110.530(d)(3) -	Documentation Related to Cited Problems			X
1110.530(d)(4) -	Occupancy			X
110.530(e) -	Staffing Availability	X	X	
1110.530(f) -	Performance Requirements	X	X	X
1110.530(g) -	Assurances	X	X	X

APPEND DOCUMENTATION AS ATTACHMENT-20, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

R. Criterion 1110.3030 - 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
☒ **Surgical Suite**	**28**	**33**
☐		
☐		

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 ATTACHMENT-37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.		

The following Sections DO NOT need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- **Section 1120.120 Availability of Funds – Review Criteria**
- **Section 1120.130 Financial Viability – Review Criteria**
- **Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)**

VIII. - 1120.120 - Availability of Funds

NOT APPLICABLE BECAUSE MEMORIAL HEALTH SYSTEM HAS AN "A1/A+" BOND RATING.

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

_____	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
_____	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.
_____	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
		TOTAL FUNDS AVAILABLE

APPEND DOCUMENTATION AS ATTACHMENT-39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

IX. 1120.130 - Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. **"A" Bond rating or better**
2. **All of the projects capital expenditures are completely funded through internal sources**
3. **The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent**
4. **The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.**

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

NOT APPLICABLE BECAUSE MEMORIAL HEALTH SYSTEM HAS AN "A1/A+" BOND RATING.

Provide Data for Projects Classified as:	**Category A or Category B (last three years)**			**Category B (Projected)**
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 41, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or

2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:

A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or

B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1) That the selected form of debt financing for the project will be at the lowest net cost available;

2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. **Reasonableness of Project and Related Costs**

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT -42, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XI. Safety Net Impact Statement

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 43.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			
Charity (cost In dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			

Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT-43, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XII. Charity Care Information

Charity Care information MUST be furnished for ALL projects.

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 44.

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

APPEND DOCUMENTATION AS ATTACHMENT-44, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

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3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	55
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File Number 0751-757-2

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

MEMORIAL MEDICAL CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 19, 1897, 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* 10TH *day of* JANUARY *A.D.* 2012 .

Jesse White

SECRETARY OF STATE

Authentication #: 1201000652

Authenticate at: http://www.cyberdriveillinois.com

File Number 5248-617-3

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

MEMORIAL HEALTH SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON AUGUST 21, 1981, 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* 10TH *day of* JANUARY *A.D.* 2012 .

Jesse White

SECRETARY OF STATE

Authentication #: 1201000592

Authenticate at: http://www.cyberdriveillinois.com

COMMITMENT FOR TITLE INSURANCE

ZELLE TITLE, LLC

File Number:	Commitment Number:	Effective Date:
910-37054	**910-37054FA**	**November 29, 2009**

SCHEDULE B (continued)

43. Terms, provisions and conditions contained in An Ordinance Vacating Certain Described Property Located at a Portion of Union Street lying between First Street and Second Street; Two Portions of Miller lying between First Street and Second Street; and a portion of the East side of First Street Lying North of Miller Street, recorded May 8, 2002 as Document No. 2002R24814, including, but not limited to:

(1) Rights of the municipality, the State of Illinois, the public and adjoining owners in and to the above described vacated land; and

(2) Rights of the public and quasi-public utilities, if any, in said vacated property for maintenance therein of poles, conduits, sewers and other facilities; and

(3) Reservation of permanent utility easements in favor of the City of Springfield. (For further details, see Record.) (Affects Block 15)

NOTE: Upon receipt of executed ALTA Statement and other requested clearance documentation, a Comprehensive (ALTA) Endorsement will be included with the final Loan Policy.

Zelle Title, LLC, Agent for
First American Title Insurance Company

By _____

PO Box 9800, Springfield, IL 62791

COMMITMENT FOR TITLE INSURANCE

ZELLE TITLE, LLC

File Number:	Commitment Number:	Effective Date:
910-37054	**910-37054FA**	**November 29, 2009**

SCHEDULE B (continued)

34. Easement over the West 30 feet of the East 98 feet of the South 225.50 feet of Lot 8 of Herndon and Edwards' Addition of Out Lots to the City of Springfield for purposes of connecting, repairing, maintaining, etc., the existing sewer which will benefit the West 50 feet of the East 148 feet of the South 225.50 feet of Lot 8 of said Addition, as shown by instrument recorded May 21, 1948 in Volume 376 at Page 70 as Document No. 227604. (For further details, see Record.)

35. Sanitary Sewer Easement in favor of the City of Springfield as shown by instrument recorded August 18, 1989 as Document No. 89H20592. (For further details, see Record.) (Affects part of Block 20 in Mason's Addition and part of Phillip and William Loeb Estate.)

36. Water Main Easement in favor of the City of Springfield as shown by instrument recorded December 14, 1988 as Document No. 88E24987. Partial Release thereof recorded January 17, 1990 as Document No. 90J01250. (For further details, see Record.)

37. Water Main Easement in favor of the City of Springfield as shown by instrument recorded January 17, 1990 as Document No. 90J01251. (Affects part of Lot 30 of Assessor's Subdivision.) (For further details, see Record.)

38. Declaration of Covenants, Conditions, Restrictions and Easements recorded June 11, 1991 as Document No. 91016017, but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state law or federal laws, except to the extent that said covenant or restriction is permitted by applicable law. For further details, see Record. (Violation of these restrictions will not cause a forfeiture or reversion.)

39. Affidavit regarding vacation of alley lying North of and adjoining J.W. Bailey's Subdivision recorded May 16, 1991 as Document No. 91-13329. (For further details, see Record.)

40. Rights of the municipality, the State of Illinois, the public and adjoining owners in and to vacated Askins Street and right of way known as Miller Place, between Askins Street and Rutledge Street.

41. Rights of the public and quasi-public utilities, if any, in said vacated Askins Street and right of way known as Miller Place, between Askins Street and Rutledge Street for maintenance therein of poles, conduits, sewers and other facilities.

42. Reservation of easement for access and maintenance of telephone and electrical utilities located with the the right of way vacated by instrument recorded August 25, 1982 as Document No. 905500 and 905501. (Affects Tract F)

Zelle Title, LLC, Agent for
First American Title Insurance Company

By Lee K. Zelle

PO Box 9800, Springfield, IL 62791

COMMITMENT FOR TITLE INSURANCE

ZELLE TITLE, LLC

File Number:	Commitment Number:	Effective Date:
910-37054	**910-37054FA**	**November 29, 2009**

SCHEDULE B (continued)

26. Water Main Easement in favor of the City of Springfield as shown by instrument recorded January 11, 2005 as Document No. 2005R01467. (For further details, see Record.) (Affects Parcel 13)

27. Terms, powers, provisions, limitations, conditions and interests of the owners of the underground tunnel and easement rights in connection therewith existing under First Street as evidenced by Subsurface Rights Easement recorded July 9, 2004 as Document No. 2004R34399. (For further details, see Record.)

28. Lease made by Healthcare Network Properties, LLC, Landlord, to Healthcare Network Associates, an Illinois not-for-profit corporation, Tenant, dated January 27, 1999, a memorandum of which was recorded January 27, 1999 as Document No. 1999R04680, demising the land for a term of years beginning January 27, 1999 and ending January 26, 2009, and all rights thereunder and terms thereof. NOTE: Tenant shall have the option to extend the term of the Lease after the initial term for 2 successive periods of 5 years each.

29. Lease made by Memorial Health System, Landlord, to Healthcare Network Properties, LLC, Tenant, dated January 27, 1999, a memorandum of which was recorded January 27, 1999 as Document No. 1999R04679, demising the land for a term of years beginning January 27, 1999 and ending January 26, 2019, and all rights thereunder and terms thereof. NOTE: Tenant shall have the option to extend the term of the Lease after the initial term for 2 successive periods of 5 years each.

30. Security interest of National City Bank of Michigan/Illinois for itself and as agent for National City Bank, secured party, in certain described chattels on the land, as disclosed by financing statements executed by HealthCare Network Properties, LLC, debtor, and filed February 8, 1999 as Document Nos. 1999F00130 and 1999F00131.

31. Rights of the municipality, the State of Illinois, the public and adjoining owners in and to that part of the land herein taken or used for adjoining walkways in Dodge Street, Klein Street, Rutledge Street, Miller Street and First Street.

32. Restrictions contained in Warranty Deed from Leonard W. Rustemeyer to Capital Convalescent Home, Inc., recorded July 27, 1962 in Volume 570 at Page 346 as Document No. 294168 that a 20 foot building setback line shall be maintained on Rutledge Street. NOTE: A breach or violation of the above restriction will not cause a forfeiture or reversion of title.

33. Sewerage Rights across Lots 3 and 4 of Jay W. Bailey's Subdivision as contained in Deeds recorded September 11, 1948 in Volume 382 ate Page 106 as Document No. 229374 and April 25, 1950 in Book 407 at Page 66 as Document No. 236721. (Affects part of Parcel 12)

Zelle Title, LLC, Agent for
First American Title Insurance Company

By Lee K. Zelle

PO Box 9800, Springfield, IL 62791

ZELLE TITLE, LLC

File Number:	Commitment Number:	Effective Date:
910-37054	**910-37054FA**	**November 29, 2009**

SCHEDULE B (continued)

lying South and adjoining the East 20 feet of Lot 3;

(2) Dedication of the West 20.00 feet of the East 40.00 feet of Lot 8 for an alleyway; and

(3) Reservation of an easement in favor of the City of Springfield for maintenance of all public utilities with the area vacated by said Ordinance. (Affects Block 16)

19. Rights of the public and quasi-public utilities, if any, in said vacated alley for maintenance therein of poles, conduits, sewers and other facilities. (Affects Block 16)

20. Easement in favor of Ameritech as shown by instrument recorded January 7, 1994 as Document No. 94-01329. (For further details, see Record.) (Affects Block 16)

21. Building setback lines, easements and other matters which may be disclosed by the Plat of Assessor's Subdivision recorded October 7, 1868 in Plat Book 8 at Page 20; Caroline M. Kane's Addition recorded April 23, 1884 in Plat Book 8 at Page 87; Harris Hickox Addition recorded November 6, 1879 in Plat Book 8 at Page 52; and Mason's Addition recorded December 9, 1831 in Plat Book F at Page 4. (For further details see Record.)

22. Rights of the municipality, the State of Illinois, the public and adjoining owners in and to the vacated portions of Union Street, Miller Street, First Street and alleyways for maintenance there of of poles, conduits, sewers and other facilities as shown by An Ordinance Vacating Three Public Alleys Located in the Blocks Fronting on Dodge Street between First and Third Streets in Springfield, Illinois, recorded April 26, 2004 as Document No. 2004R20426. (For further details, see Record.) (Affects Parcel 13)

23. Rights of the public and quasi-public utilities, if any, in said vacated portions of Union Street, Miller Street, First Street and alleyways, for maintenance therein of poles, conduits, sewers and other facilities. (Affects Parcel 13)

24. Reservation of Permanent Easements in favor of the City of Springfield contained in An Ordinance Vacating Three Public Alleys Located in the Blocks Fronting on Dodge Street between First and Third Streets in Springfield, Illinois, recorded April 26, 2004 as Document No. 2004R20426. (For further details, see Record.) (Affects Parcel 13)

25. Electric and Telecommunication Line Easement in favor of the City of Springfield as shown by instrument recorded May 25, 2004 as Document No. 2004R26040. (For further details, see Record.) (Affects Parcel 13)

Zelle Title, LLC, Agent for
First American Title Insurance Company

By Lee K. Zelle

PO Box 9800, Springfield, IL 62791

ZELLE TITLE, LLC

File Number:	Commitment Number:	Effective Date:
910-37054	**910-37054FA**	**November 29, 2009**

SCHEDULE B (continued)

on the West by First Street. (For further details, see Record.)

12. Memorandum of Agreement made by and between Memorial Health System and Comcast of Illinois Illinois/Indiana/Ohio, LLC, recorded September 3, 2009 as Document No. 2009R43338. (For further details, see Record.)

13. Terms, provisions and conditions contained in Access Easement Agreement recorded December 1, 1999 as Document No. 1999R57054 and Assignment thereof recorded August 11, 2000 as Document No. 2000R30913, for the benefit of Block 10 herein. (For further details, see Record.)

14. Survey recorded December 3, 1999 as Document No. 1999R57412. (Affects Block 10 and other property.)

15. Restrictions, covenants and conditions contained in an instruments recorded May 22, 1908 as Document No. 87993, May 6, 1909 as Document No. 90809, November 29, 1909 as Document No. 93647, relating to the use of the premises and/or the use, cost, character and location of improvements; but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state law or federal laws, except to the extent that said covenant or restriction is permitted by applicable law. For further details, see Record. (Violation of these restrictions will not cause a forfeiture or reversion.) (Affects parts of Block 12)

16. Right of Way Easement in favor of the City of Springfield as shown by instrument recorded May 16, 2006 as Document No. 2006R17763 over the North 16 feet of the East 22 feet of Lot 10. (For further details, see Record.) (Affects part of Block 13.)

17. Terms, provisions and conditions contained in License Agreement recorded January 9, 2009 as Document No. 2009R00837 made by and between Memorial Health System, as owner of Lot 3, and Whitetail Valley Farm, LLC, owner of a parcel West and adjoining Lot 3, pertaining to the use and placement of a concrete slab located partly on the property West and adjoining and encroaching onto the Northwest corner of Lot 3, and providing certain permissions and limitations between the parties. (For further details, see Record.) (Affects Block 15.)

18. Terms, provisions and conditions contained in An Ordinance Vacating a Portion of an East-West Alley Lying South of Carpenter Street and Between Klein Street and First Street, recorded September 30, 1993 as Document No. 93-42528, including, but not limited to:

(1) Rights of the municipality, the State of Illinois, the public and adjoining owners in and to the vacated alley

Zelle Title, LLC, Agent for
First American Title Insurance Company

By Lee K. Zelle

PO Box 9800, Springfield, IL 62791

ZELLE TITLE, LLC

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SCHEDULE B (continued)

(e) Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

(f) Taxes or special assessments which are not shown as existing liens by the public records.

(g) Existing unrecorded leases and all rights thereunder of the lessees and of any person or party claiming by, through or thereunder.

5. Terms provisions and conditions contained in An Ordinance Vacation Three Public Alleys Located in the Blocks Fronting on Dodge Street between First and Third Streets contained in instrument recorded April 26, 2004 as Document No. 2004R20426. (For further details see Record.) (Affects 7 through 14 in Rosina Miller's Addition, Lots 2, 3, 4, 6, 7, 8, and 9 of Mrs. A.C. Fox's 2nd Addition, and ...)

6. Electronic and Telecommunication Line Easement in favor of the City of Springfield as shown by instrument recorded May 25, 2004 as Document No. 2004R26040. (For further details, see Record.) (Affects Tax I.D. Nos. 14-28-282-017, 14-27-156-010, -011, -012, -013 and -025; 14-28-279-012, 14-27-151-015 through -020; and 14-27-152-024, -018, -019 and -038)

7. Building setback lines and other matters shown on plat of Rosina Miller's Addition recorded September 24, 1908 in Plat Book 4 at Page 24 and also by instrument recorded August 5, 1909 in Book 210 of Mortgages at Page 585 as Document No. 117225.

8. Easement Agreement recorded February 16, 2005 as Document No. 2005R05899 to construct, operate and maintain a sewer line. (For further details, see Record.) (Affects Lot 2 of Mrs. A.C. Fox's 2nd Addition.)

9. Right of Way Easement in favor of the City of Springfield as shown by instrument recorded May 6, 1981 as Document No. 875766 to construct, operate and maintain electrical facilities. (For further details, see Record.) (Affects part of Block 6)

10. Waiver and Easement Agreement recorded March 7, 2001 as Document No. 2001R09583 made by and among Memorial Health System and Louis I. Peters and Elsie R. Peters pertaining to a driveway easement for the benefit of Peters' property. (Affects part of Block 6 covered by Tax I.D. Nos. 14-28-255-049, -048 and -046) (For further details, see Record.)

11. Maintenance Agreement Re Alley recorded December 5, 2008 as Document No. 2008R44731 made by and between Memorial Health System and the City of Springfield, relating to a public alley situated in the block bounded on the North by Miller Street, on the East by Second Street, on the South by Carpenter Street, and

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SCHEDULE B (continued)

14-28-432-015 (Affect 613 N. 1st Street)

14-28-432-018 (Affects 601 N. 1st Street)

14-28-433-001 (Affects 630 N. 1st Street)

14-28-433-002 (Affects 624 N. 1st Street)

14-28-433-003 (Affects 618 N. 1st Street)

14-28-433-011 (Affects 612 N. 1st Street)

14-28-436-001 (Affects 128 W. Carpenter)

14-28-436-002 (Affects 122 W. Carpenter)

14-28-436-003 (Affects 118 W. Carpenter)

14-28-436-008 (Affects 121 W. Reynolds)

14-28-436-009 (Affects 119 W. Reynolds)

14-28-436-013 (Affects 529 N. 1st Street)

14-28-436-018 (Affects 114 W. Carpenter)

4. (a) Rights of the Public, the State of Illinois, the County, the Township and the Municipality in and to that part of the premises in question taken, used or dedicated for roads or highways.

(b) Rights of way for drainage ditches, drain tiles, feeders, laterals and underground pipes, if any. Easements, or claims of easements, not shown by the public records.

(c) Rights or claims of parties in possession not shown by the public records.

(d) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the land.

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SCHEDULE B (continued)

14-28-402-039 (Affects 400 W. Miller)

14-28-431-001 (Affects 228 W. Miller)

14-28-431-002 (Affects 224 W. Miller)

14-28-431-003 (Affects 216 W. Miller)

14-28-431-004 (Affects 212 W. Miller)

14-28-431-005 (Affects 210 W. Miller)

14-28-431-008 (Affects 200 W. Miller)

14-28-431-013 (Affects 615 Klein)

14-28-431-015 (Affects 215 W. Carpenter)

14-28-431-016 (Affects 227 W. Carpenter)

14-28-432-002 (Affects 124 W. Miller)

14-28-432-003 (Affects 114 W. Miller)

14-28-432-004 (Affects 114 W. Miller)

14-28-432-005 (Affects 110 W. Miller)

14-28-432-006 (Affects 108 W. Miller)

14-28-432-012 (Affects 619 N. 1st Street)

14-28-432-013 (Affects 617 N. 1st Street)

14-28-432-014 (Affects 615 N. 1st Street)

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ZELLE TITLE, LLC

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SCHEDULE B (continued)

interest)

Taxes for 2009 have been marked EXEMPT as to the following Tax I.D. Numbers:

14-27-301-037 (Affects 106 E. Miller)

14-27-301-038 (Affects 131 E. Carpenter)

14-27-301-039 (Affects 117 E. Miller)

14-27-302-045 (Affects 235 E. Carpenter)

14-28-255-019 (Affects 500 Herndon)

14-28-255-020 (Affects 500 Herndon)

14-28-255-052 (Affects 725 N. Bond)

14-28-256-008 (Affects 706 N. Bond)

14-28-256-021 (Affects 401 W. Miller)

14-28-256-022 (Affects 404 Herndon)

14-28-256-023 (Affects 343 W. Miller)

14-28-277-013 (Affects 939 Klein)

14-28-277-026 (Affects 932 Rutledge)

14-28-278-020 (Affects 951 N. 1ST Street)

14-28-278-039 (Affects 116 W. Calhoun)

14-28-278-040 (Affects 902 Klein)

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SCHEDULE B (continued)

$171.82 (PAID) as to Tax I.D. No. 14-28-402-012 (Affects 408 W. Miller)

$171.82 (PAID) as to Tax I.D. No. 14-28-402-029 (Affects 407 W. Carpenter)

$774.22 (PAID) as to Tax I.D. No. 14-28-433-006 (Affects 103 E. Carpenter)

$568.34 (PAID) as to Tax I.D. No. 14-28-433-008 (Affects 107 E. Carpenter)

$538.80 (PAID) as to Tax I.D. No. 14-28-433-009 (Affects 115 E. Carpenter)

$2,222.48 (PAID) as to Tax I.D. No. 14-28-435-004 (Affects 220 W. Carpenter)

$2,014.18 (PAID) as to Tax I.D. No. 14-28-435-005 (Affects 206 W. Carpenter)

$208.32 (PAID) as to Tax I.D. No. 14-28-435-006 (Affects E 6' L 2 B 13 Masons ADDN)

$2,222.48 (PAID) as to Tax I.D. No. 14-28-435-007 (Affects 202 W. Carpenter)

$969.46 (PAID) as to Tax I.D. No. 14-28-435-016 (Affect 515 Klein)

$935.84 (PAID) as to Tax I.D. No. 14-28-435-017 (Affects 201 W. Reynolds)

$18,808.08 (PAID) as to Tax I.D. No. 14-28-436-024 (Affects 501 N. 1st Street);

$63,989.44 (Paid) as to Tax I.D. No 14-28.4-256-023 (Affects 343 W. Miller) (Affects leasehold interest)

$49,252.16 (PAID) as to Tax I.D. No. 14-28.4-277-026 (Affects 932 Rutledge) (Affects leasehold interest)

$286,834.68 (PAID) as to Tax I.D. No. 14-28.4-280-022 (Affects 747 Rutledge) (Affects leasehold interest)

$10,772.18 (PAID) as to TAX I.D. No. 14-28.4-281-010 (Affects 701 N. 1st Street) (Affects leasehold interest)

$4,873.30 (PAID) as to Tax I.D. No. 14-28.4-283-012 (Affects 800 Rutledge) (Affects leasehold interest)

$11,460.18 (PAID) as to Tax I.D. No. 14-27.4-302-043 (Affects 622 N. 2nd Street) (Affects leasehold

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SCHEDULE B (continued)

$328.90 (PAID) as to Tax I.D. No. 14-28-254-017 (Affects 409 Herndon)

$627.04 (PAID) as to Tax I.D. No. 14-28-254-018 (Affects 407 Herndon)

$657.88 (PAID) as to Tax I.D. No. 14-28-254-019 (Affects 403 Herndon)

$986.76 (PAID) as to Tax I.D. No. 14-28-254-020 (Affects W 30' L 16 B 2 J. R. Tyson ADDN)

$203.70 (PAID) as to Tax I.D. No. 14-28-255-014 (Affects 524 Herndon)

$169.70 (PAID) as to Tax I.D. No. 14-28-255-015 (Affects 522 Herndon)

$204.76 (Paid) as to Tax I.D. No. 14-28-255-046 (Affects 713 N. Bond)

$157.46 (PAID) as to Tax I.D. No. 14-28-255-048 (Affects 509 W. Miller)

$157.46 (PAID) as to Tax I.D. No. 14-28-255-049 (Affects 505 W. Miller)

$1,315.66 (PAID) as to Tax I.D. No. 14-28-255-050 (Affects 501 W. Miller)

$336.38 (PAID) as to Tax I.D. No. 14-28-279-003 (Affects S 10' L 20 Rosina Millers ADDN)

$1,345.74 (PAID) as to Tax I.D. No. 14-28-279-004 (Affects 936 N. 1st Street)

$1,345.74 (PAID) as to Tax I.D. No. 14-28-279-005 (Affects 928 N. 1st Street)

$682.50 (PAID) as to Tax I.D. No. 14-28-279-006 (Affects 926 N. 1st Street)

$1,389.86 (PAID) as to Tax I.D. No. 14-28-279-007 (Affects 920 N. 1st Street)

$1,411.24 (PAID) as to Tax I.D. No. 14-28-279-008 (Affects 916 N. 1st Street)

$170.16 (PAID) as to Tax I.D. No. 14-28-402-005 (Affects 422 W. Miller)

$170.16 (PAID) as to Tax I.D. No. 14-28-402-006 (Affects 420 W. Miller)

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SCHEDULE B (continued)

3. Taxes for 2009 and subsequent years, which are not yet due and payable.

Taxes for the year 2008 were assessed as follows:

$1,278.12 (PAID) as to Tax I.D. No. 14-27-151-010 (Affects 937 N. 2nd Street);

$1,093.98 (PAID) as to Tax I.D. No. 14-27-151-011 (Affects 931 N. 2nd Street);

$456.82 (PAID) as to Tax I.D. No. 14-27-151-012 (Affects 929 N. 2nd Street);

$1,008.38 (PAID) as to Tax I.D. No. 14-27-151-013 (Affects 923 N. 2nd Street);

$13,060.70 (PAID) as to Tax I.D. No. 14-27-151-021 (Affects 944 N. 1st Street)

$11,887.92 (PAID) as to Tax I.D. No. 14-27-151-024 (Affects Lots 7 through 14 & PT Vac Alley Rosina Millers ADDN (Parking Lot);

$7,066.08 (PAID) as to Tax I.D. No. 14-27-152-043 (Affects 810 N. 2nd Street);

$339,258.30 (PAID) as to Tax I.D. No. 14-27-156-027 (Affects 800 N. 1st Street)

$18,142.74 (PAID) as to Tax I.D. No. 14-27-157-035 (Affects Pt several subs-pt of parcel bounded by N. 2nd & N. 3rd St. & E. Dodge St. & Union St.)

$109.48 (PAID) as to Tax I.D. No. 14-27-157-011 (Affects 708 N. 2nd Street);

$1,315.66 (PAID) as to Tax I.D. No. 14-28-254-012 (Affects 419 Herndon)

$1,315.66 (PAID) as to Tax I.D. No. 14-28-254-013 (Affects 417 Herndon)

$1644.70 (PAID) as to Tax I.D. No. 14-28-254-014 (Affects 415 Herndon)

$986.76 (PAID) as to Tax I.D. No. 14-28-254-015 (Affects 415 Herndon)

$1,315.66 (PAID) as to Tax I.D. No. 14-28-254-016 (Affects 409 Herndon)

Zelle Title, LLC, Agent for
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By Lee K. Zelle

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ZELLE TITLE, LLC

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STANDARD EXCEPTIONS

The following Standard Exceptions will be shown on your policy:

(1) Rights or claims of parties in possession not shown by the public records.

(2) Easements, or claims of easements, not shown by the public records.

(3) Any encroachments, encumbrance, violation, variation or adverse circumstance affecting title that would be disclosed by an accurate and complete survey of the land pursuant to the "Minimum Standards of Practice," 68 Ill.Admin.Code, Sec. 1270.56(b)(6)(P) for residential property or the ALTA/ASCM land title survey standards for commercial/industrial property.

(4) Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the puplic records.

(5) Taxes, or special assessments, if any, not shown as existing liens by the public records.

(6) Loss or damage by reason of there being recorded in the public records, any deeds, mortgages, lis pendens, liens or other title encumbrances subsequent to the Commitment date and prior to the effective date of the final policy.

SCHEDULE B

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the company.

NOTE FOR INFORMATION: The coverage afforded by this commitment and any policy issued pursuant hereto shall not commence prior to the date on which all charges properly billed by the company have been fully paid.

(1) Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the Proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

(2) An ALTA LOAN POLICY will be subject to the following exceptions (a) and (b), in the absence of the production of the data and other essential matters described in our "Statement Required for the Issuance of ALTA Owners and Loan Policies (ALTA Statement)." (a) Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records; (b) Consequences of the failure of the Insured to pay out properly the whole or any part of the loan secured by the mortgage described in Schedule A, as affecting: (i) the validity of the lien of said mortgage; and (ii) the priority of the lien over any other right, claim, lien or encumbrance which has or may become superior to the lien of said mortgage before the disbursement of the entire proceeds of the loan.

(Schedule B continued)

Issued By:

Zelle Title LLC, Agent for First American Title Insurance Company
1233 Henrietta At South Grand West, P.O. Box 9800
Springfield, IL 62791-9800

phone: 217/789-6161
fax: 217/789-6169
e-mail: sos@zelletitle.com

ZELLE TITLE, LLC

COMMITMENT FOR TITLE INSURANCE

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CONDITIONS

(1) DEFINITIONS

(a) "Mortgage" means mortgage, deed of trust or other security instrument.

(b) "Public Record" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

(2) LATER DEFECTS

The Exceptions in Schedule B may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) shown below are met. We shall have no liability to you because of this amendment.

(3) EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do not amend Schedule B to show the defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

(4) LIMITATION OF OUR LIABILITY

Our only obligation is to issue you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to comply with the Requirements shown below or eliminate with our written consent any Exceptions shown in Schedule B or the Standard Exceptions noted below. We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

(5) CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this Commitment and is subject to its terms.

REQUIREMENTS

The following requirements must be met:

(a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.

(b) Pay us the premiums, fees and charges for the policy.

(c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.

(d) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.

(e) Proper documentation to dispose of such exceptions as you wish deleted from Schedule B or the Standard Exceptions noted below.

NOTE FOR INFORMATIONAL PURPOSES:

"The final 2006 ALTA Policy issued will contain an arbitration provision. When the amount of Insurance is $2,000,000 or less all arbitral matters in dispute shall be arbitrated at the option of either the Company or the Insured and will be the exclusive remedy available to the Parties. You may review a copy of the arbitration rules at http://www.alta.org."

Issued By:

Zelle Title LLC, Agent for First American Title Insurance Company
1233 Henrietta At South Grand West, P.O. Box 9800
Springfield, IL 62791-9800
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fax: 217/789-6169
e-mail: sos@zelletitle.com

Half of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, Springfield, Illinois, reference being had to the plat recorded in Sangamon County Deed Record 34, page 618; ALSO

The West 24 feet of that part of Lot 39 of the Assessor's Subdivision aforesaid which lies South of the center of the alley as now extended East and West through said Lot 39;

EXCEPTING that part of the said Lots 37, 38 and 39 reserved for alley purposes; and

The East 31 feet of that part of Lot 39 of the Assessor's Subdivision of part of the West Half of Section 27 and part of the East Half of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, which lies South of the center line of the alley, as now extended East and West through said Lot 39; ALSO

Lot 40 of the Assessor's Subdivision of part of the West Half of Section 27 and part of the East Half of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian.

EXCEPT that part of the above-described tract conveyed to the City of Springfield by instrument recorded May 17, 2002 as Document No. 2002R27092.

Except the coal and other minerals underlying the surface of said land and all rights and easements in favor of the estate of said coal and minerals.

Situated in Sangamon County, Illinois.

278.71 feet, more or less, to the Southeast corner of said Lot 7; thence South, on a projected line, 25.00 feet, more or less, to a point on the North line of Lot 6, Block 20 of Mason's Addition; thence East along the North line of said Lot 6, a distance of 52.72 feet, more or less, to a point; thence North, on a projected line, 25 feet, more or less, to the Southwest corner of Lot 6 of J. W. Bailey's Subdivision; thence North along the West line of Lots 6, 4, 3, 2, and 1 of J. W. Bailey's Subdivision, a distance of 276.88 feet to the Northwest corner of said Lot 1, the point of beginning.

Parcel (2) Part of the East Half of the Northeast Quarter of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, Sangamon County, Illinois, described as follows: Beginning at the Southwest corner of Lot 6 of J. W. Bailey's Subdivision; thence South on a projected line, a distance of 25.00 feet, more or less, to a point on the North line of Lot 6 Block 20 of Mason's Addition; thence East along the North line of Lots 6, 7, 8, 9 and 10 Block 20 of Mason's Addition, a distance of 293.04 feet, more or less, to the Northeast corner of Lot 10; thence North on a projected line, a distance of 25.00 feet, more or less, to the Southeast corner of Lot 9 of William Loeb Estate; thence West along the South line of said Lot 9, a distance of 183.65 feet, more or less, to the Southwest corner of said Lot 9; thence continuing West long the South line of Lot 5 and Lot 6 of J.W. Bailey's Subdivision, a distance of 109.35 feet, more or less, to the Southwest corner of said Lot 6, the point of beginning.

TRACT G:

Part of the East Half of the Northeast Quarter of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, described as follows: Beginning at a point on the West line of First Street 160 feet South of the Northeast corner of that tract of land conveyed by Stephen T. Logan and wife to Isaac Bancroft by Deed dated July 11, 1840 and recorded in Book "Q" of Deeds at Page 72 in the Recorder's Office of Sangamon County; thence South with the West line of First Street 245-1/2 feet to the North line of Dodge Street; thence Northwesterly along the North line of Dodge Street 165.60 feet to a point in said North line of Dodge Street 157 feet due West of said West line of First Street, thence North parallel to said West line of First Street 188-1/2 feet to a point due West of said point of beginning and thence East 157 feet to said point of beginning. ALSO, that portion of the vacated alleyway lying West and adjoining the above land.

BLOCK 15: 14-27-301-036, -037, -038

Lots 1, 2, 3, 4, 5, 6, 7 and 8 in Block 3 of V. Hickox's Third Addition to the City of Springfield; and

Lot 2 in Block 16 of J. MASON'S ADDITION to the City of Springfield; and

Lots 12, 13, 14, 15 and 16 in Block 3 of Darling and Taylor's Addition to the City of Springfield; and

Lot 35 of the Assessor's Subdivision of part of the West Half of Section 27 and part of the East Half of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, Springfield, Illinois; and

All that part of Lots 36 and 36 of the Assessor's Subdivision of part of the West Half of Section 27 and part of the East Half of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, Springfield, Illinois, lying North of the North line of the alley South of Block 3 of Virgil Hickox's Third Addition to the City of Springfield, extended West;

EXCEPTING from the above parcel that part of Lots 36 and 39 on the Assessor's Subdivision aforesaid which has been taken, used or dedicated for the right-of-way of East Miller Street; and

Lots 37 and 38 of the Assessor's Subdivision of part of the West Half of Section 27 and part of the East

Parcel 31: Part of the Northeast Quarter of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, described as follows: The South 61 feet of the following described tract: Beginning on the North line of a tract of land conveyed by Allen and Edwards to Stephen T. Logan at a point 60 feet East of the Northeast corner of a tract of land conveyed by said Stephen T. Logan to Isaac D. Patterson, running thence East 125 feet to the corner of a tract of land conveyed by said Logan to Isaac Bancroft; thence Southwardly with the line of said tract conveyed to said Bancroft 227 feet; thence West 125 feet to the East line of Klein Street produced North; and thence North on the East line of Klein Street produced North 227 feet to the place of beginning. Also, that part of Lot 31 of the Assessor's Subdivision of part of the West Half of Section 27, and part of the East Half of Section 28 in Township and Range aforesaid, described as follows: Beginning 166 feet South and 173 feet West of the Northeast corner of 2.04 acres conveyed to Isaac Bancroft by Warranty Deed recorded July 22, 1840, and recorded in Book "Q" Page 72 and running thence West 41 feet; thence South 61 feet, thence East 41 feet and thence North 61 feet to the place of beginning.

Parcel 32: Lot 1 and the West 4 feet of Lot 2 of Hughes' Dodge Street Subdivision in the City of Springfield.

Parcel 33: That part of Lot 31 of the Assessor's Subdivision of part of the West Half of Section 27 and part of the East Half of Section 28 in Township 16 North, Range 5 West of the Third Principal Meridian, described as follows: Beginning 160 feet South and 173 feet West of the Northeast corner 2.04 acres conveyed to Isaac Bancroft by Warranty Deed recorded July 22, 1840, in Book "Q" Page 72, and running thence West 44 feet; thence South 6 feet; thence East 44 feet and thence North 6 feet to the place of beginning.

Parcel 34: Part of Lot 31 of the Assessor's Subdivision of part of the West Half of Section 27 and part of the East Half of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, bounded as follows: Beginning at a point on the North line of Dodge Street, the Southeast corner of Lot 3 Hughes' Dodge Street Subdivision; thence North on the East line of said Lot 101-1/2 feet to a point; thence East 41 feet to a point; thence South 116-1/2 feet to a point on the North line of Dodge Street; thence Northwesterly on the North line of Dodge Street to the place of beginning in the City of Springfield. Also, the East 36 feet of Lot 2 and the West 4 feet of Lot 3 of the Hughes' Dodge Street Subdivision in the City of Springfield, and the East 36 feet of the Lot 3 of the Hughes' Dodge Street Subdivision.

Parcel 1B: The East 88 feet of the North 215.50 feet of Lot 8 of Herndon and Edwards' Addition to Out Lots to the City of Springfield, in Sangamon County, State of Illinois. Commonly known as 400 West Herndon, Springfield, Illinois.

Parcel 2B: Part of Lot 8 in Herndon and Edwards' Addition of Out Lots to the City of Springfield bounded as follows, to-wit: Beginning at a point on the South line of Herndon Street, 88 feet West of the Northeast corner of said Lot 8; thence West along the South line of Herndon Street, 253 feet, more or less, to the point of intersection of the South line of Herndon Street with the East line of Bond Street; thence South along the East line of Bond Street, 215-1/2 feet to a point; thence East parallel with the said South line of Herndon Street, 253 feet to a point; thence North 215-1/2 feet to the point of beginning.

TRACT F:
Parcel (1) Part of the East Half of the Northeast Quarter of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, Sangamon County, Illinois, described as follows: Beginning at the Northwest corner of Lot 1 of J. W. Bailey's Subdivision; thence West on a projected line, a distance of 52.72 feet, more or less, to the Northeast corner of Lot 12 of Lot 12 of J. W. Bailey's Subdivision; thence South along the East line of Lots 12, 11, 10, 9, and 7 of J. W. Bailey's Subdivision a distance of

parallel with the South line of the tract hereby conveyed 159.11 feet to the West line of Klein Street and thence South 70 feet to the place of beginning. EXCEPT the North 40 feet thereof.

Parcel 8: The North 40 feet of that part of Lot 31 of the Assessor's Subdivision of the West Half of Section 27 and part of the East Half of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, and bounded as follows, to-wit: Beginning at a post 236 feet South of where the South line of Andrew Elliot's Subdivision of the North part of the Northeast Quarter of said Section 28 intersects the West line of Klein Street; thence West 159.11 feet; thence North parallel to Klein street 70 feet; thence East parallel with the South line of the tract hereby conveyed 159.11 feet to the West line of Klein Street; and thence South 70 feet to the place of beginning, in the City of Springfield;

Parcel 9: Part of Lot 31 of the Assessor's Subdivision of part of the West Half of Section 27 and part of the East Half of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, and bounded as follows, to-wit: Beginning at a point on the West line of Klein Street, 122.80 feet South of the intersection of the South line of Andrew Elliot's Subdivision with the West line of Klein Street and running thence South 45 feet to the Northeast corner of a tract of land conveyed to Oliver Lawrence August 28, 1897; thence West with said Oliver Lawrence North line, 160 feet; thence North 45 feet, and thence East to the place of beginning.

Parcel 10: Part of Lot 31 of the Assessor's Subdivision of part of the West Half of Section 27 and part of the East Half of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, bounded as follows: Beginning at a point 76.90 feet South of the intersection of the South line of Calhoun Avenue with the West line of Klein Street and running thence South along the West line of Klein Street 76.90 feet to a point; thence West 160 feet; thence North 76.96 feet and thence East to the place of beginning.

Parcel 17: Lots 1, 2, 3, 4, and 5 of Charles Metzger's Addition to the City of Springfield in the County of Sangamon, State of Illinois.

Parcel 18: Lot 1, a strip of land lying adjacent to and adjoining the North Lot line of said Lot 1 (which strip of land is designated in the plat of Jay W. Bailey's Subdivision as an alley), 2, 3, 4, 7, 8, 9, 10, 11, 12 and a strip of land lying adjacent to and adjoining the North Lot line of said Lot 12 (which strip of land is designated in the plat of Jay W. Bailey's Subdivision as an alley) - (intending and including that portion of said strips extending East of the East line of Lot 12 and West of the West line of Lot 1 which would be that area of said alley strip running across and North of vacated Askins Street) of Jay W. Bailey's Subdivision of Lots 10, 11, and 12 of the Estate of William Loeb, being a Subdivision of parts of Lots 9 and 10 of Herndon and Edward's Addition of Out Lots and the South 296 feet of the West 92 feet 8 1/3 inches of Lot 9 of Herndon and Edward's Addition of Out Lots in the City of Springfield; EXCEPT that part of Lot 8 conveyed to the City of Springfield in Deed recorded August 19, 1982 as Document Number 905178, described as follows: Part of the East Half of the Northeast Quarter of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, Sangamon County, Illinois described as follows: Beginning at a point on the South line of Lot 8 of J. W. Bailey's Subdivision which said point is located five feet West of the Southeast corner of said Lot 8; thence West along the South line of said Lot 8 a distance of 48.70 feet, more or less, to the Southwest corner of said Lot 8; thence North a distance of 15.00 feet, more or less, to the Southeast corner of part of Lot 8 of Herndon and Edward's Addition of Out Lots; thence Southeasterly to the point of beginning;

Parcel 19: Part of Lot 8 of Herndon and Edward's Addition of Out Lots to the City of Springfield, bounded as follows, to-wit: Beginning at the Southeast corner of said Lot 8 and running thence North with the East line of said Lot 248.77 feet; thence West 88 feet; thence South 23.37 feet; thence West 60 feet; thence South 225.50 feet and thence East with the South line of said Lot to the place of beginning; EXCEPTING AND RESERVING the West 50 feet of said tract;

Parcel 1: All of Lot 30 of the Assessor's Subdivision of part of the West Half of Section 27 and part of the East Half of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian; Also, all of Block 21 of Mason's Addition to the City of Springfield; Also the tract of land located in the East Half of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, bounded and described as follows: Beginning at the Southwest corner of Block 22 of Mason's Addition to the City of Springfield, which said point is also the point of intersection of the West line of said Block 22 with the North line of Miller Street; thence along said West line of said Block 22 to a point which is the Northwest corner of said Block 22 of Mason's Addition and is also the point of intersection of the West line of said Block 22 with the South line of Lot 30 of the Assessor's Subdivision of part of the West Half of Section 27 and part of the East Half of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, thence West along the South line of said Lot 30 of the Assessor's Subdivision to the point of intersection of said South line of Lot 30 with the East line of Block 21 of Mason's Addition to the City of Springfield, which said point is also the Northeast corner of said Block 21; thence South along said East line of Block 21 of Mason's Addition to the Southeast corner of said Block 21, which said point is also the point of intersection of said East line of Block 21 of Mason's Addition with the North line of Miller Street; thence East along the North line of Miller Street to the point of beginning;

Parcel 2: Lots 4, 5, 6, 7, 8, and 9 of the Estate of William Loeb, deceased, being a Subdivision of part of Lots 9 and 10 Herndon and Edwards Addition of Out Lots to the City of Springfield according to the plat in partition of the estate of said William Loeb, deceased, recorded in Chancery Records Book 1, Page 493 in the Circuit Clerk's Office of Sangamon County, Illinois;

Parcel 3: Lot 5 and Lot 6 of Jay W. Bailey's Subdivision of Lots 10, 11, 12, of the Estate of William Loeb, being a Subdivision of part of Lots 9 and 10 of Herndon and Edwards Addition of Out Lots and the South 296 feet of the West 92 feet 8-1/3 inches of Lot 9 of Herndon and Edwards Addition of Out Lots;

Parcel 4: All of Lots 7, 8, 9, and 10 and Lot 6 EXCEPT the West 57 feet thereof in Block 20 of Mason's Addition to the City of Springfield; EXCEPTING THEREFROM a tract of land which was conveyed to the City of Springfield in Deed recorded August 19, 1982, as Document Number 905178, said exception is described as follows: Part of the East Half of the Northeast Quarter of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, Sangamon County, Illinois, more fully described as: Beginning at the Northwest corner of Lot 6, Block 20 of Mason's Addition; thence East along the North line of said Lot 6, a distance of 58.00 feet, more or less, to a point; thence South perpendicular to said North line a distance of 20.00 feet, more or less, to a point; thence Southeasterly to the Southeast corner of Lot 7, Block 20 of Mason's Addition; thence West along the South line of said Lots 7 and 6, a distance of 158.37 feet, more or less, to the Southwest corner of said Lot 6; thence North at right angle, a distance of 42.24 feet, more or less, to the Northwest corner of said Lot 6, to the point of beginning. (Said exception containing .08 acres, more or less).

Parcel 5: Lot 33 of the Assessor's Subdivision of part of the West Half of Section 27, and part of the East Half of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, EXCEPT the West 10 feet of the South 40 feet of Lot 33 and ALSO EXCEPTING the West 10 feet of the North 28.5 feet of the South 68.5 feet of Lot 33 and ALSO EXCEPTING the West 120 feet thereof;

Parcel 6: Lot 9 of Groesch's Addition to the City of Springfield, EXCEPT the West 120 feet thereof;

Parcel 7: Part of Lot 31 of the Assessor's Subdivision of the West Half of Section 27 and part of the East Half of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, bounded as follows, to-wit: Beginning at a post 236 feet South of where the South line of Andrew Elliot's Subdivision of the North part of the Northeast Quarter of said Section 28 intersects the West line of Klein Street, thence West 159.11 feet; thence North parallel to Klein Street 70 feet; thence East

Lots 1, 2, 3, 4, 6, 7, 8, 9 and 10 in Block 17 of J. MASON'S ADDITION to the City of Springfield.

BLOCK 10: (14-28-433-001, -002, -003, -006, -008, -009 and -011)

All of Lots 4, 5, 6, and 7, and Lot 3, EXCEPT the East 2 feet of the North 109 thereof, in Block 16 of J. MASON'S ADDITION to the City of Springfield.

BLOCK 11: (14-28-435-007, -006, -005, -004, -016, -017)

All of Lots 1, 2 and 3, and the East 45 feet of Lot 10 in Block 13 of MASON'S ADDITION to the City of Springfield.

BLOCK 12: (14-28-436-001, -002, -003, -008, -009, -013, -018 and 024)

All of Lots 1, 2, 3, 4, 5, 8, 9, and 10; and the East 42 2/3 feet of Lot 7, all in Block 14 of Mason's Addition to the City of Springfield,

ALSO all that part of the vacated alley lying between First Street and Klein Street in Block 14 of MASON'S ADDITION, Springfield, Illinois, being more particularly described as follows: Beginning at a point 20.00 feet East of the Northwest corner of the East 40.00 feet of Lot 8 in said Block 14 and terminating at the West right of way line of said First Street, EXCEPT the North Half of the West 20 feet thereof, as vacated by An Ordinance Vacating a Portion of an East-West Alley Lying South of Carpenter Street and Between Klein Street and First Street and recorded September 30, 1993 as Document No. 93-42528.

BLOCK 13: (14-27-156-027 and 14-27-301-039)

Part of the Northwest Quarter of Section 27 and part of the Northeast Quarter of Section 28 in Township 16 North, Range 5 West of the Third Principal Meridian, Sangamon County, Illinois. Said part being further described as follows: Beginning at the Northeast corner of Lot 7 of Caroline M. Kane's Addition to the City of Springfield, said point being the intersection of the South right of way line of Dodge Street and the West right of way line of Second Street; thence South 01 degrees 11 minutes 47 seconds East along the said West right of way line of Second Street a distance of 480.03 feet to a point on the North right of way line of Miller Street; thence North 89 degrees 06 minutes 40 seconds West along the said North right of way line a distance of 22.01 feet to a point at the beginning of a curve to the left, said curve having a radius of 336.56 feet and its center located South 09 degrees 39 minutes 53 seconds East from said point; thence Westerly along said curved North right of way line a distance of 144.88 feet; thence South 55 degrees 21 minutes 49 seconds West along the said North right of way line a distance of 95.36 feet to a point at the beginning of a curve to the right, said curve having a radius of 266.56 feet and its center located North 29 degrees 30 minutes 18 seconds West from said point; thence Westerly along said curved North right of way line a distance of 119.21 feet; thence North 89 degrees 06 minutes 40 seconds West along said North right of way line a distance of 7.49 feet to a point on the east right of way line of First Street; thence North 00 degrees 48 minutes 27 seconds East along the said East right of way line a distance of 147.03 feet; thence North 89 degrees 06 minutes 40 seconds West along the said East right of way line a distance of 13.00 feet; thence North 00 degrees 48 minutes 27 seconds East along the said East right of way line a distance of 467.16 feet to a point on the South right of way line of Dodge Street; thence North 88 degrees 49 minutes 36 seconds East along the said South right of way line a distance of 348.90 feet to the point of beginning, containing 4.47 acres more or less, as depicted on Plat of Survey prepared by Crawford, Murphy and Tilly, Inc., dated March 30, 2004 as Job No. 03001-06-00

BLOCK 14:

Bond and Herndon Streets; thence Southerly 40 feet to a stake; thence Easterly 144.06 feet to a point in the West line of Bond Street which is 90 feet South of said stone in the Southwest corner of Bond and Herndon Streets; thence Northerly along the West line of Bond Street 40 feet to the place of beginning, all as shown by plat of survey by M.P. O'Brien which was recorded in Book 321 of Deeds at page 60, in the Office of the Recorder of Deeds of Sangamon County, Illinois.

Parcel V: The West 40 feet of the East 80 feet of the South 158 feet of Lot 7 of Herndon and Edwards' Addition of Out Lots to the City of Springfield.

Parcel VI: The West 40 feet of the East 120 feet of the South 158 feet of Lot 7 of Herndon and Edwards' Addition of Out Lots to the Town, now City of Springfield.

Parcel VII: Part of the South 210-1/2 feet of Lot 7 of Herndon and Edwards' Addition of Out Lots to the City of Springfield, described as follows: Beginning at a point 158 feet North of the intersection of the West line of Bond Street with the North line of Miller Street; running thence North 52-1/2 feet; thence West 160 feet; thence South 52-1/2 feet; thence East 160 feet to the place of beginning.

Parcel VIII: Part of Lots 7 and 8 of Herndon and Edwards' Addition of Out Lots to the City of Springfield, bounded as follows: Beginning at a point of intersection of the North line of Miller Street with the West line of Bond Street and running North of the West line of Bond Street 158 feet; thence West 80 feet; thence South 158 feet to the North line of Miller Street; thence East along the North line of Miller Street 80 feet to the place of beginning.

Parcel IX: The South 125.5 feet of the North 215.5 feet of the East 140 feet of Lot 7 in Herndon and Edwards' Addition of Out Lots to the City of Springfield and the South 125.5 feet of the North 215.5 feet of that part of Lot 8 of said Addition lying West of the West line of Bond Street, described as follows: Beginning at a point at a stake on the West line of Bond Street 90 feet South of the Northeast corner of said Lot 7 and running thence West 144.06 feet to a point; thence South 125.5 feet to a point that is 146.55 feet West of the West line of Bond Street; thence East 146.55 feet to a point in the West line of Bond Street; thence North 125.50 feet along the West line of Bond Street to the place of beginning.

BLOCK 6: (14-27-302-043 and -045)

All of Lots 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15 and 16, and Lot 8, EXCEPT the South 10 feet thereof, in Block 1 of V. HICKOX'S THIRD ADDITION to the City of Springfield; and

All that part of the vacated alley located in in Block 1 of V. HICKOX'S THIRD ADDITION to the City of Springfield lying adjacent to Lots 1, 2, 3, 4, 13, 14, 15 and 16, as vacated by Ordinance recorded June 5, 1995 as Document No. 95-17328.

BLOCK 7: (14-28-402-039, -006, -005, -012 and -029)

Lots 4, 5, 6, 7, 13, 14 and 29 in Block 1 of J. BUNN'S ADDITION to the City of Springfield.

BLOCK 8: (14-28-431-001, -002, -003, 004, -005, -008, -013, -015, and -016)

All of Lots 3, 4, 5, 6, 7, 8, 9 and 10; Lot 1, EXCEPT the West 24 feet thereof; and Lot 2, EXCEPT the East 16 feet thereof; in Block 18 of J. MASON'S ADDITION to the City of Springfield.

BLOCK 9: (14-28-432-002, -003, -004, 005, -006, -012, -013, -014, -015, and 018)

Lots 1, 2, 3, 4, 5 and 6 in Block 1 of Harris Hickox's Addition to the City of Springfield.

All of Lots 2, 3 and 4, and the South 13 feet of Lot 5 in Block 1 of Caroline Kane's Addition to the City of Springfield; and

Lots 2 and 3 in Block 2 of Caroline Kane's Addition to the City of Springfield; and

Lot 23 of the Assessor's Subdivision of the West Half of Section 27, and part of the East Half of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, EXCEPT that part lying in Dodge Street; and

The East 155 feet of the North 200 of the South 320 feet of Lot 22 and the West 10 feet of the North 200 of the South 320 feet of Lot 22 of the Assessor's Subdivision of the West Half of Section 27, and part of the East Half of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian; and

The North 40 feet of the South 120 feet of the East 148 feet of Lot 22 of the Assessor's Subdivision of the West Half of Section 27, and part of the East Half of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian; and

The South 80 feet of the East 108 feet and the West 40 feet of the East 148 feet the South 80 feet of Lot 22 of the Assessor's Subdivision of the West Half of Section 27, and part of the East Half of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian; and

Lots 1, 2 and 3 of the Assessor's Subdivision of 1922.

BLOCK 4: (14-28-254-012, -013, -014, -015, -016, -017, -018, -019 and -020)

All of Lots 9, 10, 11, 12, 13, 14 and 15, and the West 30 feet of Lot 16 in Block 2 of J.R. TYSON'S ADDITION to the City of Springfield.

BLOCK 5: (14-28-255-014, -015, -019, -020, -046, -048, -049, -050 and -052)

Parcel I: The East 48 feet of the West 96 feet of the North 215.50 feet of Lot 7 of Herndon and Edwards' Addition of Out Lots to the Town, now City of Springfield.

Parcel II: The East 40 feet of the West 136 feet of the North 215.50 feet of Lot 7 of Herndon and Edwards' Addition of Out Lots to the City of Springfield.

Parcel III: That part of Lot 7 of Herndon and Edwards' Addition of Out Lots to the City of Springfield, described as follows: Beginning at the Northeast corner of said Lot and running thence West 140 feet; thence South 50 feet; thence East 140 feet to the West line of Bond Street; thence North on the West line of Bond Street to the place of beginning. ALSO that part of Lot 8 of Herndon and Edwards' Addition in Out Lots to the City of Springfield, lying West of the West line of Bond Street as constituted, that fronts on said Lot.

Parcel IV: That part of Lots 7 and 8 of Herndon and Edwards' Addition of Out Lots to the Town of Springfield, as platted by the plat recorded in Book "P" of Deeds at Page 55 in the Office of Recorder of Deeds of Sangamon County, Illinois, bounded as follows: Commencing at point in the West line of Bond Street 50 feet Southerly from a stone which is at the Southwest corner of Bond and Herndon Streets; thence Westerly 143.26 feet to a stake which is 50 feet Southerly from stake in the South line of Bond Street, which latter stake is 142.27 feet Westerly from said stone at the Southwest corner of

ZELLE TITLE, LLC

COMMITMENT FOR TITLE INSURANCE

File Number: 910-37054
Misc. Property, Springfield

Commitment Number: 910-37054FA
Tax ID Number(s):

SCHEDULE A-1
PROPERTY DESCRIPTION

BLOCK 1: (14-27-151-010, -011, -012, -013, -021, -024, and 14-28-279-003, -004, -005, -006, -007 and -008)

All of Lots 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, and Lot 20 in ROSINA MILLER'S ADDITION, and that part of the vacated alley lying between Lots 14, 13, 12, and 11, and Lots 7, 8, 9, and 10, as shown by instrument recorded April 26, 2004 as Document No. 2004R20426, EXCEPT the North 28 feet of Lot 6 dedicated for alley purposes by instrument recorded August 4, 2004 as Document No. 2004R38686; and ALSO

Parts of Lots 18 and 19 of Assessor's Subdivision of part of the West Half of Section 27 and part of the East Half of Section 28, Township 16 North, Range 5 West of the Third Principal Meridian, and bounded as follows, to-wit:

Beginning at a stake in the East line of First Street in the City of Springfield said beginning point being 100.06 feet Southwardly from a cut stone at the intersection of said East line of First Street and the South line of Calhoun Avenue; running thence East parallel with the South line of said Calhoun Avenue 218.85 feet to a stake 110 feet East of the line between said Sections 27 and 28 and being also 100 feet South of the Northeast corner of said Lot 18;thence South parallel with said Section line 120 feet to a stake; thence West parallel with said South line of Calhoun Avenue 222.85 feet to stake in the East line of said First Street; thence Northwardly 120.07 feet to the place of beginning.

BLOCK 2: (14-27-152-043)

The South 35 feet of Lot 2 and all of Lots 3, 4, 5, 6, 7, 8, 9 and 10 of MRS. A.C. FOX'S 2nd ADDITION, and that part of the vacated alley lying between Lots 2, 3, 4 and 5, and Lots 6, 7, 8, and 9, as shown by instrument recorded April 26, 2004 as Document No. 2004R20426,

EXCEPT the North 20 feet of Lot 10 dedicated for alley purposes by instrument recorded August 4, 2004 as Document No. 2004R38685.

BLOCK 3: (14-27-157-011, -035)

Issued By:

Zelle Title, LLC, Agent for First American Title Insurance Company
1233 Henrietta At South Grand West, P.O. Box 9800
Springfield, IL 62791-9800

phone: 217/789-6161
fax: 217/789-6169
e-mail: sos@zelletitle.com

ZELLE TITLE, LLC

COMMITMENT FOR TITLE INSURANCE

File Number:	Commitment Number:	Effective Date:
910-37054	**910-37054FA**	**November 29, 2009**

SCHEDULE A

1. Owners Policy (ALTA 2006 Form) to be issued:
   Proposed Insured: Amount:N/A

   N/A

   Loan Policy (ALTA 2006 Form) to be issued:

   Proposed Insured: Amount: $ 1,000,000.00

   To Follow, its successors and/or assigns as their respective interests may appear.

2. The estate or interest in the land described or referred to in this commitment is a fee simple estate and title thereto is at the effective date hereof vested in:

   Memorial Health System, an Illinois Not-for-Profit Corporation, as to Block 1; Block 2; Block 4; Parcels V, VI, VII and VIII of Block 5; Block 6; Block 7; Block 8; Block 9; Block 10; Block 11; Block 12; Block 13; and Block 15; and Memorial Medical Center, an Illinois Not-for-Profit Corporation, as to Block 14

3. The land referred to in this commitment is described as follows:

   "See Attached Schedule A-1"

Issued By:

Zelle Title LLC, Agent for First American Title Insurance Company
1233 Henrietta At South Grand West, P.O. Box 9800
Springfield, IL 62791-9800
phone: 217/789-6161
fax: 217/789-6169
e-mail: sos@zelletitle.com

File Number 0751-757-2

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

MEMORIAL MEDICAL CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 19, 1897, 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.

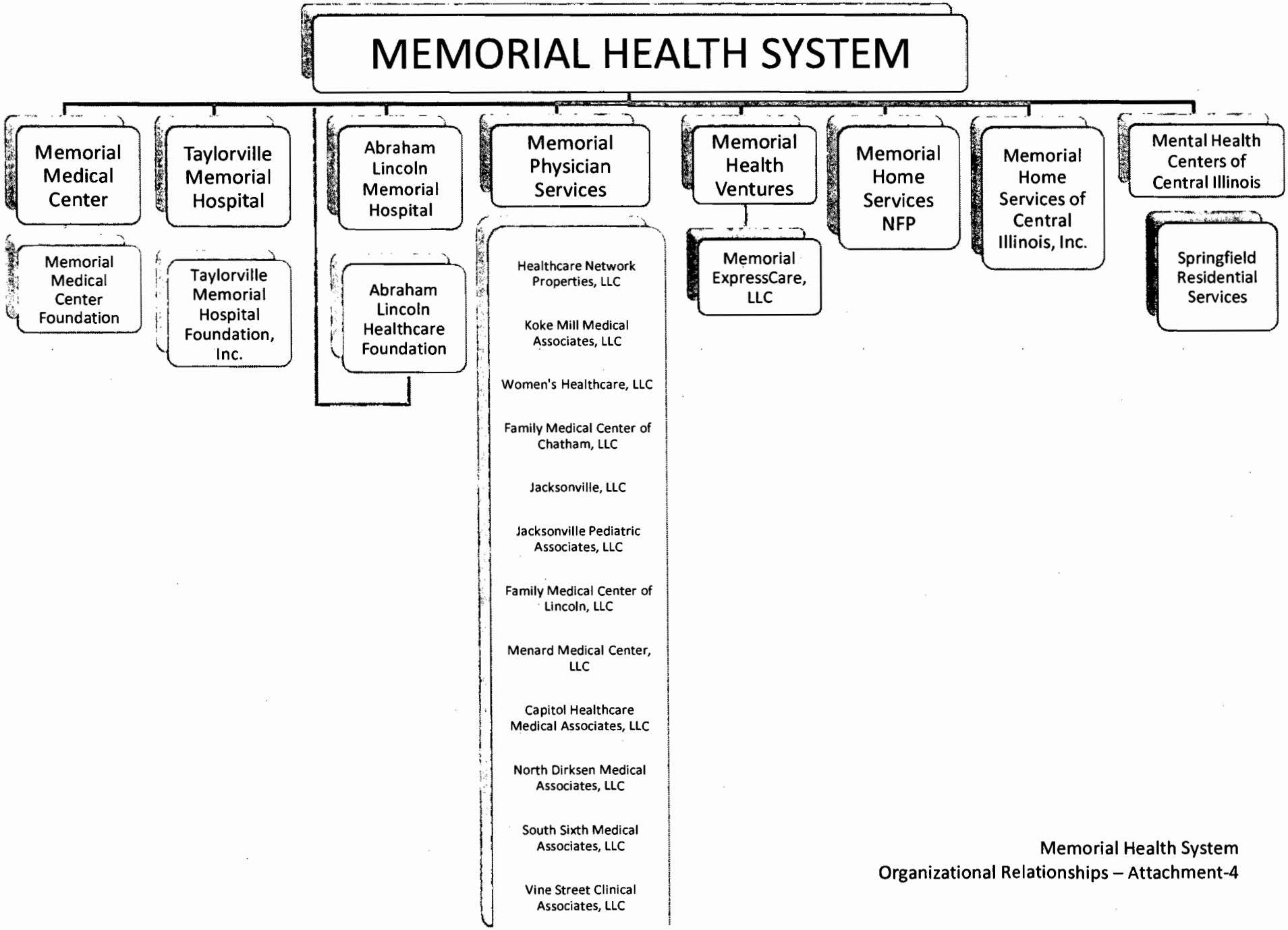
In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 10TH *day of* JANUARY *A.D.* 2012 .

Jesse White

SECRETARY OF STATE

Authentication #: 1201000652

Authenticate at: http://www.cyberdriveillinois.com



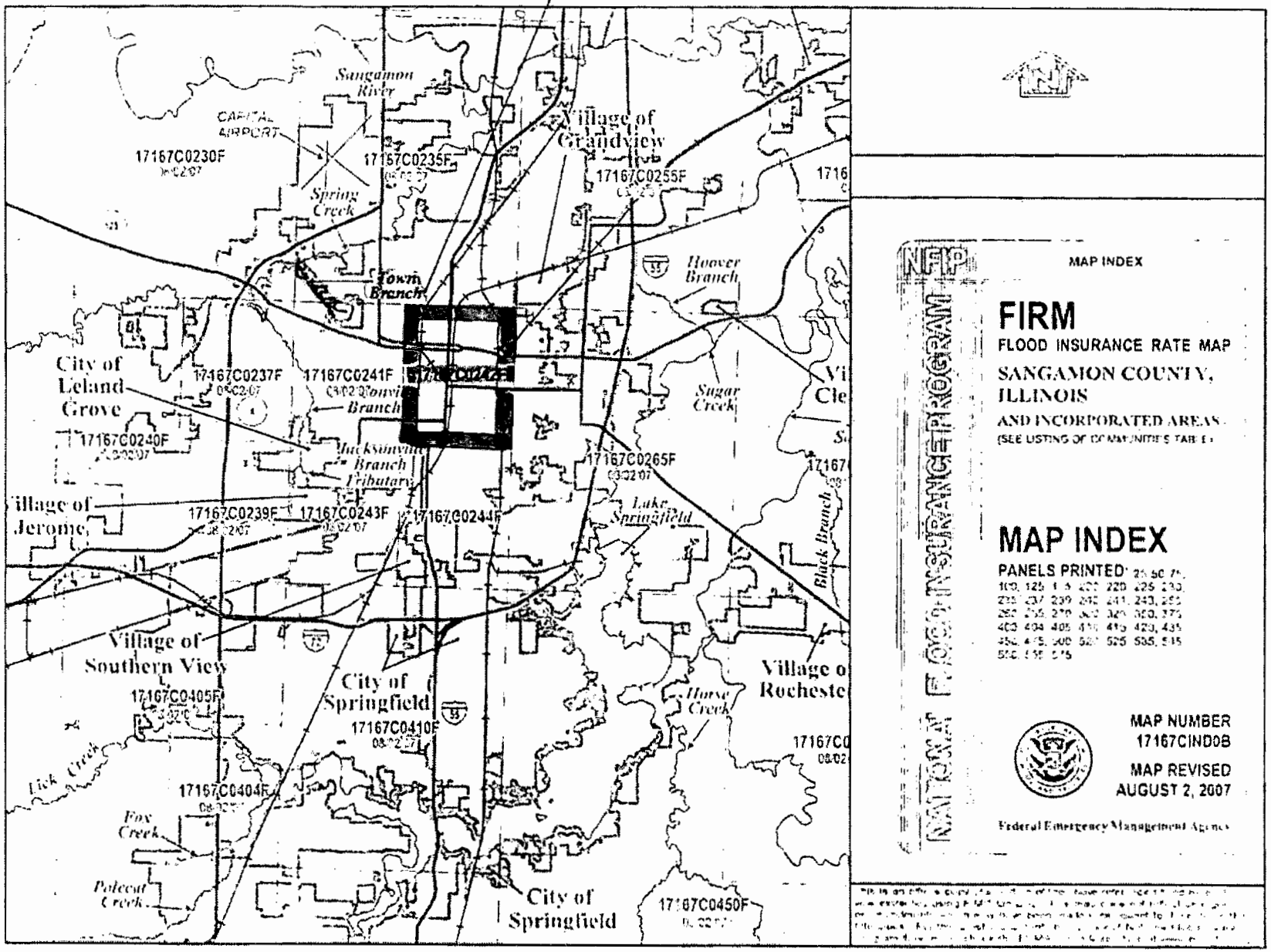
Memorial Health System
Organizational Relationships – Attachment-4

FLOOD PLAIN REQUIREMENTS – ATTACHMENT 5

The following pages of this Attachment include the most recent Special Flood Hazard Area Determination for Memorial Medical Center's campus, as well as, the most recent Flood Insurance Rate Map for this site.

A statement from Mitchell Johnson, Senior Vice President and Chief Strategy Officer of Memorial Health System, attesting to the project's compliance with the requirements of the Illinois Executive Order #2006-5, Construction Activities in Special Flood Hazard Areas, is found on Attachment-5, Page 5.

MEMORIAL HEALTH SYSTEM



FIRM
MEMORIAL HEALTH SYSTEM
MAIN CAMPUS
City of
Springfield
170404
Sangamon County
Unincorporated Areas
170912

[illegible] VILLAGE OF	170939	0250, 0265	[illegible]
AUBURN, VILLAGE OF	171047	0300	MAY 3, 2004
[illegible] VERNON, VILLAGE OF	170949	0537, 0545	SEPTEMBER [illegible], 19
GRANDVIEW, VILLAGE OF	171048	0255	MAY 3, 2004
ILLIOPOLIS, VILLAGE OF	171049	0325, 0350	MAY 3, 2004
JEROME, VILLAGE OF	171004	0243	SEPTEMBER 4, 19
LELAND GROVE, CITY OF	170925	0237, 0239, 0241, 0243	APRIL 26, 1979
LOAMI, VILLAGE OF	170795	0400	MARCH 29, 1974
MECHANICSBURG, VILLAGE OF	170950	0300	JANUARY 26, 197
NEW BERLIN, VILLAGE OF	171052	0375	MAY 3, 2004
PAWNEE, VILLAGE OF	170002	0555	MAY 17, 1974
PLEASANT PLAINS, VILLAGE OF	170798	0025, 0185	MARCH 22, 1974
RIVERTON, VILLAGE OF	170803	0260	NOVEMBER 16, 19
ROCHESTER, VILLAGE OF	170840	0265, 0270, 0435, 0450	MARCH 21, 1975
SANGAMON COUNTY (UNINCORPORATED AREAS)	170912	ALL	MAY 5, 1978
SHERMAN, VILLAGE OF	170969	0075, 0100, 0230, 0265	JANUARY 12, 197
SOUTHERN VIEW, VILLAGE OF	171051	0243, 0244	MAY 3, 2004
SPAULDING, VILLAGE OF	171050	0255, 0260	MAY 3, 2004
SPRINGFIELD, CITY OF	170904	0220, 0230, 0235, 0237, 0239, 0240, 0241, 0242, 0243, 0244, 0255, 0265, 0400, 0404, 0405, 0410, 0420, 0450	JUNE 7, 1974
THAYER, VILLAGE OF	170804	0520, 0550	MARCH 22, 197
VIRDEN, CITY OF	170435	0520	MAY 3, 2004
WILLIAMSVILLE, VILLAGE OF	171041	0100	MAY 3, 2004

NO SPECIAL FLOOD HAZARD AREAS IDENTIFIED
PANEL NOT PRINTED - NO SPECIAL FLOOD HAZARD AREAS
*INCLUDES MOST RECENT MAP INDEX

NATIONAL FLOOD INSURANCE PROGRAM

MAP INDEX

FIRM

FLOOD INSURANCE RATE MAP

SANGAMON COUNTY, ILLINOIS

AND INCORPORATED AREAS

(SEE LISTING OF COMMUNITIES TABLE)

MAP INDEX

PANELS PRINTED:

[illegible]

MAP NUMBER
17167CIND0B

MAP REVISED
AUGUST 2, 2007

Federal Emergency Management Agency

Memorial HEALTH SYSTEM

701 North First Street • Springfield, Illinois 62781-0001
www.memorialmedical.com • **Phone (217) 788-3000**

July 2, 2012

Courtney R. Avery
Administrator
Illinois Health Facilities and Service Review Board
525 West Jefferson
Springfield, Illinois 62703

Re: Compliance with Requirement of Illinois Executive Order #2006-5 regarding Construction Activities in Special Flood Hazard Areas

Dear Ms. Avery:

The undersigned is an authorized representative of Memorial Health System, the owner of the site on which Memorial Medical Center is located.

I hereby attest that this site is not located in a flood plain, as identified by the most recent FEMA Flood Insurance Rate Map for this location, and that this location complies with the Flood Plain Rule and the requirements stated under Illinois Executive Order #2006-5, "Construction Activities in Special Flood Hazard Ares."

Signed and dated as of July 2, 2012

Memorial Health System
An Illinois Not-For-Profit Corporation

Mitchell J. Johnson

By: Mitchell Johnson
Senior Vice President
Chief Operating Officer

Copelin Healthcare Consulting
42 Birch Lake Drive
Sherman, Illinois 62684

Cell: 217-725-4558
Phone: 217-496-3712
Fax: 217-496-3097

August 15, 2012

Anne Haaker
Deputy State Preservation Officer
Illinois Historic Preservation Agency
1 Old State Capital Plaza
Springfield, Illinois 62701-1607

Re: Clearance Letter for Certificate of Need Application

Dear Ms. Haaker:

I am writing to request a review of our proposed site by your agency pursuant to the Illinois Stat Agency Historic Resources Preservation Act (20 ILCS 3420) in order for our project to be considered by the Illinois Health Facilities and Services Review Board for a Certificate of Need.

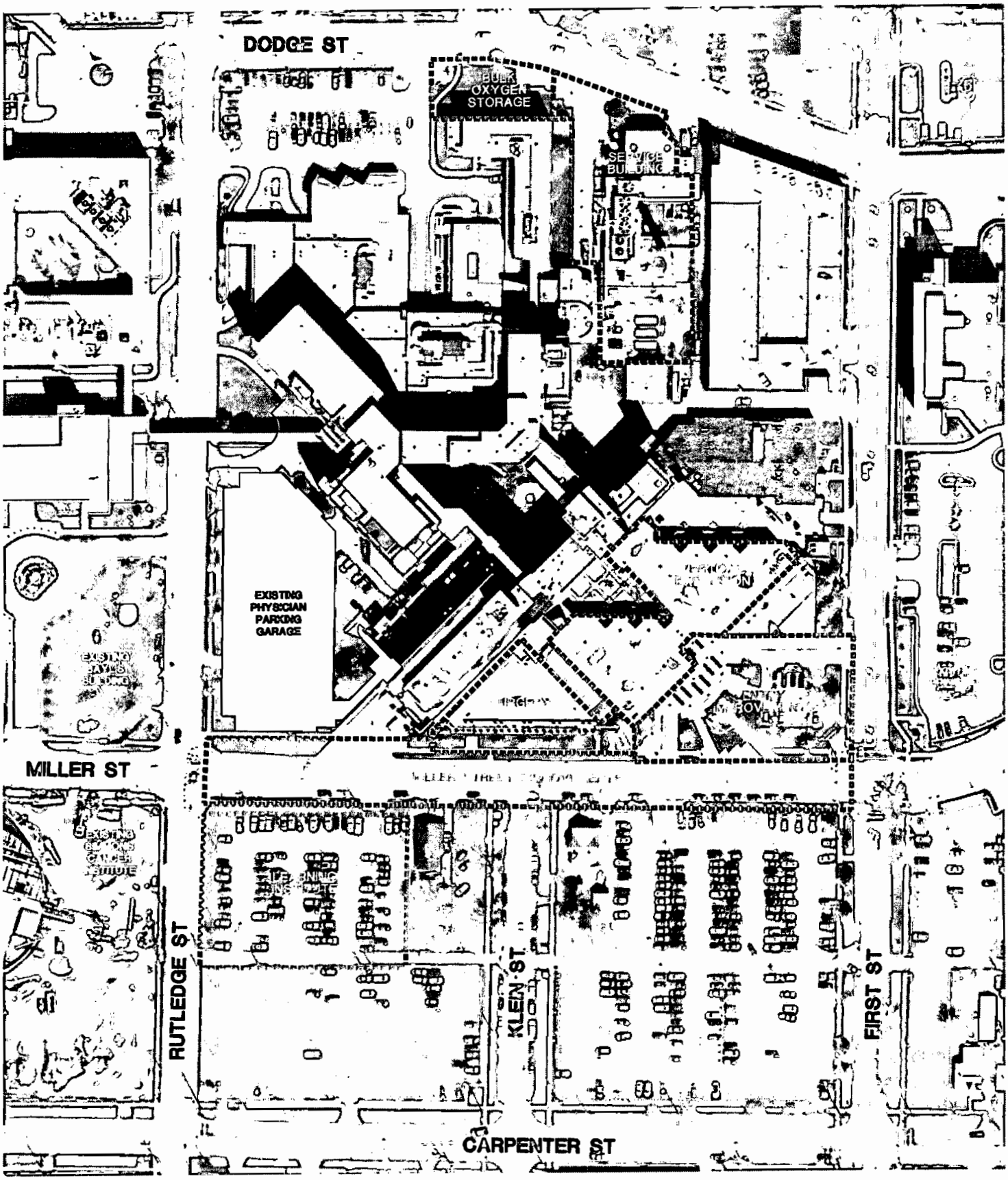
We are proposing to construct two additions to the E-building of Memorial Medical Center located at 710 N. First Street in Springfield, Illinois. The proposed project calls for the construction of a three story addition on top of the existing e-building and a two story addition to the E-building on space currently occupied by the Wendenburg Conference Center which will be demolished as a part of this project. The project also calls for remodeling of the existing Mechanical Building to support the proposed additions,

We have attached a site plan for the existing facility and the proposed additions. In addition we have provided pictures of the existing site and the buildings to be impacted by the proposed project.

If you have any questions regarding this submission, please call me at 217-725-4558. Also if possible, I would appreciate it if you could e-mail your response .to this letter to me at Micbball@aol.com.,

Sincerely,

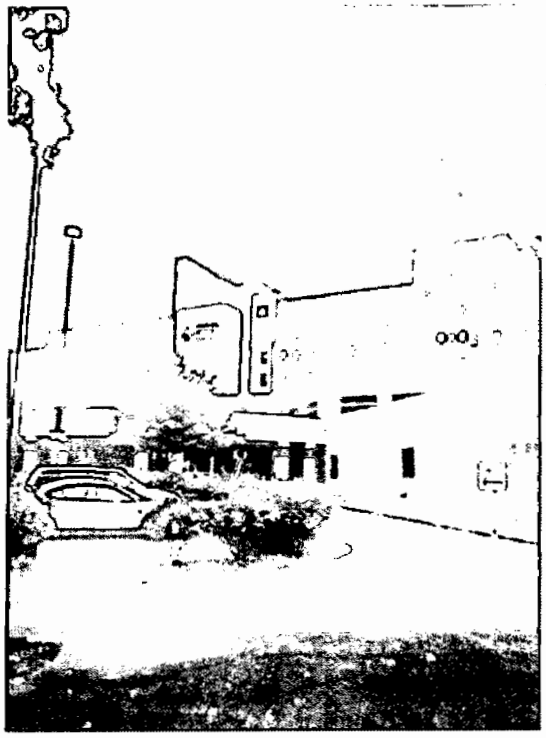
Michael I. Copelin

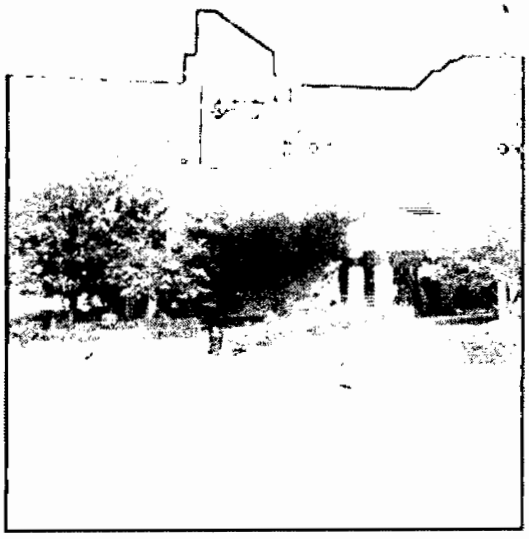


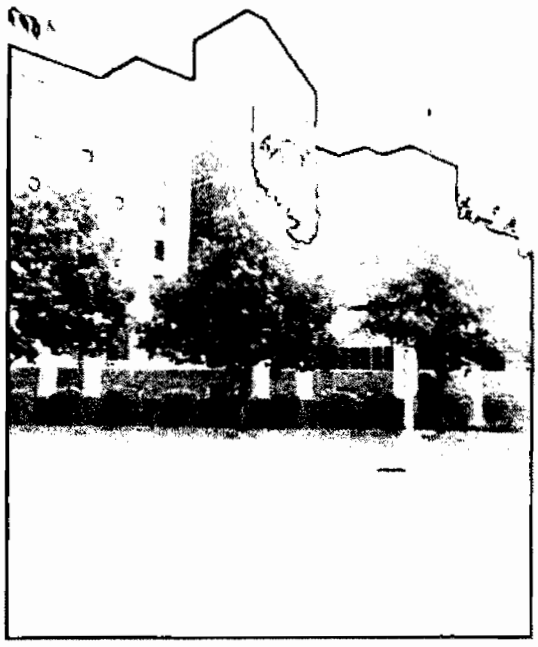
LOCATION MAP

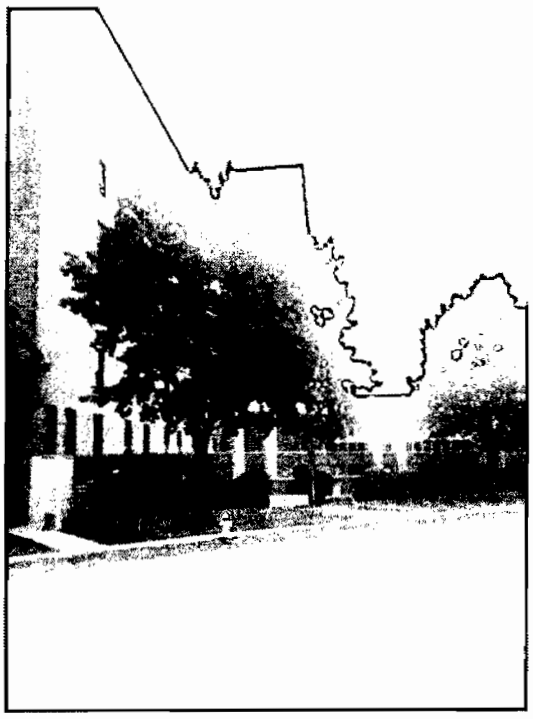
Attachment-6

Photos of Memorial Medical Center, 701 N. First Street, Springfield, IL – Site of Expansion Project









Memorial Medical Center
Expansion Project
CON Detailed Budget

USE OF FUNDS	CLINICAL	NON-CLINICAL	TOTAL
Preplanning Costs:			
Architectural Programming Costs	$ 130,156	$ 67,050	$ 197,206
Preliminary Design Costs	$ 650,780	$ 335,250	$ 986,030
Total Pre-Planning Costs	**$ 780,936**	**$ 402,300**	**$ 1,183,236**
Site Survey and Soil Investigation:			
Total Site Survey and Soil Investigation			$ -
Site Preparation:			
SiteCivil/Mechanical Utilities	$ 189,113	$ 97,422	$ 286,534
Site Electrical Utilities & related costs	$ 54,780	$ 28,220	$ 83,000
Miller Street redevelopment	$ 145,200	$ 74,800	$ 220,000
Total Site Preparation	**$ 389,093**	**$ 200,442**	**$ 589,534**
Off Site Work			
Site Improvements			$ -
Total Off-Site Work			$ -
New Construction Contracts:	**$ 39,834,526**	**$ 22,847,655**	**$ 62,682,180**
Modernization Contracts:	**$ 3,916,452**	**$ 2,049,886**	**$ 5,966,339**
Contingencies:			
New Construction Contingencies	$ 3,983,453	$ 2,284,765	$ 6,268,218
Modernization Contingencies	$ 391,645	$ 204,989	$ 596,634
Total Construction Contingencies	**$ 4,375,098**	**$ 2,489,754**	**$ 6,864,852**
Architectural and Engineering Fees:	**$ 3,113,761**	**$ 1,604,059**	**$ 4,717,820**
Consulting & OtherFees:			
Design Team Construction Administration	$ 1,041,247	$ 536,400	$ 1,577,648
Architecture Reimbursables	$ 297,000	$ 153,000	$ 450,000
Medical Equipment Planning	$ 40,000		$ 40,000
Legal Fees	$ 60,000		$ 60,000
CON Planning and Consultation	$ 30,000		$ 30,000
CON Application Processing Fee	$ 100,000		$ 100,000
IDPH Plan Review Fee	$ 60,000		$ 60,000
Building Permit Fee	$ 172,000	$ 43,000	$ 215,000
Total Consulting and Other Fees	**$ 1,800,247**	**$ 732,400**	**$ 2,532,648**

Memorial Medical Center
Expansion Project
CON Detailed Budget

	CLINICAL	NON-CLINICAL	TOTAL
Movable and Other Equipment (not in construction contracts):			
Medical Surgical floor 3E, including artwork	$ 1,135,600		$ 1,135,600
Medical Surgical floor 4.5 including artwork	$ 1,948,947		$ 1,948,947
Medical Surgical floor 6, including artwork	$ 1,963,240		$ 1,963,240
Main Surgery	$ 4,888,474		$ 4,888,474
PACU	$ 714,800		$ 714,800
Stage II recovery/PreSurg, incl waiting rm furniture/art	$ 2,501,704		$ 2,501,704
IT Infrastructure E Building		$ 1,962,150	$ 1,962,150
Central Power Plant Equipment		$ 13,116,882	$ 13,116,882
Total Movable and Other Equipment	**$ 13,152,765**	**$ 15,079,032**	**$ 28,231,796**
Bond Issuance Expense (Project Related):			
Total Bond Issuance Fees	**$ 3,172,000**		**$ 3,172,000**
Net Interest Expense During Construction (project related):	**$ 2,828,000**		**$ 2,828,000**
Fair Market Value or Leased Space or Equipment:			**$ -**
Other Costs to be Capitalized:			
Building Demolition	$ 369,600		$ 369,600
Miller External Entry Upgrade		$ 3,219,497	$ 3,219,497
Total Other Costs to be Capitalized	**$ 369,600**	**$ 3,219,497**	**$ 3,589,097**
Acquisition of Building/Other Property (exc. land):			**$ -**
CONSOLIDATED CON BUDGET TOTAL	**$ 73,732,477**	**$ 48,625,024**	**$ 122,357,501**

No single piece of equipment will exceed the capital expenditure minimum.

ATTACHMENT 9 – **Cost Space Requirements**

PROPOSED REUSE OF VACATED SPACE

a. Medical/Surgical will vacate 11,739 gross square feet (GSF) of which 4,000 GSF in existing "B" and "G" buildings medical/surgical units will be reused as corridors, stairwells and elevator lobbies to connect the "B" and "G" buildings to the new "E" building medical/surgical units.

   A total of 2,470 GSF is the sum total GSF associated with nineteen (19) existing medical surgical beds that will be taken out of rooms selectively from across 13 existing Medical/Surgical Units: 2B- Surgery, 2B-IMC, 4B-Orthopedics, 5B-Renal, 6B-Cardiology, 6G-cardiology, 4G- Neurology, 4G-IMC, 3G- Medical, 2G -Surgical, 2E-Medical, 2E- IMC, 2E-Oncology.
   - Initially, these rooms will be used "as is" for medical-surgical office, staff lounge, family waiting, storage, medical education and resident sleeping room space.
   - Longer-term, the hospital plans to go back into each existing medical-surgical unit to modernize the older patient rooms. This may require gutting an entire floor at a time to rebuild and expand the rooms to accommodate larger modern private rooms with appropriate family and teaching space.
   - If any medical-surgical unit modernization exceeds the Certificate of Need capital threshold or otherwise meets CON criteria, Memorial Medical Center will file a Certificate of Need for each applicable modernization project.

b. Stage 1 Post Anesthesia Care Unit (PACU) will vacate its' existing PACU in the middle of the existing Main Surgery area on Lower Level E which comprises 4,201 GSF. This entire 4,201 GSF will be modernized to create two new operating rooms and support space in the old Main Surgery area in the final phase of the surgery program, following construction of the new PACU.

c. Stage II Post Anesthesia Recovery will vacate 1,068 GSF on the outer edge of the existing Main Surgery area on Lower Level E. This entire 1,068 GSF will be modernized to create Main Surgery support space in the final phase of the surgery program, following construction of the new Stage II Post Anesthesia Recovery unit.

Criterion 1110.230
BACKGROUND OF APPLICANT – ATTACHMENT 11

1. Memorial Health System (MHS) is the sole corporate member of Memorial Medical Center, an Illinois not-for-profit corporation.

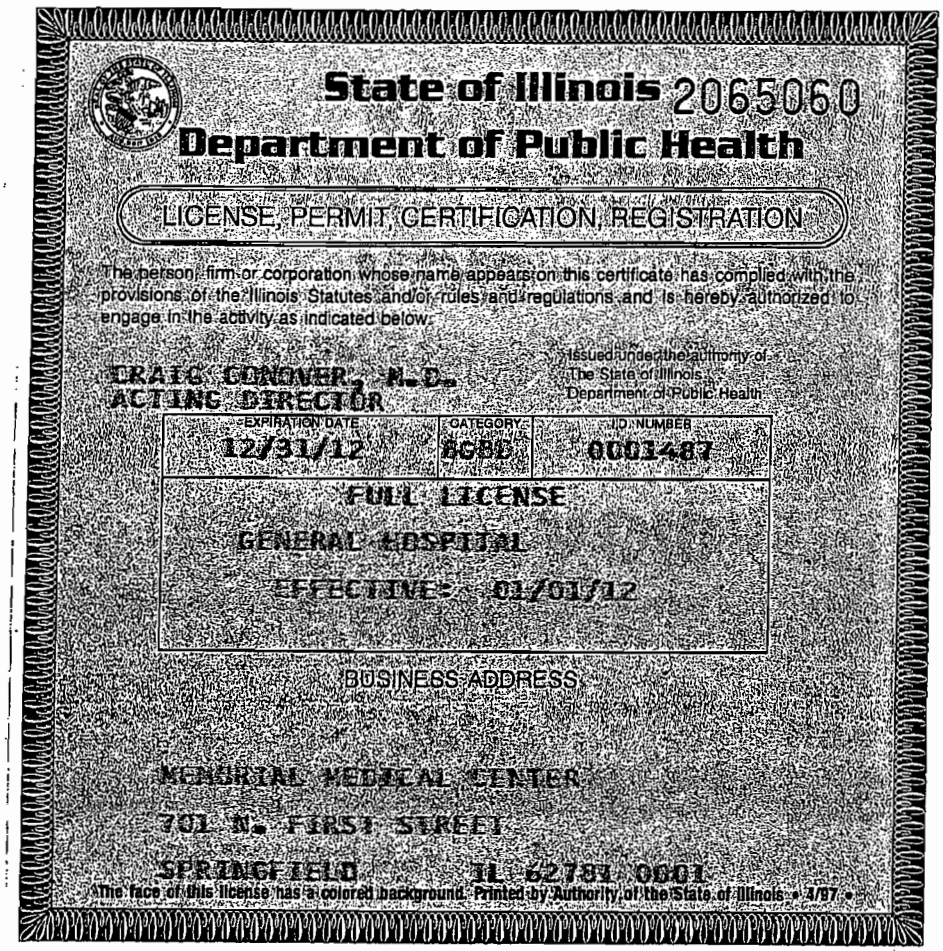
   MHS is also the sole corporate members of the following Illinois health care facilities, as defined under the Illinois Health Facilities Planning Act (20 ILCS 3960/3).

   The identification numbers of each of these health care facilities is shown below, along with their names and locations.

Name and Location of Facility	Identification Numbers
Memorial Medical Center Springfield, Illinois	Illinois License ID # 1487 Joint Commission ID # 7431
Abraham Lincoln Medical Center Lincoln, Illinois	Illinois License ID # 5728 Joint Commission ID # 7373
Taylorville Memorial Hospital Taylorville, Illinois	Illinois License ID # 5447 Joint Commission ID # 4745
Orthopaedic Surgery Center of Illinois Springfield, IL	Illinois License ID # 7002306 Accreditation Association for Amb. Healthcare ID # 20882

   Proof of the current licensure and accreditation of each of the facilities identified above will be found on the following pages of this Attachment.

2. A letter from Memorial Health System certifying that Memorial Medical Center and the hospitals and Ambulatory Surgery Treatment Center that are affiliated with MHS have not had any adverse action taken against them during the past three years and authorizing the Illinois Health Facilities and Services Review Board and Illinois Department of Public Health to access any documents necessary to verify the information submitted in response to this subsection will be found on the final page of this Attachment.



State of Illinois 2065060
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

CRAIG CONOVER, M.D.
ACTING DIRECTOR

Issued under the authority of
The State of Illinois
Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
12/31/12	8080	0001487

FULL LICENSE

GENERAL HOSPITAL

EFFECTIVE: 01/01/12

BUSINESS ADDRESS

MEMORIAL MEDICAL CENTER
701 N. FIRST STREET
SPRINGFIELD IL 62781 0001

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The Joint Commission

Memorial Medical Center
701 North First Street
Springfield, IL 62781-0001

Organization Identification Number: 7431

Program(s)	**Surveyor(s) and Survey Date(s)**
Hospital Accreditation	Robert N.Alsever, MD - (11/17 - 11/20/2009)
Home Care Accreditation	Tammy E.Croney, MSN - (11/16 - 11/19/2009)
	Stephen A.Elder, RRT - (11/16 - 11/19/2009)
	Deatrice E.Greathouse, MHA, RN - (11/16 - 11/18/2009)
	Carol S.Johnson, RN - (11/16 - 11/18/2009)
	(11/19 - 11/19/2009)
	Annette M.Morton, MHA, RN - (11/16 - 11/18/2009)
	(11/19 - 11/19/2009)
	Kurt P.Streit - (11/16 - 11/17/2009)
	Dorothy L.White, RN - (11/16 - 11/20/2009)

Executive Summary

Hospital Accreditation : As a result of the accreditation activity conducted on the above date(s), Requirements for Improvement have been identified in your report.

You will have follow-up in the area(s) indicated below:

- Evidence of Standards Compliance (ESC)

Home Care Accreditation : As a result of the accreditation activity conducted on the above date(s), Requirements for Improvement have been identified in your report.

You will have follow-up in the area(s) indicated below:

- Evidence of Standards Compliance (ESC)

If you have any questions, please do not hesitate to contact your Account Representative.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

Memorial Medical Center

Springfield, IL

has been Accredited by

The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the

Hospital Accreditation Program

November 21, 2009

Accreditation is customarily valid for up to 39 months.

David L. Nahrwold

David L. Nahrwold, M.D.
Chairman of the Board

Organization ID #7431
Print/Reprint Date: 3/8/10

Mark Chassin

Mark Chassin, M.D.
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.

72

Attachment-11

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

↓

State of Illinois 2036030

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

[illegible] MEMORIAL HOSPITAL

EXPIRATION DATE	CATEGORY	ID NUMBER
[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

FEE RECEIPT NO.

The Joint Commission

Abraham Lincoln Memorial Hospital
200 Stahlhut Drive
Lincoln, IL 62656

Organization Identification Number: 7373

Program(s)	**Survey Date(s)**
Critical Access Hospital Accreditation	10/12/2011-10/13/2011

Executive Summary

Critical Access Hospital Accreditation :

As a result of the accreditation activity conducted on the above date(s), Requirements for Improvement have been identified in your report.

You will have follow-up in the area(s) indicated below:

- Evidence of Standards Compliance (ESC)

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

Abraham Lincoln Memorial Hospital

Lincoln, IL

has been Accredited by

The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the

Critical Access Hospital Accreditation Program

October 14, 2011

Accreditation is customarily valid for up to 36 months.

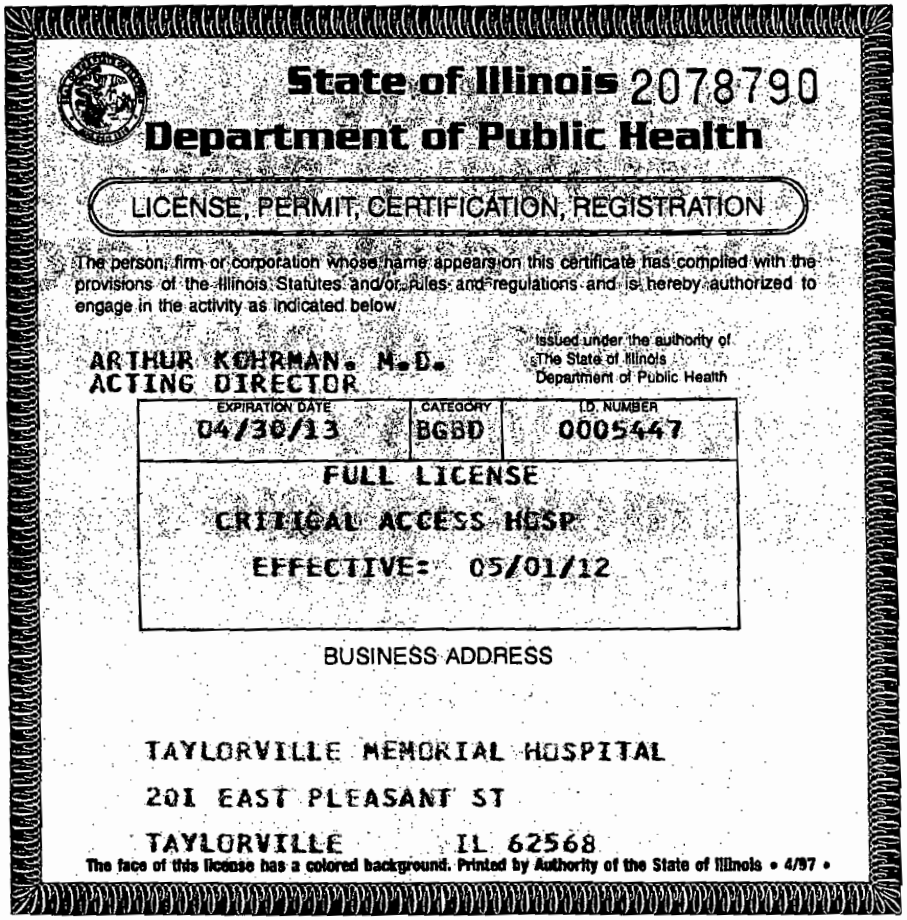
Isabel V. Hoverman, MD, MACP
Chair, Board of Commissioners

Organization ID #: 7373
Print/Reprint Date: 01/06/12

Mark R. Chassin, MD, FACP, MPP, MPH
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.

This reproduction of the original accreditation certificate has been issued for use in regulatory/payer agency verification of accreditation by The Joint Commission. Please consult Quality Check on The Joint Commission's website to confirm the organization's current accreditation status and for a listing of the organization's locations of care.



State of Illinois 2078790
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or Rules and regulations and is hereby authorized to engage in the activity as indicated below

ARTHUR KOHRMAN, M.D.
ACTING DIRECTOR

Issued under the authority of
The State of Illinois
Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
04/30/13	BGBD	0005447

FULL LICENSE
CRITICAL ACCESS HOSP
EFFECTIVE: 05/01/12

BUSINESS ADDRESS

TAYLORVILLE MEMORIAL HOSPITAL
201 EAST PLEASANT ST
TAYLORVILLE IL 62568

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REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

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State of Illinois 2078790
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

TAYLORVILLE MEMORIAL HOSPITAL

EXPIRATION DATE	CATEGORY	I.D. NUMBER
04/30/13	BGBD	0005447

FULL LICENSE
CRITICAL ACCESS HOSP
EFFECTIVE: 05/01/12

03/03/12

TAYLORVILLE MEMORIAL HOSPITAL
201 EAST PLEASANT ST
201 EAST PLEASANT ST
TAYLORVILLE IL 62568

FEE RECEIPT NO.

Attachment-11

The Joint Commission

June 14, 2011

Daniel J. Raab, FACHE
President and CEO
Taylorville Memorial Hospital
201 East Pleasant
Taylorville, IL 62568

Joint Commission ID #: 4745
Program: Critical Access Hospital
Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed: 06/08/2011

Dear Mr. Raab:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- Accreditation Manual for Critical Access Hospitals

This accreditation cycle is effective beginning March 17, 2011. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit Quality Check® on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin RN, PhD

Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations

Taylorville Memorial Hospital

Taylorville, IL

has been Accredited by

The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the

Critical Access Hospital Accreditation Program

June 7, 2011

Accreditation is customarily valid for up to 36 months.

Isabel V. Hoverman, MD, MACP
Chair, Board of Commissioners

Organization ID #4745
Print/Reprint Date: 6/15/11

Mark R. Chassin, MD, FACP, MPP, MPH
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.

State of Illinois 2075641
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

KENNETH SOYEMI, M.D. M.P.H.
ACTING DIRECTOR

Issued under the authority of
The State of Illinois
Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
03/06/13	866D	7002306

FULL LICENSE
AMBUL SURGICAL TREAT CNTR
EFFECTIVE: 03/07/12

BUSINESS ADDRESS

ORTHOPAEDIC SURGERY CENTER OF ILLINOIS
3136 OLD JACKSONVILLE ROAD
SPRINGFIELD IL 62704

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REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2075641
Department of Public Health
LICENSE, PERMIT, CERTIFICATION, REGISTRATION

ORTHOPAEDIC SURGERY CENTER OF ILLINOIS

EXPIRATION DATE	CATEGORY	I.D. NUMBER
03/06/13	866D	7002306

FULL LICENSE
AMBUL SURGICAL TREAT CNTR
EFFECTIVE: 03/07/12

02/04/12

ORTHOPAEDIC SURG CTR OF IL
3136 OLD JACKSONVILLE ROAD
SPRINGFIELD IL 62704

FEE RECEIPT NO. 39902

78

Attachment-11

ACCREDITATION ASSOCIATION
for AMBULATORY HEALTH CARE, INC.

grants this

CERTIFICATE OF ACCREDITATION

to

ORTHOPAEDIC SURGERY CENTER OF ILLINOIS, LLC

D/B/A OSCI

3136 OLD JACKSONVILLE ROAD, SUITE 250
SPRINGFIELD, IL 62704

In recognition of its commitment to high quality of care and substantial compliance with the Accreditation Association standards for ambulatory health care organizations.

20882

Organization Identification Number

MARSHALL M. BAKER, MS, FACMPE

President, Accreditation Association

JANUARY 26, 2014

The Award of Accreditation expires on the above date

JOHN E. BURKE, PH.D.

Executive Vice President, Accreditation Association

MEMBER ORGANIZATIONS OF THE ACCREDITATION ASSOCIATION

Ambulatory Surgery Foundation • American Academy of Cosmetic Surgery • American Academy of Dental Group Practice • American Academy of Dermatology American Academy of Facial Plastic and Reconstructive Surgery • American Association of Oral and Maxillofacial Surgeons • American College of Gastroenterology American College Health Association • American College of Mohs Surgery • American College of Obstetricians & Gynecologists • American Gastroenterological Association American Society of Anesthesiologists • American Society for Dermatologic Surgery Association • American Society for Gastrointestinal Endoscopy Medical Group Management Association • Society for Ambulatory Anesthesia

5250 OLD ORCHARD ROAD, SUITE 200 • SKOKIE, IL 60077
PHONE: 847/853.6060 • E-MAIL: INFO@AAAHC.ORG • WEB SITE: WWW.AAAHC.ORG

Attachment-11

ACCREDITATION ASSOCIATION
for AMBULATORY HEALTH CARE, INC.

January 19, 2011

VIA EMAIL: schultz.kim@mhsil.com

Kim Schultz
Orthopaedic Surgery Center of Illinois, LLC dba OSCI
3136 Old Jacksonville Road, Suite 250
Springfield, IL 62704

RE: CCN # 14C0001083 Response Due: January 29, 2011
Survey Date: January 10-11, 2011 Attn: Karl Sanchez
Organization #: 20882

Dear Mrs. Schultz:
After reviewing the Survey Report submitted to our office following your ambulatory surgery center's (ASC) recent Initial accreditation/Medicare deemed status accreditation survey, your ASC was found to be in compliance with the Medicare Conditions for Coverage; however, standard-level deficiencies were identified. The deficiencies identified during the survey are listed in a table following this letter.

Your ASC is required to submit a written Plan of Correction (POC) within 10 calendar days of the date of this letter for the deficiencies cited.

The evidence of correction for each item in the POC must contain the following:

1. How the correction was/will be accomplished, along with supporting documentation/evidence of correction.
2. The title or position of the person responsible for correction, i.e., Administrator, Director of Nursing or other responsible party.
3. The date these deficiencies will be or have been corrected. Actions must be completed within thirty calendar days from the date of this letter. Your organization must submit evidence that the corrective actions were completed.
4. Describe monitoring activities to ensure compliance is maintained.

This information, along with your survey report, will be submitted to the Accreditation Committee for review. At this time, an accreditation decision is pending and this letter serves as notification of deficiencies. Please provide the requested information before January 29, 2011 to my attention.

Once the Accreditation Committee approves the POC and renders an accreditation decision, CMS will be notified of the date that the approved plan was received. (For Initial or Re-accreditation or Resurvey/Initial Medicare deemed status surveys, the receipt date of the approved PoC will be the date that your organization is recommended for participation in the Medicare Deemed Status program. The date that the approved POC was received will also be the start date of the accreditation term.)

CMS acknowledges that an ASC may object to the cited deficiencies, however, objections to the level, extent, scope, or severity of a deficiency cannot be considered. The organization must send objections in writing with documented evidence of compliance at the time of the survey. AAAHC will consider information received and will make a determination based on submitted evidence and survey findings. Organizations may also choose to submit objections in conjunction with a plan of correction.

If AAAHC disagrees with the ASC's objections, an acceptable plan of correction must be submitted within the timeframe identified on the first page of this letter. Please note that failure to submit an acceptable plan of correction may result in delay to your final survey findings, decision, and therefore, your application for provider enrollment.

If you have any questions, please refer to the *Accreditation Handbook for Ambulatory Health Care.*

Feel free to email your response and supporting documents to ksanchez@aaahc.org. If you have any other questions, please contact me at (847) 324-7481.

Sincerely,

Karl Sanchez
Assistant Report Coordinator

CMS CO - Baltimore
CMS RO V - Chicago

Memorial HEALTH SYSTEM

701 North First Street • Springfield, Illinois 62781-0001
www.memorialmedical.com • **Phone (217) 788-3000**

September 13, 2012

Mr. Dale Galassie
Chairman
Illinois Health Facilities and Services Review Board
525 W. Jefferson - Second Floor
Springfield, Illinois 62702

Dear Mr. Galassie:

Memorial Health System is a co-applicant with Memorial Medical Center (MMC) for the project to construct a MMC hospital building containing new surgical operating rooms, private inpatient medical surgical beds and other support services in Springfield, Illinois.

Memorial Health System or its subsidiaries own or operate the following health care facilities, as defined in the Illinois Health Facilities Planning Act (20 ILCS 3960/3).

Memorial Medical Center, Springfield, IL
Abraham Lincoln Memorial Hospital, Lincoln, IL
Taylorville Memorial Hospital, Taylorville, IL
Orthopaedic Surgery Center of Illinois, Springfield, IL

We hereby certify that, during the past three years, there has been no adverse action taken against Memorial Health System or any of the health care facilities owned or operated by its subsidiaries by any regulatory agency which would affect its ability to operate as a licensed facility.

Memorial Health System hereby authorizes the Illinois Health Facilities Planning Board and the Illinois Department of Public Health to access all information necessary to verify any documentation or information submitted in response to the requirements of the "Background of Applicant" subsection (77 IAC 1110.230.b)), or to obtain any documentation or information which the State Board or Agency finds pertinent to this same subsection.

Sincerely,

Edgar J. Curtis
President and CEO
Memorial Health System

Criterion 1110.230
PURPOSE OF PROJECT – ATTACHMENT 12

1. This project will improve the health care and well-being of the market area population by replacing existing medical-surgical beds located in buildings which are 69, 54, 49 and 21 years old respectively with new, modern, appropriately sized and configured all private medical-surgical beds and expanding Memorial Medical Center's 20 year-old main surgery with new, appropriately sized and configured operating rooms that will meet the current and future needs of the hospital's market area. Following project completion, the hospital will have the ability to place 100% of medical-surgical patients in private beds versus 55.7% in private beds currently. The main surgery will be expanded by a net of 5 additional operating rooms by constructing 6 new, modern, appropriately sized and configured operating rooms and taking 1 existing smaller and older cystoscopy operating room our of service. The project will also replace the Post Anesthesia Recovery Area (PACU); relocate, consolidate and expand and construct a new Surgical Prep/Pre-Surgery Testing and Stage II Recovery Units; and expand main surgery support into adjacent space. Other non-clinical areas, including mechanical infrastructure, new external main entrance, renovated main lobby and other public spaces. Connectors from the new E-building spaces to the existing hospital buildings will also be constructed as part of this project.

2. Memorial Medical Center's market area for this project consists of Sangamon County and nearby counties that are part of Planning Area E-01 and adjacent Planning Areas. These counties include zip codes in which 0.5% or more of the medical-surgical cases reside, as shown in the patient origin charts starting on Page 6 of this Attachment. The largest percentages of Memorial Medical Center patients come from Sangamon county (53.9%) where the hospital is located and Logan, Christian, Montgomery, Macoupin, Morgan, Menard, Cass and Mason Counties (32.5%). A majority of medical-surgical patients reside in the State- designated planning area in which Memorial Medical Center is located, Planning Area E-01 (74.3%).

   The patient origin charts starting on Page 5 of this Attachment demonstrates the following market area for Memorial Medical Center's Medical-Surgical services.

   - Sangamon County (located in State-Designated Planning Area E-01)
   - Counties located within of State-Designated Planning Area E-01 which include zip codes in which more than 0.5% of Memorial Medical Center's medical surgical patients reside include:
     Cass
     Christian
     Logan
     Mason
     Menard
     Schuyler

- Counties located outside of State-Designated Planning Area E-01 which include zip codes in which more than 0.5% of Memorial Medical Center's medical-surgical patients reside include:

  Macon
  Macoupin
  Montgomery
  Morgan
  Pike
  Scott

- Memorial Medical Center is a tertiary referral center and teaching hospital that serves a large geographic area in central and southern Illinois. Other counties not already listed from which 0.1% or more of medical-surgical patients reside include:

  Greene
  McDonough
  Brown
  Shelby
  Fayette
  Fulton
  Effingham
  Adams
  Coles
  DeWitt
  Clay
  Jersey
  Champaign
  Bond
  Marion
  McLean

3. This project is a necessary replacement and expansion of existing services at Memorial Medical Center.

   The project includes the following Category of Service and Clinical Service Areas, which currently exist at Memorial Medical Center.

   - Medical-Surgical Category of Service
   - Surgical Suite
   - Post-Anesthesia Care Unit (PACU)
   - Stage II Recovery Unit (also to be used for Surgical Prep/Pre-Surgery Testing)

   Specific information regarding the increasing functional obsolescence of the Medical-Surgical Category of Service and need for private, Medical-Surgical beds is presented in more detail in Attachment 20. The primary problem that will be corrected as a result of this project is the lack of private, modern, appropriately sized and configured medical-surgical rooms. Following

project completion, the hospital will have the ability to place 100% of medical-surgical beds in private patient rooms versus 55.7% private rooms currently.

The primary problem being corrected by expanding the Surgery Suite is inadequate operating room capacity in the Main Surgery to meet the historical and projected demand. The project will increase the number of operating rooms in the Main Surgery at Memorial Medical Center as described below.

a. The Surgical Department currently consists of 3 separate Surgical Suites – Main Surgery, Cardiovascular OR (CVOR) and Baylis Day Surgery. This project proposes to expand the Main Surgical Suite, which was constructed 20 years ago. Main Surgery needs to be expanded to accommodate current and projected demand in modern, appropriately sized surgical rooms. Memorial Medical Center has been accommodating the demand for operating room time by routinely extending the surgical schedule into the early evening for elective cases Monday through Friday (7 a.m. – 7 p.m.) and on weekends (3 surgery teams on Saturdays and 2 surgery teams on Sundays, for 8 hours per team.)

   While these extended hours have been required to create the necessary operating room capacity to meet the needs of patients requiring surgery, it is not ideal for patients or families to be recovering from surgeries and being placed in their inpatient beds late into the evening. Surgeons, patients and families also do not prefer to have their surgeries performed on the weekends, particularly on Sundays. The net five additional operating rooms created by project will allow Memorial Medical Center to operate 33 operating rooms to meet existing and projected hours of surgery required during normal business hours Monday through Friday. This will assure that patients recover and are placed in their inpatient beds earlier in the day, reducing stress and inconvenience for family members of surgical patients.

The primary purpose for expanding the PACU is to provide one recovery station for each of the main surgery operating rooms. The problem being corrected by relocating, consolidating and expanding the Stage II Recovery unit is to reduce surgical patient and family wait times and travel distances while increasing patient and family privacy and safety.

4. The sources of information provided as documentation are the following:

   Hospital records regarding the age of the buildings;

   Illinois Hospital Licensing Requirements (77 Ill. Adm. Code 250);

   Illinois Emergency Medical Services and Trauma Center Code (77 Ill. Adm. Code 515.2030,2035);

   Standards for Accessible Design: ADA Accessibility Guidelines for Buildings and Facilities, 28 Code of Federal Regulations, 36.406.ADAAG (Americans with Disabilities Act);

   National Fire Protection Association, NFPA 101: Life Safety Code (2000 Edition);

The Facilities Guidelines Institute and The American Institute of Architects Academy of Architecture for Health with assistance from the U.S. Department of Health and Human Services, 2006 Guidelines for Design and Construction of Health Care Facilities;

Reports by the hospital's architects and engineers;

Health Resources and Services Administration (HRSA) of the United States Department of Health and Human Services (HHS), Medically Underserved Areas and Populations by State and County, http://muafind.hrsa.gov/index.aspx for Sangamon, Cass, Christian, Logan, Mason, Macoupin, Menard, Montgomery and Morgan Counties in Illinois;

Health Resources and Services Administration (HRSA) of the United States Department of Health and Human Services (HHS), Health Professional Shortage Areas by State and County, http://hpsafind.hrsa.gov/HPSASearch.aspx for Sangamon, Cass, Christian, Logan, Mason, Macoupin, Menard, Montgomery and Morgan Counties in Illinois.

5. This project will address and improve the health care and well-being of residents of Sangamon County, Planning Area E-01 and other counties served by Memorial Medical Center and enhance the clinical training of Southern Illinois University medical students, residents and fellows and other participants in health professional education programs offered at the hospital because it will enable Memorial Medical Center to provide medical and surgical services in facilities that meet contemporary standards with adequate space for medical education and health professional education.

   The project will have a particular impact on those counties served by Memorial Medical Center that are identified by the federal government (Health Resources and Services Administration of the United States Department of Health and Human Services) as Medically Underserved Areas and Populations and Health Manpower Shortage areas. These designated areas are identified in the chart on Page 8 of this Attachment.

6. Memorial Medical Center's goal is to complete this project to fulfill its mission to "Improve the health of the people and communities we serve."

   Memorial Medical Center will achieve this goal by CY2018 by completing this facility and having new, contemporary, appropriately sized and configured medical-surgical, operating rooms, PACU, Stage II recovery units and Surgery Prep/Pre-Surgery Testing areas in which to treat patients. Following project completion, the hospital will have the ability to place 100% of medical-surgical beds in private patient rooms versus 55.7% private rooms currently. Memorial Medical Center will also achieve expanded surgical capacity from 28 to 33 rooms; expanded PACU capacity from 19 to 23 stations by CY2018 to meet the projected needs of patients residing in Sangamon, E-01 and other counties served by the hospital.

   The project will also reduce main surgery patient and family waiting and travel distances while improving patient privacy and safety by relocating, consolidating and expanding the Surgery Prep/Pre-Surgery/Stage II Recovery Unit.

Memorial Medical Center
Medical/Surgical Patient Origin by Zip Code
Discharge Dates April 1, 2011 - March 31, 2012

City	County	Zip Code	Discharges	% of Total Cases	Cumulative %
Springfield	Sangamon	*	8,076	41.4%	41.4%
Lincoln	Logan	62656	667	3.4%	44.8%
Jacksonville	Morgan	62650	632	3.2%	48.0%
Taylorville	Christian	62568	609	3.1%	51.1%
Chatham	Sangamon	62629	494	2.5%	53.7%
Petersburg	Menard	62675	430	2.2%	55.9%
Riverton	Sangamon	62561	269	1.4%	57.2%
Carlinville	Macoupin	62626	262	1.3%	58.6%
Auburn	Sangamon	62615	261	1.3%	59.9%
Rochester	Sangamon	62563	259	1.3%	61.2%
Virden	Macoupin	62690	249	1.3%	62.5%
Sherman	Sangamon	62684	233	1.2%	63.7%
Girard	Macoupin	62640	231	1.2%	64.9%
Beardstown	Cass	62618	225	1.2%	66.0%
Athens	Menard	62613	188	1.0%	67.0%
Pana	Christian	62557	175	0.9%	67.9%
Rushville	Schuyler	62681	170	0.9%	68.8%
New Berlin	Sangamon	62670	158	0.8%	69.6%
Pawnee	Sangamon	62558	147	0.8%	70.3%
Pleasant Plains	Sangamon	62677	146	0.7%	71.1%
Hillsboro	Montgomery	62049	146	0.7%	71.8%
Mason City	Mason	62664	137	0.7%	72.5%
Litchfield	Montgomery	62056	121	0.6%	73.1%
Virginia	Cass	62691	118	0.6%	73.7%
Ashland	Cass	62612	115	0.6%	74.3%
Greenview	Menard	62642	112	0.6%	74.9%
Winchester	Scott	62694	112	0.6%	75.5%
Waverly	Morgan	62692	110	0.6%	76.0%
Havana	Mason	62644	109	0.6%	76.6%
Edinburg	Christian	62531	96	0.5%	77.1%
Nokomis	Montgomery	62075	93	0.5%	77.6%
Decatur	Macon	62521	92	0.5%	78.0%
Pittsfield	Pike	62363	90	0.5%	78.5%
Mt Pulaski	Logan	62548	89	0.5%	79.0%
Total, These Zip Codes			**15,421**	**79.0%**	
Total, Medical/Surgical Patients			**19,530**		

* Springfield Zip Codes - 62701, 62702, 62703, 62704, 62705, 62707, 62708, 62711, 62712, 62715, 62781, 62791

Source: MMC Internal Data

Medical/Surgical Patient Origin by County
Discharge Dates April 1, 2011 - March 31, 2012

County	Discharges	% of Total Cases	Cumulative %
Sangamon	10,524	53.9%	53.9%
Christian	1136	5.8%	59.7%
Macoupin	1058	5.4%	65.1%
Logan	918	4.7%	69.8%
Morgan	917	4.7%	74.5%
Menard	826	4.2%	78.7%
Montgomery	618	3.2%	81.9%
Cass	542	2.8%	84.7%
Mason	334	1.7%	86.4%
Greene	254	1.3%	87.7%
Macon	254	1.3%	89.0%
Schuyler	228	1.2%	90.2%
Pike	160	0.8%	91.0%
Scott	158	0.8%	91.8%
McDonough	145	0.7%	92.5%
Shelby	128	0.7%	93.2%
Fayette	103	0.5%	93.7%
Adams	91	0.5%	94.2%
Brown	90	0.5%	94.6%
Total, These Counties	**18,484**	**94.6%**	
Total, Medical/Surgical Patients	**19,530**		

Memorial Medical Center
Medical/Surgical Patient Origin for Planning Area E-01
Discharge Dates April 1, 2011 - March 31, 2012

County	Township Discharges	Total County Discharges	% of Total Cases	Cumulative %
Brown		**24**	0.1%	0.1%
Versailles Township	24			
Cass		**542**	2.8%	2.9%
Christian		**1,136**	5.8%	8.7%
Logan		**918**	4.7%	13.4%
Mason		**334**	1.7%	15.1%
Menard		**826**	4.2%	19.4%
Sangamon		**10,524**	53.9%	73.2%
Schuyler		**216**	1.1%	74.3%
Browning Township	21			
Frederick Township	12			
Littleton Township	13			
Rushville Township	170			
Total, E-01 Planning Area		**14,520**	**74.3%**	
Total, Medical/Surgical Patients		**19,530**		

Memorial Medical Center Primary Service Area
Medically Underserved Areas and Health Manpower Professional Shortage Areas
As Designated by U.S. Department of Health and Human Services, HRSA

County Primary Service Area:	P.A.	Medically Underserved Areas[1]	Health Manpower Shortage Areas
Sangamon	E1	8 census tracts in Springfield 53.20	County, Central Counties and Health Centers
Cass	E1	County 57.40	County
Christian	E1	Pana/Ricks Service Area (9 townships) 60.60	County
Logan	E1	Eminence Service Area (Eminence Township) 52.50	County, Lincoln Correctional Center, Logan Correctional Center
Macon	D4	Macon Service Area (5 census tracts) 49.30	17 census tracts in Decatur
Macoupin	E2	South Palmyra Service Area 60.70 Hillyard Service Area (Hillyard Township) 60.90 Gillespie Service Area (2 census tracts) 60.60	County
Montgomery	E2	Irving/Witt Service Area (5 townships) 57.60 South Litchfield Service Area (South Litchfield Township) 59.60	County, Graham Correctional Center
Morgan	E4	Waverly Precinct #1 0.00	County

[1] Scores of 0 – 100 are assigned according to the Index of Medical Underserviced, with 0 the lowest and 100 the highest. Under the established criteria, a score of 62.0 or less qualifies an area for designation as a Medically Underserved Area.

ALTERNATIVES – ATTACHMENT 13

Alternatives to the proposed project include the following:

- Do Nothing
- Modernize existing patient units
- Construct New Bed Tower and Surgery Suite
- Build a New Hospital on West Side of Springfield

Do Nothing

An alternative is to do nothing to increase the number of private medical surgical beds or operating rooms. While this alternative would have no capital cost at this time, it would not allow us to offer modern private patient rooms with family space, meet our surgeons' demand for operating room time or reduce main surgery patient wait times and travel distances. Private rooms, also known as single occupancy rooms, have become the standard for patient rooms for a number of reasons, which result in improved flexibility as well as patient satisfaction. In fact, the American Institute of Architects (AIA) and the Facilities Guideline Institute have recommended single occupancy rooms in the 2006 edition of Guidelines for Design and Construction of Health Care Facilities, a reference source for hospital licensure written by the American Institute of Architects' (AIA) Academy of Architecture for Health and the Facilities Guideline Institute, with assistance from the U.S. Department of Health and Human Services (HHS). Private rooms will increase the hospital's ability to maintain infection control. Private rooms reduced problems of gender and age cohorting in making room assignments. Private rooms enhance patient privacy, which is of increased importance due to the federal Health Insurance Portability and Accountability Act (HIPAA) requirements for patient confidentiality.

For these reasons, this alternative was rejected. There was no capital cost associated with this alternative.

Modernize existing patient units and surgery suites

We also considered the alternative of modernizing existing patient rooms and operating rooms. However, current patient and operating rooms and support space are already undersized and landlocked so that expansion is not possible in existing spaces. We considered simply taking one bed out of existing two-bed semi-private rooms to increase the number of private rooms, but our utilization is so high that we need our existing bed capacity to meet patient demand, especially during peak census periods which are occurring with increasing frequency. All other areas of the hospital are also filled to capacity so that we have no ability to create more bed units in some other existing floor or building. Moreover, the floors that have large numbers of semi-private medical surgical patient rooms are located in facilities constructed in 1943 (G-Building) and 1968 (B-Building) and the existing rooms, even with one bed removed would not meet modern private room standards.

Likewise, our Lower Level E surgical department is undersized for the volume of surgeries being performed and has inadequate storage space which has required us to locate support equipment in hallways or outside of the main surgical department. This facility was constructed in 1992 and has

served us well, but we have outgrown the existing space as surgical volumes and space requirements have grown since the space was constructed.

Logistically, this alternative is not feasible for us to reduce existing capacity and still meet the existing demand for our operating rooms or medical surgical rooms. It is also infeasible because many of the deficiencies of the Medical/Surgical nursing units, which are in 2 buildings, one of which is 71 years old and the other which is 40 years old, could not be corrected by cosmetic upgrades to the existing nursing units.

We estimated that it would take 10 years to take one medical surgical nursing unit at a time out of service for 12-months while the floor was gutted and re-built as all-private rooms. The capital cost of this alternative was $50,000,000 and the lost contribution margin associated with having 1/10th of our medical surgical beds out of service for 10 consecutive years would be $10,907,000 per year or $109,070,000 over ten years.

For these reasons, this alternative was rejected.

The total "cost" to the medical center of this alternative was $159,070,000.

Construct New Bed Tower and Surgery Suite

Another alternative we considered was to construct a much larger project in a separate building north of the existing hospital. This project would have also required replacement of our medical laboratory, central utility plant and connectors back to the main hospital core in addition to constructing 20 new operating rooms and 108 new private patient rooms in a 7 story tower.

This alternative was rejected for several reasons. First, it would have created long distances between the main hospital and the new building in order to secure supplies and support services such as food, pharmaceuticals, central supply items, linens, housekeeping and clinical services. Second, it would have required the demolition and replacement of the existing medical laboratory building. Third, it would have required a new entrance and elevators to provide reasonable entry and egress from the building, creating access confusion for patients and out of town visitors. Fourth, it would have required long connectors between various floors of the new building back to the main hospital which were complicated by different floor to ceiling heights and the typography of the site. Fifth, it would have bifurcated our main surgery department, forced us to duplicate functions and create patient transportation problems for functions that were not duplicated. Sixth, the cost was more than we felt we could reasonably afford.

For these reasons, this alternative was rejected.

Total cost of this alternative was $201,000,000.

Construct a Replacement Hospital and replace all Medical Surgical beds and Surgical facilities

Another alternative we considered was to construct a new hospital on the rapidly-growing west side of Springfield. This would have included replacement of the entire medical surgical category of service, surgery and other components required for a full-service hospital. There were several problems with

this alternative. First, it would be located 5 or more miles away from the major concentration of physicians located in Medical Office Buildings on our main campus, the SIU School of Medicine and the Mid-Illinois Medical District. Second, it would require duplication of the entire hospital infrastructure. Third, with reasonably short travel times of approximately 20 minutes or less from anywhere in the Springfield area, creating a new inpatient hospital across town, would not materially improve access or convenience for patients. Fourth, Memorial Medical Center does not consider it appropriate to abandon the low-income community it currently serves by moving out of the downtown area. Fifth, the cost was more than we felt we could reasonably afford.

For these reasons, this alternative was rejected.

Total cost of this alternative was $600,000,000 plus the cost of land acquisition.

Proposed Project to expand the existing E-Building vertically and horizontally

The proposed project was the chosen alternative because it met the most objectives at the lowest cost. This project allows us to leverage our existing front entrance, elevator banks and support services by adding on to the existing hospital. The proposed project also minimizes travel distances between entrance and egress points, surgery areas and medical/surgical patient floors. It allows the hospital to replace existing semi-private medical/surgical patient rooms with modern, appropriately sized and configured patient rooms that include expanded space for family members, physicians, medical residents and students who provide care in our teaching hospital. Rather than replacing our entire surgical suite, the proposed project allows to expand our surgical capacity to meet the existing and projected demand, by combining new space with renovated existing surgical space. The project will best meet our goals of improving our patients' experience, safety and convenience.

For these reasons this proposed project was the chosen alternative.

The total cost of the proposed project is $122,357,501.

SIZE OF PROJECT – ATTACHMENT 14

This project includes both Clinical and Non-Clinical Service Areas.

As discussed in Attachments 15, 20 and 37, this project includes the following Clinical Services Areas:

- Medical/Surgical Category of Service
- Surgical Suite
- Post-Anesthesia Care Recovery Stage I (PACU)
- Recovery Stage II Unit (which will also be used for Surgical Prep/Pre-Surgery Testing)

1. The gross square footage of the Clinical Service Areas for which there are State Standards is found below. Justification for the proposed number of rooms or stations can be found in the Project Service Utilization – Attachment 15.

   The Illinois Certificate of Need (CON) Rules include State Standards (77 Ill. Adm. Code 1110.APPENDIX B) for the following Clinical Service Areas that are included in this project.

   - Medical/Surgical Category of Service
   - Surgical Suite
   - Post-Anesthesia Care Recovery Stage I (PACU)
   - Post-Anesthesia Recovery Stage II

   There are no State Standards (77 Ill. Adm. Code 1110.APPENDIX B) for the following Clinical Service Areas.
   - Surgical Prep/Pre-Surgery Testing

Other non-clinical areas, including mechanical infrastructure, conference center, main exterior entrance, lobby and other public spaces and connectors from the new E-building spaces to the existing hospital buildings will also be upgraded, constructed or modernized as part of this project.

a. Medical/Surgical Category of Service (ALL MEDICAL SURGICAL BEDS)

   As stated earlier in this Attachment, the Illinois CON Rules include State Standards for the Medical/Surgical Category of Service.

State Standard for Medical/Surgical Service:	500-660 DGSF/Bed
Medical/Surgical Beds (Entire Category of Service)	374
DGSF Justified for 374 Beds per State Standard	246,840 DGSF
Proposed GSF for entire medical surgical category:	171,587 DGSF

   The proposed square footage for the Medical/Surgical Category of Service is within the State Standards found in 77 Ill. Adm. Code 1110.APPENDIX B.

b. Medical/Surgical Category of Service (THIS PROJECT)

State Standard for Medical/Surgical Service:	500-660 DGSF/Bed
Medical/Surgical Beds Modernized in this Project	114
DGSF Justified for 114 Modernized Beds per State Standard	75,240 DGSF
Proposed GSF for this Project:	74,164 DGSF
Proposed GSF/Bed	650 DGSF/Bed

The proposed project square footage for the Medical/Surgical Category of Service is within the State Standards found in 77 Ill. Adm. Code 1110.APPENDIX B.

Surgical Suite (ALL SURGERY SUITES)

State Standard per Operating Room	2,750 GSF/Room
Total Proposed Operating Rooms (ALL SURGERY SUITES)	33
DGSF Justified for 33 Operating Rooms per State Standard	90,750 DGSF
Proposed GSF for ALL SURGERY SUITES:	75,309 DGSF
Proposed GSF/Operating Room	2,282 GSF/Room

*It should be noted that the State Requirement does not consider the Illinois Trauma Center Code requirement for Level I Trauma Centers that "An operating room shall be staffed in-house and available 24 hours a day." (77 Ill. Adm. Code 515.2030.04))

The proposed square footage for all surgery suites is within the State Standard found in 77 Ill. Adm. Code 1110.APPENDIX B.

c. Surgical Suite (THIS PROJECT- MAIN SURGERY)

State Standard per Operating Room	2,750 GSF/Room
Total Proposed Operating Rooms in this THIS PROJECT	23
DGSF Justified for 33 Operating Rooms per State Standard	63,250 DGSF
Proposed GSF for THIS PROJECT:	54,964 DGSF
Proposed GSF/Operating Room	2,390 GSF/Room

*It should be noted that the State Requirement does not consider the Illinois Trauma Center Code requirement for Level I Trauma Centers that "An operating room shall be staffed in-house and available 24 hours a day." (77 Ill. Adm. Code 515.2030.04))

The proposed project square footage for the Operating Rooms is within the State Standards found in 77 Ill. Adm. Code 1110.APPENDIX B.

d. Post-Anesthesia Recovery Stage I (ALL PACUs)

State Standard per Recovery Station	180 GSF/Station
Total Proposed Recovery Stations	37
DGSF Justified for 23 Recovery Station per State Standard	6,660 DGSF
Proposed GSF for all PACUs:	6,407 DGSF
Proposed GSF/Recovery Station	173 GSF/Station

The proposed square footage for all Post-Anesthesia Recovery Stage I (PACU) Recovery Stations is within the State Standards found in 77 Ill. Adm. Code 1110.APPENDIX B.

Post-Anesthesia Recovery Stage I (THIS PROJECT PACU)

State Standard per Recovery Station	180 GSF/Station
Total Proposed Recovery Stations	23
DGSF Justified for 23 Recovery Station per State Standard	4,140 DGSF
Proposed GSF for this Project:	4,125 DGSF
Proposed GSF/PACU Recovery Station	179 GSF/Station

The proposed project square footage for the Recovery Stations is within the State Standards found in 77 Ill. Adm. Code 1110.APPENDIX B.

e. Post-Anesthesia Recovery Stage II (ALL STAGE II RECOVERY UNITS)

As stated earlier in this Attachment, the Illinois CON Rules include State Standards the Recovery Stations.

State Standard per Recovery Station	400 GSF/Station
Total Proposed Recovery Stations	63
DGSF Justified for 63 Recovery Station per State Standard	25,200 DGSF
Proposed GSF for all Stage II Recovery:	23,711 GSF
Proposed GSF/Stage II Recovery Station	376 GSF/Station

The proposed square footage for all Stage II Recovery Stations is within the State Standards found in 77 Ill. Adm. Code 1110.APPENDIX B.

Post-Anesthesia Recovery Stage II (THIS PROJECT STAGE II RECOVERY UNIT)

State Standard per Recovery Station	400 GSF/Station
Total Proposed Recovery Stations	30
DGSF Justified for 23 Recovery Station per State Standard	12,000 DGSF
Proposed GSF for this Project:	11,989 GSF
Proposed GSF/Stage II Recovery Station	400 GSF/Station

The proposed project square footage for the Recovery Stations is within the State Standards found in 77 Ill. Adm. Code 1110.APPENDIX B.

The following chart identifies the State Standards for each of the Clinical Service Areas included in this project for which State Standards exist.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	**PROPOSED BGSF/DGSF**	**STATE STANDARD**	**DIFFERENCE**	**MET STANDARD?**
Medical/Surgical Category of Service	74,164	75,240	-1,076	Yes
Surgical Suite (Main Surgery ORs)	54,964	63,250	-8,286	Yes
Post-Anesthesia Recover Stage I (PACU)	4,125	4,140	-15	Yes
Post Anesthesia Recovery stage II	11,989	12,000	-11	Yes

The following documents were used as the key guidelines in determining the appropriate floor area for these clinical services:

- Illinois Hospital Licensing Requirements (77 Ill. Adm. Code 250.2440);
- Standards for Accessible Design: ADA Accessibility Guidelines for Buildings and Facilities (28 Code of Federal Regulations, 36.406.ADAAG, Sections 4.1 through 4.35 and 6.1 through 6.4);
- The Facilities Guidelines Institute and The American Institute of Architects Academy of Architecture for Health with assistance from the U.S. Department of Health and Human Services, 2006 Guidelines for Design and Construction of Healthcare Facilities. 2006: American Institute of Architects;
- Space Programs for the Medical/Surgical nursing units, Main Surgery and PACU areas included in this project.

PROJECT SERVICES UTILIZATION – ATTACHMENT 15

The project includes only 1 Category of Service: Medical/Surgical. This project proposes to replace 114 of Memorial Medical Center's existing Medical/Surgical beds. When this project is completed, Memorial Medical Center will maintain its Authorized Medical/Surgical bed capacity at 349 beds. One hundred fourteen (114) existing Medical/Surgical beds that are part of Memorial Medical Center's Authorized Medical/Surgical beds will be taken out of service upon project completion. The other two-hundred and thirty five (235) staffed medical surgical beds will remain in service and are not part of this project. After this project is completed, Memorial Medical Center will have the ability to replace all it's semi-private medical surgical beds and ultimately increase its' percentage of patients treated in private medical surgical beds from 55.7% to 100%.

References:

1. The Illinois Certificate of Need (CON) Rules include occupancy targets in 77 Ill. Adm. Code 1100 for the Medical/Surgical Category of Service.

2. An analysis of the proposed size (number of beds or rooms and gross square footage) of the Medical/Surgical Category of Service in relation to the current CON Rules is found below.

This analysis is based upon the following:

- Projected utilization for Memorial Medical Center's Medical/Surgical Category of Service during CY2018, the second complete year of operation after project completion. The Medical/Surgical PEAK MONTHLY AVERAGE and PEAK DAILY census at Memorial Medical Center is projected to increase by CY2018 to an average daily census that would justify 349 Medical/Surgical beds at the 88% occupancy target.

PEAK AVERAGE MONTHLY CENSUS ANALYSIS

- PEAK MONTHLY AVERAGE Medical/Surgical patient census experienced in the Medical/Surgical Category of Service in CY2011 was 293, *not counting observation patients* that occupied medical surgical beds. This peak monthly census would justify 333 medical surgical beds at 88% occupancy.

- According to the IDPH/IHFSRB latest INVENTORY OF HEALTH CARE FACILITIES AND SERVICES AND NEED DETERMINATION - MEDICAL-SURGICAL CATEGORY OF SERVICE - FOR HOSPITAL PLANNING AREA E-01 (July 28, 2011) (attached), where Memorial Medical Center is located, medical-surgical days are projected to grow to 165,782 (174,100 – 8,318 pediatric = 165,782 days) in 2018 due to the net effect of population growth and aging.

- Memorial Medical Center had a 56.27% market share of E-01 ADULT medical-surgical days in CY 2008 (91,594/162,784 = 56.27%).

- For CY2011, Memorial Medical Center's 12-month average market share of adult patients was 56.8% according COMPdata reports provided by the Illinois Hospital Association.

- Applying Memorial Medical Center's 56.8% market share of E-01 medical-surgical days in CY 2011 to the projected 2018 adjusted medical-surgical days (174,100 Adjusted Days – 8,318 pediatric days = 165,782 projected medical-surgical days) yields 56.8% x 165,782 = 94,165 projected medical-surgical days at Memorial Medical Center in 2018 *(not including observation days)*. This would increase Memorial Medical Center's medical-surgical average daily census (ADC) from 86,446/365 days = 237 ADC in CY2011 to 94,165/365 = 258 ADC in 2018, an increase of **21** medical surgical patients per day or **+8.86% (21/237 = 8.86% growth).**

- Applying this 8.86% growth to Memorial Medical Center's actual CY2011 PEAK MONTHLY AVERAGE census of 293, increases the projected **PEAK MONTHLY AVERAGE** census to 293 x 1.0886 = 319 medical-surgical patients, which would justify **363** medical surgical beds at 88% occupancy in CY2018 (319/.88 = 363). Assuming the number of observation patients treated in medical-surgical beds also grows by 8.86% from the 2011 level, adding the 7 observation patients per day would increase the **PEAK AVERAGE MONTHLY** census to 319 + 7 = 326, which would justify (326/.88% = **371** medical-surgical beds at 88% occupancy in 2018.

- **Based upon the 2018 projected patient days, the 88% occupancy target justifies 301 beds. However, if the number of beds at the facility was reduced to that number, the hospital would exceed its bed capacity 204 days in 2018. This is not an acceptable situation especially for a Level I Trauma Center or a POD Hospital.**

DAILY PEAK CENSUS ANALYSIS

- Furthermore, an analysis of **DAILY PEAK** medical/surgical patient census was undertaken at Memorial Medical Center and is appended to this Attachment.

- The study of DAILY PEAK census, documents that in the twelve month period between April 1, 2011 and March 31, 2012 Memorial Medical Center's Medical/Surgical peak census exceeded 293 patients on 90 days and exceeded 307 patients on 18 days, which would justify 333 and 349 medical surgical beds respectively, at the 88% occupancy target.

- Adding the 8.86% projected growth in Average Daily Census from CY2011 to CY2018, **DAILY PEAK** census of 309 or higher is projected on **165** days in CY2018 which would justify **352 medical-surgical beds at 88% occupancy** (309 /.88 = 352).

- Memorial Medical Center 12 month projected medical- surgical days in CY2018 are 96,567 (94,165 + 2,402 observation patients). Observation patients were projected by multiplying actual CY2011 observation patients by the 8.86% growth factor associated with increased medical-surgical bed utilization in E-01 due to population growth and aging (2,211 in CY2011 x 1.086% growth to CY2018 = 2,402 observation patients).

Medical/Surgical Category of Service

	4/1/2011 – 3/31/2012	CY2018
Occupancy Target for modernization of M/S Beds(77 IAC 1100.520.c)1	88%	88%
M/S Patient Days including Observation	88,657	96,567*
M/S Average Daily Census **M/S Average Monthly Peak incl OBS**	243 300	265 326*
Number of M/S Beds Justified at Occupancy Target **M/S Average Monthly Peak incl OBS**	277– 341	301 - 371*
Proposed Number of M/S Beds	N/A	349*

*As stated above, the 12 month total medical-surgical days calculation does not adequately account for the AVERAGE MONTHLY PEAK or DAILY PEAK census actually experienced at Memorial Medical Center. **Projected AVERAGE MONTHLY PEAK** and **DAILY PEAK** census in **CY 2018** justify a range of **352 to 371 medical surgical beds**. Memorial Medical Center is conservatively proposing 349 medical-surgical beds, which represents the hospital's existing authorized medical-surgical bed capacity.

While the proposed number of Medical/Surgical beds will not meet the occupancy target found in the Illinois Administrative Code (CON Rules), Memorial Medical Center's Medical/Surgical **DAILY PEAK** census is projected to **meet or exceed 309** medical surgical patients on **165 of the 365 calendar days in 2018** (justifying **352** medical surgical beds at 88% occupancy) and **AVERAGE MONTHLY PEAK** census in CY2018 is projected to increase to **326** (justifying **371** medical-surgical beds at 88% occupancy) due to:

- The population growth and aging projected within Planning Area E-01, the planning area in which Springfield is located, for the Medical/Surgical Service (Source: Illinois Health Facilities Planning Board [sic], Illinois Department of Public Health: "Inventory of Health Care Facilities and Services and Need Determinations, 2008.")
- Historical utilization patterns experienced over the past several years and, in particular, for the 12 month period between April 1, 2011 and March 31, 2012.

Based upon the 2018 projected patient days, the 88% occupancy target justifies 301 beds. However, if the number of beds at the facility was reduced to that number, the hospital would exceed its bed capacity 204 days in 2018. This is not an acceptable situation especially for a Level I Trauma Center or a POD Hospital.

The space program for each of the 3 floors of Medical/Surgical nursing units that will be modernized in this project is reflected in the schematics located behind the Narrative Description in the application.

Surgical Suite

1. The Illinois certificate of need (CON) Rules include State Norms (77 Ill. Adm. Code 1110.APPENDIX B) for the following Clinical Service Areas that are included in this project.

   - Surgical Suite
   - Post-Anesthesia Care Unit (Stage 1)
   - Post-Anesthesia Care Unit (Stage 2)

   An analysis of the proposed size (number of rooms or stations and gross square footage) of each Clinical Service Area for which there are State Norms is found below.

   This analysis is based upon historic utilization at Memorial Medical Center during the 39 month period (January 1, 2009 – March 31, 2012) and projected utilization for the first full year of operation after this project is completed for those services for which the approvable number of rooms or stations is based upon utilization. Historical and projected utilization for the surgery Clinical Service Area follow.

   The following chart identifies the State Norms for each of the Clinical Service Areas included in this project for which State Norms exist.

CLINICAL SERVICE AREA	STATE NORM
Surgery	1,500 hours of surgery per operating room* 2,750 DGSF per operating room
Post-Anesthesia Recovery Unit Phase 1	180 DGSF per recovery station
Post-Anesthesia Recovery Unit Phase 2	400 DGSF per recovery station

Justification for the number of key rooms and square footage proposed for this Clinical Service Area for which State Norms exist is presented below.

CLINICAL PROPOSED SERVICE AREA	STATE NORMS (UNITS/ROOM)	PROJECTED FY2018 VOLUME	TOTAL EXISTING ROOMS	TOTAL ROOMS	NUMBER OF ROOMS JUSTIFIED
Surgery	1,500 hours/ operating room	51,997 hours	28	33*	36 (includes required standby Level I Trauma OR)
PACU Stage 1	N/A	N/A	N/A**	N/A**	
PACU Stage 2	N/A	N/A	N/A**	N/A**	

*The 33 proposed Operating Rooms include the operating room that Level I Trauma Centers are required to keep staffed in-house and available 24 hours a day, as specified in the Illinois Emergency Medical Services and Trauma Center Code (77 Ill. Ad m. Code 515.2030.04)

**There is no State Norm for number of PACU Stage 1 or Stage 2 rooms. The State Norm for Approvable GSF is shown in the chart below.

The proposed number of rooms for the Clinical Service Area included in this project for which there are State Norms (i.e., Surgery) is justified as follows.

Memorial Medical Center Surgical hours (including cysto) for calendar years 2009, 2010, 2011, the first three months of 2012, 2012 projected (January, February, March hours x 4) and number of rooms justified based on the State Norm of 1,500 hours per operating room are shown below.

CLINICAL SERVICE AREA	STATE NORM (UNITS/ROOM)	YEAR	HOURS	ROOMS JUSTIFIED
Surgery	1,500 hours/operating room	2009	48,185	33
		2010	50,696	34
		2011	40,149	27
		2012 1st Quarter	15,233	
		2012 Projected	60,932	41
		4 Year Average	49,991	34

In three of the last four periods (CY2009, CY2010 and January – March, 2012), Memorial Medical Center's volumes justified 33, 34 and 41 operating rooms, respectively. The project proposes to increase OR capacity from 28 to 33 rooms.

Surgical volumes and hours in 2011 were artificially low due to two reasons:

First, since July, 1999, Memorial Medical Center, St. John's Hospital and Southern Illinois University School of Medicine have collaborated in the Level 1 Southern Illinois Trauma Center that serves 18 west central and southern Illinois counties. Pursuant to this shared service arrangement, each hospital rotates as the Trauma Center on a roughly 12-month basis. For many years, the rotation date was July 1. Following a three-year transitional period, it was moved to January 2nd. For calendar year 2011, the Level 1 Southern Illinois Trauma Center was based at St. John's Hospital. It returned on January 2, 2012 to Memorial Medical Center for calendar year 2012.

Second, during calendar year 2011, Memorial Medical Center upgraded its outpatient surgery suite in the Baylis Building on its main campus. The total project cost was $4,567,759 and did not require

a Certificate of Need since it was below the State's Certificate of Need threshold of $11,885,440 for hospital capital projects. The Baylis outpatient surgery suite is comprised of six (6) operating rooms.

To avoid shutting down the entire Baylis outpatient surgery program for an entire year, two operating rooms were taken out of service at a time for the entire 12 months of calendar year 2011 in order for contractors to complete the upgrades during evenings and weekends. The rest of the Baylis operating rooms remained open for outpatient surgeries during normal business hours. While this allowed us to mathematically reduce capacity for the year from 6 ORs to 4 ORs, the operational impact was more significant and many surgeons chose not to perform their surgeries in the Baylis surgery suites during the construction period.

This, in turn, put more pressure on the hospital's Lower Level E-Building Main OR, forcing the hospital to adjust surgery blocks for many surgeons and adjust the mix of surgeries to accommodate the reduced OR capacity in the Baylis surgery suites.

The net effect of these two changes was an artificial drop in overall operating room utilization in calendar year 2011 and a "pent-up demand" for surgery time that was manifested in the first quarter of 2012.

To normalize for these special cause variations, we averaged the surgery demand over the period as follows:

(48,185 + 50,696 + 40,149 + 60,932)/4 years = 199,962/4 years = 49,991 hours/year

49,991 hours / 1,500 hours per OR = 33.3 rooms

Memorial Medical Center's **historical utilization justifies 34 ORs.** This does not include the 1 operating room that Level 1 Trauma Centers are required to keep staffed and available 24 hours a day.

Adding the required **standby Level 1 Trauma Operating Room would justify 35 ORs.**

Thirty-three (33) ORs are proposed in this project.

When the impact of projected population growth and aging within Planning Area E-01 is added to historical utilization, the future demand for surgeries at Memorial Medical Center increases to 51,997 hours in Calendar Year 2018, as shown below and further supports the proposed number of operating rooms.

The population growth and aging within Planning Area E-01, the planning area in which Springfield is located for the Medical/Surgical Service also translates to an increase in demand for inpatient surgeries in Calendar Year 2018 and supports the proposed number of operating rooms. (Source: Illinois Health Facilities Planning Board (sic), Illinois Department of Public Health: Inventory of Health Care Facilities and Services and Need Determinations, 2008.")

As noted in the medical-surgical growth projections, it is anticipated that the demand for inpatient medical surgical services in Planning Area E-01 will translate to an +8.86% growth in demand for inpatient surgeries at Memorial Medical Center versus the four year average inpatient surgery hours.

Over the four year historical period, the split between all inpatient and outpatient surgeries performed in all 3 surgical suites at Memorial Medical Center has been 45.3% inpatient and 54.7% outpatient. (109,336 inpatient/ 199,962 total surgery hours = 45.3% inpatient surgery percentage versus 90,626 outpatient/199,962 total surgery hours = 54.7% outpatient surgery percentage.) Applying the +8.86% growth factor to the inpatient surgery hours only at Memorial Medical Center for CY2018 yields a projected 2006 additional inpatient surgery hours and 51,997 total surgery hours in CY2018. This calculation is presented below:

49,991 historical average annual surgery hours

+ 2,006 inpatient surgery hours (49,991 x .453% X 8.86%)

= **51,997 total surgery hours in CY2018**

The CY2018 projected hours justify 35 operating rooms (51,997/1,500 = 34.67), not counting the 1 operating room that Level 1 Trauma Centers are required to keep staffed in-house and available 24 hours a day.)

Adding the required **standby Level 1 Trauma Operating Room would justify 36 ORs.**

The square footage proposed for each Clinical Service Area for which State Norms exist is shown below.

TOTAL CLINICAL PROPOSED SERVICE	STATE NORM (GSF/ROOM UNIT)	TOTAL PROPOSED OR ROOMS	TOTAL GSF JUSTIFIED PER PROGRAM	GSF PROPOSED
Surgery	2,750 DGSF per operating room	33 TOTAL ORs*	90,750	75,309
Surgery	2,750 DGSF per operating room	23 Main Surgery ORs	63,250	54,964
PACU Stage 1	180 DGSF/Station	23	4,140	4,125
PACU Stage 2	400 DGSF/Station	30	12,000	11,989

*Includes the operating room that Level I Trauma Centers are required to keep staffed in-house and available 24 hours a day, as specified in the Illinois Emergency Medical Services and Trauma Center Code (77 III. Adm.Code 515.2030.1)4)

The space program for the Surgery Clinical Service Area is reflected in the schematics located behind the Narrative Description in the application.

The following published data and studies identify the contemporary standards of care and the

scope of services that Memorial Medical Center addressed in developing the proposed project.

- Illinois Hospital Licensing Requirements (77 Ill. Adm. Code 250.2440);
- Illinois Emergency Medical Services and Trauma Center Code (77 Ill.Adm. Code 515.2030, 2035);
- Standards for Accessible Design: ADA Accessibility Guidelines for Buildings and Facilities (28 Code of Federal Regulations, 36.406.ADAAG, Sections 4.1 through 4.35 and 6.1 through 6.4);
- The Facilities Guidelines Institute and The American Institute of Architects Academy of Architecture for Health with assistance from the U.S.Department of Health and Human Services, 2006 Guidelines for Design and Construction of Healthcare Facilities. 2006: American Institute of Architects.

2. The proposed square footage for surgery does not exceed the State Norm.

Project Services Utilization: Post-Anesthesia Recovery Unit (PACU Stage 1)

The appropriate floor area for Recovery (PACU) was determined by considering the following factors.

1. Memorial Medical Center (MMC) will have 33 operating rooms that will treat all surgical cases, both inpatients and outpatients. Twenty-three (23) of these ORs are in the main surgery suite. The proposed project will include 23 Main Surgery Stage 1 PACU beds to serve 23 Main Surgery ORs.

2. The main surgery suite currently has one PACU with a total of 19 PACU Stage 1 beds. Two of these beds is designated for isolation patients. The main surgical suite PACU is the only PACU impacted by this project. The other two Stage 1 PACUs were part of previously approved Certificates of Need for Memorial Medical Center's CardioVascular Operating Room (CVOR) and Baylis Outpatient Surgery Center.

3. The main surgery suite PACU affected by this project will be expanded from 19 to 23 beds in 4,125 DGSF.

4. Space is needed for recovery stations and support space to provide post-anesthesia stage I recovery for both inpatients and outpatients.

    a. PACU Private Recovery beds;

    b. Isolation PACU Recovery beds, each with an Ante Room and Toilet Room;

    c. Nursing Stations with Work Areas;

    d. Physician Charting and Work Areas;

    e. Clean Utility Rooms;

f. Clean Linen Room;

g. Soiled Holding Room;

h. Soiled Utility Rooms;

i. Equipment Storage Areas;

j. Medication Preparation Area;

k. Nourishment Areas;

l. Housekeeping Closets;

m. Manager's Office;

n. Staff Toilets.

5. The standards specified in the Illinois Hospital Licensing Requirements, 77 Ill. Adm. Code, Chapter I, Section 250.2440.1.were considered.

6. The PACU must comply with the requirements of the Americans with Disabilities Act for medical care facilities stated in the standards for Accessible Design: ADA Accessibility Guidelines for Buildings and Facilities, 28 Code of Federal Regulations, 36.406.ADAAG, Sections 4.1 through 4.35 and 6.1 through 6.4.

7. The guidelines for a Surgical Post-Anesthetic Care Unit (PACU), which are stated in 2006 Guidelines for Design and Construction of Healthcare Facilities, written by The Facilities Guidelines Institute and the American Institute for Architects Academy of Architecture for Health with assistance from the U.S. Department of Health and Human Services, were considered.

8. The space program was then developed for the Stage 1 PACU.

9. Once the space program for the PACU was completed, preliminary schematic designs were drawn, grossing factors were established, and the proposed space allocation was checked against the Illinois Health Facilities Planning Board's "State and National Norms on Square Footage by Department" (77 Ill. Adm. Code, Chapter II, Section 1100, Appendix B) to verify that the Department would be within the range of previously approved projects.

   The following methodologies were used for verification.

   a. Number of PACU recovery stations:
      Hospital licensure requires a minimum of 1 PACU recovery station per operating room

      23 operating rooms x 1 PACU Stage 1 recovery bed per operating room = 23 PACU

Stage 1 recovery stations
Proposed: 23 PACU recovery stations in the entire hospital

b. Floor Area for Recovery:
180 Gross Square Feet per recovery station

180 Gross Square Feet per recovery station x 23 PACU recovery stations
= 180 * 23 = 4,140 Approvable Gross Square Feet
Proposed: 4,125 Gross Square Feet

10. Upon completion of this project, the floor area of the PACU will be below the guidelines utilized by the Illinois Health Facilities Planning Board, as identified in 77 III. Adm. Code, Chapter II, Section 1110, Appendix B, for the following reasons.

Project Services Utilization: Stage II Recovery Unit (Also for Pre-Surgery Testing/Surgical Prep use)

The project will also relocate, consolidate, expand and modernize the Stage II Recovery Unit. This area will also be used for both A.M. admits and Same-Day surgery patients. Currently these functions are performed in separate, distant locations.

There are no State Norms (77 III. Adm. Code 11 10.APPENDIX B) for based on utilization for Stage II Recovery (or Pre-Surgery Testing/Surgical Prep)

For informational purposes, the historic and projected utilization for the Main Surgery Stage II Recovery and Pre-Surgery Testing/Surgical Prep are shown below.

Pre-Surgery Testing/Surgical Prep serves main surgery Same-Day Surgical Patients and A.M. admits (surgical patients who present themselves at the hospital the day of surgery and are prepped and admitted as inpatients subsequent to surgery).

Main surgery Stage II recovery serves only Same-Day Surgical Patients who go home the same day of the surgery.

Thirty Surgical Pre/Pre-Surgery Testing and Stage II Recovery Unit beds are required to support the existing and projected surgical volumes in the main surgery.

CLINICAL SERVICE AREAS	HISTORIC YEARS CY2011	PROJECTED 2018
Main Surgery Pre-Surgery Testing/Surgical Prep	11,260 pts.	12,000 pts.
Main Surgery Stage II Recovery	4,475 pts.	4,700 pts.

MEDICAL-SURGICAL and PEDIATRIC Categories of Service

Hospital Planning Area: E-01

Hospital	City	Beds	2008 Admissions	2008 Patient Days
CATEGORY OF SERVICE: Medical-Surgical				
Abraham Lincoln Memorial Hospital	Lincoln	22	767	2,927
Mason District Hospital	Havana	25	445	1,526
Memorial Medical Center	Springfield	349	20,637	91,594
10/26/2010 Board Action	Medical-Surgical beds reduced by 1; facility now authorized for 359 Medical-Surgical beds.			
11/15/2010 Bed Change	Received permission to decrease Medical-Surgical beds by 10; facility now authorized for 349 Medical-Surgical beds.			
Pana Community Hospital	Pana	22	553	1,727
Sarah Culbertson Memorial Hospital	Rushville	22	446	1,491
St. John's Hospital	Springfield	204	12,257	58,946
9/21/2010 10-042	Received permit for modernization project. Project will result in discontinuation of 77 Medical-Surgical beds. Facility will have 231 authorized Medical-Surgical beds.			
10/26/2010 Board Action	Medical-Surgical beds reduced by 27; facility now authorized for 204 Medical-Surgical beds.			
Taylorville Memorial Hospital	Taylorville	21	1,156	4,573
	Medical-Surgical TOTAL	**665**	**36,261**	**162,784**
CATEGORY OF SERVICE: Pediatrics				
Abraham Lincoln Memorial Hospital	Lincoln	0	18	43
7/1/2011 08-074	Discontinued 4 bed Pediatrics category of service effective 1/27/2009.			
Memorial Medical Center	Springfield	7	531	1,418
St. John's Hospital	Springfield	32	1,360	5,417
Taylorville Memorial Hospital	Taylorville	1	32	105
	Pediatrics TOTAL	**40**	**1,941**	**6,983**
	Medical-Surgical/Pediatrics Planning Area Totals	**705**	**38,202**	**169,767**

Patient Days by Age	2006	2007	2008	TOTAL	3 Year Average	2008 Population	Use Rates	2018 Population	Projected Days
0-14 Years Old	6,702	6,882	7,206	20,790	6,930	54,580	0.1270	65,510	8,318
15-44 Years Old	17,468	17,551	17,864	52,883	17,628	121,380	0.1452	119,430	17,344
45-64 Years Old	44,682	46,976	49,085	140,743	46,914	87,840	0.5341	88,700	47,374
65-74 Years Old	33,789	34,079	35,591	103,459	34,486	22,880	1.5073	33,590	50,629
75-up Years Old	57,882	56,734	60,021	174,637	58,212	21,860	2.6630	26,580	70,782

Out-Migration	In-Migration	Net Migration	Average Length of Stay	Migration Days	Adjustment Factor	Adjustment	Total Projected Days	Adjusted Days
3160	11991	-8,831	4.608	-40,693	0.50	-20,347	194,447	174,100

Adjusted Days	Days in Year 2018	Adjusted Average Daily Census	Occupancy Target*	Adjusted Beds Needed	Existing Beds	Excess Beds
174,100	365	477	0.90	530	**705**	175

* If ADC less than 100 in Planning Area, Occupancy Target is 80%; if the Planning Area has ADC of 100-199, the Occupancy Target is 85%; if ADC is 200 or more, 90%.

Attachment-15

Memorial Medical Center
Medical/Surgical Category of Service
Monthly Peak Census Bed Justification

Using the 2011 Inventory of Health Care Facilities and Services and Need Determination for Hospital Planning Area E-01, in which Memorial Medical Center (MMC) is located, the following bed need assessment was completed for MMC beds in the Medical/Surgical Catergory of Service.

Note: These figures do not include Observation Patient Days.

Calulate 2008 MMC M/S Market Share of E-01 Planning Area	MMC M/S Days / Total E-01 Hospital Days	=	91,594 / 162,784	= **56.3% M/S Market Share for MMC**
Apply actual MMC CY2011 Market Share to 2018 M/S Projected Days	MMC Current Market Share* x 2018 M/S Projected Days**		56.8% x 165,782 Days	= **94,165 Projected M/S Days in 2018 for MMC**
Calculate MMC M/S Percent Growth from 2011 to 2018	2018 MMC M/S Days Projected minus 2011 MMC M/S Days***	=	94,165 - 86,446	= **7,719 Additional Projected M/S Days at MMC in 2018**
			Caculate Percent Growth	= **8.86% Growth in Total M/S Days at MMC**
Apply MMC M/S Percent Growth to MMC 2011 Peak Monthly M/S Census***	2011 Peak Monthly M/S Census x % M/S Growth		293 Beds x 8.86%	= **319 Peak Monthly M/S Census Projected in 2018**
Add Observation Days	Additional 7 observation patients per day	+	319	= **326 M/S Beds Needed in 2018**
Apply 88% Occupancy Target to MMC 2018 Projected Peak Monthly M/S Census	2018 Peak Monthly M/S Census / 88% Occupany Target	=	326 / 88%	= **371 M/S Beds Needed in 2018**

* Average Adult Market Share Per COMPdata

** Pediatric Category of Service Totals have been removed from 2018 Projected Days.

194,447 Total 2018 Projected Days
-8,318 (0-14 Years of Age 2018 Projected Days)
186,129
-20,347 IDPH Adjustment Factor (on IDPH Need Determination - bottom of page)
165,782 2018 M/S Adjusted Days (Projected)

*** From 2011 IDPH Annual Hospital Questionnaire

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Memorial Medical Center
Medical/Surgical Category of Service
Daily Peak Census Bed Justification

No. of Days	Date Range: 04/01/2011-03/31/2012	Peak Daily Census	Number of Beds Justified (88% Capacity)	No. of Days	2018 Projected Peak Daily Census (8.86% growth)	Number of Beds Justified (88% Capacity) in 2018
1	3/2/2012	318	362	1	347	395
2	1/19/2012	317	361	2	346	394
3	1/20/2012	316	360	3	344	391
4	2/29/2012	315	358	4	343	390
5	1/26/2012	315	358	5	343	390
6	1/18/2012	315	358	6	343	390
7	3/1/2012	313	356	7	341	388
8	3/14/2012	312	355	8	340	387
9	2/28/2012	312	355	9	340	387
10	1/25/2012	312	355	10	340	387
11	4/1/2011	311	354	11	339	386
12	1/24/2012	310	353	12	338	385
13	2/16/2012	309	352	13	337	383
14	3/15/2012	308	350	14	336	382
15	1/27/2012	308	350	15	336	382
16	1/17/2012	308	350	16	336	382
17	3/30/2012	307	349	17	335	381
18	3/29/2012	307	349	18	335	381
19	3/13/2012	306	348	19	334	380
20	2/10/2012	306	348	20	334	380
21	2/9/2012	306	348	21	334	380
22	10/13/2011	306	348	22	334	380
23	7/13/2011	306	348	23	334	380
24	3/16/2012	305	347	24	333	379
25	2/15/2012	305	347	25	333	379
26	2/3/2012	304	346	26	331	377
27	1/12/2012	304	346	27	331	377
28	12/30/2011	304	346	28	331	377
29	11/3/2011	304	346	29	331	377
30	7/22/2011	304	346	30	331	377
31	7/21/2011	304	346	31	331	377
32	7/20/2011	304	346	32	331	377
33	3/28/2012	303	345	33	330	375
34	2/23/2012	303	345	34	330	375
35	2/22/2012	303	345	35	330	375
36	2/17/2012	303	345	36	330	375
37	1/13/2012	303	345	37	330	375
38	10/14/2011	303	345	38	330	375
39	9/21/2011	302	344	39	329	374
40	7/12/2011	302	344	40	329	374
41	6/29/2011	302	344	41	329	374
42	2/24/2012	301	343	42	328	373
43	1/23/2012	301	343	43	328	373
44	12/16/2011	301	343	44	328	373
45	2/14/2012	300	341	45	327	372
46	1/28/2012	300	341	46	327	372
47	11/9/2011	300	341	47	327	372
48	11/2/2011	300	341	48	327	372
49	7/26/2011	300	341	49	327	372
50	7/14/2011	300	341	50	327	372
51	1/11/2012	299	340	51	326	371
52	6/30/2011	299	340	52	326	371
53	6/15/2011	299	340	53	326	371
54	4/14/2011	299	340	54	326	371
55	4/13/2011	299	340	55	326	371
56	2/27/2012	298	339	56	325	370
57	1/5/2012	298	339	57	325	370
58	7/25/2011	298	339	58	325	370
59	7/19/2011	298	339	59	325	370
60	7/1/2011	298	339	60	325	370
61	5/26/2011	298	339	61	325	370
62	4/15/2011	298	339	62	325	370
63	1/16/2012	297	338	63	324	369

Memorial Medical Center
Medical/Surgical Category of Service
Daily Peak Census Bed Justification

No. of Days	Date Range: 04/01/2011-03/31/2012	Peak Daily Census	Number of Beds Justified (88% Capacity)	No. of Days	2018 Projected Peak Daily Census (8.86% growth)	Number of Beds Justified (88% Capacity) in 2018
64	12/15/2011	297	338	64	324	369
65	11/8/2011	297	338	65	324	369
66	9/14/2011	297	338	66	324	369
67	7/15/2011	297	338	67	324	369
68	1/21/2012	296	337	68	323	368
69	1/6/2012	296	337	69	323	368
70	6/23/2011	296	337	70	323	368
71	1/10/2012	295	336	71	322	366
72	6/14/2011	295	336	72	322	366
73	5/25/2011	295	336	73	322	366
74	3/20/2012	294	335	74	321	365
75	3/6/2012	294	335	75	321	365
76	12/29/2011	294	335	76	321	365
77	9/15/2011	294	335	77	321	365
78	8/24/2011	294	335	78	321	365
79	6/22/2011	294	335	79	321	365
80	6/8/2011	294	335	80	321	365
81	3/31/2012	293	333	81	319	363
82	2/21/2012	293	333	82	319	363
83	10/12/2011	293	333	83	319	363
84	9/22/2011	293	333	84	319	363
85	9/20/2011	293	333	85	319	363
86	8/11/2011	293	333	86	319	363
87	8/10/2011	293	333	87	319	363
88	6/7/2011	293	333	88	319	363
89	5/27/2011	293	333	89	319	363
90	4/12/2011	293	333	90	319	363
91	8/25/2011	292	332	91	318	362
92	5/24/2011	292	332	92	318	362
93	5/5/2011	292	332	93	318	362
94	3/23/2012	291	331	94	317	361
95	3/21/2012	291	331	95	317	361
96	1/31/2012	291	331	96	317	361
97	11/18/2011	291	331	97	317	361
98	9/8/2011	291	331	98	317	361
99	8/12/2011	291	331	99	317	361
100	6/21/2011	291	331	100	317	361
101	5/4/2011	291	331	101	317	361
102	3/22/2012	290	330	102	316	360
103	3/7/2012	290	330	103	316	360
104	2/1/2012	290	330	104	316	360
105	10/27/2011	290	330	105	316	360
106	8/9/2011	290	330	106	316	360
107	6/28/2011	290	330	107	316	360
108	5/6/2011	290	330	108	316	360
109	5/3/2011	290	330	109	316	360
110	4/28/2011	290	330	110	316	360
111	3/19/2012	289	329	111	315	358
112	10/28/2011	289	329	112	315	358
113	8/23/2011	289	329	113	315	358
114	1/22/2012	288	328	114	314	357
115	1/14/2012	288	328	115	314	357
116	1/4/2012	288	328	116	314	357
117	11/30/2011	288	328	117	314	357
118	11/15/2011	288	328	118	314	357
119	11/11/2011	288	328	119	314	357
120	7/27/2011	288	328	120	314	357
121	6/24/2011	288	328	121	314	357
122	3/27/2012	287	327	122	313	356
123	3/9/2012	287	327	123	313	356
124	3/8/2012	287	327	124	313	356
125	2/18/2012	287	327	125	313	356
126	2/4/2012	287	327	126	313	356

Memorial Medical Center
Medical/Surgical Category of Service
Daily Peak Census Bed Justification

No. of Days	Date Range: 04/01/2011-03/31/2012	Peak Daily Census	Number of Beds Justified (88% Capacity)	No. of Days	2018 Projected Peak Daily Census (8.86% growth)	Number of Beds Justified (88% Capacity) in 2018
127	12/28/2011	287	327	127	313	356
128	12/22/2011	287	327	128	313	356
129	11/10/2011	287	327	129	313	356
130	6/17/2011	287	327	130	313	356
131	6/16/2011	287	327	131	313	356
132	6/9/2011	287	327	132	313	356
133	5/13/2011	287	327	133	313	356
134	4/7/2011	287	327	134	313	356
135	4/5/2011	287	327	135	313	356
136	3/3/2012	286	325	136	312	355
137	1/30/2012	286	325	137	312	355
138	12/21/2011	286	325	138	312	355
139	12/20/2011	286	325	139	312	355
140	11/16/2011	286	325	140	312	355
141	11/1/2011	286	325	141	312	355
142	9/9/2011	286	325	142	312	355
143	9/1/2011	286	325	143	312	355
144	8/31/2011	286	325	144	312	355
145	7/18/2011	286	325	145	312	355
146	4/27/2011	286	325	146	312	355
147	3/17/2012	285	324	147	311	354
148	3/5/2012	285	324	148	311	354
149	2/2/2012	285	324	149	311	354
150	1/9/2012	285	324	150	311	354
151	11/29/2011	285	324	151	311	354
152	11/17/2011	285	324	152	311	354
153	9/16/2011	285	324	153	311	354
154	7/28/2011	285	324	154	311	354
155	7/7/2011	285	324	155	311	354
156	5/10/2011	285	324	156	311	354
157	4/20/2011	285	324	157	311	354
158	1/7/2012	284	323	158	310	353
159	4/16/2011	284	323	159	310	353
160	2/20/2012	283	322	160	309	352
161	11/22/2011	283	322	161	309	352
162	11/4/2011	283	322	162	309	352
163	10/21/2011	283	322	163	309	352
164	7/8/2011	283	322	164	309	352
165	7/6/2011	283	322	165	309	352
166	5/12/2011	282	321	166	307	349
167	4/6/2011	282	321	167	307	349
168	2/7/2012	281	320	168	306	348
169	8/30/2011	281	320	169	306	348
170	6/25/2011	281	320	170	306	348
171	3/12/2012	280	319	171	305	347
172	2/8/2012	280	319	172	305	347
173	12/7/2011	280	319	173	305	347
174	7/23/2011	280	319	174	305	347
175	5/11/2011	280	319	175	305	347
176	1/29/2012	279	318	176	304	346
177	12/1/2011	279	318	177	304	346
178	10/26/2011	279	318	178	304	346
179	10/18/2011	279	318	179	304	346
180	7/16/2011	279	318	180	304	346
181	5/20/2011	279	318	181	304	346
182	4/29/2011	279	318	182	304	346
183	4/19/2011	279	318	183	304	346
184	12/14/2011	278	316	184	303	345
185	12/9/2011	278	316	185	303	345
186	12/8/2011	278	316	186	303	345
187	12/2/2011	278	316	187	303	345
188	10/20/2011	278	316	188	303	345
189	9/13/2011	278	316	189	303	345

Memorial Medical Center
Medical/Surgical Category of Service
Daily Peak Census Bed Justification

No. of Days	Date Range: 04/01/2011-03/31/2012	Peak Daily Census	Number of Beds Justified (88% Capacity)	No. of Days	2018 Projected Peak Daily Census (8.86% growth)	Number of Beds Justified (88% Capacity) in 2018
190	9/7/2011	278	316	190	303	345
191	8/26/2011	278	316	191	303	345
192	4/8/2011	278	316	192	303	345
193	4/2/2011	278	316	193	303	345
194	2/13/2012	277	315	194	302	344
195	1/15/2012	277	315	195	302	344
196	11/7/2011	277	315	196	302	344
197	9/23/2011	277	315	197	302	344
198	8/29/2011	277	315	198	302	344
199	7/29/2011	277	315	199	302	344
200	7/5/2011	277	315	200	302	344
201	6/2/2011	277	315	201	302	344
202	8/4/2011	276	314	202	301	343
203	4/26/2011	276	314	203	301	343
204	4/21/2011	276	314	204	301	343
205	2/25/2012	275	313	205	300	341
206	12/31/2011	275	313	206	300	341
207	12/23/2011	275	313	207	300	341
208	12/6/2011	275	313	208	300	341
209	10/19/2011	275	313	209	300	341
210	9/28/2011	275	313	210	300	341
211	2/6/2012	274	312	211	299	340
212	10/6/2011	274	312	212	299	340
213	6/20/2011	274	312	213	299	340
214	6/1/2011	274	312	214	299	340
215	5/2/2011	274	312	215	299	340
216	4/11/2011	274	312	216	299	340
217	12/13/2011	273	311	217	298	339
218	10/25/2011	273	311	218	298	339
219	10/15/2011	273	311	219	298	339
220	7/2/2011	273	311	220	298	339
221	5/23/2011	273	311	221	298	339
222	7/11/2011	272	310	222	297	338
223	3/18/2012	271	308	223	296	337
224	12/17/2011	271	308	224	296	337
225	11/21/2011	271	308	225	296	337
226	10/31/2011	271	308	226	296	337
227	5/18/2011	271	308	227	296	337
228	2/26/2012	270	307	228	294	335
229	10/11/2011	270	307	229	294	335
230	10/5/2011	270	307	230	294	335
231	9/19/2011	270	307	231	294	335
232	9/2/2011	270	307	232	294	335
233	11/14/2011	269	306	233	293	333
234	8/17/2011	269	306	234	293	333
235	5/28/2011	269	306	235	293	333
236	5/19/2011	269	306	236	293	333
237	3/10/2012	268	305	237	292	332
238	1/3/2012	268	305	238	292	332
239	9/29/2011	268	305	239	292	332
240	8/16/2011	268	305	240	292	332
241	8/8/2011	268	305	241	292	332
242	5/9/2011	268	305	242	292	332
243	7/24/2011	267	304	243	291	331
244	6/10/2011	267	304	244	291	331
245	5/21/2011	267	304	245	291	331
246	5/17/2011	267	304	246	291	331
247	9/6/2011	266	303	247	290	330
248	6/3/2011	266	303	248	290	330
249	4/18/2011	266	303	249	290	330
250	2/5/2012	265	302	250	289	329
251	9/27/2011	265	302	251	289	329
252	8/18/2011	265	302	252	289	329

Memorial Medical Center
Medical/Surgical Category of Service
Daily Peak Census Bed Justification

No. of Days	Date Range: 04/01/2011-03/31/2012	Peak Daily Census	Number of Beds Justified (88% Capacity)	No. of Days	2018 Projected Peak Daily Census (8.86% growth)	Number of Beds Justified (88% Capacity) in 2018
253	8/5/2011	265	302	253	289	329
254	6/13/2011	265	302	254	289	329
255	6/6/2011	265	302	255	289	329
256	5/31/2011	265	302	256	289	329
257	5/7/2011	265	302	257	289	329
258	12/5/2011	264	300	258	288	328
259	10/4/2011	264	300	259	288	328
260	8/3/2011	264	300	260	288	328
261	12/3/2011	263	299	261	287	327
262	2/19/2012	262	298	262	286	325
263	11/19/2011	262	298	263	286	325
264	8/2/2011	262	298	264	286	325
265	7/9/2011	262	298	265	286	325
266	5/8/2011	262	298	266	286	325
267	4/4/2011	262	298	267	286	325
268	3/26/2012	261	297	268	285	324
269	3/24/2012	260	296	269	284	323
270	11/23/2011	260	296	270	284	323
271	10/24/2011	260	296	271	284	323
272	6/27/2011	260	296	272	284	323
273	3/4/2012	259	295	273	282	321
274	2/11/2012	259	295	274	282	321
275	11/12/2011	259	295	275	282	321
276	10/22/2011	259	295	276	282	321
277	10/17/2011	259	295	277	282	321
278	9/30/2011	259	295	278	282	321
279	9/26/2011	258	294	279	281	320
280	8/19/2011	258	294	280	281	320
281	7/17/2011	258	294	281	281	320
282	1/8/2012	257	293	282	280	319
283	1/2/2012	257	293	283	280	319
284	12/27/2011	257	293	284	280	319
285	10/29/2011	257	293	285	280	319
286	5/14/2011	257	293	286	280	319
287	4/30/2011	257	293	287	280	319
288	4/22/2011	257	293	288	280	319
289	11/28/2011	256	291	289	279	318
290	9/10/2011	256	291	290	279	318
291	8/22/2011	256	291	291	279	318
292	1/1/2012	255	290	292	278	316
293	12/12/2011	255	290	293	278	316
294	7/30/2011	255	290	294	278	316
295	6/26/2011	255	290	295	278	316
296	11/5/2011	254	289	296	277	315
297	12/19/2011	253	288	297	276	314
298	4/25/2011	253	288	298	276	314
299	2/12/2012	252	287	299	275	313
300	9/12/2011	252	287	300	275	313
301	6/18/2011	252	287	301	275	313
302	5/16/2011	252	287	302	275	313
303	10/7/2011	251	286	303	274	312
304	9/17/2011	251	286	304	274	312
305	4/9/2011	251	286	305	274	312
306	11/6/2011	250	285	306	273	311
307	8/15/2011	250	285	307	273	311
308	6/4/2011	250	285	308	273	311
309	4/10/2011	250	285	309	273	311
310	3/11/2012	248	282	310	270	307
311	10/30/2011	248	282	311	270	307
312	6/19/2011	248	282	312	270	307
313	5/22/2011	248	282	313	270	307
314	5/1/2011	248	282	314	270	307
315	4/3/2011	248	282	315	270	307

Memorial Medical Center
Medical/Surgical Category of Service
Daily Peak Census Bed Justification

No. of Days	Date Range: 04/01/2011-03/31/2012	Peak Daily Census	Number of Beds Justified (88% Capacity)	No. of Days	2018 Projected Peak Daily Census (8.86% growth)	Number of Beds Justified (88% Capacity) in 2018
316	9/24/2011	247	281	316	269	306
317	8/28/2011	247	281	317	269	306
318	7/10/2011	247	281	318	269	306
319	7/3/2011	247	281	319	269	306
320	8/1/2011	246	280	320	268	305
321	7/4/2011	246	280	321	268	305
322	11/13/2011	245	279	322	267	304
323	6/11/2011	245	279	323	267	304
324	10/23/2011	244	278	324	266	303
325	9/18/2011	244	278	325	266	303
326	8/13/2011	244	278	326	266	303
327	8/6/2011	244	278	327	266	303
328	12/18/2011	243	277	328	265	302
329	12/10/2011	243	277	329	265	302
330	9/3/2011	242	275	330	264	300
331	9/11/2011	241	274	331	263	299
332	3/25/2012	240	273	332	262	298
333	10/3/2011	239	272	333	261	297
334	5/30/2011	239	272	334	261	297
335	4/23/2011	239	272	335	261	297
336	8/20/2011	238	271	336	260	296
337	6/12/2011	238	271	337	260	296
338	5/15/2011	238	271	338	260	296
339	4/24/2011	238	271	339	260	296
340	8/27/2011	237	270	340	258	294
341	7/31/2011	237	270	341	258	294
342	4/17/2011	237	270	342	258	294
343	10/8/2011	234	266	343	255	290
344	11/20/2011	233	265	344	254	289
345	10/16/2011	233	265	345	254	289
346	10/1/2011	233	265	346	254	289
347	10/10/2011	232	264	347	253	288
348	8/7/2011	231	263	348	252	287
349	12/4/2011	230	262	349	251	286
350	6/5/2011	230	262	350	251	286
351	5/29/2011	228	260	351	249	283
352	9/25/2011	227	258	352	248	282
353	9/5/2011	227	258	353	248	282
354	8/21/2011	226	257	354	247	281
355	12/26/2011	222	253	355	242	275
356	12/11/2011	222	253	356	242	275
357	8/14/2011	220	250	357	240	273
358	9/4/2011	219	249	358	239	272
359	11/24/2011	217	247	359	237	270
360	10/9/2011	217	247	360	237	270
361	10/2/2011	215	245	361	235	268
362	12/24/2011	212	241	362	231	263
363	11/27/2011	211	240	363	230	262
364	11/25/2011	211	240	364	230	262
365	11/26/2011	210	239	365	229	261
366	12/25/2011	197	224	366	215	245

SERVICE SPECIFIC REVIEW CRITERIA – ATTACHMENT 20

Criterion 1110.530 – Medical/Surgical Category of Service
Applicable Review Criteria: Modernize

This application proposes to modernize a portion of Memorial Medical Center's Medical/Surgical beds.

The project will include 3 new floors constructed on top of the existing hospital E-building 2nd floor medical surgical unit that will replace 114 existing Medical/Surgical beds at Memorial Medical Center.

1110.530(d)(1) – Deteriorated Facilities

The project includes only 1 Clinical Service Area Category of Service: Medical/Surgical. This project proposes to replace 114 of Memorial Medical Center's existing Medical/Surgical beds. One-hundred fourteen (114) new private medical surgical rooms will be constructed and 114 existing Medical/Surgical beds will be replaced. The other two-hundred and thirty five (235) staffed Medical/Surgical beds will remain in service and are not part of this project.

Following project completion, Memorial Medical Center's Authorized Medical/Surgical bed capacity will be unchanged at 349 beds, but the hospital will have the ability to place 100% of medical/surgical patients in private beds versus 55.7% in private beds currently. This will be accomplished as follows:

Memorial Medical Center currently has 328 Physically Available, 19 Reserve and 2 Non-CON Transitional Medical/Surgical beds. One hundred eighty (180) of the physically available beds are private and 148 are semi-private beds (located in 74 rooms).

One hundred fourteen (-114) medical /surgical beds will be taken out of service and replaced by 114 newly constructed beds, as follows.

- One bed will be taken out of each of the 74 semi-private rooms to convert those "as is" to private medical surgical beds. (-74 beds).

- The 19 Reserve beds will also be taken out of service (-19 beds). These beds are currently being used for medical/surgical staff offices, break areas, family waiting, storage, medical education and resident sleeping room space. These rooms will continue to be used for these functions.

- Twenty one (-21) other medical /surgical beds will be taken out of rooms selectively from across 13 existing Medical/Surgical Units: 2B- Surgery, 2B-IMC, 4B-Orthopedics, 5B-Renal, 6B-Cardiology, 6G-cardiology, 4G- Neurology, 4G-IMC, 3G- Medical, 2G -Surgical, 2E-Medical, 2E-IMC, 2E-Oncology.
    - Initially, these rooms will be used "as is" for medical/surgical office, staff lounge, family waiting, storage, medical education and resident sleeping room space.
    - Longer-term, the hospital plans to go back into each existing medical/surgical unit to modernize the older patient rooms. This may require gutting an entire floor at a time to rebuild and expand the rooms to accommodate larger modern private rooms with appropriate family and teaching space.

- If any medical-surgical unit modernization exceeds the Certificate of Need capital threshold or otherwise meets CON criteria, Memorial Medical Center will file a Certificate of Need for each applicable modernization project.

One hundred fourteen (114) medical/surgical beds will be constructed to replace existing beds, as follows:

- Three new Medical/Surgical floors will be constructed on top of the existing hospital E-building housing 38 modern private Medical/Surgical beds per floor, creating a total of 114 new medical surgical beds in 114 new modern private medical surgical rooms. Expanding vertically on top of the existing E-building will allow the hospital to tie into existing infrastructure and floor levels without having to build a new entrance, registration, lobby, elevators and a bridge connector between old and new buildings. It will also provide efficient access for existing support services such as patient transport, dietary, laundry, housekeeping, pharmacy, laboratory and imaging located in the main hospital, avoiding the need to duplicate all or portions of these services.

The hospital's Authorized Medical Surgical bed capacity will remain unchanged at 349 beds.

To summarize, 114 existing Medical/Surgical beds will be taken out of service and replaced by 114 new modern private Medical/Surgical beds will be constructed. Upon project completion, the hospital will be able to offer all Medical/Surgical patients private beds in 349 Medical/Surgical patient rooms. One hundred fourteen (114) of these beds will be in new patient rooms and 235 will be in older patient rooms.

Deteriorated Facilities justification follows.

Memorial Medical Center's Medical/Surgical nursing units are located in 4 buildings. These buildings and ages are: "G" building (69 years), "A" building (54 years), "B" building (44 years) and "E" building (21 years). This project will vertically expand the newest of these buildings (the "E" building) by constructing 3 new Medical/Surgical floors on top of the existing 2E Medical/Surgical unit.

1. The Medical/Surgical nursing units are becoming increasingly functionally obsolescent and need to be modernized for the following reasons.

   a. The mechanical infrastructure for these nursing units is old and not ideal for the number of beds they currently house.

   b. The existing Medical/Surgical nursing units are located in buildings with structural limitations.

      1) The patient rooms have low floor-to-ceiling heights. The existing floor-to-floor height of the four buildings in which the Medical/Surgical nursing units are located is under 11 feet, which provides less floor-to-ceiling height (after the utilities and infrastructure above the ceiling are placed between the ceiling and the floor of the next level) than the preferred spacing currently being used in new construction of Medical/Surgical nursing units. The newly constructed

Medical/Surgical patient rooms will have higher floor-to-ceiling heights, to accommodate the equipment required in these patient rooms and to create a more open atmosphere for patient care.

2) The existing patient rooms are of varying size and configuration. The new patient rooms will be uniformly sized and configured in order to minimize the risk of staff errors and to enhance nursing procedures.

c. The patient rooms with negative air-flow for infection control need to be replaced, and the number of these rooms needs to be increased.

d. The number of Medical/Surgical patient rooms that meet the current standards of the Americans with Disabilities Act (ADA) will be increased.

e. The new patient rooms will meet contemporary standards.

1) There are too few private Medical/Surgical patient rooms.

Private rooms, also known as single occupancy rooms, have become the standard for patient rooms for a number of reasons, including in improved flexibility, patient safety and patient satisfaction.

In fact, the American Institute of Architects (AIA) and the Facilities Guideline Institute have recommended single occupancy rooms in the 2006 edition of Guidelines for Design and Construction of Health Care Facilities, a reference source for hospital licensure written by the American Institute of Architects' (AIA) Academy of Architecture for Health and the Facilities Guideline Institute, with assistance from the U.S. Department of Health and Human Services (HHS).

a) Private rooms will increase the hospital's ability to maintain infection control.

b) Private rooms reduced problems of gender and age cohorting in making room assignments.

c) Private rooms enhance patient privacy, which is of increased importance due to the federal Health Insurance Portability and Accountability Act (HIPAA) requirements for patient confidentiality.

2) Many of the existing patient rooms only meet minimum size standards, but increasingly are too small to accommodate contemporary medical equipment and to permit medical teams (which include nursing students, medical students, residents and fellows as well as physicians and nurses) to efficiently provide care to acutely ill patients when they are used as semi-private rooms.

a) Many of the Medical/Surgical patient rooms are too small to permit the installation of head walls that are sufficiently wide to accommodate the equipment that is needed to treat patients of high acuity.

b) Some of the patient rooms are too small to permit the full staff team to be present in a room at one time, particularly when both beds in a semi-private room are occupied.

c) The patient rooms are too small to accommodate participants in medical education and nursing education programs who undergo clinical training at Memorial Medical Center.

Memorial Medical Center is a major teaching affiliate of the Southern Illinois University (SIU) School of Medicine. The SIU School of Medicine has 215 medical students studying in Springfield during their second through fourth years of medical school and 226 residents and fellows participating in 21 different specialty programs. Participants in these medical education and post-graduate medical education programs spend 50% of their clinical education time at Memorial Medical Center.

Memorial Medical Center provides Approximately 900 clinical experiences to about 675 undergraduate RN and LPN students every academic year from the following programs:

Heartland Community College (RN)
Lincoln Land Community College (RN and LPN)
Millikin University (RN)
MacMurry College (RN)
Mennonite College of Nursing, Illinois State University (RN)
St. John's College of Nursing (RN)
Capital Area School of Practical Nursing (LPN)

These students rotate through the nursing departments, including Medical Surgical nursing units and Surgery.

Memorial Medical Center is developing as an expansion site for the Southern Illinois University – Edwardsville, Accelerated BSN program in the fall of 2012. For the fall, 2012 semester 6-8 Springfield-based SIU-E students will be at Memorial Medical Center. The class will expand to 16 in the fall, 2013.

Memorial Medical Center offers 15 -30 extensive graduate nursing student experiences each year. These rotations provide 90 – 500 "clock hours" of experiences and are provided in partnership with the following schools:

Benedictine University
Bradley University
Chamberlain University

Kaplan University
Millikin University
Mennonite College of Nursing
St. Francis College of Nursing
Southern Illinois University – Edwardsville
University of Phoenix
Walden University

A complete listing of clinical training opportunities provided by Memorial Medical Center list by program and sponsoring schools are listed below.

Nursing:
Benedictine University (RN-BSN completion)
Lincoln Land Community College (AND)
Mennonite/Illinois State University (BSN, RN-BSN, ABSN, MSN)
Capital Areas School of Practical Nursing (LPN)
MacMurray College (BSN)
St. John's College (BSN)
Millikin University (BSN, MSN)
SIU-Edwardsville (BSN, RN-BSN, MSN)

Certified Registered Nurse Anesthetist
SIU-Edwardsville
Millikin University/Decatur Memorial Hospital

Surgical Technologist
Richland Community College
Lincoln Land Community College

Physical/Occupational/Speech Therapist
Bradley University
Washington University

Medical Technologist
University of Illinois-Springfield
Illinois State University

Radiology Technologist
Lincoln Land Community College
Richland Community College
Southern Illinois University-Carbondale
University of Findlay (Ohio)

Pharmacist
Southern Illinois University-Edwardsville
St. Louis University

Maryville College (St. Louis)
St. Ambrose College (Missouri)
St. Louis College of Pharmacy
University of Illinois
University of Iowa
Midwestern University

Respiratory Therapy
Kaskaskia College
Sanford Brown College
Southwestern Illinois College
St. John's College

Students in medical manpower training programs, including these medical and nursing education programs, routinely undergo clinical training experiences on the Medical/Surgical nursing units.

3) The patient rooms are of varying sizes, which is contrary to contemporary standards of care that call for the establishment of Medical/Surgical patient rooms that are consistently sized and configured so they may accommodate a range of patient types in a universal manner, treating patients of varying acuity and needs.

4) Some patient rooms lack nurse work areas, while the existing nurse work areas are located inconsistently within the patient rooms. The new patient rooms will be configured in order to create nurse work areas that are uniform in relation to patients and, located on the corridor side of the patient rooms.

5) The patient rooms are too small to permit Memorial Medical Center to provide family-centered care, which requires the rooms to have adequate space for a family member to visit and assist in providing support to the patient as well as adequate space for a family member to sleep. By converting existing semi-private rooms to private rooms, this problem can be addressed.

6) Many of the existing patient rooms are too small to permit participants in Memorial Medical Center's medical education and other professional education programs to have adequate space to observe patients and to participate in their clinical training, in which they must assist in the provision of patient care. This problem can also be addressed by not having semi-private patient rooms.

g. On several existing Medical/Surgical nursing units, the nursing stations are undersized and sub-optimally configured. The removal of beds from some of the existing rooms will allow additional support space to be developed to address the following problems:

1) Several nursing stations are located an excessive distance from patient rooms, which has resulted in the need to construct staff nursing sub-stations in certain areas.

2) The nursing stations are inadequately sized to accommodate the teams of specialists who work on the nursing units and must perform work at the nursing stations.

3) There is inadequate space for equipment, such as Pyxis machines, which are sometimes located in nursing station circulation space.

4) There is inadequate work space and room for office equipment, such as printers and fax machines.

5) There are inadequately sized and sub-optimally located physician dictating areas.

h. Support areas are inadequately sized and often poorly located in relation to the patient rooms and nursing stations.

1) Single existing soiled utility rooms, soiled linen chutes, and clean utility rooms on each floor often are undersized for depositing and storing soiled supplies or storing clean supplies.

2) There is inadequate storage space for:

a) Clean storage and disposable sterile supplies

b) Medication carts.

b) Clinical equipment.

c) Mobile computer carts, which are taken into patient rooms.

d) Linen supply.

e) Non-clinical equipment.

i. There are inadequate staff facilities on the nursing units.

1) Not all units have rooms for staff reporting.

2) There is only 1 small employee lounge on many floors, which is often inadequately sized and poorly located for the approximately 100 employees who work on a typical medical/surgical unit.

These deficiencies result in the need for additional space on the existing nursing units.

1110.530(d)(2) – Documentation

Memorial Medical Center does not have any inspection reports from the Illinois Department of Public Health (IOPH) on behalf of the federal Centers for Medicare and Medicaid Services (CMMS) that relate to the Medical/Surgical Category of Service.

Memorial Medical Center's most recent Joint Commission on Accreditation of Healthcare Organizations (JCAHO) survey report did not address the need for modernization of Memorial Medical Center's Medical/Surgical nursing units.

1110.530(d)(3) – Other Documentation

There is no additional documentation, as applicable to the factors cited above.

1110.530(d)(4) – Occupancy

Annual occupancy/utilization data for the Medical/Surgical Service for CY2009- CY2011, CY2012 Quarter 1, CY2012 and CY2018 projected, follow.

	CY2009	CY2010	CY2011	CY2012 Quarter 1	CY 2012 Projected	CY 2018 Projected
Medical/Surgical Admissions	19,156	20,051	19,458	4,960	19,840	20,994
Medical/Surgical Patient Days (including Observation)	89,502	95,291	88,657	23,581 No Obs	94,324 No Obs	96,567*
Average Daily Census	245.2	261.1	242.9	259.1	257.7	264.6*
Average Length of Stay	4.7	4.8	4.6	4.8	4.8	4.6
Authorized Medical/Surgical Beds	360	349	349	349	349	349
Occupancy (%)	68.1%	74.8%	69.6%	74.2%	73.8%	76.1%*

*The 12 month total medical-surgical days calculation does not adequately account for the AVERAGE MONTHLY PEAK or DAILY PEAK census actually experienced at Memorial Medical Center. **Projected DAILY PEAK AND AVERAGE MONTHLY PEAK** census in **CY 2018** justify a range of **351 to 371** medical surgical beds.

While the proposed number of Medical/Surgical beds will not meet the occupancy target found in the Illinois Administrative Code (CON Rules), Memorial Medical Center's Medical/Surgical **DAILY PEAK** census is projected to meet or exceed **309** medical surgical patients on 165 of the 365 calendar days in 2018 and **AVERAGE MONTHLY PEAK** census in CY2018 is projected to increase to **326** and due to:

- The population growth and aging projected within Planning Area E-01, the planning area in which Springfield is located, for the Medical/Surgical Service (Source: Illinois Health Facilities Planning Board [sic], Illinois Department of Public Health: "Inventory of Health Care Facilities and Services and Need Determinations, 2008.")

- Historical utilization patterns experienced over the past several years and, in particular, for the 12 month period between April 1, 2011 and March 31, 2012.

- Memorial Medical Center's AVERAGE MONTHLY PEAK census on CY2018 and DAILY PEAK census (on 165 out of 365 days in CY2018) will justify the requested number of beds, in the second full year after project completion. The detailed analysis supporting this utilization projection is contained in Attachment #15.

1110.530 (f) Performance Requirements – Bed Capacity Minimum - Medical/Surgical Category of Service

Memorial Medical Center's Medical/Surgical category of service exceeds the minimum size of 100 beds for facilities located with Metropolitan Statistical Areas (MSA) with 349 authorized beds.

1110.530 (g) Assurances

- While we believe that the proposed number of beds meets the spirit of the State's occupancy standard, we do not meet the standard as specified in 77 Ill. Adm. Code 1100 for the Medical/Surgical Category of Service. **Based upon the 2018 projected patient days, the 88% occupancy target justifies 301 beds. However, if the number of beds at the facility was reduced to that number, the hospital would exceed its bed capacity 204 days in 2018. This is not an acceptable situation especially for a Level I Trauma Center or a POD Hospital.** Attached is Memorial Medical Center's assurance that by the second year of operation, the project will achieve and maintain the daily, monthly and annual utilization levels documented in this application.

Memorial
MEDICAL CENTER

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www.memorialmedical.com • **Phone (217) 788-3000**
A Memorial Health System Affiliate

September 13, 2012

Courtney R. Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street - Second Floor
Springfield, Illinois 62702

Dear Ms. Avery:

I am the applicant representative for co-applicants Memorial Medical Center and Memorial Health System for the Certificate of Need application to construct new private patient rooms in the Medical-Surgical category of service.

We do not meet the annual occupancy standards specified in 77 Ill. Adm. Code 1100 for the Medical-Surgical category of service. Based upon the 2018 projected patient days, the 88% occupancy target justifies 301 beds. However, if the number of beds at the facility was reduced to that number, the hospital would exceed its bed capacity 204 days in 2018. This is not an acceptable situation especially for a Level I Trauma Center or a POD Hospital.

I hereby attest to the understanding of the co-applicants for this project that, by the second year of operation after this project is completed, Memorial Medical Center will achieve and maintain the daily, monthly and annual utilization levels documented in this Certificate of Need application. We believe our daily and monthly utilization levels justify the need for 351 to 372 Medical-Surgical Beds. We are proposing 349 beds, which is our current authorized bed capacity.

Sincerely,

Mitchell L. Johnson
Senior Vice President and Chief Strategy Officer
Memorial Health System

ATTACHMENT 37 - Service Specific Review Criteria: Clinical Service Areas Other than Categories of Service: Service Modernization

This modernization project being proposed is an expansion of Memorial Medical Center's Surgical Services, which currently exists.

The project also includes the following Clinical Service Areas, all of which currently exist at Memorial Medical Center:

- Surgical Suite (Main Surgery)
- Post-Anesthesia Care Unit (PACU)
- Stage II Recovery Unit (Also to be used for Pre-Surgery Testing/Surgical Prep)

The project will expand the existing E-building adjacent to the existing Main Surgery on Lower Level E in the current location of the hospital's conference center which will be demolished as part of this project. A two-story addition will be constructed to accommodate 4 new operating rooms and a 23 bed PACU connected to the existing Main Surgery on the Lower Level E. A new 30-bed Stage II Recovery Unit for Same-Day Surgery patients will be consolidated, relocated and expanded in new construction on top of the expanded Main Surgery and located on ground level adjacent to the existing Main Entrance Lobby on Floor 1E. The Stage II recovery unit will also be used for Pre-Surgery Testing/Surgical Prep.

These Attachments will address the replacement and expansion of the Clinical Service Areas.

It should be noted that only the following Clinical Service Areas are listed in 77 Ill. Adm. Code 1110.3030.a)1) as being subject to these Attachments, although utilization standards for some of the other Clinical Service Areas are listed in Appendix B:

- Surgery
- Post-Anesthesia Recovery Unit (PACU)

The proposed project meets both of the specified review criteria: Deteriorated Facilities (77 Ill. Adm. Code 1110.3030.c)1) and Necessary Expansion (77 Ill. Adm. Code 1110.3030.c)2).

R. 3. (c) (1) Deterioriated Facilities. (Main Surgery)

The existing surgical suite is undersized and has operating rooms that are functionally obsolescent and need to be replaced and expanded for the following reasons.

1. Surgical Suite

The Surgical Department currently consists of 3 separate Surgical Suites, one of which is known as Main Surgery. This project proposes to expand the Main Surgical Suite, which was constructed 20 years ago. The other Surgical Suites are identified as the CardioVascular Operating Rooms (CVOR) and Baylis Day Surgery. CVOR and Baylis Day Surgery will remain "as is", and are not part of this project.

a. Modernization of the Main Surgery Suite is necessary because a number of the existing operating rooms in this Surgical Suite are undersized.

   1) Some of the operating rooms are too small to accommodate laparoscopic booms, daVinci Robotic Surgery Systems, computers, other contemporary surgical equipment, and laminar flow. These rooms need to be replaced with operating rooms that are large enough to accommodate laparoscopic booms, daVinci Robotic Surgery Systems and other contemporary surgical equipment.

      For example, currently only 3 ORs can accommodate a daVinci surgical robot and 8 ORs with daVinci surgical robot capability are needed to provide this less invasive procedure to patients in order to reduce pain and recovery time.

   2) Many of the operating rooms are inadequately sized to accommodate medical students, residents, and fellows, all of whom must be able to view and participate in surgical procedures as part of their clinical training.

      Memorial Medical Center is a major teaching affiliate of the Southern Illinois University (SIU) chool of Medicine. The SIU School of Medicine has 215 medical students studying in Springfield during their second through fourth years of medical school and 226 residents and fellows participating in 21 different specialty programs. Participants in these medical education and post-graduate medical education programs spend 50% of their clinical education time at Memorial Medical Center.

      Memorial Medical Center provides educational opportunities in the Surgical Suites for medical students, and residents and fellows in General Surgery, Obstetrics/Gynecology, Orthopedics, Otolaryngology, Plastic Surgery, Urology, Vascular Surgery, and Family Practice.

      Many of the operating rooms are also inadequately sized to accommodate students from Nursing, Certified Registered Nurse Anesthetist and Surgical Technician training programs in Central Illinois who complete clinical rotations at Memorial Medical Center.

Memorial Medical Center provides Approximately 900 clinical experiences to about 675 undergraduate RN and LPN students every academic year from the following programs:

Heartland Community College (RN)
Lincoln Land Community College (RN and LPN)
Millikin University (RN)
MacMurry College (RN)
Mennonite College of Nursing, Illinois State University (RN)
St. John's College of Nursing (RN)
Capital Area School of Practical Nursing (LPN)

These students rotate through the nursing departments, including Surgery.

Memorial Medical Center is developing as an expansion site for the Southern Illinois University – Edwardsville Accelerated BSN program in the fall of 2012. For the fall, 2012 semester 6-8 Springfield-based SIU-E students will be at Memorial Medical Center. The class will expand to 16 in the fall, 2013.

Memorial Medical Center offers 15 -30 extensive graduate nursing student experiences each year. These rotations provide 90 – 500 "clock hours" of experiences and are provided in partnership with the following schools:

Benedictine University
Bradley University
Chamberlain University
Kaplan University
Millikin University
Mennonite College of Nursing
St. Francis College of Nursing
Southern Illinois University – Edwardsville
University of Phoenix
Walden University

These students rotate through nursing departments, including Surgery.

Approximately 16 – 28 (4-7 students on 4-week rotations) students in the Certified Registered Nurse Anesthetists program sponsored by Southern Illinois University - Edwardsville receive clinical training at Memorial Medical Center each semester.

Approximately 12 students in educational programs training surgical technicians sponsored by Lincoln Land Community College and Richland Community College receive clinical training at Memorial Medical Center each semester. This number will increase to 16 starting in the fall, 2012. Lincoln Land Community College's program is new both schools are working together to have complementary classes schedules so that students are not all present on the same days, in order to provided the maximum amount of

clinical opportunity. The main operating room and Baylis outpatient surgery are used as clinical sites.

b. Replacement of some of the operating rooms in the Main Surgery Suite is necessary in order to construct additional operating rooms that have laminar flow and to increase the size of the existing operating rooms that have laminar air flow. Laminar air flow creates a protective environment within the operating room, which reduces infections at the surgical site.

At the present time, only 6 operating rooms have laminar air flow, and the number of operating rooms with laminar air flow capability needs to be increased to 11.

R. 3. (c) (2) Necessary Expansion. (Main Surgery)

It is necessary to expand the number of operating rooms at Memorial Medical Center from 28 to 33 to accommodate the historical and projected surgical caseload and to meet the requirements of the Illinois Emergency Medical Services and Trauma Center Code.

Memorial Medical Center's historical utilization justifies 34 ORs.

This does not include the 1 operating room that Level 1 Trauma Centers are required to keep staffed in-house and available 24 hours a day. Adding the required standby Level 1 Trauma Operating Room would justify 35 ORs.

Thirty-three (33) ORs are proposed in this project.

Detailed documentation of historical utilization is provided in Attachment 15.

The CY2018 projected hours justify 35 operating rooms (51,997/1,500 = 34.67), not counting the 1 operating room that Level 1 Trauma Centers are required to keep staffed in-house and available 24 hours a day.)

Adding the required standby Level 1 Trauma Operating Room would justify 36 ORs in CY2018.

Detailed documentation of projected utilization is provided in Attachment 15.

As a Level 1 Trauma Center, Memorial Medical Center is required by the Illinois Emergency Medical Services and Trauma code to keep an operating room "staffed in-house and available 24 hours a day." (77 Ill. Adm. Code 515.2030.f)4). Memorial Medical Center has been designated by the Illinois Department of Public Health as a Level 1 Trauma Center, alternating each year with St. John's Hospital as the State-Designated Trauma Center for Region 3 (Source: Illinois Department of Public Health, Emergency Medical Systems and Highway Safety, December, 2009).

Modernization is needed to expand the number of ORs with laminar flow capability from 6 to 11 ORs.

Modernization is needed to expand the number of ORs that can accommodate a daVinci surgical robot from 3 to 8.

Modernization of the Main Surgery is necessary in order to provide additional space for the storage of equipment and supplies. There is inadequate storage space which results in equipment and supplies being stored in corridors throughout the surgery suite.

Modernization of the Main Surgery is necessary in order to provide adequate staff locker, shower and toilet facilities and other support space.

R. 3. (c) (3) (B) Utilization – Service or Facility. (Main Surgery)

It is necessary to expand the number of operating rooms at Memorial Medical Center from 28 to 33 to accommodate the historical and projected surgical caseload and to meet the requirements of the Illinois Emergency Medical Services and Trauma Center Code.

This project exceeds the surgery utilization standards as specified in Appendix B.

1) Memorial Medical Center's historical utilization justifies 34 ORs. (49,991 average annual surgery hours / 1,500 hours per room = 33.33) This does not include the 1 operating room that Level 1 Trauma Centers are required to keep staffed in-house and available 24 hours a day. Adding the required standby Level 1 Trauma Operating Room would justify 35 ORs. Thirty-three (33) ORs are proposed in this project. Detailed documentation is provided in Attachment 15.

2) The CY2018 projected hours justify 35 operating rooms (51,997/1,500 = 34.67), not counting the 1 operating room that Level 1 Trauma Centers are required to keep staffed in-house and available 24 hours a day.) Adding the required standby Level 1 Trauma Operating Room would justify 36 ORs. Detailed documentation is provided in Attachment 15.

3) As a Level 1 Trauma Center, Memorial Medical Center is required by the Illinois Emergency Medical Services and Trauma code to keep an operating room "staffed in-house and available 24 hours a day." (77 Ill. Adm. Code 515.2030.f)4). Memorial Medical Center has been designated by the Illinois Department of Public Health as a Level 1 Trauma Center, alternating each year with St. John's Hospital as the State-Designated Trauma Center for Region 3 (Source: Illinois Department of Public Health, Emergency Medical Systems and Highway Safety, December, 2009).

R. 3. (c) (2) Necessary Expansion. (Post-Anesthesia Recovery Unit – PACU)

It is necessary to expand the Post-Anesthesia Recovery Unit (PACU) in order to increase the number of main surgery PACU beds to provide at least one recovery bed for each main surgery operating rooms at Memorial Medical Center. (Per 77 Ill. Adm. Code 250,2440.i.4.A.) The current PACU has 19 beds with 2 isolations bed and 18 stations that can handle bariatric patients. The project will expand PACU from 19 to 23 beds. Isolation beds will be increased from 2 to 5 beds. Bariatric-capable beds will expand from 18 to 23 beds.

The increased number of PACU beds (23) is needed to account for increased number of operating rooms (23).

The main surgery PACU will be constructed and expanded to increase capacity and provide maximum efficiency, access and visibility between each bed and the PACU nursing staff caring for the patients recovering from surgery.

R.3. (c) (3) (C) Utilization – Service or Facility (Post-Anesthesia Recovery Unit (PACU))

No utilization standards exist for PACU Stage I recovery. However Hospital Licensure requires 1 PACU bed per OR. All main surgery inpatients and outpatients will utilize the 23 proposed main surgery PACU beds. Anticipated utilization of these main surgery PACU beds in CY2018 is 12,000 patients (7,300 inpatients and 4,700 outpatients.)

R.3. (c) (2) Necessary Expansion. (Pre-Surgery Testing/Surgical Prep)

It is necessary to expand the Pre-Surgery Testing/Surgical Prep unit in order to eliminate existing bottlenecks and streamline throughput for surgery patients, families and staff.

These functions are currently performed in two different and distant locations, one of which is severely undersized. These will be consolidated in a single, larger unit with the distant existing a.m. admit unit used only for back-up purposes during periods of extremely high utilization.

The new and expanded unit will be conveniently located for patients and families, immediately adjacent to Memorial Medical Center's main lobby on Floor 1E, approximately 50 feet from the main hospital entrance directly above the new main surgery operating rooms and accessible via a dedicated main surgery patient elevator bank.

Currently, the first Pre-Surgery Testing/Surgical Prep area shares the a.m. admit unit located on the first floor of the C building with cardiac catheterization and interventional radiology patients. Approximately 60% of the a.m. admit unit patients are Pre-Surgery patients and 40% are cardiac catheterization or interventional radiology patients. This unit is located approximately 375 feet from the main lobby entrance and has 29 beds with privacy curtains.

Pre-Surgery patients spend 60 to 90 minutes in the a.m. admit unit before being transported through the 1C public corridor, down the public C-building elevators to Lower Level C, through the public and service corridor connecting the C, A and G buildings to the Lower Level E main surgery. The distance between the 1C a.m. admit unit and LLE main surgery is approximately 750 feet. Surgery transporters push the surgical patients in wheelchairs accompanied by patient family members and patient belongings, down the public elevator and through the public and service corridors.

Once the surgery patients arrive at Lower Level of the E-building, they are transported into the main surgery to a small 11-station pre-surgery holding area. This area presents a significant bottleneck in terms of the number of stations and floor space, configuration and facilities. There is only one isolation station and one toilet in this area. There are no spinal block bays and no room for cardiac monitoring equipment. Spinal blocks have to be done in the operating rooms due to lack of space anywhere else in the main surgery suite.

A flurry of activity happens in the small pre-surgery holding space before to transporting the patient to one of the 18 main surgery operating rooms. The anesthesiologist assesses the patient for the first time, the surgery circulating nurse completes her assessment and the surgeon may visit the patient. This all occurs during the 45 – 60 minutes that patients spend in the pre-surgery holding area.

Because there are only 11 pre-surgery holding stations, staff have to turn (clean and prepare for the next surgery patient) the beds multiple times a day. Average turnover time during the busiest times in the morning is 2 minutes.

Unfortunately, the current inadequate size and configuration of the hospital's surgery support functions requires surgery patients to arrive at the hospital at 4:30 a.m. to assure a 7:15 a.m. surgery start time. (2 hours and 45 minutes before the surgery.)

The project will relocate and expand both the Main Surgery Pre-Surgery Testing/Surgical Prep capacity in a new 30 bed unit located adjacent to the main entrance and main lobby of the hospital.

By consolidating, expanding and reconfiguring these functions into a single location off the main lobby, the hospital's goal is to reduce surgical patient waiting time from approximately 165 minutes to 90 minutes, so that surgery patients need only to arrive at 5:45 a.m. (instead of 4:30 a.m.) for a 7:15 a.m. surgery start time.

The project will also reduce the number of steps from the E-lobby front door to Pre-Surgery Testing/Surgical Prep and ultimately to Pre-Surgery Holding for family members from approximately 1,125 feet to approximately 50 feet.

The existing a.m. admit unit located on floor 1C will remain intact, as is, and used for cardiac catheterization, interventional radiology and other non-surgical patients that require pre-procedure assessment and preparation. Nineteen of the 29 beds in this unit will also provide Stage II Recovery overflow capacity during periods of high census.

R.3. (c) (3) (C) Utilization – Service or Facility (Pre-Surgery Testing/ Surgical Prep)

No utilization standards exist for Pre-Surgery Testing/Surgical Prep. These functions will be consolidated and relocated next to the hospital's main lobby in 30 bed unit dedicated to Main Surgery inpatients and outpatients.

All Main Surgery patients will go to this area before their surgery. Anticipated utilization of these Main Surgery Surgical Prep/Pre-Surgery Testing beds in CY2018 is 12,000 surgical patients (7,300 inpatients and 4,700 outpatients.)

R.3. (c) (2) Necessary Expansion. (Stage II Recovery)

Stage II Recovery for the Main Surgery was determined to require replacement and expansion in order to provide appropriately sized and configured facilities for patients arriving at the hospital

on the morning of surgery who undergo ambulatory surgery and are discharged to their homes subsequent to surgery.

a. The Stage II Recovery area for the Main Surgery Suite is currently undersized for its caseload of ambulatory surgical patients and A.M. surgical admissions. Adequate space consisting of an appropriate number of patient stations that are sized and configured for this function is required. The current Stage II Recovery Department for the Main Surgery does not meet contemporary standards of care. This area consists of one small and narrow room with 6 lazy-boy recliners. This room is used for Stage II recovery for outpatients.

During peak census time, 29 beds in the 1C Pre-Surgery Testing/Surgical Prep (a.m. admit unit) are also used for Stage II recovery for main surgery outpatients. However, this requires the main surgery staff to transport these outpatients post-surgery, 750 feet from LLE surgery to the 1C a.m. admit unit, through public and service corridors and up a public elevator. This is not ideal for the patients, families or main surgery efficiency.

The Stage II Recovery area needs to be expanded in order to provide Stage II recovery facilities that meet current Illinois Hospital Licensing Requirements, as stated in 77 Ill. Adm. Code 250.2440.i.5.

- The 6 Stage II recovery stations located in the main surgery are inadequate to accommodate the current patient volume.

- There are no dedicated outpatient ORs in the main surgery and only a subset of main surgery patients, are outpatients who utilize the Stage II Recovery stations. (40% in CY2011).

- Assuming the percentage of outpatients in the main surgery remains at 40%, when the number of ORs is expanded from 18 to 23 as a result of this project, 30 Stage II Recovery stations will be required.

- Stage II Recovery will occur in the new 30 station combined Surgical Prep/Surgical Testing/Stage II Recovery unit on 1E. During peak census times, 19 of the 29 existing a.m. admit beds on 1C will be used for main surgery outpatient Stage II Recovery overflow. This will increase our existing main surgery Stage II Recovery station capacity from 35 (6 in LLE main surgery + 29 in 1C a.m. admit unit) to 49 (30 in 1E main surgery Stage II Recovery area + 19 in 1C a.m. admit unit)

From an operational standpoint, it is necessary to expand the current 6-station, Stage II Recovery unit located within the existing main surgery space, in order to eliminate an existing bottleneck and streamline throughput for outpatient surgery patients, families and staff.

All main surgery patients recover in PACU Stage I Recovery until their vital signs are stable and their breathing is normal. For inpatients, this typically takes two hours following surgery. Once an inpatient surgical bed is available surgical inpatients are assigned and transported to their beds.

Same-Day surgery outpatients remain in a PACU Stage I Recovery bed until they can sit up in a recliner, take liquids and are sufficiently alert to receive discharge instructions. It normally takes about 1 hour for the patient to be sufficiently recovered to be transferred to a recliner in the Stage II Recovery area.

Unfortunately, it is common for Same-Day Surgery patients in the main surgery to remain in the PACU Stage 1 bed for 2 hours due to the lack of available Stage II Recovery recliners and support space. This significant bottle-neck often extends the Same-Day Surgery patients stay by requiring a 2 hour recovery in PACU Stage 1 Recovery followed by a brief, 30 minute stay in Stage II Recovery.

The undersized space in the Stage II recovery area also limits the number of staff and family members that can fit into the room, which inhibits effective communication and education.

Normally, once the Same-Day Surgery patient completes Stage II Recovery, the patient and family members leave the Lower Level E main surgery area via the Lower Level G public corridor and must travel approximately 200 feet through the public corridor, up an elevator or stairway, through the main E-lobby on first floor and out the main hospital entrance.

When this project is completed, the expansion of Stage II Recovery capacity will routinely allow Same-Day Surgery patients to move immediately, when their condition allows, from the PACU via the internal main surgery elevator to Stage II Recovery off the 1st Floor E main lobby

By consolidating, relocating and expanding the main surgery Stage II Recovery capacity, in the same unit that the patient uses the morning of surgery, the hospital's goal is to reduce surgical patient recovery time by one hour (from 2.5 hours to 1.5 hours), reduce the number of steps from Phase II Recovery to the E-Building main entrance front door from approximately 200 feet to 50 feet, eliminate the need to go up one floor via a stairwell or elevator, and reduce patient/family confusion and anxiety.

The project will increase patient/family convenience and privacy, and improve their overall surgery experience.

The vacated Stage II Recovery Area in the main surgery will be renovated for main surgery storage.

R.3. (c) (3) (C) Utilization – Service or Facility (Stage II Recovery)

No utilization standards exist for Stage II recovery. This function will be consolidated with Pre-Surgery Testing/Surgical Prep and relocated next to the hospital's main lobby in 30 bed unit dedicated to Main Surgery inpatients and outpatients.

All Main Surgery outpatients will go to this area when they are moved from PACU Stage I recovery. Anticipated utilization of the Main Surgery Stage II recovery beds in CY18 is 4,700 surgical outpatients.

MOODY'S
INVESTORS SERVICE

7 World Trade Center
250 Greenwich Srreet
New York, NY 10007
www.moodys.com

January 23, 2012

Mr. Bob Kay
Senior Vice President and
Chief Financial Officer
Memorial Health System
701 North First Street
Springfield, IL 62781

Dear Mr. Kay:

We wish to inform you that Moody's Investors Service has affirmed Memorial Health System's **A1** rating on the Series 2009 fixed rate revenue bonds issued through the Illinois Finance Authority. The outlook remains **stable**.

Moody's will monitor this rating and reserves the right, at its sole discretion, to revise or withdraw this rating at any time.

The rating as well as any other revisions or withdrawals thereof will be publicly disseminated by Moody's through the normal print and electronic media and in response to verbal requests to Moody's rating desk.

In order for us to maintain the currency of our rating, we request that you provide ongoing disclosure, including annual and quarterly financial and statistical information.

Should you have any questions regarding the above, please do not hesitate to contact me.

Sincerely,

Mark Pascaris

Mark Pascaris
Vice President/Senior Analyst
Phone: 312-706-9963
Fax: 212-298-6377
Email: mark.pascaris@moodys.com

MP:rl

cc: Mr. Nessy Shems, Piper Jaffray & Co.
Mr. Mike Tym, Ponder & Co.

STANDARD
&POOR'S
RATINGS SERVICES

130 East Randolph Street
Suite 2900
Chicago, IL 60601
tel 312 233-7001
reference no.: 40282813

February 17, 2012

Memorial Medical Center
701 North First Street
Springfield, IL 62781
Attention: Mr. Robert Kay, Senior Vice President and Chief Financial Officer

Re: ***Illinois Finance Authority (Memorial Health System) Hospital Revenue Bonds, Series 2009***

Dear Mr. Kay:

Standard & Poor's has reviewed the rating on the above-referenced obligations. After such review, we have affirmed the "A+" rating and stable outlook. A copy of the rationale supporting the rating and outlook is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would facilitate the process. You must promptly notify us of all material changes in the financial information and the documents. Standard & Poor's may change, suspend, withdraw, or place on CreditWatch the rating as a result of changes in, or unavailability of, such information. Standard & Poor's reserves the right to request additional information if necessary to maintain the rating.

Please send all information to:

Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

If you have any questions, or if we can be of help in any other way, please feel free to call or contact us at nypublicfinance@standardandpoors.com. For more information on Standard & Poor's, please visit our website at www.standardandpoors.com. We appreciate the opportunity to work with you and we look forward to working with you again

Sincerely yours,

Standard & Poor's

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a Standard & Poor's Financial Services LLC business.

sp
enclosure
cc: Mr. Richard Frampton, Vice President
Illinois Finance Authority

STANDARD
&POOR'S
RATINGS SERVICES

Standard & Poor's Ratings Services
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Information to be Provided by You. For so long as this Agreement is in effect, in connection with the rating provided hereunder, you warrant that you will provide, or cause to be provided, as promptly as practicable, to Ratings Services all information requested by Ratings Services in accordance with its applicable published ratings criteria. The rating, and the maintenance of the rating, may be affected by Ratings Services' opinion of the information received from you or your agents or advisors. You further warrant that all information provided to Ratings Services by you or your agents or advisors regarding the rating or, if applicable, surveillance of the rating, as of the date such information is provided, (i) is true, accurate and complete in all material respects and, in light of the circumstances in which it was provided, not misleading and (ii) does not infringe or violate the intellectual property rights of a third party. A material breach of the warranties in this paragraph shall constitute a material breach of this Agreement.

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Ratings Services Not an Expert, Underwriter or Seller under Securities Laws. Ratings Services has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. Ratings Services is not an "underwriter" or "seller" as those terms are defined under applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation Sections 11 and 12(a)(2) of the U.S. Securities Act of 1933. Rating Services has not performed the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with this engagement.

Office of Foreign Assets Control. As of the date of this Agreement, (a) neither you nor the issuer (if you are not the issuer) or any of your or the issuer's subsidiaries, or any director or corporate officer of any of the foregoing entities, is the subject of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC Sanctions"), (b) neither you nor the issuer (if you are not the issuer) is 50% or more owned or controlled, directly or indirectly, by any person or entity ("parent") that is the subject of OFAC Sanctions, and (c) to the best of your knowledge, no entity 50% or more owned or controlled by a direct or indirect parent of you or the issuer (if you are not the issuer) is the subject of OFAC sanctions. For so long as this Agreement is in effect, you will promptly notify Ratings Services if any of these circumstances change.

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Entire Agreement. Nothing in this Agreement shall prevent you, the issuer (if you are not the issuer) or Ratings Services from acting in accordance with applicable laws and regulations. Subject to the prior sentence, this Agreement, including any amendment made in accordance with the provisions hereof, constitutes the complete and entire agreement between the

parties on all matters regarding the rating provided hereunder. The terms of this Agreement supersede any other terms and conditions relating to information provided to Ratings Services by you or your agents and advisors hereunder, including without limitation, terms and conditions found on, or applicable to, websites or other means through which you or your agents and advisors make such information available to Ratings Services, regardless if such terms and conditions are entered into before or after the date of this Agreement. Such terms and conditions shall be null and void as to Ratings Services.

Limitation on Damages. Ratings Services does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a rating or the results obtained from the use of such information. RATINGS SERVICES GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. Ratings Services, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to you, your affiliates or any person asserting claims on your behalf, directly or indirectly, for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to the rating provided hereunder or the related analytic services even if advised of the possibility of such damages or other amounts except to the extent such damages or other amounts are finally determined by a court of competent jurisdiction in a proceeding in which you and Ratings Services are parties to result from gross negligence, intentional wrongdoing, or willful misconduct of Ratings Services. In furtherance and not in limitation of the foregoing, Ratings Services will not be liable to you, your affiliates or any person asserting claims on your behalf in respect of any decisions alleged to be made by any person based on anything that may be perceived as advice or recommendations. In the event that Ratings Services is nevertheless held liable to you, your affiliates, or any person asserting claims on your behalf for monetary damages under this Agreement, in no event shall Ratings Services be liable in an aggregate amount in excess of US$5,000,000 except to the extent such monetary damages directly result from Ratings Services' intentional wrongdoing or willful misconduct. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence), or otherwise. Neither party waives any protections, privileges, or defenses it may have under law, including but not limited to, the First Amendment of the Constitution of the United States of America.

Termination of Agreement. This Agreement may be terminated by either party at any time upon written notice to the other party. Except where expressly limited to the term of this Agreement, these Terms and Conditions shall survive the termination of this Agreement.

No Third–Party Beneficiaries. Nothing in this Agreement, or the rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of the rating. No person is intended as a third party beneficiary of this Agreement or of the rating when issued.

Binding Effect. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns.

Severability. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, impaired, or invalidated, and each such term and provision shall be valid and enforceable to the fullest extent permitted by law.

Amendments. This Agreement may not be amended or superseded except by a writing that specifically refers to this Agreement and is executed manually or electronically by authorized representatives of both parties.

Reservation of Rights. The parties to this Agreement do not waive, and reserve the right to contest, any issues regarding sovereign immunity, the applicable governing law and the appropriate forum for resolving any disputes arising out of or relating to this Agreement.

STANDARD &POOR'S

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February 22, 2012

Illinois Finance Authority Memorial Health System; Hospital

Primary Credit Analyst:
Brian T Williamson, Chicago (1) 312-233-7009; brian_williamson@standardandpoors.com

Secondary Contact:
Suzie Desai, Chicago (1) 312-233-7046; suzie_desai@standardandpoors.com

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039070 : 201072653

Attachment-40

Illinois Finance Authority
Memorial Health System; Hospital

Credit Profile

Illinois Fin Auth, Illinois
Memorial Hlth Sys, Illinois

Series 2009

Long Term Rating	A+/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services affirmed its 'A+' long-term rating on the Illinois Finance Authority's $149.07 million series 2009 hospital revenue bonds issued on behalf of Memorial Health System. The outlook is stable.

The rating continues to be based on our opinion of Memorial's adequate operations, stable management, and good balance sheet for the rating.

More specifically, the rating reflects our opinion of Memorial's:

- Good maximum annual debt service coverage (MADS) of 4.5x for fiscal 2011;
- Good balance sheet. with 178 days' cash on hand, leverage of 33%, and cash to debt of 146%; and
- Stable management team, which continues to implement and update its plan to help improve Memorial.

Partially offsetting our view of the above strengths is a decline in operations in fiscal 2011 and the first quarter of fiscal 2012 ended Dec. 31, 2011. For fiscal 2011, Memorial posted an operating margin of 2.6% compared with 5.7% in fiscal 2010. The soft operations have continued into the first quarter of fiscal 2012 but are ahead of budget for the period. Also, there is risk related to possible future debt issuance by Memorial that would negatively affect the balance sheet. At this time, management has not confirmed that the issuance will take place in fiscal 2012, as they also watch to see how operations proceed during the year.

Memorial is located in Springfield. Its major components are Memorial Medical Center (MMC), a teaching tertiary hospital with 507 licensed beds; Memorial Medical Center Foundation; Abraham Lincoln Memorial Hospital (ALMH), a critical access hospital located in Lincoln; Abraham Lincoln Healthcare Foundation; Taylorville Memorial Hospital (TMH), a critical access hospital located in Taylorville; Taylorville Memorial Hospital Foundation Inc.; Memorial Physician Services; Memorial Properties (formerly known as Healthcare Network Properties LLC); Memorial Home Services, which provides post-acute care services to residents of Central Illinois; Mental Health Centers of Central Illinois; and Memorial Health Ventures. Only Memorial and MMC are members of the obligated group.

Outlook

The stable outlook reflects our anticipation of management meeting its 2012 budget and slightly improving its balance sheet. If Memorial moves forward with a debt issuance in fiscal 2012, we do not believe there will be any

material decline in the balance sheet measures. We would expect cash to debt to be no less than 140% and leverage to be no greater than 35% for Memorial to maintain its current rating or outlook. Unless the operations of Memorial soften further or liquidity on the balance sheet deteriorates to less than 175 days, we anticipate maintaining the rating. However, if 2012 shows improved operations, liquidity is greater than 250 days and cash to debt is greater than 175%, a positive outlook change could occur.

Enterprise Profile

Market share and utilization

In the Springfield market, MMC competes with St. John's Hospital, which is a part of Hospital Sisters Services Inc. (AA-/Stable). MMC led the market with a 58.4% share in 2011. This market share is the strongest showing for Memorial, and in a year that they are not the designated trauma center in Springfield. The trauma designation switches annually between MMC and St. John's. For fiscal 2011, Memorial's acute discharges were relatively flat at 27,946, while inpatient surgeries were also flat. For the same period, emergency room visits increased 1.5% and outpatient visits were up 1%. However, during fiscal 2011, outpatient surgeries were down 2.7%. The decline was primarily driven by Memorial upgrading some outpatient surgery space, which caused some disruption.

Management

Memorial's management team has remained stable. For fiscal 2011, management stated that they were slow to react to softer revenue generation and adjust the expense base. While this was the case in fiscal 2011, management has continued to implement and adjust its strategic plans to continue to position Memorial as a strong competitor in the market, in our view. For fiscal 2012, management plans to take full advantage of the new Abraham Lincoln Memorial Hospital, six updated outpatient operating rooms, and the location of trauma services back at MMC. This, along with the continued growth of the medical group, its relationship with Southern Illinois University School of Medicine (SIUSM), and other initiatives, should allow Memorial to meet if not exceed its budget for fiscal 2012.

Financial Profile

Operations

Fiscal 2011 proved to be challenging for Memorial. Management had anticipated that the year would be a challenge due to the loss of trauma services, expenses associated with various capital projects, and increased pension expense. For fiscal 2011, Memorial posted an operating margin of 2.6% compared with 5.7% in fiscal 2010. Fiscal 2011 was also negatively affected by Memorial deferring to qualify for meaningful use funds (it will receive approximately $4.6 million in fiscal 2012). Also during the year, management stated that business shifted to more outpatients than inpatients and to more governmental payors from commercial insured business, which negatively affected the revenues without a corresponding response in the expense base. However, with the softer operations, Memorial still produced solid MADS coverage. For fiscal 2011, Memorial had 4.5x debt service coverage. For the first quarter of fiscal 2012, Memorial posted an operating margin of 1.1% compared with 5.1% in fiscal 2011. The primary driver for the decline is the trauma service that shifts on Jan. 1 of every year. While the operations for the first quarter are behind that of fiscal 2011, they are ahead of Memorial's negative 0.3% budget. For fiscal 2012, Memorial is budgeting a 3% operating margin.

Balance sheet

The balance sheet for Memorial is good in our view despite liquidity's decline to 178 days in fiscal 2011 from 206 days at the end of fiscal 2010. Liquidity was affected in fiscal 2011 due to Illinois slowing down its payment of bills, Memorial spending to complete its capital projects, and the negative financial markets as Sept. 30, 2011. As of Dec. 31, 2011, Memorial had 188 days' cash on hand. Leverage remained strong at 32%, and cash to debt was solid at 156% as of Dec. 31, 2011. Memorial has plans to spend approximately $80 million on capital projects in fiscal 2012. They are currently reviewing options as to whether to finance some of the future capital with debt. Once finalized, Standard & Poor's will incorporate the plans into our rating.

Memorial Health System And Subsidiaries

		--Fiscal year--		
	Year-to-date as of Dec. 31, 2011	**2011**	**2010**	**2009**
Financial performance				
Net patient revenue ($000s)	161,179	635,641	627,685	575,438
Total operating revenue ($000s)	178,213	723,844	704,866	647,743
Total operating expenses ($000s)	176,311	704,794	664,524	605,640
Net non-operating income ($000s)	1,786	7,897	(510)	(4,156)
Operating margin (%)	1.07	2.63	5.72	6.50
Excess margin (%)	2.05	3.68	5.66	5.90
Operating EBIDA margin (%)	9.04	9.70	12.03	12.35
EBIDA margin (%)	9.94	10.67	11.97	11.78
Net available for debt service ($000s)	17,898	78,102	84,406	75,911
Maximum annual debt service ($000s)	17,404	17,404	17,404	17,404
Maximum annual debt service coverage (x)	4.11	4.49	4.85	4.36
Liquidity and financial flexibility				
Unrestricted cash and investments ($000s)	340,376	323,356	354,305	285,761
Unrestricted days' cash on hand	188.4	177.9	206.3	182.1
Unrestricted cash/total long-term debt (%)	156.0	146.3	156.4	257.0
Average age of plant (years)	7.1	7.6	8.6	9.6
Capital expenditures/Depreciation and amortization (%)	79.5	199.5	214.5	199.5
Debt and liability				
Total long-term debt ($000)	218,201	220,990	226,570	111,175
Long-term debt/capitalization (%)	32.1	33.2	35.8	22.4
Contingent liability ($000)	77,340	N/A	N/A	N/A
Contingent liability/total long-term debt (%)	35.4	N/A	N/A	N/A
Debt burden (%)	2.39	2.37	2.44	2.69
Defined benefit plan funded status (%)		74.71	67.20	71.30

N/A--Not applicable.

Related Criteria And Research

- USPF Criteria: Not-For-Profit Health Care, June 14, 2007
- Glossary: Not-For-Profit Health Care Ratios, Oct. 26, 2011

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Memorial HEALTH SYSTEM
701 North First Street • Springfield, Illinois 62781-0001
www.memorialmedical.com • **Phone (217) 788-3000**

Section XXV.B., Criterion 1120.310.b. Conditions of Debt Financing

CERTIFICATION

Re: New Memorial Medical Center hospital building for new surgical operating rooms, Post-Anesthesia Care Unit, Stage II Surgery Recovery Unit, private inpatient medical surgical beds and other support services.

The undersigned, as authorized representatives of Memorial Health System and Memorial Medical Center; in accordance with 77 Illinois Administrative Code 1120.310 b. hereby attest to the following:

The project will be funded by a combination of cash and debt financing as indicated in the Project Cost and Sources of Funds.

The selected form of debt financing for the project will be the issuance of tax-exempt revenue bonds. The selected form of debt financing for this project will be at the lowest net cost to the co-applicants.

Signed and dated on this 13th day of September, 2012.

Memorial Health System
Memorial Medical Center
Illinois Not-For-Profit Corporations

By: _____
Edgar J. Curtis
Its: President and CEO

By: _____
Robert W. Kay
Its: Senior Vice President and CFO

Notarization:
Subscribed and sworn before me,
a notary public in the County of
Sangamon in the State of Illinois
on this 13th day of September, 2012.

_____
Signature of Notary

Notary Seal:
"OFFICIAL SEAL"
Cindy Appenzeller
Notary Public, State of Illinois
My Commission Expires 8/12/2013

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost
	Cost/Square Foot		Gross Sq. Ft.		Gross Sq. Ft.		Const. $	Mod. $	
	New	Mod.	New	Circ.*	Mod.	Circ.*	(A x C)	(B x E)	(G + H)
Clinical									
Medical Surgical	$ 365.24	$ -	74,164	25%	0		$ 27,087,477	$ -	$ 27,087,477
Main Surgery	$ 600.06	$ 239.54	11,750	20%	16,350	20%	$ 7,050,711	$ 3,916,452	$ 10,967,163
PACU (Main)	$ 347.65	$ -	4,125	30%	0		$ 1,434,043	$ -	$ 1,434,043
Stage II Recovery	$ 355.52	$ -	11,989	30%	0		$ 4,262,294	$ -	$ 4,262,294
Contingency							$ 3,983,453	$ 391,645	$ 4,375,098
Clinical Total	**$ 429.47**	**$ 263.49**	**102,027**	**25%**	**16,350**	**20%**	**$ 43,817,978**	**$ 4,308,098**	**$ 48,126,076**
Non-Clinical									
Family Support/Waiting	$ 381.15		12,888	20%			$ 4,912,246	$ -	$ 4,912,246
Med Educ/Resid Sleeping	$ 351.28		4,228	20%	0		$ 1,485,098	$ -	$ 1,485,098
Elevators/Stairs/Lobbies	$ 384.14		11,896	100%	0		$ 4,569,531	$ -	$ 4,569,531
Building Connections	$ 377.45	$ 179.37	5,145	100%	4,000	100%	$ 1,942,051	$ 717,460	$ 2,659,511
Utility/IT Closets/Shafts	$ 347.16		1,316	20%	0		$ 456,953	$ -	$ 456,953
Mech & Elect Penthouses	$ 369.91		21,000	20%	0		$ 7,768,203	$ -	$ 7,768,203
Central Power Plant	$ 380.79		4,500	25%	0		$ 1,713,574	$ -	$ 1,713,574
1E Lobby and Support Space		$ 115.04			9,800	50%	$ -	$ 1,127,438	$ 1,127,438
Contingency							$ 2,284,765	$ 204,989	$ 2,489,754
Non-Clinical Total	**$ 412.19**	**$ 163.40**	**60,973**	**43%**	**13,800**	**64%**	**$ 25,132,420**	**$ 2,254,875**	**$ 27,387,295**
TOTALS	**$ 423.01**	**$ 427**	**163,000**	**32%**	**30,150**	**40%**	**$ 68,950,398**	**$ 6,562,973**	**$ 75,513,371**
* Include the percentage (%) of space for circulation									

Note: Construction of the Surgery component will begin 4/2013; Med/Surg component will begin 11/2013; Midpoint of Construction = 1/2015; ***Project Completion 12/2016.***

Budget Category	Applicant's Proposal	State Standard	Difference	State Formula	Applicant's Calculation
Preplanning costs	$ 780,935.56	$ 1,098,102.61	$ (317,167.05)	1.8% of Mod.+ New Constr.+ Conting +Equip	1.3%
Site Survey, Soil Investigation & Site Preparation	$ 389,092.62	$ 2,190,898.91	$(1,801,806.29)	5% of New Constr.+ Conting	.9%
Architecture/Engineering Costs	$ 3,113,761.48	$ 3,768,271.73	$ (654,510.25)	5.21% - 7.83% of New Const. + Modern. + Contingencies	6.5%
New Construction & Allocated Contingencies	$ 43,817,978	TBD	TBD	Adjusted Means 3rd Quartile (Adjusted for complexity and inflation)	$429.47/ft
Modernization & Allocated Contingencies	$ 4,308,098	TBD	TBD	70% of Adjusted Means 3rd Quartile	$263.49
New Construction Contingency	$ 3,983,453	$ 3,983,453	$0	10% of New Construction Costs	10%
Modernization Contingency	$ 391,645	$ 587,468	$ (196,003)	10-15% of Modernization Costs	10%

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

FY17 = $1,691/ equivalent patient day

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

FY17 = $98/ equivalent patient day

Explanation of why construction costs are above the 3rd quartile

The cost per square foot for construction is higher than normal due to complexities associated with connecting the vertical and horizontal expansions to the E-Building to existing space, while continuing to utilize the existing adjacent spaces during the project construction period. This will require extraordinary construction accomodations, phasing and costs, as follows:

1) The new vertical expansion will be constructed on top of the existing "E" building directly above the "2E" medical/surgical units. The nursing units will remain open during the construction period, but every patient room on the unit will ultimately be affected as mechanical risers, plumbing, information technology and other mechanical systems are connected from the existing two floors to the new medical/surgical floors 3 – 6 in the new bed tower. In order to continue to utilize the patient units on 2E, three to four medical surgical rooms at a time will be taken out of service. Structural support columns will also need to be extended vertically through the existing 2E ceiling and twelve inch concrete roof in several locations on 2E to support the new floors above
2) The new main surgery, Post Anesthesia Recovery Unit and Stage II recovery unit will also have to be connected to the existing Lower Level Surgery and Main Lobby Space and which will require multiple phases.
3) Four new operating rooms will be constructed initially in the new horizontal expansion. Then one existing cystoscopy room and other existing surgical space will be vacated and gutted to connect the new and old spaces. Finally, existing surgical support, PACU and Stage 2 Recovery space will be vacated , gutted and renovated into two new operating rooms and surgical support space. This will result in a net +5 new main surgery operating rooms when all phases of the project are complete. (4 ORs in new construction minus 1 existing cystoscopy room in the initial phase, plus 2 ORs in renovated space in the final phase.)

SAFETY NET IMPACT STATEMENT – ATTACHMENT 43

1. The project's material impact, if any, on essential safety net services in the community.

This project will either have no material impact or a positive impact on essential safety net services in the community. Memorial Medical Center is a safety-net hospital serving as a Level 1 Trauma hospital in the Southern Illinois Trauma Center, the only regional burn center in downstate Illinois and a full-service community hospital. Memorial Medical Center provides a wide range of services to poor, uninsured and underinsured persons.

Health Safety Net Services have been defined as services provided to patients who are low-income and otherwise vulnerable, including those uninsured and covered by Medicaid. (Agency for Healthcare Research and Quality, Public Health Service, U.S. Department of Health and Human Services, "The Safety Net Monitoring Initiative," AHRQ Pub. No. 03-P011, August, 2003)

This construction project will modernize the Medical Surgical Category of Service and existing Clinical Service Areas that are not Categories of Service, thereby improving Memorial Medical Center's ability to provide essential medical and surgical services to all the patients it serves, including the uninsured and underinsured residents of Planning Area E-01, the State-defined planning area in which the hospital is located.

Planning Area E-01 includes Sangamon, Logan, Menard, Mason, Christian, and Cass Counties and selected townships within Brown and Schuyler Counties.

As discussed in Attachment 12, the market area for this project includes those zip codes in which 0.5% or more of Memorial Medical Center's medical and surgical cases reside. These zip codes are shown in the patient origin chart for its medical and surgical patients during the recent 12-month period of April 1, 2011 through March 31, 2012, which is found in Attachment 12, Page 6. This market area is predominantly located within Sangamon County (53.9%) and eight primary service area counties (32.5%) These include Logan, Christian, Montgomery, Macoupin, Morgan, Menard, Cass and Mason Counties. A majority of these medical and surgical patients (74.3%) reside in Planning Area E-01.

Memorial Medical Center's service area for this project includes Sangamon County, the eight primary service area counties and counties located in State Planning Area E-01. Sangamon, Cass, Christian, Logan, Mason and Menard Counties located within Planning Area E-01. Macoupin, Montgomery and Morgan Counties are located in other planning areas.

The patient origin data demonstrate that Memorial Medical Center serves Planning Area E-01 as well as its self-defined market area.

This project will enable Memorial Medical Center to continue to provide much-needed services to the low income and uninsured that reside and work within the market area for this project.

a. Many of the patients that are served at Memorial Medical Center are low-income and otherwise vulnerable, as documented by their residing in Medically Underserved Areas and/or Health Professional Shortage Areas.

Medically Underserved Areas and Medically Underserved Populations are designated by the federal government (Health Resources and Services Administration of the U.S. Department of Health and Human Services) based on the Index of Medical Underservice. Designated Medically Underserved Areas (MUAs) and Medically Underserved Populations (MUPs) are eligible for certification and funding under federal programs such as Community Health Center (CHC) grant funds, Federally Qualified Health Centers (FQHCs), and Rural Health Clinics (http://bhpr.hrsa.gov/shortage/muaguide.htm) (Health Resources and Services Administration, U.S. Department of Health and Human Services).

Health Professional Shortage Areas are designated by the federal government because they have a shortage of primary medical care, dental, or mental health providers (http://bhpr.hrsa.gov/shortage/index.htm)(Health Resources and Services Administration, U.S. Department of Health and Human Services).

- Within the City of Springfield, in Sangamon County there are 8 census tracts that the federal government has identified as Medically Underserved Areas/Populations and 21 census tracts that the federal government has identified as Health Professional Shortage Areas.

  Documentation of this designation is found in the chart in Attachment 12, Page 9.

- In Memorial Medical Center's 9-county service area, there are a number of federally-designated Medically Underserved Areas/Populations and Health Professional Shortage Areas, as identified in the chart in Attachment 12, Page 9.

Cass County:

The County is both a Medically Underserved Area/Population and a Health Professional Shortage Area

Christian County:

The County is a Health Professional Shortage Area, and 9 townships in the Pana/Ricks Service Area are a Medically Underserved Area/Population.

Logan County:

Eminence Township (Eminence Service Area) is a Medically Underserved Area/Population, and 2 census tracts in Lincoln are a Health Professional Shortage Area, in addition to the Lincoln Correctional Facility and Logan Correctional Facilities.

Menard County:

The County is a Health Professional Shortage Area

Mason County:

Forest City/Quiver Service Area (59.80) including Forest City Township (59.80) And Quiver Township (59.80) are Medically Underserved Areas/Populations.

Macoupin County:

The County is a Health Professional Shortage Area, and 2 townships (South Palmyra Township in the South Palmyra Service Area and Hillyard Township in the Hillyard Service Area) plus 2 census tracts in the Gillespie Service Area are Medically Underserved Areas/Populations

Montgomery County:

The County is a Health Professional Shortage Area, and 5 townships in the Irving/Witt Service Area and South Litchfield Township in the South Litchfield Service Area are Medically Underserved Areas/Populations

Morgan County:

Waverly Precinct #1 is a Medically Underserved Area/Population, and the County is a Health Professional Shortage Area.

b. A significant percentage of the residents of Memorial Medical Center's Service Area have been identified in recent studies as being uninsured.

1) In a study issued in April, 2009, Gilead Outreach & Referral Center identified Illinois' uninsured in 2005.

- A total of 101,020 of Sangamon County residents under age 65, or 15.9% of the county's population in that age group, were uninsured in 2005.
- A total of 2,557 of Cass County residents under age 65, or 21.8% of the county's population in that age group, were uninsured in 2005.
- A total of 3,174 of Christian County residents under age 65, or 11.3% of the county's population in that age group, were uninsured in 2005.
- A total of 2,393 of Logan County residents under age 65, or 10.8% of the county's population in that age group, were uninsured in 2005.
- A total of 1,568 of Menard County residents under age 65, or 14.5% of the county's population in that age group, were uninsured in 2005.
- A total of 1,623 of Mason County residents under age 65, or 12.79% of the county's population in that age group, were uninsured in 2005.
- A total of 6,030 of Macoupin County residents under age 65, or 14.9% of the county's population in that age group, were uninsured in 2005.
- A total of 567 of Montgomery County residents under age 65, or 15.4% of the county's population in that age group, were uninsured
- In 2005. A total of 2,425 of Morgan County residents under age 65, or 15.6% of the county's population in that age group, were uninsured in 2005.

(Gilead Outreach & Referral Center, "Taking a Closer Look at Illinois' Uninsured," April, 2009)

2) In a study issued in June, 2007, Health & Disability Advocates identified Illinois' uninsured by state legislative district in 2005.

   - A total of 11,140 residents of Illinois State Representative District 99, the State Representative District in which Memorial Medical Center is located, were between the ages of 19 and 64 in 2005 and were employed but uninsured. 79.7% of these residents had household incomes of 400% or less of the federal poverty level, while 21.3% had household incomes of 400% or more of the federal poverty level.

   - Similarly, but covering a broader geographic area, a total of 20,268 residents of Illinois State Senate District 50, the State Senate District in which Memorial Medical Center is located, were between the ages of 19 and 64 in 2005 and were employed but uninsured. 66.7% of these residents had household incomes of

   - 400% or less of the federal poverty level, while 23.3% had household incomes of 400% or more of the federal poverty level.

   (Rob Paral and Associates and Health & Disability Advocates, "Uninsured & Employed Persons in Illinois State Legislative Districts," June, 2007)

This project will have a positive impact on essential safety net services in Planning Area E-01 and the market area for this project for those patients requiring Medical and Surgical because Memorial Medical Center's surgical facilities will be modernized and modern, all-private medical surgical patient rooms will be constructed, thus providing a contemporary environment for the patients receiving care in these departments, a significant percentage of whom are low-income, uninsured, and otherwise vulnerable.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services

This project will have no impact, or may slightly enhance, the ability of other providers or health care systems to cross-subsidize safety net services by assuring that Memorial Medical Center continues to have the capacity to serve the poor, uninsured and under-insured persons described above. The project will not impact on other patient populations served by other providers and, as such, it will not have any impact on other providers' or health care systems' abilities to cross-subsidize safety net services.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community:

This item is not applicable because Memorial Medical Center is not proposing to discontinue any services or facilities.

Safety Net Impact Statements shall also include all of the following.

1. The amount of charity care provided by Memorial Medical Center for the 3 fiscal years prior to submission of the CON application was:

CHARITY CARE			
Charity (# of patients)	**Year 2009**	**Year 2010**	**Year 2011**
Inpatient	938	941	1,350
Outpatient	5,712	5,699	9,964
Total	6,650	6,640	11,314
Charity (cost In dollars)			
Inpatient	$ 10,613,409	$ 10,167,048	$ 8,938,390
Outpatient	$ 4,611,835	$ 6,302,571	$ 6,679,696
Total	$ 15,225,244	$ 16,469,619	$ 15,618,086

This amount was calculated in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act.

2. The amount of care provided by Memorial Medical Center to Medicaid patients for the 3 fiscal years prior to submission of the CON application was:

MEDICAID			
Medicaid (# of patients)	**Year 2009**	**Year 2010**	**Year 2011**
Inpatient	2,790	2,929	2,887
Outpatient	60,225	64,952	65,373
Total	63,015	67,881	68,260
Medicaid (revenue)			
Inpatient	$ 25,259,954	$ 24,473,284	$ 28,182,099
Outpatient	$ 6,517,460	$ 7,842,716	$ 6,243,761
Total	$ 31,777,414	$ 32,316,000	$ 34,425,860

This amount was provided in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Illinois Health Facilities and Services Review Board under Section 13 of the Illinois Health Facilities Act and published in the Annual Hospital Profile.

3. Any other information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

a. A copy of Memorial Medical Center's "Community Benefits Annual Report" for Fiscal Year 2011 (October 1, 2010 – September 30, 2011) is appended to this Attachment.

b. A copy of Memorial Medical Center's "Supplemental Information" to its FY 2011 Form 990 (Schedule H, Part VI), which was submitted to the Internal Revenue Service, is appended to this Attachment.

c. Memorial Medical Center is a major teaching affiliate of the Southern Illinois University (SIU) School of Medicine.

The SIU School of Medicine has 215 medical students studying in Springfield during their second through fourth years of medical school and 226 residents and fellows participating in 23 different specialty programs. Participants in these medical education and post-graduate medical education programs spend 50% of their clinical education time at Memorial Medical Center.

Memorial Medical Center provides educational opportunities in the Surgical Suites for medical students, residents,and fellows in General Surgery, Gynecology (Obstetrics/Gynecology), Orthopedics, Otolaryngology, Plastic Surgery, Urology, Vascular Surgery, Medicine and Family and Community Medicine and Emergency Medicine through its affiliation with the SIU School of Medicine.

Memorial Medical Center provides financial support to the Southern Illinois University School Medicine in the form of Academic Support, Medical Directorships and Chairmanships, Endowed Chairs, resident salaries and research grant funding.

d. Memorial Medical Center is actively involved in health professional education.

1) Memorial Medical Center provides Approximately 900 clinical experiences to about 675 undergraduate RN and LPN students every academic year from the following programs:

Heartland Community College (RN)
Lincoln Land Community College (RN and LPN)
Millikin University (RN)
MacMurry College (RN)
Mennonite College of Nursing, Illinois State University (RN)
St. John's College of Nursing (RN)
Capital Area School of Practical Nursing (LPN)

These students rotate through the nursing departments, including Medical Surgical nursing units and Surgery.

2) Memorial Medical Center is developing as an expansion site for the Southern Illinois University – Edwardsville Accelerated BSN program in the fall of 2012. For the fall, 2012 semester 6-8 Springfield-based SIU-E students will be at Memorial Medical Center. The class will expand to 16 in the fall, 2013.

3) Memorial Medical Center offers 15 -30 extensive graduate nursing student experiences each year. These rotations provide 90 – 500 "clock hours" of experiences and are provided in partnership with the following schools:

Benedictine University
Bradley University
Chamberlain University
Kaplan University
Millikin University
Mennonite College of Nursing
St. Francis College of Nursing
Southern Illinois University – Edwardsville
University of Phoenix
Walden University

4) Approximately 16 – 28 (4-7 students on 4-week rotations) students in the Certified Registered Nurse Anesthetists program sponsored by Southern Illinois University - Edwardsville receive clinical training at Memorial Medical Center each semester.

5) Approximately 12 students in educational programs training surgical technicians sponsored by Lincoln Land Community College and Richland Community College receive clinical training at Memorial Medical Center each semester. This number will increase to 16 starting in the fall, 2012. Lincoln Land Community College's program is new both schools are working together to have complementary classes schedules so that students are not all present on the same days, in order to provided the maximum amount of clinical opportunity. The main operating room and Baylis outpatient surgery are used as clinical sites.

6) A complete listing of clinical training opportunities provided by Memorial Medical Center list by program and sponsoring schools are listed below.

<u>Nursing</u>

Benedictine University (RN-BSN completion)
Lincoln Land Community College (AND)
Mennonite/Illinois State University (BSN, RN-BSN, ABSN, MSN)
Capital Areas School of Practical Nursing (LPN)
MacMurray College (BSN)
St. John's College (BSN)
Millikin University (BSN, MSN)
SIU-Edwardsville (BSN, RN-BSN, MSN)

<u>Certified Registered Nurse Anesthetist</u>

SIU-Edwardsville
Millikin University/Decatur Memorial Hospital

<u>Surgical Technologist</u>

Richland Community College
Lincoln Land Community College

Physical/Occupational/Speech Therapist
Bradley University
Washington University

Medical Technologist

University of Illinois-Springfield
Illinois State University

Radiology Technologist

Lincoln Land Community College
Richland Community College
Southern Illinois University-Carbondale
University of Findlay (Ohio)

Pharmacist

Southern Illinois University-Edwardsville
St. Louis University
Maryville College (St. Louis)
St. Ambrose College (Missouri)
St. Louis College of Pharmacy
University of Illinois
University of Iowa
Midwestern University

Respiratory Therapy

Kaskaskia College
Sanford Brown College
Southwestern Illinois College
St. John's College

e. Memorial Medical Center partners with St. John's Hospital in supporting Central Counties Health Center (CCHC), which serves as the Federally Qualified Health Center (FQHC) for Sangamon County.

During alternating quarters throughout the year, Memorial Medical Center provides inpatient, imaging, and laboratory services to all referred CCHC patients, regardless of the individual's or family's ability to pay.

Memorial Medical Center assists CCHC patients in applying for any health reimbursement program for which they may be eligible and accepts the CCHC recommended sliding scale fee or if the patient is not able to pay his/her portion of the bill, the amount is forgiven under the hospital's charity care program.

From April, 2011 through March, 2012, Memorial Medical Center provided more than 3,100 service encounters and $2,200,000 in charity care assistance to CCHC patients.

f. Memorial Medical Center helps fund and staff the Springfield Committee for Research In Human Subjects, the local Institutional Review Board that oversees over 475 active clinical trials and research studies. Memorial Medical Center is a partner in the National Cancer Institute funded Central Illinois Community Oncology Program that oversees an additional 75 active clinical cancer trials in our region.

g. Memorial partners with Illinois Breast & Cervical Cancer Program to screen uninsured women and provide needed clinical care.

h. Memorial Medical Center also offers inpatient, outpatient and community mental health services to low-income, uninsured and Medicaid patients directly and through its affiliate the Mental Health Centers of Central Illinois. Mental Health Centers of Central Illinois is the lead agency for a broad-based community collaborative involving called the MOSAIC project (providing Meaningful Opportunities for Success and Achievement through service Integration for Children). The MOSAIC project has received a $2,000,000 grant over three years from the Illinois Children's Healthcare Foundation to create a comprehensive, coordinated and integrated community based children's mental health system in Sangamon County. Our Springfield MOSAIC project is one of four community projects in Illinois funded to create a community-based model to transform and improve the way mental health services are provided to the poorest and most at-risk youth in our community.

i. Memorial Medical Center provides temporary supplies of free pharmaceutical drugs prescribed for indigent patients who are discharged from our emergency room and inpatient hospital in addition to funding free pharmaceuticals for homeless persons served by the Kumler Methodist Church Neighborhood Ministry program.

j. Memorial Medical Center provides financial support for, and case manager based in our emergency department to refer patients to, the Community Access To Coordinated Care (CATCH) program that links uninsured patients to primary care and specialty physicians and other providers in Sangamon County.

l. Memorial Medical Center proactively offers charity care to patients and routinely approves patients to receive charity care without requiring patients to produce onerous paper documentation of their financial condition. This is accomplished electronically by completing a high-level credit check for the purposes of confirming the patients' verbal assertions.

The following documents are attached to this Attachment 43:

- Safety Net Information per PA 96-0031 certifying the amount of charity care and Medicaid patient care
- Memorial Medical Center's FY11 Annual Community Benefit Report to the Illinois Attorney General
- Memorial Medical Center's FY11 IRS Form 990 Schedule H section VI

XI. Charity Care Table

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 43.

Memorial Medical Center **certifies** the following Saftey Net Information per PA 96-0031:

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	**Year 2009**	**Year 2010**	**Year 2011**
Inpatient	938	941	1,350
Outpatient	5,712	5,699	9,964
Total	6,650	6,640	11,314
Charity (cost in dollars)			
Inpatient	$ 10,613,409	$ 10,167,048	$ 8,938,390
Outpatient	$ 4,611,835	$ 6,302,571	$ 6,679,696
Total	$ 15,225,244	$ 16,469,619	$ 15,618,086
MEDICAID			
Medicaid (# of patients)	**Year 2009**	**Year 2010**	**Year 2011**
Inpatient	2,790	2,929	2,887
Outpatient	60,225	64,952	65,373
Total	63,015	67,881	68,260
Medicaid (revenue)			
Inpatient	$ 25,259,954	$ 24,473,284	$ 28,182,099
Outpatient	$ 6,517,460	$ 7,842,716	$ 6,243,761
Total	$ 31,777,414	$ 32,316,000	$ 34,425,860

APPEND DOCUMENTATION AS ATTACHMENT-43, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE

Form AG-CBP-I
2/05

LISA MADIGAN
ATTORNEY GENERAL

Annual Non Profit Hospital Community Benefits Plan Report

Hospital or Hospital System: Memorial Medical Center

Mailing Address: 701 N. First St. (Street Address/P.O. Box) Springfield, IL 62781-0001 (City, State, Zip)

Physical Address (if different than mailing address):

_____ (Street Address/P.O. Box) _____ (City, State, Zip)

Reporting Period: 10 / 01 / 2010 (Month / Day / Year) **through** 09 / 30 / 2011 (Month / Day / Year) **Taxpayer Number:** 37-0661220

If filing a consolidated financial report for a health system, list below the Illinois hospitals included in the consolidated report.

Hospital Name	Address	FEIN #

1. **ATTACH Mission Statement:**
The reporting entity must provide an organizational mission statement that identifies the hospital's commitment to serving the health care needs of the community and the date it was adopted.

2. **ATTACH Community Benefits Plan:**
The reporting entity must provide it's most recent Community Benefits Plan and specify the date it was adopted. The plan should be an operational plan for serving health care needs of the community. The plan must:
   1. Set out goals and objectives for providing community benefits including charity care and government-sponsored indigent health care.
   2. Identify the populations and communities served by the hospital.
   3. Disclose health care needs that were considered in developing the plan.

3. **REPORT Charity Care:**
Charity care is care for which the provider does not expect to receive payment from the patient or a third-party payer. Charity care does not include bad debt. In reporting charity care, the reporting entity must report the actual cost of services provided, based on the total cost to charge ratio derived from the hospital's Medicare cost report (CMS 2552-96 Worksheet C, Part 1, PPS Inpatient Ratios), not the charges for the services.

Charity Care..... $15,072,345

ATTACH Charity Care Policy:
Reporting entity must attach a copy of its current charity care policy and specify the date it was adopted.

4. **REPORT Community Benefits** actually provided other than charity care:
See instructions for completing Section 4 of the Annual Non Profit Hospital Community Benefits Plan Report.

Community Benefit Type

Language Assistant Services	$ 92,179
Government Sponsored Indigent Health Care (Medicaid; see attached footnotes 1 & 2)	$20,242,799
Donations	$ 895,636
Volunteer Services	
a) Employee Volunteer Services (included in "Subsidized health services" total below)	$ -0-
b) Non-Employee Volunteer Services	$ 522,976
c) Total (add lines a and b)	$ 522,976
Education	$15,397,146
Government-sponsored program services (Medicare; see attached Footnote 1)	$ 37,070,400
Research	$ 273,691
Subsidized health services (see attached Footnote 3)	$ 1,014,268
Bad debts (see attached Footnote 1)	$13,379,150
Other Community Benefits (see attached Footnote 4)	$ 254,945

Attach a schedule for any additional community benefits not detailed above.

5. **ATTACH Audited Financial Statements for the reporting period.**

Under penalty of perjury, I the undersigned declare and certify that I have examined this Annual Non Profit Hospital Community Benefits Plan Report and the documents attached thereto. I further declare and certify that the Plan and the Annual Non Profit Hospital Community Benefits Plan Report and the documents attached thereto are true and complete.

Robert W. Kay, Sr. Vice President/CFO Name / Title (Please Print)	217/788-3923 Phone: Area Code / Telephone No.
Robert W Kay Signature	3/12/2012 Date.
Robert L. Urbance Name of Person Completing Form	217/788-3138 Phone: Area Code / Telephone No.
urbance.bob@mhsil.com Electronic / Internet Mail Address	217/788-4768 FAX: Area Code / FAX No.

Memorial Medical Center

Footnote 1 to Bad Debt Amount

Bad Debts included in shortfall from government sponsored indigent programs	$ 418,258
Bad Debts included in shortfall from other government sponsored programs	$ 1,210,744
All other Bad Debts, net	$ 11,750,148
Bad Debt expense per the audited financial statements	$ 13,379,150

Footnote 2 to Illinois Hospital Assessment Program

As referenced in footnotes 4 and 5 of the audited financial statements for Memorial Medical Center:

On December 4, 2008, the Center for Medicare and Medicaid Services (CMS) approved the State of Illinois' Hospital Assessment Program (Program) for an additional five years. The Program is effective from July 1, 2008 through June 30, 2013. MMC recognized Illinois hospital assessment revenue and assessment expense of $20,802,034 and $11,221,459 respectively, for the Program period October 1, 2010 through September 30, 2011. In connection with the Program, a contribution of $144,996 was also made to the Illinois Hospital & Research Education Foundation for the Program period October 1, 2010 thru September 30, 2011, which was reflected as hospital assessment expense with the consolidated statement of operations. For the period ending September 30, 2011, the net impact of the assessment was $9,435,579.

The net impact of the assessment of $9,435,579 was not reflected in the shortfall for Government Sponsored Indigent Health Care Programs of $20,242,799.

Footnote 3 to Subsidized Health Services

Community Health Improvement Services	$ 1,010,010
Additional Subsidized Health Services	$ 4,258
TOTAL	$ 1,014,268

Footnote 4 to Other Community Benefits

Community Benefit Operations	$ 121,151
Community Building Activities	$ 133,794
TOTAL	$ 254,945

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 6A: THE COMMUNITY BENEFIT REPORT IS AVAILABLE ON THE WEBSITES OF ALL THREE MEMORIAL HEALTH SYSTEM HOSPITALS, AS WELL AS ITS AFFILIATE WEBSITES.

PART I, LINE 7: THE COSTING METHODOLOGY FOR CHARITY CARE, MEDICAID, AND OTHER MEANS TESTED PROGRAMS WAS DERIVED FROM EACH HOSPITAL'S COST ACCOUNTING SYSTEM. THIS SYSTEM HAS THE ABILITY TO COMPUTE THE ACTUAL COST OF ALL MEDICAL PROCEDURES AT THE PATIENT-ACCOUNT LEVEL REGARDLESS OF PAYOR TYPE OR WHETHER THE PATIENT WAS INPATIENT OR OUTPATIENT. THE ONLY CATEGORY BY WHICH A COST TO CHARGE RATIO WAS UTILIZED FOR SCHEDULE H IS FOR THE DETERMINATION OF BAD DEBT EXPENSE AT COST IN PART III, SECTION A, LINE 2.

PART II: COMMUNITY BUILDING ACTIVITIES

MEMORIAL MEDICAL CENTER PARTICIPATES IN NUMEROUS COMMUNITY BUILDING ACTIVITIES THAT ARE NOT ACCOUNTED FOR ELSEWHERE ON SCHEDULE H. IT SUPPORTS THE UNITED WAY OF CENTRAL ILLINOIS, WHICH, FOLLOWING AN EXTENSIVE COMMUNITY NEED ASSESSMENT, IS CREATING A CONTINUUM OF LEARNING FROM BIRTH THROUGH YOUNG ADULT. UNITED WAY ALSO FUNDS CRITICAL SERVICES SUCH AS

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ACCESS TO FOOD, SHELTER, HEALTHCARE AND VICTIM SERVICES.

MEMORIAL MEDICAL CENTER SUPPORTS ECONOMIC DEVELOPMENT THROUGH THE MID-ILLINOIS MEDICAL DISTRICT AS WELL AS THE SPRINGFIELD CHAMBER OF COMMERCE'S QUANTUM GROWTH PARTNERSHIP, WHICH HAS A STRATEGIC PLAN TO IMPROVE THE LOCAL ECONOMY. AS THE LARGEST LOCAL EMPLOYER OUTSIDE OF STATE GOVERNMENT, MEMORIAL MEDICAL CENTER IS AN IMPORTANT ECONOMIC LINK THAT PROVIDES EMPLOYMENT AND BENEFITS FOR THOUSANDS OF FAMILIES. WORKFORCE DEVELOPMENT IS A KEY AREA OF INVOLVEMENT AS MEMORIAL MEDICAL CENTER COLLABORATES WITH OTHERS TO EXPAND OPPORTUNITIES TO TRAIN AND RECRUIT HEALTHCARE PROFESSIONALS TO EXPAND ACCESS IN RURAL AREAS.

LEADERS FROM MEMORIAL MEDICAL CENTER ALSO VOLUNTEER ON A WIDE RANGE OF LOCAL NONPROFIT BOARDS SUCH AS THE UNITED WAY, HELPING HANDS HOMELESS SHELTER, SPRINGFIELD URBAN LEAGUE, CENTRAL ILLINOIS FOOD BANK, SANGAMON COUNTY CONTINUUM OF LEARNING, GIRL SCOUTS OF CENTRAL ILLINOIS, MID-ILLINOIS MEDICAL DISTRICT AT SPRINGFIELD, SPRINGFIELD YMCA, AND THE GREATER SPRINGFIELD CHAMBER OF COMMERCE. MEMORIAL MEDICAL CENTER ALSO SUPPORTS THE FUNDRAISING ACTIVITIES OF SUCH ORGANIZATIONS AS THE SPRINGFIELD URBAN LEAGUE, CENTRAL ILLINOIS FOOD BANK, YMCA, LOCAL AMERICAN CANCER SOCIETY, LOCAL AMERICAN HEART ASSOCIATION, SOUTHERN ILLINOIS UNIVERSITY SCHOOL OF MEDICINE, SIMMONS CANCER INSTITUTE, UNITED WAY AND OTHERS. MMC ALSO COLLABORATES WITH LOCAL SCHOOLS TO OFFER MULTIPLE OPPORTUNITIES FOR STUDENTS TO EXPLORE HEALTHCARE CAREER OPTIONS.

AS ONE OF THE LARGEST EMPLOYERS IN LOGAN COUNTY, ABRAHAM LINCOLN MEMORIAL HOSPITAL(ALMH) IS AN IMPORTANT ECONOMIC LINK THAT PROVIDES EMPLOYMENT AND BENEFITS FOR 280 FAMILIES. ALMH AND ABRAHAM LINCOLN HEALTHCARE FOUNDATION

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(ALHF) FINANCIALLY CONTRIBUTE TO THE LOGAN COUNTY ECONOMIC DEVELOPMENT PARTNERSHIP, LINCOLN ART & BALLOON FESTIVAL AND THE LOGAN COUNTY FOOD BANK. SUPPORT IS ALSO PROVIDED FOR THE LOCAL MULTIPLE SCLEROSIS WALK AND THE AMERICAN CANCER SOCIETY'S RELAY FOR LIFE.

ALMH IS A MEMBER OF THE LINCOLN/LOGAN COUNTY CHAMBER OF COMMERCE AND THE LOGAN COUNTY ECONOMIC DEVELOPMENT PARTNERSHIP, WHICH ARE ACTIVELY WORKING TO IMPROVE THE ECONOMIC VITALITY OF LOGAN COUNTY. AN ALMH TEAM MEMBER SITS ON EACH OF THESE BOARDS. ALMH ALSO PROVIDED IN-KIND SUPPORT IN THE FORM OF MEETING SPACE FOR THE CHAMBER'S LEADERSHIP ACADEMY. THIS 8-WEEK PROGRAM PREPARES COMMUNITY MEMBERS FOR COMMUNITY LEADERSHIP ROLES.

ABRAHAM LINCOLN MEMORIAL HOSPITAL'S COMMUNITY BUILDING ACTIVITIES INCLUDE STAFF WHO VOLUNTEER FOR LEADERSHIP ON LOCAL NONPROFIT BOARDS FOR ORGANIZATIONS THAT IMPACT THE HEALTH AND QUALITY OF LIFE FOR OUR COMMUNITY. AMONG THESE ARE THE LINCOLN/LOGAN COUNTY CHAMBER OF COMMERCE, THE LOGAN COUNTY ECONOMIC DEVELOPMENT PARTNERSHIP, THE LINCOLN ART & BALLOON FESTIVAL, TOGETHER FOR LINCOLN, LINCOLN ROTARY CLUB, ZONTA, LOGAN COUNTY BOARD OF HEALTH, UNITED WAY OF LOGAN COUNTY, LOGAN COUNTY FOOD BANK, LOCAL AMERICAN CANCER SOCIETY RELAY FOR LIFE, COMMUNITY CHILD CARE CONNECTION, COMMUNITY & CHILDREN'S HEALTH FAIR PLANNING COMMITTEE, 'FROM THE GROUND UP' COMMUNITY BEAUTIFICATION TEAM, APEX AT CITY CENTER TASK FORCE, CAPCIL (COMMUNITY ACTION OF CENTRAL ILLINOIS) HEALTH ADVISORY COMMITTEE, PROFESSIONAL CONSULTATION COMMITTEE FOR CLINICAL PASTORAL EDUCATION, LEPC (LOCAL EMERGENCY PLANNING COMMITTEE).

TAYLORVILLE MEMORIAL HOSPITAL COMMUNITY BUILDING ACTIVITIES INCLUDE STAFF WHO VOLUNTEER FOR LEADERSHIP ON LOCAL NONPROFIT BOARDS FOR ORGANIZATIONS

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THAT IMPACT THE HEALTH AND QUALITY OF LIFE FOR OUR COMMUNITY. AMONG THESE ARE THE UNITED WAY OF CHRISTIAN COUNTY, CHRISTIAN COUNTY YMCA, TAYLORVILLE SERTOMA CLUB, AMERICAN CANCER SOCIETY RELAY FOR LIFE OF CHRISTIAN COUNTY, CHRISTIAN COUNTY ECONOMIC DEVELOPMENT CORPORATION AND TAYLORVILLE DEVELOPMENT ASSOCIATION.

PART III, LINE 4: MEMORIAL MEDICAL CENTER'S BAD DEBT EXPENSE AT COST WAS DETERMINED BY COMPUTING A COST TO CHARGE RATIO AND APPLYING THIS RATIO AGAINST BAD DEBT EXPENSE AS REPORTED ON THE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED 9/30/2011.

THE COST TO CHARGE RATIO WAS CALCULATED AS FOLLOWS:

TOTAL OPERATING EXPENSES PER AUDITED FINANCIAL STMTS	$555,332,384
LESS:	
OTHER OPERATING REVENUE (BEFORE CAPITATION ADJ)	(14,577,240)
PURCHASED MEDICAL SERVICES CAPITATION	(35,516,824)
HOSPITAL PROVIDER ASSESSMENT	(11,366,455)
BAD DEBT EXPENSE	(13,379,150)
ADJUSTED OPERATING EXPENSES	$480,492,715
GROSS PATIENT SERVICE REVENUE (BEFORE CAPITATION)	$1,537,050,557
RATIO OF COST TO CHARGES FOR BAD DEBT COSTING	31.3%

ABRAHAM LINCOLN MEMORIAL HOSPITAL AND TAYLORVILLE MEMORIAL HOSPITAL USED THE METHOD PRESCRIBED IN WORKSHEET 2 IN THE SCHEDULE H INSTRUCTIONS.

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FOOTNOTE 2 OF THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF MEMORIAL HEALTH SYSTEM CONTAINS A SPECIFIC FOOTNOTE RELATING TO BAD DEBT EXPENSE, AS FOLLOWS:

THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED AMOUNTS TO BE COLLECTED, CONSIDERING BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS. PERIODICALLY THROUGHOUT THE YEAR, MANAGEMENT ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED UPON ITS REVIEW OF ACCOUNTS RECEIVABLE PAYOR COMPOSITION AND AGING. THIS REVIEW TAKES INTO CONSIDERATION RECENT WRITE OFF EXPERIENCE BY PAYOR CATEGORY, PAYOR AGREEMENT RATE CHANGES, AND OTHER FACTORS. THE RESULTS OF THIS EVALUATION IS USED TO MAKE ANY MODIFICATIONS TO THE PROVISION FOR UNCOLLECTIBLE ACCOUNTS TO ESTABLISH AN APPROPRIATE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS. AFTER SATISFACTION OF AMOUNTS DUE FROM INSURANCE, MEMORIAL HEALTH SYSTEM FOLLOWS ESTABLISHED GUIDELINES FOR PLACING CERTAIN PAST-DUE PATIENT BALANCES WITH COLLECTION AGENCIES.

THE HOSPITALS OF MEMORIAL HEALTH SYSTEM DO NOT INCLUDE BAD DEBT AMOUNTS IN COMMUNITY BENEFIT.

PART III, LINE 8: THE COSTING METHODOLOGY UTILIZED FOR THE DETERMINATION OF MEMORIAL MEDICAL CENTER'S MEDICARE ALLOWABLE COST (SCHEDULE H, PART III, LINE 6) WAS CALCULATED AS FOLLOWS:

MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL HOSPITAL, AND TAYLORVILLE MEMORIAL HOSPITAL UTILIZED MEDICARE COSTING DATA FROM THE FISCAL YEAR ENDED 9/30/2011 MEDICARE COST REPORT AS FILED.

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MEMORIAL MEDICAL CENTER WAS ABLE TO CAPTURE THE MEDICARE COSTING FOR INPATIENT MEDICAL SURGICAL, INPATIENT PSYCHIATRIC, INPATIENT REHABILITATION, AND OUTPATIENT MEDICAL SURGICAL SERVICES DURING THAT FISCAL PERIOD. THIS COSTING DATA EXCLUDED THE DIRECT MEDICAL EDUCATION COST FOR THE RESIDENCY PROGRAM ASSOCIATED WITH THE SOUTHERN ILLINOIS UNIVERSITY SCHOOL OF MEDICINE. THIS COST WAS INCLUDED IN THE HEALTH PROFESSIONS EDUCATION SECTION OF PART I, LINE 7 (F) OF SCHEDULE H.

OTHER SECTIONS OF MEDICARE COST THAT WOULD NORMALLY BE EXCLUDED FROM THE MEDICARE COST REPORT BUT SHOULD BE INCLUDED FOR PURPOSES OF THIS SCHEDULE ARE THE FOLLOWING:

1. MEMORIAL MEDICAL CENTER'S ESRD PROGRAM - THIS PROGRAM RELATED TO THE END-STAGE RENAL DIALYSIS PROGRAM. THE PROGRAM IS REFLECTED ON THE W/S I OF THE COST REPORT BUT DOES NOT HAVE A SETTLEMENT.
2. MEMORIAL MEDICAL CENTER'S OUTPATIENT CLINICAL LAB CHARGES - THESE MEDICARE OUTPATIENT CHARGES ARE PAID ON A FEE-FOR-SERVICE BASIS AND ARE NOT REFLECTED ON THE AS FILED MEDICARE COST REPORT.
3. MEMORIAL MEDICAL CENTER'S OUTPATIENT THERAPY SERVICES - THESE MEDICARE OUTPATIENT CHARGES RELATED TO THERAPEUTIC SERVICES, SUCH AS PHYSICAL THERAPY, OCCUPATIONAL THERAPY, AND SPEECH THERAPY SERVICES, ARE SUBJECT TO A FEE-FOR-SERVICE PAYMENT METHOD AND NOT FILED ON THE MEDICARE COST REPORT.
4. PART B PROFESSIONAL FEES - MEMORIAL MEDICAL CENTER HAS ITS PART B MEDICARE PROFESSIONAL FEES BILLED THROUGH A SEPARATE CORPORATION OF MEMORIAL HEALTH SYSTEM. THE BILLING SERVICE IS CALLED PHYSICIAN BILLING SERVICE. IT BILLS FOR THE PROFESSIONAL FEES ON BEHALF OF MEMORIAL MEDICAL

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CENTER AND SWEEPS THE MEDICARE PAYMENTS BACK TO IT. SOME OF THE PROFESSIONAL FEES BILLED BY PHYSICIAN BILLING SERVICE ARE CRNA, HEARING CENTER, SPINEWORKS CLINIC, HEART FAILURE CLINIC, CLINICAL PSYCHOLOGISTS, DIETARY CONSULTING, BARIATRIC SURGERY AND EKG INTERPRETATIONS. THESE SERVICES ARE TYPICALLY EXCLUDED FROM THE MEDICARE COST REPORT BUT SHOULD BE INCLUDED FOR PURPOSE OF SCHEDULE H.

THE MEDICARE CHARGES ASSOCIATED WITH BULLET POINTS 1 THROUGH 4 ABOVE WERE APPLIED TO THE CALCULATED COST TO CHARGE RATIOS FROM THE MEDICARE COST REPORT TO DETERMINE ITS COST. THIS COST DATA, ALONG WITH THE COST DATA ALREADY COMPILED FROM THE AS FILED MEDICARE COST REPORT WAS THE BASIS FOR THE ALLOWABLE MEDICARE COST OF $192,483,728.

THE TOTAL SHORTFALL REPORTED ON SCHEDULE H, PART III, LINE 7 WAS $18,869,942. THE ENTIRE SHORTFALL SHOULD BE CONSIDERED A COMMUNITY BENEFIT FOR MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL HOSPITAL, AND TAYLORVILLE MEMORIAL HOSPITAL. THIS SHORTFALL REFLECTS THE EXCESS COSTS INCURRED BY MEMORIAL MEDICAL CENTER THAT CURRENT FEE-FOR-SERVICE PAYMENTS PRESENTLY DO NOT COVER. THESE ARE VITAL SERVICES TO THE COMMUNITY THESE THREE HOSPITALS SERVE THAT CURRENT MEDICARE PAYMENTS DO NOT COVER.

IN THE COMMUNITY THAT MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL HOSPITAL, AND TAYLOVILLE MEMORIAL HOSPITAL SERVE, MEDICARE IS AN IMPORTANT PAYOR. ACCORDINGLY, ALL THREE HOSPITALS ACCEPT MEDICARE PATIENTS REGARDLESS OF WHETHER THEIR TREATMENTS WILL RESULT IN A SURPLUS OR DEFICIT TO THE HOSPITAL. BY PROVIDING THESE SERVICES TO MEDICARE PATIENTS, THE MHS HOSPITALS PROMOTE ACCESS TO HEALTH CARE AND PROVIDE A COMMUNITY BENEFIT. ADDITIONALLY, THE ELDERLY ARE OFTEN AN UNDERSERVED POPULATION

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WHO EXPERIENCE ISSUES WITH ACCESS TO HEALTHCARE SERVICES. WITHOUT TAX-EXEMPT HOSPITALS PROVIDING MEDICARE SERVICES, CMS AND THE U.S. GOVERNMENT WOULD BEAR THE BURDEN OF DIRECTLY PROVIDING SERVICES TO THE ELDERLY. ACCORDINGLY, MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL HOSPITAL, AND TAYLORVILLE MEMORIAL HOSPITAL HAVE LESSENED THE BURDENS OF GOVERNMENT BY PROVIDING SERVICES TO THIS AT-RISK POPULATION.

PART III, LINE 9B: MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL HOSPITAL AND TAYLORVILLE MEMORIAL HOSPITAL PROACTIVELY INFORM PATIENTS OF THEIR CHARITY CARE AND UNINSURED DISCOUNT ASSISTANCE AND THE ELIGIBILITY CRITERIA, WHICH EXTENDS UP TO 750% OF FEDERAL POVERTY GUIDELINES. A FINANCIAL ASSISTANCE/BILLING LINK ON EACH HOSPITAL WEBSITE GOES TO BILLING INFORMATION WHICH INCLUDES A LINK TO THE CHARITY CARE AND UNINSURED DISCOUNT PROGRAM INFORMATION AND APPLICATION. THE APPLICATION FORM IS AVAILABLE IN SPANISH AS WELL AS ENGLISH. FOREIGN LANGUAGE TRANSLATION ASSISTANCE IS AVAILABLE UPON REQUEST. INFORMATION ON THE AVAILABILITY OF CHARITY CARE AND UNINSURED DISCOUNT ASSISTANCE IS POSTED AT ALL PATIENT REGISTRATION POINTS, INCLUDING THE EMERGENCY DEPARTMENT. THE "PEACE OF MIND REGARDING PAYMENT" BROCHURE IS OFFERED TO EVERY PATIENT AT EVERY VISIT AND IS AVAILABLE IN SPANISH.

EMPLOYEES IN PATIENT REGISTRATION, PATIENT FINANCIAL SERVICES AND SOCIAL SERVICES ARE TRAINED TO UNDERSTAND THE CHARITY CARE POLICY AND KNOW HOW TO DIRECT QUESTIONS TO THE APPROPRIATE HOSPITAL REPRESENTATIVE. HOSPITAL STAFF WHO REGULARLY INTERACT WITH PATIENTS ARE TRAINED AND KNOWLEDGEABLE ABOUT THE CHARITY CARE POLICY. IF NECESSARY, THEY ARE ABLE TO DIRECT PATIENT QUESTIONS REGARDING THE POLICY TO A KNOWLEDGEABLE HOSPITAL REPRESENTATIVE WHO IS ALSO ABLE TO DISCUSS WITH THE PATIENT THE

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AVAILABILITY OF VARIOUS GOVERNMENT PROGRAMS, SUCH AS MEDICAID OR OTHER STATE PROGRAMS, AND ASSIST THE PATIENT WITH QUALIFICATION FOR SUCH PROGRAMS, WHERE APPLICABLE.

EACH HOSPITAL EMPLOYS PATIENT FINANCIAL COUNSELORS WHOSE JOB IS TO VISIT ALL INPATIENTS WHO ARE IDENTIFIED AS SELF-PAY WITHIN 24 HOURS OF ADMISSION. THE FINANCIAL COUNSELORS PROVIDE INFORMATION ON CHARITY CARE AND UNINSURED DISCOUNTS AND, IF THE PATIENT HAS APPROPRIATE INFORMATION, COMPLETE THE CHARITY CARE APPLICATION ON THE SPOT. ANY SELF-PAY INPATIENT WHO MAY HAVE BEEN DISCHARGED WITHOUT A VISIT FROM THE FINANCIAL COUNSELOR RECEIVES A FOLLOW-UP PHONE CALL OR CHARITY CARE APPLICATION PACKET IN THE MAIL. IF INPATIENTS ARE IDENTIFIED AS BEING ELIGIBLE FOR MEDICAID OR OTHER GOVERNMENT BENEFITS, THIS APPLICATION PROCESS IS ALSO IMMEDIATELY STARTED WHILE THEY ARE PATIENTS. MEMORIAL MEDICAL CENTER EMPLOYS A FULL-TIME MEDICAID COORDINATOR WHO CONTINUES WORKING WITH PATIENTS POST-DISCHARGE TO WALK THEM THROUGH THE ENTIRE APPLICATION PROCESS.

EVERY HOSPITAL BILLING STATEMENT INCLUDES FINANCIAL ASSISTANCE INFORMATION WITH A PHONE NUMBER TO CALL FOR INFORMATION. PATIENTS ARE ENCOURAGED TO INQUIRE ABOUT FINANCIAL ASSISTANCE AT ANY STAGE OF THE BILLING PROCESS.

THE MHS HOSPITALS STRIVE TO HAVE A CONSISTENT AND COURTEOUS APPROACH TO COLLECTIONS. MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL HOSPITAL AND TAYLORVILLE MEMORIAL HOSPITAL OFFER FINANCIAL COUNSELING AND SCREENING TO PATIENTS TO ENSURE THAT ANY OTHER POTENTIAL THIRD PARTY COVERAGE UNDER OTHER GOVERNMENT PROGRAMS SUCH AS MEDICAID CAN BE IDENTIFIED.

MEMORIAL MEDICAL CENTER WILL NOT REFER ACCOUNTS TO A COLLECTION AGENCY,

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FILE ANY LAWSUIT, OR GARNISH WAGES AGAINST ANY PARTICULAR PATIENT TO COLLECT MEDICAL DEBT UNTIL MMC VERIFIES THE FOLLOWING: REASONABLE BASIS FOR BELIEVING PATIENT OWES THE DEBT; MMC WILL MAKE ALL REASONABLE ATTEMPTS TO BILL THIRD PARTY PAYERS AND CONFIRM ANY REMAINING AMOUNTS ARE TRULY THE FINANCIAL RESPONSIBILITY OF THE PATIENT; WHEN THE PATIENT HAS INDICATED AN INABILITY TO PAY (MMC WILL VERIFY THE INABILITY TO PAY) AND MMC WILL OFFER A REASONABLE PAYMENT PLAN AND; THE PATIENT HAS BEEN GIVEN A REASONABLE OPPORTUNITY TO SUBMIT AN APPLICATION FOR CHARITY CARE.

ALL HOSPITALS HAVE A CODE OF CONDUCT POLICY THAT SETS FORTH CERTAIN PRINCIPLES TO WHICH AGENCIES, REPRESENTATIVES AND COLLECTORS ARE EXPECTED TO ADHERE. THE AGENCIES ARE REQUIRED TO COMPLY WITH ALL OF THE RELEVANT TERMS OF THE FAIR PATIENT BILLING ACT, AND, IN PARTICULAR, SECTION 30(C) WHICH ENUMERATES CERTAIN PREREQUISITE CONDITIONS WHICH MUST BE SATISFIED BEFORE AN AGENCY CAN INITIATE ANY LEGAL ACTION AGAINST A PATIENT WHICH IS RELATED TO A FAILURE BY THAT PATIENT TO PAY A HOSPITAL BILL. THE AGENCIES ARE ALSO REQUIRED TO COMPLY WITH ALL OF THE RELEVANT TERMS OF THE ACA INTERNATIONAL CODE OF ETHICS AND PROFESSIONAL RESPONSIBILITY.

ONCE A CHARITY CARE DETERMINATION IS MADE, ALL COLLECTION EFFORTS CEASE. IF AN ACCOUNT IS AT A COLLECTION AGENCY, THE ACCOUNT IS RETURNED BACK TO THE HOSPITAL FOR CHARITY PROCESSING.

ALL PATIENT COMPLAINTS REGARDING DISSATISFACTION WITH SERVICES RENDERED OR BILLING ISSUES ARE HANDLED PROMPTLY AND IN A COURTEOUS MANNER TO ENSURE THAT CUSTOMER SERVICE REMAINS THE FOCUS OF ANY PATIENT CONCERN. ALL COMPLAINTS ARE CONSIDERED VALID AND PATIENT FEEDBACK IS WELCOME WITH RESPECT TO DISPUTED MATTERS.

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PART VI, LINE 2: NEEDS ASSESSMENT

THE MISSION OF MEMORIAL HEALTH SYSTEM IS TO HELP MAINTAIN, RESTORE AND IMPROVE THE HEALTH OF THE PEOPLE AND COMMUNITIES WE SERVE. THE COMMUNITY BENEFIT COMMITTEE OF THE MEMORIAL HEALTH SYSTEM BOARD OF DIRECTORS IS RESPONSIBLE FOR OVERSEEING AND MAKING RECOMMENDATIONS WITH RESPECT TO ALL FORMS OF BENEFIT PROVIDED BY MHS AND ITS AFFILIATES, INCLUDING OUR CHARITY CARE POLICY AND PERFORMANCE. THE COMMITTEE OVERSEES THE COMMUNITY BENEFIT PROCESS FOR THE THREE MHS HOSPITALS: MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL HOSPITAL, AND TAYLORVILLE MEMORIAL HOSPITAL. THE COMMITTEE ALSO APPROVES THE ANNUAL COMMUNITY BENEFIT POLICY AND COMMUNITY NEEDS ASSESSMENT AND RECOMMENDS TO THE BOARD THE ANNUAL COMMUNITY BENEFIT PLAN AND BUDGET. THE COMMITTEE MEETS QUARTERLY TO RECEIVE UPDATES ON THE COMMUNITY BENEFIT PROGRAMS AND ANNUALLY RATES THE SUCCESS IN MEETING THE COMMUNITY BENEFIT PLAN'S GOALS.

MEMORIAL HEALTH SYSTEM PARTICIPATES IN NUMEROUS NEED ASSESSMENTS CONDUCTED BY LOCAL AGENCIES IN SANGAMON, LOGAN AND CHRISTIAN COUNTIES. THESE INCLUDE THE ILLINOIS DEPARTMENT OF PUBLIC HEALTH'S "ILLINOIS PROJECT FOR LOCAL ASSESSMENTS OF NEEDS"(IPLAN) FOR LOCAL PUBLIC HEALTH DEPARTMENTS IN SANGAMON, LOGAN AND CHRISTIAN COUNTIES. MHS HAS PARTICIPATED IN ADDITIONAL NEED ASSESSMENTS CONDUCTED BY LOCAL UNITED WAYS, LOGAN COUNTY HEALTHY COMMUNITIES PARTNERSHIP, THE SANGAMON COUNTY MEDICAL SOCIETY, SANGAMON COUNTY COMMUNITY HEALTH INITIATIVE, LOCAL CHAMBERS OF COMMERCE, YMCAS AND OTHERS. ADDITIONAL INFORMATION TO ASSESS NEED COMES FROM HOSPITAL ADMISSIONS AND DISCHARGES, LEADING CAUSES OF MORTALITY AND MORBIDITY IN EACH COUNTY AS REPORTED BY THE ILLINOIS DEPARTMENT OF PUBLIC HEALTH, AND

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THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES HEALTHY PEOPLE 2020.

INFORMATION FROM ALL THESE SOURCES IS USED TO PRIORITIZE MHS'S COMMUNITY BENEFIT INITIATIVES, AND TO ASSURE THAT THOSE INITIATIVES ARE ALIGNED WITH MHS'S MISSION, STATEMENT OF VALUES, STRATEGIC PLAN AND BUDGET. PRIORITIES ARE ESTABLISHED BASED ON OVERALL NEED, LEADING CAUSES OF DEATH, IMPACT ON HEALTH STATUS, ORGANIZATIONAL CORE COMPETENCIES, RESOURCES AND WHEREWITHAL TO MEANINGFULLY ADDRESS THE NEED. EACH MEMORIAL AFFILIATE HAS THE FLEXIBILITY TO DEVELOP SPECIFIC COMMUNITY BENEFIT PROGRAMS AND INITIATIVES THAT ARE DESIGNED TO RESPOND TO THE NEEDS OF ITS PARTICULAR COMMUNITY.

MEMORIAL HEALTH SYSTEM UNDERSTANDS THAT COLLABORATION WITH OTHER COMMUNITY ORGANIZATIONS IS AN IMPORTANT COMPONENT OF COMMUNITY HEALTH IMPROVEMENT EFFORTS AND RESPONDS TO DIRECT COMMUNITY REQUESTS FOR PROGRAMS AND ASSISTANCE.

PRIORITY FOCUS AREAS FOR FY2011 COMMUNITY BENEFIT PROGRAMS WERE (1) IMPROVING ACCESS TO CARE, (2) INCREASING PUBLIC AWARENESS OF RISK FACTORS ASSOCIATED WITH CORONARY ARTERY DISEASE, (3) INCREASING PUBLIC AWARENESS OF RISK FACTORS ASSOCIATED WITH CANCER, (4) EXECUTING OTHER COMMUNITY BENEFIT PROGRAMS TO MEET DEFINED COMMUNITY NEEDS, IN COLLABORATION WITH OTHER COMMUNITY ORGANIZATIONS WHEN POSSIBLE, AND (5) PREPARING TO CONDUCT A COMMUNITY HEALTH NEED ASSESSMENT TO BE COMPLETED IN FY12 THAT MEETS THE GUIDELINES OF THE SECTION 9007 OF THE PATIENT PROTECTION AND AFFORDABLE CARE ACT AND THE REQUIREMENTS OF IRS NOTICE 2011-52.

PART VI, LINE 3: PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

MEMORIAL HEALTH SYSTEM HOSPITALS RECOGNIZE THAT THERE ARE UNFORTUNATE OCCASIONS WHEN PATIENTS ARE NOT FINANCIALLY ABLE TO PAY FOR THEIR MEDICAL

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CARE, AND ARE NOT ELIGIBLE FOR FEDERAL OR STATE MEDICAL ASSISTANCE PROGRAMS. SINCE THE PROVISION OF CARE IS NOT DEPENDENT ON THE PATIENT'S ABILITY TO PAY, MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL HOSPITAL, AND TAYLORVILLE MEMORIAL HOSPITAL HAVE ESTABLISHED GUIDELINES IN WHICH A PATIENT MAY APPLY AND QUALIFY FOR CHARITY CARE ASSISTANCE. IT IS IMPORTANT THAT CHARITY CARE APPLICANTS COOPERATE WITH THE HOSPITAL'S NEED FOR ACCURATE AND DETAILED INFORMATION WITHIN A REASONABLE TIMEFRAME.

IN THE ABSENCE OF A COMPLETED CHARITY APPLICATION, CHARITY MAY BE CONSIDERED WHEN SUPPORTED BY OTHER COLLABORATING CREDIT INFORMATION. IN CASES WHERE THE PATIENT DOES NOT PROVIDE INFORMATION FOR CHARITY CARE, MMC, ALMH AND TMH UTILIZE AN OUTSIDE TOOL FROM TRANSUNION CREDIT BUREAU TO EVALUATE THE PATIENT'S FINANCIAL STATUS AND CREDIT WORTHINESS. NOT ONLY DOES TRANSUNION SUPPLY THE USER WITH A CREDIT REPORT, BUT IT PROVIDES OTHER HELPFUL INFORMATION INCLUDING ESTIMATED MONTHLY INCOME AND ONE'S ELIGIBILITY FOR FINANCIAL ASSISTANCE. IN CASES WHERE REPORTS COME BACK INDICATING THAT THE PATIENT MEETS THE HOSPITAL'S CHARITY DEFINITION, THE PATIENT WILL BE GRANTED CHARITY. THIS IS TO PREVENT QUALIFYING CHARITY PATIENTS WHO DO NOT COMPLETE A CHARITY APPLICATION FROM BEING TURNED OVER FOR COLLECTIONS.

PART VI, LINE 4: PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

MEMORIAL HEALTH SYSTEM HOSPITALS RECOGNIZE THAT THERE ARE UNFORTUNATE OCCASIONS WHEN PATIENTS ARE NOT FINANCIALLY ABLE TO PAY FOR THEIR MEDICAL CARE, AND ARE NOT ELIGIBLE FOR FEDERAL OR STATE MEDICAL ASSISTANCE PROGRAMS. SINCE THE PROVISION OF CARE IS NOT DEPENDENT ON THE PATIENT'S ABILITY TO PAY, MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL

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HOSPITAL, AND TAYLORVILLE MEMORIAL HOSPITAL HAVE ESTABLISHED GUIDELINES IN WHICH A PATIENT MAY APPLY AND QUALIFY FOR CHARITY CARE ASSISTANCE. IT IS IMPORTANT THAT CHARITY CARE APPLICANTS COOPERATE WITH THE HOSPITAL'S NEED FOR ACCURATE AND DETAILED INFORMATION WITHIN A REASONABLE TIMEFRAME.

IN THE ABSENCE OF A COMPLETED CHARITY APPLICATION, CHARITY MAY BE CONSIDERED WHEN SUPPORTED BY OTHER COLLABORATING CREDIT INFORMATION. IN CASES WHERE THE PATIENT DOES NOT PROVIDE INFORMATION FOR CHARITY CARE, MMC, ALMH AND TMH UTILIZE AN OUTSIDE TOOL FROM TRANSUNION CREDIT BUREAU TO EVALUATE THE PATIENT'S FINANCIAL STATUS AND CREDIT WORTHINESS. NOT ONLY DOES TRANSUNION SUPPLY THE USER WITH A CREDIT REPORT, BUT IT PROVIDES OTHER HELPFUL INFORMATION INCLUDING ESTIMATED MONTHLY INCOME AND ONE'S ELIGIBILITY FOR FINANCIAL ASSISTANCE. IN CASES WHERE REPORTS COME BACK INDICATING THAT THE PATIENT MEETS THE HOSPITAL'S CHARITY DEFINITION, THE PATIENT WILL BE GRANTED CHARITY. THIS IS TO PREVENT QUALIFYING CHARITY PATIENTS WHO DO NOT COMPLETE A CHARITY APPLICATION FROM BEING TURNED OVER FOR COLLECTIONS.

PART VI, LINE 5: EACH OF THE HOSPITAL'S BOARD OF DIRECTORS IS MADE UP OF MEDICAL AND BUSINESS PROFESSIONALS WHO RESIDE IN THAT HOSPITAL'S PRIMARY SERVICE AREA. THESE VOLUNTEERS GIVE NUMEROUS HOURS OF SERVICE IN THEIR OVERSIGHT ROLE AND ARE INVOLVED IN THE COMMUNITY NEEDS ASSESSMENT PROCESS, FUNDRAISING, AND GENERAL STEWARDSHIP. MORE THAN 500 PEOPLE VOLUNTEER AT THE THREE HOSPITALS AS ESCORTS, WAITING ROOM HOSTS AND HOSTESSES AND A WIDE RANGE OF OTHER VOLUNTEER ROLES.

ALL MHS HOSPITALS HAVE OPEN MEDICAL STAFFS THAT ALLOW MEMBERSHIP TO ANYONE WHO MEETS CREDENTIALING REQUIREMENTS. ALL THREE HOSPITALS PARTICIPATE IN

Part VI Supplemental Information

MEDICARE, MEDICAID, CHAMPUS, TRICARE AND OTHER GOVERNMENT PROGRAMS AND ARE DISPROPORTIONATE SHARE MEDICAID HOSPITALS THAT PROVIDE FINANCIAL ASSISTANCE AND SLIDING SCALE DISCOUNTS ACCORDING TO BOARD-APPROVED CHARITY CARE POLICIES.

MEMORIAL MEDICAL CENTER SERVES AS THE REGIONAL BURN CENTER, SERVING ACUTELY BURNED PATIENTS FROM CENTRAL AND SOUTHERN ILLINOIS, AND IS THE REGIONAL REHABILITATION PROVIDER FOR SPINAL CORD INJURIES, CLOSED HEAD INJURIES, STROKES AND COMPREHENSIVE INPATIENT AND OUTPATIENT REHABILITATION.

MEMORIAL MEDICAL CENTER MAINTAINS A 24-HOUR EMERGENCY DEPARTMENT THAT IS PART OF THE SOUTHERN ILLINOIS (LEVEL 1) TRAUMA CENTER. THE EMERGENCY DEPARTMENT HAS TRADITIONALLY SERVED AS A SAFETY NET HEALTHCARE PROVIDER FOR THE UNINSURED AND UNDERINSURED WHO DO NOT HAVE PRIMARY CARE PHYSICIANS. IT PROVIDES SERVICES TO ALL PEOPLE REGARDLESS OF ABILITY TO PAY. TO HELP MEET COMMUNITY NEED AND ALLEVIATE USE OF THE EMERGENCY DEPARTMENT FOR NON-EMERGENT CARE, MHS OPERATES THREE EXPRESSCARE WALK-IN FACILITIES. THESE PROMPT-CARE SITES USE THE SAME CRITERIA FOR PATIENTS AS THE EMERGENCY DEPARTMENT: THE UNINSURED AND THOSE ON PUBLIC INSURANCE PROGRAMS RECEIVE THE SAME LEVEL OF CARE AND TREATMENT AS ANY OTHER PATIENTS. CHARITY CARE IS PROVIDED AS NEEDED.

MEMORIAL MEDICAL CENTER COLLABORATES WITH COMMUNITY PROVIDERS TO SERVE THE LOW INCOME AND UNINSURED POPULATION. MMC PROVIDES DIAGNOSTIC, OUTPATIENT AND INPATIENT SERVICES FOR PATIENTS OF CENTRAL COUNTIES HEALTH CENTER, A FEDERALLY QUALIFIED HEALTH CENTER THAT MEMORIAL MEDICAL CENTER WAS INSTRUMENTAL IN STARTING. MMC ALSO PROVIDES FREE AND REDUCED-COST INPATIENT AND OUTPATIENT SERVICES TO PATIENTS OF SOUTHERN ILLINOIS

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UNIVERSITY CENTER FOR FAMILY MEDICINE, A PRIMARY CARE MEDICAL GROUP THAT SERVES LOW INCOME MEDICAID AND MEDICARE POPULATIONS. MMC ALSO PROVIDES OPERATING EXPENSES FOR COORDINATED ACCESS TO COMMUNITY HEALTH (CATCH), A PROGRAM THAT IS INCREASING ACCESS TO CARE, PARTICULARLY PHYSICIAN SPECIALISTS, FOR UNINSURED ADULTS IN SANGAMON COUNTY. MMC PROVIDES CHARITY CARE FOR CATCH PATIENTS.

MMC UTILIZES SURPLUS FUNDS TO IMPROVE PATIENT CARE, MEDICAL EDUCATION AND RESEARCH. DURING FY11 MMC USED SURPLUS FUNDS TO EXPAND THE EMERGENCY DEPARTMENT BY EIGHT ROOMS TO MEET GROWING COMMUNITY NEED FOR ADDITIONAL ACCESS TO SERVICES. DURING THE PAST YEAR MMC'S REGIONAL CANCER CENTER MADE SEVERAL SIGNIFICANT RENOVATIONS,ADDING TWO NEW LINEAR ACCELERATORS TO ITS RADIATION THERAPY DEPARTMENT, DELIVERING HIGHER DOSES OF RADIATION MORE PRECISELY AND QUICKLY, REDUCING SIDE EFFECTS AND LONG-TERM COMPLICATIONS FOR CANCER PATIENTS. IT ALSO OPENED A NEW INFUSION SERVICES DEPARTMENT THAT IS DOUBLE THE SIZE OF THE PREVIOUS UNIT, OFFERING CHEMOTHERAPY AND OTHER INFUSION SERVICES TO ABOUT 1,000 PATIENTS ANNUALLY. IN FY11 MMC ALSO RENOVATED ITS OUTPATIENT IMAGING CENTER, IMPROVING ACCESS TO CARE AS WELL AS PATIENT SAFETY, PRIVACY AND COMFORT FOR MORE THAN 26,000 PATIENTS ANNUALLY, MANY WHO TRAVEL 60-75 MILES TO GET THESE SERVICES AT MMC.

SURPLUS FUNDS ARE ALSO DEVOTED TO MEMORIAL'S COMMITMENT TO MEDICAL EDUCATION. MEMORIAL MEDICAL CENTER SERVES AS A TEACHING HOSPITAL FOR SOUTHERN ILLINOIS UNIVERSITY SCHOOL OF MEDICINE. MMC AND ALMH ALSO SERVE AS CLINICAL TRAINING SITES FOR MULTIPLE NURSING SCHOOLS AND OTHER UNIVERSITY AND COLLEGE HEALTH PROFESSIONAL TRAINING PROGRAMS IN THE REGION. THESE INCLUDE RADIOLOGY AND PHARMACY TECHNICIANS, CERTIFIED REGISTERED NURSE ANESTHESIOLOGISTS, CLINICAL LABORATORY SCIENTISTS, SPEECH PATHOLOGISTS, PHYSICAL AND OCCUPATIONAL THERAPISTS AND OTHERS. MMC ALSO

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SUPPORTS CLINICAL RESEARCH AND OFFERS NUMEROUS CANCER TRIALS THROUGH THE CENTRAL ILLINOIS COMMUNITY CLINICAL ONCOLOGY PROGRAM, WHICH RECEIVES SUPPORT FROM THE NATIONAL CANCER INSTITUTE. MORE THAN 450 RESEARCH PROJECTS AND PROTOCOLS ARE OPEN AT ANY GIVEN TIME. MMC PROVIDES FUNDING AND SUPPORT FOR THE SPRINGFIELD COMMITTEE ON RESEARCH IN HUMAN SUBJECTS, THE LOCAL INSTITUTIONAL REVIEW BOARD FOR CLINICAL RESEARCH TRIALS IN SPRINGFIELD.

MMC, ALMH, AND TMH SURPLUS FUNDS ALSO PROVIDE SERVICES AND EXPAND ACCESS POINTS OF CARE TO PATIENTS THROUGHOUT THE COMMUNITIES WE SERVE THROUGH: EDUCATIONAL PROGRAMS THAT PROVIDE CLASSES AND INFORMATION ON A WIDE RANGE OF WELLNESS TOPICS; FREE AND LOW-COST HEALTH SCREENINGS; AND FREE SUPPORT GROUPS FOR PARTICULAR DISEASES/HEALTH ISSUES (SUCH AS BREAST CANCER, PROSTATE CANCER, KIDNEY/PANCREAS TRANSPLANT PATIENTS, STROKE/BRAIN INJURY, AND HEART FAILURE). MMC ALSO PAYS FOR PHARMACEUTICAL PRESCRIPTIONS FOR INDIGENT PATIENTS UPON DISCHARGE WHO CANNOT AFFORD TO FILL THEIR PRESCRIPTIONS. MMC SUPPORTS KUMLER OUTREACH MINISTRIES, A LOCAL PROGRAM THAT PROVIDES PHARMACEUTICAL ASSISTANCE TO THE INDIGENT. MMC ALSO COVERS THE COSTS FOR AMBULANCES AND MEDICARS THAT TRANSFER MEDICARE PATIENTS AND THE INDIGENT FROM THE HOSPITAL TO THEIR HOMES.

ALMH HAS 25 STAFFED BEDS AND SERVICES OFFERED INCLUDE 24-HOUR EMERGENCY MEDICINE, GENERAL ACUTE INPATIENT CARE, INTENSIVE CARE, PAIN MANAGEMENT, ORTHOPEDICS, SURGERY AND THE FAMILY MATERNITY SUITES. ALMH ALSO OFFERS A FULL RANGE OF OUTPATIENT REHABILITATION, THERAPY, AND DIAGNOSTIC TESTING. WITH THE OPENING OF A NEW REPLACEMENT HOSPITAL IN MARCH, 2011, ALMH BEGAN OFFERING WARM-WATER THERAPY FOR PHYSICAL THERAPY PATIENTS AND ARTHRITIS PATIENTS SEEKING RELIEF FROM THEIR SYMPTOMS. A FIXED MRI UNIT AND

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UPGRADED CT SCAN OPENED UP A NUMBER OF NEW TESTS FOR LOCAL PATIENTS, WHO PREVISOULY HAD TO BE TRANSFERRED OUT OF THE COUNTY FOR THESE TESTS.

ABRAHAM LINCOLN MEMORIAL HOSPITAL'S EMERGENCY DEPARTMENT HAS TRADITIONALLY SERVED AS A SAFETY NET HEALTHCARE PROVIDER FOR THE UNINSURED AND UNDERINSURED WHO DO NOT HAVE PRIMARY CARE PHYSICIANS. TO HELP MEET COMMUNITY NEED AND ALLEVIATE USE OF THE EMERGENCY DEPARTMENT FOR NON-EMERGENT CARE, ABRAHAM LINCOLN MEMORIAL HOSPITAL COLLABORATES THROUGH THE HEALTHY COMMUNITIES PARTNERSHIP WITH THE LOGAN COUNTY DEPARTMENT OF PUBLIC HEALTH AND FAMILY MEDICAL CENTER (PART OF MEMORIAL PHYSICIAN SERVICES, AN MHS AFFILIATE) TO TAKE PRIMARY AND PREVENTIVE CARE TO SMALL RURAL COMMUNITIES IN LOGAN COUNTY VIA THE H.O.P.E. MOBILE. A NURSE PRACTITIONER AND PUBLIC HEALTH NURSE STAFF THIS MOBILE UNIT, WHICH MAKES WEEKLY VISITS TO OUTLYING RURAL COMMUNITIES IN LOGAN COUNTY. THIS PROGRAM, ESTABLISHED IN 1998, IS ESPECIALLY BENEFICIAL TO RURAL SENIORS: OVER 30% OF THE PATIENTS ARE AGED 61-80 YEARS OLD, AND OVER 40% ARE OVER THE AGE OF 81. IN FY2011, THE H.O.P.E. MOBILE PROVIDED 403 DENTAL APPOINTMENTS FOR LOW-INCOME CHILDREN AND PREGNANT WOMEN, AND 1,993 OTHER PRIMARY- AND PREVENTIVE-CARE MEDICAL SERVICES. ABRAHAM LINCOLN MEMORIAL HOSPITAL EMPLOYS THE PROGRAM COORDINATOR AND OVERSEES MAINTENANCE OF THE UNIT. ABRAHAM LINCOLN HEALTHCARE FOUNDATION CONTRIBUTES FUNDING AND ONGOING SUPPORT THAT MAKES THE PROGRAM POSSIBLE.

TAYLORVILLE MEMORIAL HOSPITAL USES SURPLUS FUNDS TO CONTINUALLY IMPROVE PATIENT CARE. IN MARCH 2011 THE HOSPITAL OPENED A 32,000-SQUARE-FOOT FACILITY THAT IS HOME TO A NEW EMERGENCY DEPARTMENT, RADIOLOGY SERVICES AND OUTPATIENT SURGERY CENTER. THE NEW FACILITY IS DESIGNED FOR OUTPATIENT SERVICES, OFFERS CLOSE PARKING, AND IMPROVES PATIENT SAFETY. THE NEW

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EMERGENCY DEPARTMENT OFFERS 10 TREATMENT ROOMS, INCLUDING TWO LEVEL-TWO TRAUMA BAYS AND AN ISOLATION ROOM WITH NEGATIVE AIR FLOW FOR PATIENTS WHO ARE AT RISK OF AIRBORNE TRANSMISSION OF CONTAGIOUS DISEASES. CONVENIENTLY NEAR THE EMERGENCY DEPARTMENT IS THE NEW RADIOLOGY SERVICES AREA, WHICH ADDED A NEW MRI UNIT. FOR THE PAST 20 YEARS THE HOSPITAL RELIED ON A MOBILE MRI THAT HAD LIMITED AVAILABILITY. OTHER SERVICES OFFERED INCLUDE CT, DIGITAL MAMMOGRAPHY, ECHOCARDIOLOGY, ULTRASOUND/SONOGRAPHY AND NUCLEAR MEDICINE. THE NEW OUTPATIENT SURGERY CENTER OFFERS THREE OPERATING ROOMS WITH ADVANCED TECHNOLOGY AND NEW EQUIPMENT FOR A VARIETY OF OUTPATIENT SURGICAL PROCEDURES. TWO INDIVIDUAL PATIENT ASSESSMENT ROOMS OFFER A PLACE FOR PRIVATE INTERVIEWS. AN ADDITIONAL INVESTMENT THE HOSPITAL MADE WAS IMPROVING SAFETY IN ACCESSING THE HOSPITAL. A NEW ROADWAY NOW DIRECTLY CONNECTS THE HOSPITAL WITH ROUTE 29, PROVIDING AMBULANCES A MORE DIRECT AND SAFER ROUTE, AND DIVERTING THE MAJORITY OF THE HOSPITAL TRAFFIC AWAY FROM THE RESIDENTIAL AND SCHOOL AREA THAT PREVIOUSLY WAS THE ONLY WAY TO ACCESS THE HOSPITAL.

PART VI, LINE 6: MEMORIAL HEALTH SYSTEM, A 501(C)(3) CORPORATION, IS THE SOLE CORPORATE MEMBER OF ABRAHAM LINCOLN MEMORIAL HOSPITAL, A RURAL CRITICAL ACCESS HOSPITAL; TAYLORVILLE MEMORIAL HOSPITAL, A RURAL CRITICAL ACCESS HOSPITAL; AND MEMORIAL MEDICAL CENTER, A 500-BED TERTIARY CARE HOSPITAL THAT OFFERS A FULL RANGE OF INPATIENT AND OUTPATIENT SERVICES. OTHER AFFILIATES INCLUDE: MEMORIAL PHYSICIAN SERVICES, A PRIMARY CARE PHYSICIAN NETWORK THAT INCLUDES SEVERAL CLINICS LOCATED IN MEDICALLY UNDERSERVED OR HEALTH MANPOWER SHORTAGE AREAS; MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS, A MULTI-COUNTY OUTPATIENT MENTAL HEALTH NETWORK THAT PROVIDES SERVICE BASED ON A SLIDING-SCALE FEE SCHEDULE AND FREE CARE TO A WIDE RANGE OF PATIENTS WITH PSYCHIATRIC DISORDERS; MEMORIAL HOME SERVICES,

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A MULTI-COUNTY HOME CARE AND HOSPICE PROGRAM; A CHILD CARE CENTER; AND THREE HOSPITAL FOUNDATIONS, ALL OF WHICH ARE 501(C)(3) ENTITIES. HEALTH SYSTEM AFFILIATES INTEGRATE SERVICES TO PROVIDE IMPROVED ACCESS AND STREAMLINED TRANSITIONS BETWEEN THE DOCTORS OFFICES, HOSPITAL, HOME HEALTH AGENCY, NURSING HOME AND MENTAL HEALTH CLINICS.

MEMORIAL HEALTH SYSTEM'S AFFILIATES ENGAGE IN A WIDE RANGE OF COMMUNITY BENEFIT ACTIVITIES. IN ADDITION TO THE HOSPITAL ACTIVITIES FOR MEMORIAL MEDICAL CENTER, ABRAHAM LINCOLN MEMORIAL HOSPITAL AND TAYLORVILLE MEMORIAL HOSPITAL MENTIONED IN PART VI, LINE 5, OTHER AFFILIATE COMMUNITY BENEFITS INCLUDE THE FOLLOWING.

MENTAL HEALTH CENTER'S OF CENTRAL ILLINOIS PROVIDES NUMEROUS COMMUNITY BENEFITS. JUST A FEW OF THESE INCLUDE PSYCHIATRIC CRISIS INTERVENTION WITH LOCAL SCHOOLS DEALING WITH SUICIDE OR OTHER TRAUMATIC EVENTS; CRISIS INTERVENTION TRAINING FOR LOCAL LAW ENFORCEMENT DEALING WITH MENTALLY ILL INDIVIDUALS; AND MENTALLY ILL HOMELESS PERSONS ADVOCACY AND COUNSELING. IN FY11, MHCCI DEVELOPED A SUICIDE PREVENTION TRAINING/WEBINAR FOR SCHOOL PERSONNEL AND ALSO RAISED AWARENESS ABOUT MENTAL ILLNESS THROUGH COMMUNITY EVENTS AND PRESENTATIONS. MHCCI IS COLLABORATING WITH LOCAL PARTNERS ON A PROJECT TO DEVELOP A PLAN FOR A COMMUNITY-BASED SYSTEM OF CARE THAT WILL TRANSFORM AND IMPROVE THE WAY MENTAL HEALTH SERVICES ARE PROVIDED TO CHILDREN AND YOUTH IN SPRINGFIELD.

MEMORIAL PHYSICIAN SERVICES PROVIDES MEDICAL EDUCATION OPPORTUNITIES FOR PHYSICIANS, NURSE PRACTITIONERS AND PHYSICIAN ASSISTANTS. A PHYSICIAN FROM MPS WORKED WITH THE SPRINGFIELD SCHOOL DISTRICT TO PROVIDE STRESS COPING TRAINING FOR TEACHER (FUNDING CAME FROM THE MEMORIAL MEDICAL CENTER

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FOUNDATION).

MEMORIAL HOME SERVICES PROVIDES HOME HOSPICE CARE IN 14 ILLINOIS COUNTIES, OFFERING MEDICAL, SPIRITUAL AND EMOTIONAL SUPPORT FOR BOTH PATIENTS AND THEIR FAMILIES. MEMORIAL HOME SERVICES ALSO PROVIDED 129 FREE HEALTH SCREENING EVENTS THROUGHOUT THE YEAR, OFFERING 2,342 FREE BLOOD PRESSURE AND 1,000 GLUCOSE SCREENINGS IN A WIDE VARIETY OF COMMUNITY LOCATIONS; 21% OF THE BLOOD PRESSURE SCREENINGS AND 12% OF THE GLUCOSE SCREENINGS WERE ABNORMAL. THOSE PARTICIPANTS ARE REFERRED TO THEIR PHYSICIANS FOR FOLLOW-UP CARE. MEMORIAL HOME SERVICES ALSO DONATES WHEELCHAIRS AND OXYGEN TANKS FOR MULTIPLE LAND OF LINCOLN HONOR FLIGHTS, WHICH TAKE WORLD WAR II AND KOREAN WAR VETERANS ON FREE TOURS OF WAR MEMORIALS IN WASHINGTON, D.C.

THE MEMORIAL MEDICAL CENTER FOUNDATION (MMCF) PROVIDES GRANTS FOR PATIENT CARE, EDUCATION AND RESEARCH. ELEVEN GRANTS WERE AWARDED IN FY11. THESE GRANTS INCLUDED FUNDING FOR A STROKE TELEMEDICINE PROGRAM FOR RURAL PATIENTS; A STUDY TO PREDICT AND TEST FOR THE PRESENCE OF CHLAMYDIA AND GONORRHEA IN WOMEN WHO VISIT THE MEDICAL CENTER'S EMERGENCY DEPARTMENT; SUPPORT FOR AN INDIGENT PHARMACEUTICAL PROGRAM; MEDICATION RECONCILIATIONS FOR SENIOR CITIZENS DISCHARGED FROM HOSPITALIZATION; A STUDY COMPARING RESULTS OF SURGICAL AND NON-SURGICAL TREATMENTS OF HAND FRACTURES; PURCHASE OF A PORTABLE PERIPHERAL BONE DENSITOMETER TO USE IN COMMUNITY HEALTH SCREENINGS; AND TRAINING FOR ELEMENTARY SCHOOL TEACHERS TO TEACH THEIR STUDENTS CRITICAL COPING SKILLS FOR CLASSROOM READINESS. MANY OF THE RESEARCH GRANTS WERE PROVIDED TO SOUTHERN ILLINOIS UNIVERSITY SCHOOL OF MEDICINE. THE FOUNDATION ALSO ADMINISTERS A CANCER PATIENT ASSISTANCE FUND THAT ASSISTS CANCER PATIENTS WITH UTILITIES, RENT AND OTHER BASIC EXPENSES

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WHILE UNDERGOING CANCER TREATMENT AND A TRANSPLANT PATIENT ASSISTANCE FUND THAT ASSISTS KIDNEY TRANSPLANT PATIENTS WITH THE COSTS OF ANTI-REJECTION MEDICATIONS. IN FY11, MMCF SUPPORTED A COMMUNITY-WIDE WOMEN'S HEALTH FAIR TO PROVIDE A VARIETY OF HEALTH SCREENINGS AND TO EDUCATE WOMEN ABOUT HEALTH ISSUES RANGING FROM CANCER TO BLOOD PRESSURE.

THE ABRAHAM LINCOLN HEALTHCARE FOUNDATION (ALHF) UNDERWRITES THE OPERATING EXPENSES OF THE LOGAN COUNTY HEALTHY COMMUNITIES PARTNERSHIP AND THE H.O.P.E. MOBILE. IN VISITING RURAL COMMUNITIES, 1,993 PRIMARY AND PREVENTIVE HEALTH SERVICES WERE PROVIDED BY THE H.O.P.E MOBILE IN FY11. DENTAL APPOINTMENTS FOR LOW-INCOME CHILDREN AND PREGNANT WOMEN WERE ALSO PROVIDED BY THE H.O.P.E. MOBILE. THE HEALTHY COMMUNITIES PARTNERSHIP ALSO COLLABORATIVELY ADDRESSES ALCOHOL AND DRUG USE, TEEN PREGNANCY, DOMESTIC ABUSE, SENIOR HEALTH ISSUES, PARISH NURSING AND EDUCATION ON THE LOCAL COMMUNITY LEVEL. ALHF'S CONTRIBUTION TO THE HEALTHY COMMUNITIES PARTNERSHIP IN FY2011 WAS $104,231.

THE ABRAHAM LINCOLN HEALTHCARE FOUNDATION ALSO PROVIDED $5,500 IN HEALTHCARE SCHOLARSHIPS TO LOCAL RESIDENTS PREPARING FOR A PHARMACY AND A NURSING DEGREE, $8,863 FOR PAIN MEDICATION FOR HOSPICE PATIENTS, $10,000 IN SUPPORT FOR A MEDI-CAR TRANSPORTATION SERVICE FOR WHEELCHAIR-BOUND RESIDENTS, AND PROVIDED OVER $9,600 IN PHARMACEUTICAL ASSISTANCE TO DISCHARGED PATIENTS WHO COULD NOT AFFORD TO FILL THEIR PRESCRIPTIONS. AN ACTIVE LIFELINE PROGRAM, WHICH PLACES EMERGENCY CALL AND RESPONSE UNITS IN THE HOMES OF SENIORS, IS MANAGED BY ALMH STAFF AND FUNDED BY THE FOUNDATION.

TAYLORVILLE MEMORIAL HOSPITAL FOUNDATION CONTINUES TO SUPPORT PROGRAMS

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WHICH ASSIST IN THE TRAINING OF FUTURE HEALTHCARE PROVIDERS IN OUR SERVICES AREA. IN ADDITION, A WIDE RANGE OF COMMUNITY HEALTH SCREENINGS, CLASSES, AND OTHER EDUCATIONAL EVENTS ARE REGULARLY UNDERTAKEN.

PART VI, LINE 7, LIST OF STATES RECEIVING COMMUNITY BENEFIT REPORT:

IL

XII. Charity Care Information

Charity Care information MUST be furnished for ALL projects.

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 44.

CHARITY CARE for Memorial Health System			
	Year 2011 (in $000)	**Year 2010** (in $000)	**Year 2009** (in $000)
Net Patient Revenue	MHS = $622,139	MHS = $616,507	MHS = $561,419
Amount of Charity Care (charges)	MHS = $57,555	MHS = $56,884	MHS = $50,465
Cost of Charity Care	MHS = $18,233	MHS = $17,703	MHS = $16,395

APPEND DOCUMENTATION AS ATTACHMENT-44, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE

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A table in the following format must be provided for all facilities as part of Attachment 44.

CHARITY CARE for Memorial Medical Center			
	Year 2011 (in $000)	**Year 2010** (in $000)	**Year 2009** (in $000)
Net Patient Revenue	MMC = $479,528	MMC = $483,866	MMC = $436,084
Amount of Charity Care (charges)	MMC = $51,248	MMC = $53,030	MMC = $47,204
Cost of Charity Care	MMC = $15,072	MMC = $15,946	MMC = $14,826

APPEND DOCUMENTATION AS ATTACHMENT-44, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE

SUBJECT: Charity Policy	REFERENCE
	PAGE: 1
DEPARTMENT: PATIENT FINANCIAL SERVICES	OF: 13
PREPARED/REVIEWED BY: Bob Kay	ORIGINAL EFFECTIVE: 04/01/02
APPROVED BY: MMC Board of Directors	LAST REVISED: 03/14/2012

MISSION:

- The mission of Memorial Medical Center is to restore, maintain and improve the health of the people and communities we serve.

- In order to better serve the community and further our mission, Memorial Medical Center will accept a wide variety of payment methods and will offer resources to assist the patient and responsible party in resolving any outstanding balance. We will treat all patients equitably, with dignity, respect and compassion, and wherever possible, help patients who cannot pay for all or part of their care.

- Memorial Medical Center recognizes that there are unfortunate occasions when a patient is not financially able to pay for their medical care, and is not covered by any medical services plan. Since the provision of care is not dependent on the patient's ability to pay, Memorial Medical Center has established guidelines in which a patient may apply and qualify for charity care assistance. Memorial Medical Center strives to balance needed patient financial assistance with the broader fiscal hospital responsibilities to insure our mission is viable for all we serve in our community.

PURPOSE:

- The purpose of this policy is to define the eligibility criteria for charity care assistance and provide administrative guidelines for the identification, evaluation, classification, and documentation of patient accounts as charity care. We will insure our policy is effectively communicated to those in need, that we assist patients in applying and qualifying for known programs of financial assistance, and that all policies are accurately and consistently applied. We will define the standard and scope of services to be used by our outside agencies that are collecting on our behalf, and will obtain this agreement in writing to insure that these policies are incorporated throughout the entire collection process. This policy is also intended by Memorial Medical Center to be compliant in all respects with the provisions of the Illinois Hospital Uninsured Patient Discount Act and the terms of Memorial Medical Center's Uninsured Discount Program are accordingly incorporated as a part of this Charity Policy. Memorial Medical Center has established its Uninsured Discount Program in conjunction with its Charity Policy. For those uninsured patients, the Uninsured Discount Program is only a first step as part of the Charity Policy. Some uninsured patients may qualify for fully discounted services. The Charity Policy and the Uninsured Discount Program are parts of an integrated system which provides free or discounted services to all those eligible whether through one or both policies. Qualification under either policy does not preclude qualification under the other at any time. The two policies are both in recognition of Memorial Medical Center's actions to provide a gift of services to all persons as is appropriate, to reduce any governmental burden, and to

use its facilities in furtherance of its Mission for the benefit of all persons regardless of ability to pay.

TYPES OF CHARITY CARE ASSISTANCE:

- Memorial Medical Center identifies two types of charity care assistance: those patients who will qualify for fully discounted services and those who are eligible to receive partial discounts. This amount of assistance will be based on information provided by the patient as outlined below. Our income guidelines (exhibit 1) will be based on the U.S. Department of Health and Human Services Poverty Guidelines, updated annually.

POLICY:

- It is the policy of Memorial Medical Center to identify charity care that is provided to patients according to the guidelines described below.

- Charity care is defined as medical care services provided at no charge or on a reduced charge basis to patients.

- Partially discounted and full charity care will be based solely on the criteria in this policy and the Uninsured Discount Program and will not be judged on the basis of any particular race, color, religion, national origin, ancestry, creed, handicap, sex, age, marital status, physical or mental handicap, sexual orientation or citizenship status

- Emergency admission, treatment, screening and/or stabilization services will not be delayed or denied due to coverage or payment ability.

- Classification of medical services as charity care can occur at any time.

- Charity is applicable to all "medically necessary" health care services. "Medically necessary" means any inpatient or outpatient hospital service, including pharmaceuticals or supplies provided by a hospital to a patient, covered under Title XVIII of the federal Social Security Act for beneficiaries with the same clinical presentation as the uninsured patient. A "medically necessary" service does not include any of the following:

  (1) Non-medical services such as social and vocational services.

  (2) Elective cosmetic surgery, but not plastic surgery designed to correct disfigurement caused by injury, illness, or congenital defect or deformity.

(3) Services which could have been safely performed in another facility free of charge, which were knowingly refused by the patient.

(4) Services which could have been paid by a third-party payer if the patient had not failed to provide the information requested to enroll in the sponsored benefit.

(5) Any procedure not covered by a third-party payer, despite being deemed to be medically necessary, due to the patient's failure to follow payer guidelines and procedures. Examples include dental procedures, services provided in a non-contracted hospital, the patient's failure to receive precertification/ authorization or a physician's failure to submit proper documentation to obtain precertification/authorization.

The intent of this policy is to meet the health care services needs in our community for those patients served by Memorial Medical Center who are uninsured. Nothing herein shall be interpreted in such a way as to conflict with Illinois Medicaid statutes, regulations and administrative rules. Memorial Medical Center will act under its Facilitated Enrollment Policy and patients will be expected to participate in that Policy.

PROCEDURE:

MEMORIAL MEDICAL CENTER'S RESPONSIBILITY OF COMMUNICATION:

- Memorial Medical Center will have a means of communicating the availability of the charity care policy to all patients. Forms of communicating the charity care policy include, but are not limited to:

  Placing signage, applications, brochures, etc. in prominent patient locations throughout the facility, including, but not limited to, Emergency Room, Patient Billing, Admissions and on www.memorialmedical.com

  Using a language that is appropriate for patients who make up 5% or more of those patients served by Memorial Medical Center.

  Designating staff members or a department to explain the charity care policy to the patient.

  Using statement strategies to provide patient with charity contact information, including application information and coverage issues.

  Providing itemized bills within 7 days from date of patient request.

Making available to the public a copy of our charity policy, application and eligibility criteria upon request.

Allowing patients to (re) apply for financial assistance at any time in the billing process.

- Memorial Medical Center staff in the patient financial services and registration departments will understand the charity care policy and will be able to direct questions regarding the policy to the proper hospital representative. The hospital staff that regularly interacts with patients will also be familiar with the charity care policy, and if necessary, will be able to direct questions regarding the policy to a knowledgeable hospital representative or department.

PATIENT QUALIFICATION & ELIGIBILITY FOR CHARITY:

- A patient is eligible for charity care based upon an individual or family income and assets as defined on the current year's U.S. Department of Health and Human Services Poverty Guidelines. An uninsured patient is eligible for 100% charity care with income up to 250% of federal poverty guidelines. An uninsured patient that has income from 250% to 750% of federal poverty guidelines will be eligible for charity care as identified in the Schedule of Discounts.

PATIENT QUALIFICATION & ELIGIBILITY FOR UNINSURED DISCOUNT:

- Memorial Medical Center will provide a discount from its charges to any uninsured patient who applies for a discount and has family income of not more than 750% of the federal poverty income guidelines for all medically necessary health care services exceeding $300 in any one inpatient admission or outpatient encounter. "Family income" means the sum of a family's annual earnings and cash benefits from all sources before taxes, less payments made for child support, and "federal poverty income guidelines" means the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services. For all health care services exceeding $300 in any one inpatient admission or outpatient encounter, Memorial Medical Center will not collect from an eligible uninsured patient more than its charges less the amount of the uninsured discount.

SYSTEMATIC CHARITY DISCOUNT FOR THE UNINSURED:

- Memorial Medical Center will provide a systematic 35% charity discount from its charges to all uninsured patients regardless of income or cooperation for all medically necessary health care services. This discount will be considered an integral component and in addition to any income based discount in meeting the Hospital Uninsured Patient Discount Act calculation of the cost to

charge ratio. Patient cooperation would be required to obtain additional income based discounts as defined below.

DEFINITION OF INCOME:

- For the purpose of income, all sources of income will be included in the calculation of financial need including employment income and any unearned income. Self-employment income will be based on 50% of gross receipts as reported on the **individual's last Federal Tax return.**

- Some examples of income include, but are not limited to the following:

  "Income includes money wages and salaries before any deductions; gross receipts from non- farm self-**employment (receipts from a person's own un**incorporated business, professional enterprise, or partnership, before deductions excluding non-cash deductions for business expenses); gross receipts from farm self-employment (receipts from a farm which one operates as an owner, renter, or sharecropper, before deductions for farm operating expenses excluding noncash expenses); regular payments from social security, railroad retirement, unemployment compensation, strike benefits **from union funds, worker's compensation, veterans payments,** public assistance (including Aid to Families with Dependent Children, Supplemental Security Income, Emergency Assistance money payments, and non-Federally-funded General Assistance or General Relief money payments, and training stipends; alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household; private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments; college or university scholarships, grants, fellowships, and assistantships; and dividend, interest, net rental **income, net royalties, and net gambling or lottery winnings."**

- Some examples of what would not be included as income are as follows:

  Capital Gains; any assets drawn down as withdrawals from a bank, the sale of personal property, a house, or a car; or tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments, or compensation for injury. Also excluded are non-cash benefits, such as the employer-paid or union-paid portion of medical insurance or other employee fringe benefits, food or housing received in lieu of wages, the value of food and fuel produced and consumed on farms, the imputed value of rent from owner-occupied non-farm or farm housing, and such Federal non-cash benefits programs as Medicare, Medicaid, food stamps, school lunches, and housing assistance.

DEFINITION OF ASSETS:

- Assets include, but are not limited to, checking accounts, savings accounts, stocks, bonds, certificates of deposits, cash, cash value of life insurance policies, and equity in property owned.

- Exemption to Assets:

  Memorial Medical Center will examine available assets as an indicator of income for comparison to poverty guidelines, but will exclude from consideration the following assets:

  A minimum of $2,000 liquid assets for single household/applicants.

  A minimum of $3,000 liquid assets for married household/applicants.

  Plus $500 for each additional dependent in household.

  Homestead or primary place of residence.

  All personal property including, but not limited to, household goods, wedding/engagement rings and medical equipment.

  All automobiles of less than $30,000 in value.

  Assets held in pension plans.

  Available business equity below $50,000.

  Other assets at our discretion that should be exempt.

VERIFICATION OF INCOME AND ASSETS:

- For determining eligibility, patient responsibilities for providing information for eligibility verification may include, but not limited to, any of the following methods:

  Completed federal income tax return for the previous calendar year(s) if required to file.

  W2's for the previous calendar year(s).

  A statement of earnings from the Social Security office (800-772-1213) if no taxes or W2's.

  Paycheck stubs preferably with income listed for the past month prior to the month the application is received plus statements of all other income received as defined in the "Definition of Income" section of this policy. An income statement is recommended for all self-employed persons.

  List of automobiles including make and model (as well as amount owing).

Proof of dependency may be required in order to claim a dependent child.

Statements for non-retirement accounts for the past three (3) months. Memorial Medical Center will "spend down" these account balances to pay the open accounts.

A credit score/information provided by an outside service to determine income when a patient's income and assets cannot be determined due to lack of cooperation by the patient.

Evidence that all possible third party payers have been exhausted and the balance is due from the patient/responsible party

Other information that Memorial Medical Center may deem relevant in assisting Memorial Medical Center in making the most appropriate charity determination.

- Failure to meet the above criteria provides grounds for denial of charity care. Charity care levels of income may be verified for either the previous twelve (12) months or annualization of partial year information. Qualification is valid under either method of calculation. In addition to historical information, future earning capacity along with the ability to meet those obligations within a reasonable time may be considered. Providing false information or excluding requested information may result in denial of application and eligibility. This financial information is considered confidential and is protected to ensure that such information will only be used to assist in enrollment or evaluating eligibility for financial assistance.

GENERAL APPLICATION GUIDELINES:

- An application, whenever possible, should be submitted and approved before the service is provided.

- No application or financial consideration will be required for Emergency Medical Treatment or services that are provided without advance notification from a physician or other referral area. The application should be completed as soon as possible keeping the patient's medical needs as the primary focus. Application to cover the emergency treatment will be made after the service is provided.

- It is crucial that Charity Care applicants cooperate with Memorial Medical Center's need for accurate and detailed information within a reasonable time frame. If necessary, information is not legible, or is incomplete, applications may be considered denied or returned to applicant until such time that all crucial information can be obtained. Applications should contain applicant's signature and where that is not possible, reasonable documentation demonstrating applicant's intent to apply for charity.

- The absence of any requested application data would subject that application to management discretion and possible denial.

- The documentation may be used for evaluation for services along with other updated pertinent, supplemental information for up to 6 months. Exceptions may be granted during this 6 month period based on management discretion, in consideration of changing circumstances from the initial qualifying period.

- Documentation showing assistance from State or Federal Programs (i.e. Link Card, Township Assistance Program, Section 8 Housing or any other programs) would be considered a complete application without other documentation required.

- Once charity care status is determined, it will be applied to all open accounts and will be valid for a period of 6 months from date of determination and retroactively.

PRESUMPTIVE CHARITY ELIGIBILITY

- In the absence of a completed charity application, charity may be considered when supported by other collaborating information, such as a credit score check. There are cases where a patient may be eligible for charity care, but has failed to cooperate by completing a charity application or providing adequate supporting documentation. When there is adequate third party collaborating information obtained through alternative sources, this information could provide sufficient evidence to provide the patient up to 100% charity care assistance.

COMMITMENT TO THE 100% FINANCIALLY QUALIFED CHARITY CARE PATIENT:

- Memorial Medical Center will seek no payment through administrative, third party or court proceedings from those patients that qualify for a 100% discount.

- Memorial Medical Center will not place a lien, force the sale or foreclosure of a financially qualified charity care patient's primary residence to pay for an outstanding medical bill or include the primary residence in the asset calculation, unless the equity of the property clearly indicates an ability to assume the financial obligation and is subject to senior management's prior approval.

- Memorial Medical Center will not pursue collection action in court against a financially qualified charity care patient who has clearly demonstrated that he or she does not have sufficient income or assets to meet any part of their financial obligation to the Medical Center.

- Memorial Medical Center will not use forced court appearance to require the financially qualified charity care patient or responsible party to appear in court.

- Memorial Medical Center will not garnish wages for the financially qualified charity care patient.
- Once charity care status is determined, it will be applied retroactively to all qualifying accounts.
- **For at least 70 days after an uninsured patient's discharge,** Memorial Medical Center will not file a lawsuit to collect **payment on patient's bill**.
- If an uninsured patient has requested charity assistance and/or applied for other coverage and is cooperating with the hospital, the hospital will not pursue collection action until a decision has been made that there is no longer a reasonable basis to believe patient may qualify for charity assistance or other coverage.

ADDITIONAL RESPONSIBILITIES FOR PATIENTS WHO HAVE RECEIVED PARTIALLY DISCOUNTED CHARITY CARE:

- When the patient has been approved under the charity care policy for a partial discount, Memorial Medical Center will work with the patient or the responsible party to establish a reasonable payment option.
- If an uninsured patient complies with a payment plan that has been agreed upon by the hospital, Memorial Medical Center will not pursue collection action.
- If Memorial Medical Center has sufficient reason to believe that the patient does not qualify for additional charity care assistance under all terms of this Policy regarding his or her partial obligation but continues with non-payment, collection action may be taken by Memorial Medical Center to enforce the terms of any payment plan. Once charity care status is determined, it will be applied to all open accounts and will be valid for a period of 6 months from date of determination and 6 months retroactively.

Once charity care status is determined, it will be applied to all open accounts and will be valid for a period of 6 months from date of determination and retroactively.

APPLICATION PROCESS:

- Verification of income and medical expenses may be requested to accompany the application. Upon receipt of completed application and/or documentation, the patient service provider will complete the Financial Assistance Worksheet and submit for appropriate approval(s). The Financial Assistance Worksheet determines the percentage of charity care for which the guarantor is eligible. The MMC schedule of discounts is used as a tool to aid in determining the percentage of charity care applicable and can be extrapolated when partial discounts are awarded. The Patient Financial Service Representative is responsible to verify that all figures used to calculate eligibility are correct, and if needed, they have the authority to seek additional verification before submitting for approval. The Manager or Senior Officer will evaluate the recommendations, verify calculations and documentation and, either approve, deny, or forward to the appropriate person(s) as necessary.

MAXIMUM OUT-OF-POCKET

- As outlined in our charity Schedule of Discounts (Part III), a maximum out-of-pocket payment will be applied to all patients whose income falls within our guidelines. The amounts shown in the Schedule of Discounts shall be the maximum total account balance for any patient at any one time. Accruing charges for services in excess of such maximums shall be discounted 100% as qualified charity care.

- The maximum amount that may be collected in a 12 month period for health care services provided by Memorial Medical Center from a patient is 25% of the patient's family income, and is subject to the patient's continued eligibility under this Policy.

- The 12 month period to which the maximum amount applies shall begin on the first date, after the effective date of this policy, a Charity Policy or an uninsured patient receives health care services that are determined to be eligible for the Charity Policy or uninsured discount.

- To be eligible to have this maximum amount applied to subsequent charges, the Charity Policy or uninsured patient shall inform Memorial Medical Center in subsequent inpatient admissions or outpatient encounters that the patient has previously received health care services from Memorial Medical Center and was determined to be entitled to the Charity Policy or uninsured discount

ACCOUNTS FOR FURTHER CHARITY CARE ASSISTANCE

- In the event of an illness which results in an account balance which is catastrophic and where proper documentation has been submitted, but the patient still has a responsible balance resulting from Memorial Medical Center bills that causes an undue hardship upon the household, the Patient Financial Services Director along with Senior Management may review and determine if an

additional charitable discount is merited. The definition of "catastrophic" and the amount of charity care assistance will be determined on a case by case basis considering all financial, family and health circumstances of the patient.

APPROVAL PROCESS

Charity care assistance must be approved as follows:

Memorial Medical Center:

$0 to $10,000	Service Provider Representatives or above
$10,000 to $25,000	Patient Financial Services Manager or above
$25,000 to $75,000	Director of Patient Financial Services or above
$75,000 to $100,000	CFO
$100,000 and greater	CEO or COO

These thresholds can be adjusted for price changes.

The above approval limits will be considered for all open accounts on an account-by-account basis as opposed to aggregate, where a patient has multiple qualifying accounts.

All applicants will be notified of their approval or denial.

CHARITY CARE FILINGS:

The charity application and supporting documentation will be maintained on paper or digital image with appropriate indexing and cross-referenced to allow for subsequent retrieval and review.

The CEO may utilize his discretion to make exceptions to the above procedures based on specific extraordinary circumstances to authorize additional qualifying charity care.

SUBJECT: Charity Policy	REFERENCE
	PAGE: 12
DEPARTMENT: PATIENT FINANCIAL SERVICES	OF: 13
PREPARED/REVIEWED BY: Bob Kay	ORIGINAL EFFECTIVE: 04/01/02
APPROVED BY: MMC Board of Directors	LAST REVISED: 03/14/2012

REFERENCES:
Illinois Hospital Uninsured Patient Discount Act
Fair Patient Billing Act
OIG Third Party Billing Compliance Guidance, 1998, page 27
CCH-EXP, MED-GUIDE 5267, Comment – Hill-Burton Free Care Costs
HHS Poverty Guidelines

Reviewed/revised:
April 2002
October 2003
April 2004
February, 2005
May, 2006
August 2006
October 2006
February 2007
March 2008
March 2009
April 2009
April 2010
May 2011
March 2012

SUBJECT: Charity Policy	REFERENCE
	PAGE: 13
DEPARTMENT: PATIENT FINANCIAL SERVICES	OF: 13
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Memorial Medical Center

Schedule of Discounts
Based on Gross Family Income as Published by the
Dept. of Health and Human Services
As of Jan 2012
http://aspe.hhs.gov/poverty/poverty.shtml

Part I Systematic Discount Applied Before First Statement for all Uninsured 35%

Part II Cooperation Based Uninsured Discount

Gross Family Income As A % of Federal Poverty Guidelines (2012)

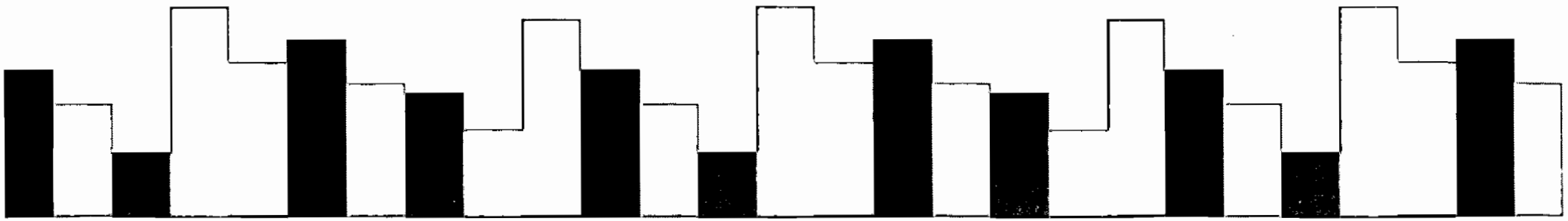
Size of Family	Federal Rate as of January 2012 100%	0% to 250%	251% to 300%	301% to 400%	401% to 600%	601% to 750%	751% +
1	$ 11,170	27,925	33,510	44,680	67,020	83,775	-
2	15,130	37,825	45,390	60,520	90,780	113,475	-
3	19,090	47,725	57,270	76,360	114,540	143,175	-
4	23,050	57,625	69,150	92,200	138,300	172,875	-
5	27,010	67,525	81,030	108,040	162,060	202,575	-
6	30,970	77,425	92,910	123,880	185,820	232,275	-
7	34,930	87,325	104,790	139,720	209,580	261,975	-
8	38,890	97,225	116,670	155,560	233,340	291,675	-
for each additional person	3,960	9,900	11,880	15,840	23,760	29,700	-
Patient Discount On Gross Charges		65% to 65%	65% to 40%	40% to 30%	30% to 30%	30% to 0%	0%
Systematic Uninsured Discount		35%	35%	35%	35%	35%	35%
Total Uninsured Discount		100% to 100%	100% to 75%	75% to 65%	65% to 65%	65% to 35%	35% to 35%

Part III Maximum Patient Out Of Pocket Responsibility

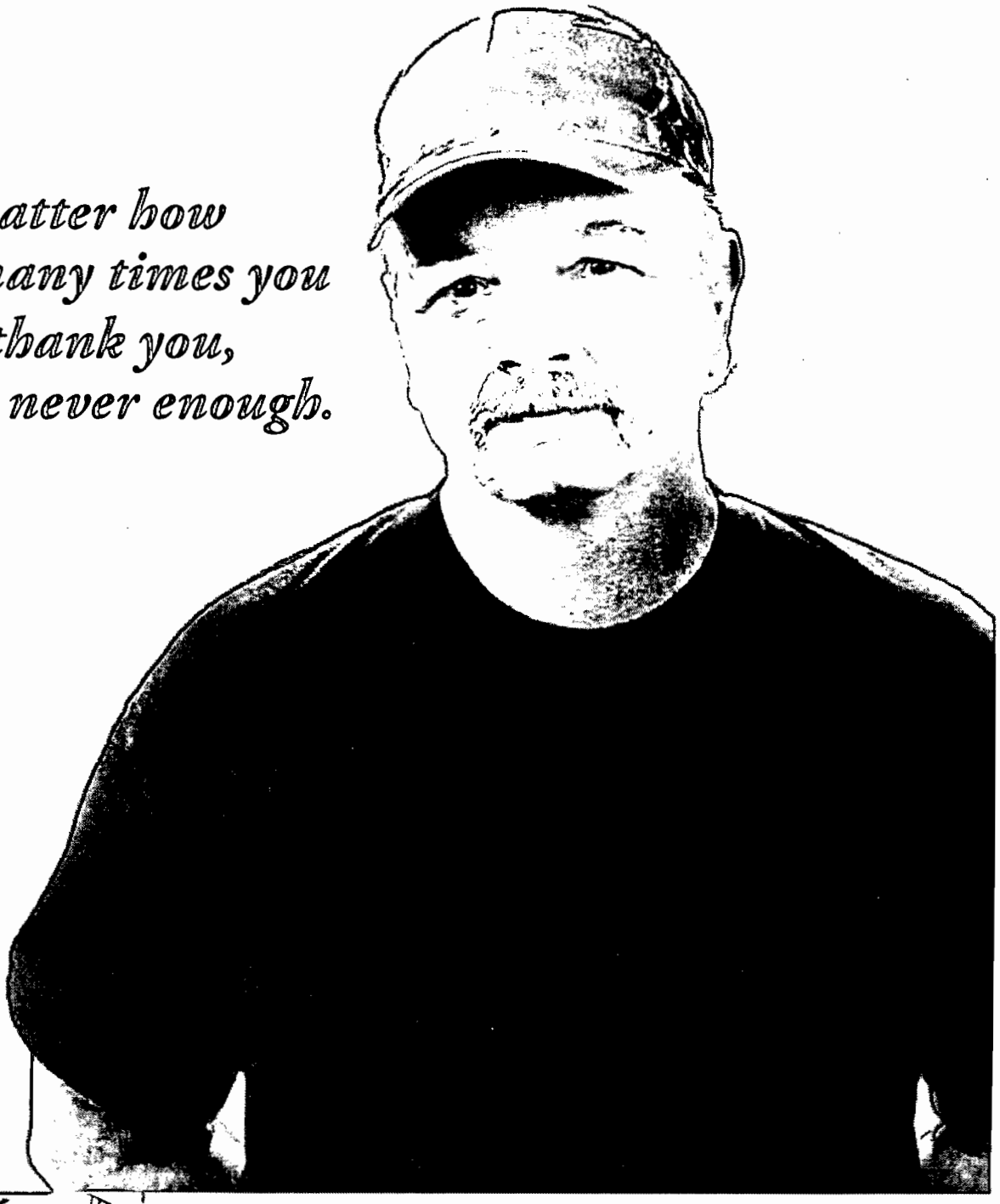
After application of Parts I and II, the maximum amount that may be collected in a 12 month period for health care services provided by Memorial Medical Center, is 25% of the patient's family income.

2011 COMMUNITY BENEFIT

202



No matter how many times you say thank you, it's never enough.



MEMORIAL HOME SERVICES DONATES WHEELCHAIRS TO HONOR FLIGHTS

When the Land of Lincoln Honor Flights leave Springfield's Abraham Lincoln Capital Airport with a plane full of World War II and Korean War veterans heading to Washington D.C. for tours of the nation's war memorials, going along are dozens of donated wheelchairs from Memorial Home Services. Each flight is supplied with wheelchairs and oxygen tanks as needed so the vets can tour throughout the day in comfort and safety. The community turns out with cheers and flags to welcome them home and thank them for their service.

CHARITY CARE PROGRAM ASSISTS PATIENTS IN NEED

Mason City resident Dale Nelson had a long career as a truck driver until heart disease left him out of work. Until then, he was making a good living and had health insurance. In 2003, he received a coronary stent to help relieve a blockage, for which insurance helped pay.

After losing his job and insurance, however, Dale experienced additional cardiac problems in 2008 and had two surgeries in one day at Memorial Medical Center. He didn't know how he would cover the $73,000 in expenses but found out that he qualified for charity care assistance that paid his entire hospital bill.

At Memorial, we believe that everyone has a right to medically necessary healthcare and equal access to treatment, no matter what their financial status. Charity care assistance provides free or discounted services to patients who cannot afford to pay all or part of a bill. In fiscal year 2011, Memorial Health System provided $18.2 million in charity care assistance to people who qualified for assistance.

Since his 2008 heart surgeries, jobs have been hard to come by for Dale, 51. Still, he worked odd jobs when he could get them, but heart problems arose again in June 2011.

"I had four stents put in this time," he said. "I can't say thank you enough to my cardiologist, who provided excellent care, and to Memorial Medical Center for providing my hospital care and covering those expenses.

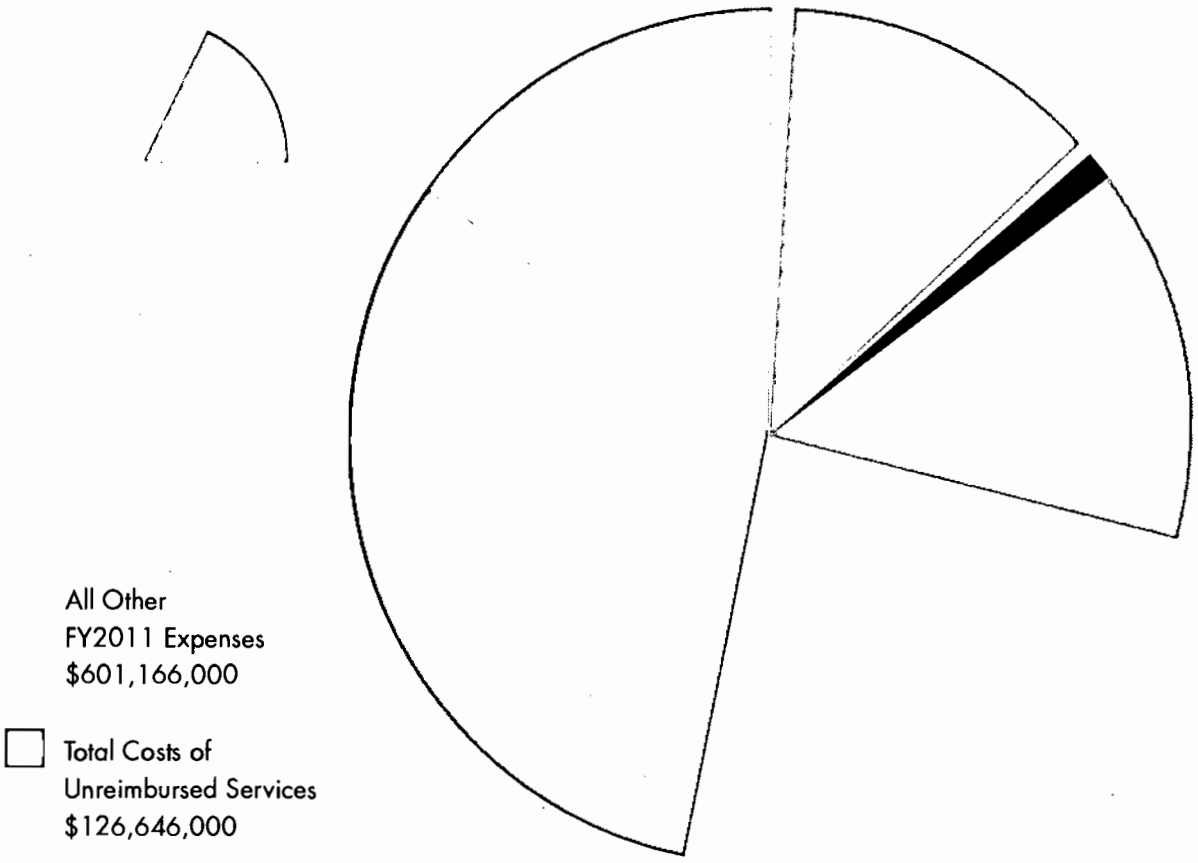
"While I was at Memorial, people came to see me in my room to offer assistance with the bill, which was over $46,000. It's taken a huge burden off me and relieved a lot of stress. And I know I'm not the only patient that Memorial is helping. Even if people are uninsured, they should still get their health issues checked. Help is available to them. A life can't be replaced."

FREE CLASS PREPARES BIG SIBLINGS

Friends of Memorial, which supports Memorial's mission through various outreach and education efforts, began offering a new sibling preparation class in 2011 designed for soon-to-be big brothers and sisters ages 8 to 11 years old. The class includes a discussion of the big brother/big sister roles as well as the opportunity to practice burping, holding, diapering and swaddling a life-size doll. They also visit Family Maternity Suites and get to see a newborn baby. The children each receive a special certificate and the book, "What Baby Needs." Friends of Memorial also offers a sibling-prep class for younger children ages 3 to 7.

MEMORIAL HEALTH SYSTEM PROVIDED $126,646,000 IN UNREIMBURSED SERVICES TO THE PEOPLE AND COM

These expenses include Memorial Health System's community benefits and unpaid patient debts (bad debt). Thi



Our three hospitals — Memorial Medical Center in Springfield, Abraham Lincoln Memorial Hospital in Lincoln and Taylorville Memorial Hospital — strive to provide quality care to every patient who comes through the doors, regardless of their ability to pay. In 2011, patients at our hospitals qualified for nearly $17.6 million in charity care, relieving patients and families of a financial burden they otherwise could not meet.

For the fiscal year ending Sept. 30, 2011, Memorial Health System provided more than $126.6 million in unreimbursed services to the communities we serve, including $107.6 million in community benefits such as unpaid cost of public programs ($70.7 million), charity care ($18.2 million) and other forms of community support ($18.7 million).

In total, unreimbursed services including bad debt represent 17.4 percent of the health system's total expenses of more than $727 million.

Specifically, Memorial Medical Center returned $90.2 million in community benefits, which included $57.3 million in the unpaid costs of public programs. Traditional charity care and support of the Capitol Community Health Center totaled $15.1 million, and remaining community benefit dollars totaled $17.8 million.

Abraham Lincoln Memorial Hospital provided $6.3 million in community benefits to the citizens of Logan and eastern Mason counties; that total includes $4.6 million in unpaid costs of public programs, $1.3 million in traditional charity care

MUNITIES WE SERVE.

s represents 17.4% of our total expenses of $727 million.

Charity Care	$18,233,000*
Unpaid Medicaid	$30,368,000*†
Unpaid Medicare	$40,360,000
Health Professions Education	$15,600,000*
Community Health Improvement	$1,151,000*
Cash/In-Kind Contributions	$1,230,000*
Subsidized Health Services	$69,000*
Research	$274,000*
Community Building Activities	$153,000*
Community Benefit Operations	$178,000*
Total Community Benefit	$107,616,000
Bad Debt *(Unpaid Patient Debts)*	$19,030,000
Total Unreimbursed Services	$126,646,000

**Included on IRS 990 Schedule H Report*
†Does not include the net impact of the Illinois Hospital Assessment

and $0.4 million to fund other health activities. Taylorville Memorial Hospital gave back $3.6 million in community benefits; this amount includes $2.3 million in unpaid costs of public programs, $1.2 million in traditional charity care and $0.1 million to fund other community services.

Additional community benefits totaling more than $7.5 million came from the health system's three other affiliates and Memorial Health Ventures, a non-profit subsidiary. The total community benefits provided by each were:

- $3.8 million from Memorial Physician Services;
- $2.4 million from Memorial Health Ventures;
- $1.2 million from Memorial Home Services; and
- $0.1 million from Mental Health Centers of Central Illinois.

ALMH DONATES PROPERTY TO COMMUNITY

Because of its move to a new building, Abraham Lincoln Memorial Hospital was able to gift the Lincoln community several pieces of property in 2011. The bulk of the land where the old hospital and its predecessor sat for a combined 109 years was given to the city of Lincoln. Mayor Keith Snyder announced that a health park designed with community input will be created on the 5.5-acre site.

ALMH also legally transferred its former finance department building, 304 Eighth St., to Lincoln Elementary School District 27, which is using the 6,481-square-foot building for much-needed office and training space.

The hospital also donated about a half-acre parcel to St. John United Church of Christ. ALMH previously leased a part of the property to the church so it could erect a garage needed for bus parking and storage. It now gains an additional parking lot with the donation. St. John, at the corner of Seventh and Maple streets, helped establish the Deaconess Hospital, the predecessor to ALMH.

MHCCI HELPS DEVELOP SUICIDE PREVENTION WEBINAR

MHCCI collaborated with the Illinois Principals Association to develop a webinar, "Suicide Prevention and Intervention in Adolescents and Teens," for school guidance counselors, teachers, social workers and other school personnel who work with youth in seventh through 12th grade. The webinar assists personnel in identifying the warning signs of suicidal behavior and the appropriate intervention and referral techniques. MHCCI employees researched, scripted and designed the 11-minute webinar, which is available to the public on MHCCI.org and MemorialCounselingAssociates.org.

CPR PROGRAM EMPOWERS YOUTH TO SAVE LIVES

Since 2009, Kelly Corcoran, Memorial Medical Center's AHA Training Center coordinator and a member of the Organization Development Operations team, has provided more than 180 basic life support classes in the community on behalf of Memorial Medical Center. Her students have saved lives using the training, including her father, who encountered a woman suffering a heart attack in a parking garage last year.

In 2011, Corcoran expanded her efforts through a program funded by a grant from the Memorial Medical Center Foundation and the American Heart Association called "CPR Anytime." The free program targets children in sixth-, seventh- and eighth-grades throughout the Springfield area.

"I firmly believe in our hospital's mission, and when the AHA came out with CPR Anytime, I decided that this would be the perfect opportunity to reach out to the younger demographic of our community," Corcoran said. "We want to provide students with the skills necessary to save a life, and we also want to empower them to step into a teacher role and educate their friends and family on how to save a life."

Corcoran envisions a movement of CPR Champions who pledge to train 10 other friends or family members, who pledge to train 10 others, and so on.

"It is only logical that the more people we have trained in CPR, the more likely a person is to receive help if suffering from a heart attack," she said.

TAYLORVILLE SCRUBS PROGRAM ATTRACTS FUTURE HEALTHCARE PROVIDERS

Scrubs, co-sponsored by Taylorville Memorial Hospital and Lincoln Land Community College, is a healthcare career exploration program for eighth-grade students. The program is geared toward students who have a true interest in exploring healthcare professions.

Scrubs participants meet once a week after school at Taylorville Memorial Hospital and get the opportunity to experience an array of healthcare careers. The students get to interact with healthcare workers in Radiology, Pharmacy, Laboratory, Nursing, Rehabilitation Services and the Emergency Department. Additionally, Scrubs students get to learn about new advancements in medicine, gain hands-on experience and observe professionals during a mock drunk-driving accident.

A graduation ceremony, with family members in attendance, is held the last evening of the Scrubs session. The students are presented with a certificate along with their own personal set of scrubs.

Graduates leave the program with a better understanding of different healthcare professions and of the requirements for a successful healthcare career.

MEMORIAL CONDUCTS COMMUNITY HEALTH NEEDS ASSESSMENT

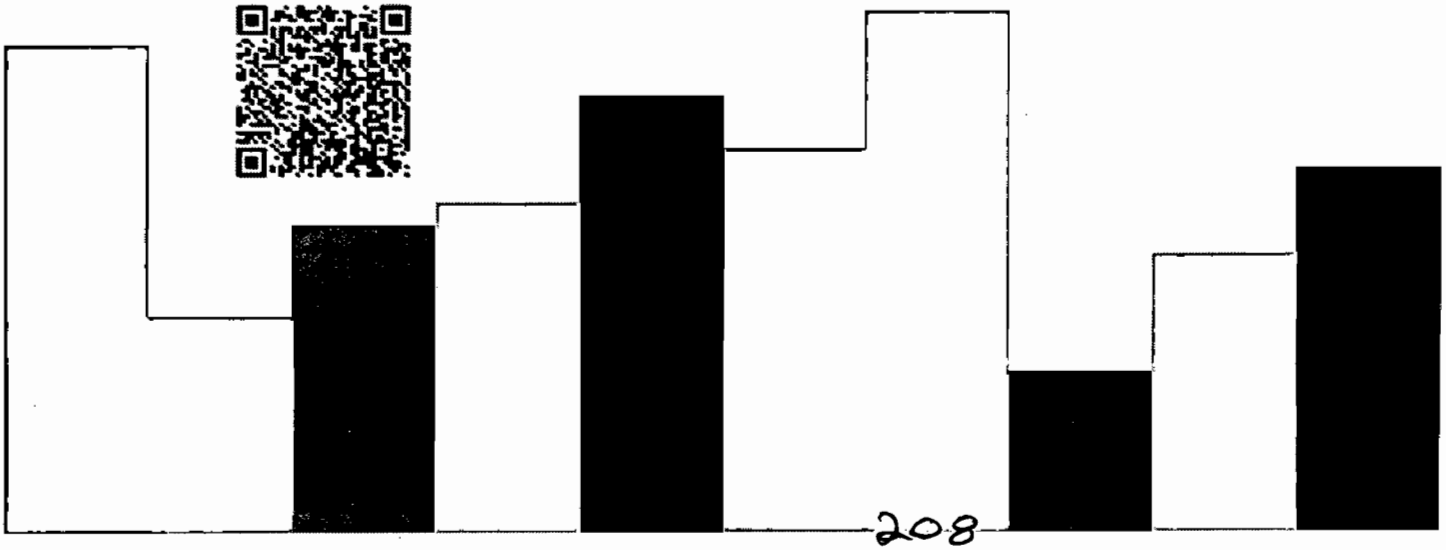
During the past year, Memorial's three hospitals conducted community health needs assessments in their respective counties, relying on county-specific health data to identify priority health issues.

"Each hospital then convened an advisory committee of community members to give additional insight into local health needs," said Mitch Johnson, senior vice president and chief strategy officer for Memorial Health System. "Final approval of our priorities will take place early in fiscal year 2012."

You can read more about the assessment and access health data for Sangamon, Christian and Logan counties at ChooseMemorial.org/HealthyCommunities.

Memorial
HEALTH SYSTEM

701 North First Street
Springfield, IL 62781–0001

ChooseMemorial.org

Scan with your
smartphone's QR reader.