

Ill. Health Facilities
and Services

4-14-11

Review Board

E-007-11

525 W. Jefferson St.

Springfield, Ill. 62761

Dear Review Board,

I am a retired nurse who
worked for 40+ years in
hospitals and public health.

I live in Davis, Ill., 20 mi.
west of Rockford at
Lake Sunset. Many

members of this community
use Rockford Memorial
Hospital for care as well
as other thousands west
of Rockford. (5 or more
other communities.) over

I believe that there would be a decline in services for individuals in these communities (and possibly all of Rockford). I have seen that often communication is the biggest help or hindrance to patient care.

I believe that communication decreases in larger facilities leading to injury to patients. I am very afraid that would happen with a merger of Rockford

Memorial and OSF facilities. Patient care would suffer.

I realize this must be a financial "cry for help", but surely something else could be initiated.

Also with the 5 yr. and 10 yr. possibility of RMH closing, all these west side patients care and life saving emergency care would be adversely affected.

Please turn down the merger and help

Rm # to remain
independent.

Thank you for
your attention.

Charlyn C. Geldmacher
RN, MCN,
PWP

1386 Chadbourne
Dr

Davis, IL. 61019

ph 815-248-9148



Charlyn Geldmacher
1386 Chadbourne Dr.
Davis, IL 61019-9658

★ PRINT EXCLUSIVE | NOT AVAILABLE FREE ONLINE

Hospital merger details ex

By Mike DeDoncker
and Melissa Westphal
ROCKFORD REGISTER STAR

ROCKFORD — The Rockford Memorial Development Foundation will have a new identity if Peoria-based OSF HealthCare is allowed to acquire Rockford Health System.

That's one of the major changes outlined in the 543-page application that the health systems prepared in asking the Illinois Health Facilities and Services Review Board for a certificate of exemption to join.

The state review board has tentatively planned to review the application at its May 10 meeting, but residents can voice their opinions on the deal Friday morning during a public hearing in Rockford hosted by the Illinois Department of Public Health.

Even if state officials give OSF and Rockford Health System the go-ahead, they still need federal approval, a process expected to take two to three more months.

Included in OSF's acquisition would be Rockford Health System, Rockford Memorial Hospital, Rockford Health Physicians, Visiting Nurses Association of the Rockford area, Rockford Health Insurance Ltd. and Rockford Health System Ventures LLC. The Rockford Memorial Development Foundation as it currently exists would be excluded from the deal.

In light of the state being the first entity to approve the deal as early as next month, the Register Star asked Gary Kaatz, president and CEO of Rockford Health System, and David Schertz, president and CEO of OSF Saint Anthony Medical Center, to further explain some of the bigger points in the application. These are their jointly prepared responses.

Will Rockford Memorial Hospital stay open?

The application says OSF will commit to health care on

maintain Rockford Memorial Hospital as a general acute-care hospital for 10 years after the transaction closing date. But after the end of the fifth year after the closing date, OSF can cease operations at the hospital with the approval of 75 percent of the local governing board.

Kaatz and Schertz told us "at no time during the due diligence process were there any discussions about closing Rockford Memorial Hospital." In addition to approval by the local governing board, closing the hospital could require approval by the state review board.

"The 10-year and five-year periods stated in the affiliation agreement demonstrate this strong commitment, while providing the flexibility needed in today's rapidly changing health care environment to address any unforeseen circumstances that may adversely impact RMH in the future. These types of contractual commitments are common in such agreements and should not be construed as a lack of commitment to the west side on the part of OSF or RHS."

How do the Ethical and Religious Directives followed by OSF affect clinics and facilities currently owned by Rockford Health System that will be transferred to OSF ownership with regards to prescribing contraceptives?

Ethical and Religious Directives apply to all OSF properties whether they are owned or leased, Kaatz and Schertz said. Prescribing contraceptives for family planning purposes is done by the physician or nurse practitioner in his or her professional capacity. This does occur in OSF medical offices, but the provider is engaging in this activity entirely separate from the scope of his or her employment with OSF. Providers using this "limited private practice" must tell patients they are acting in their personal capacity and not in their OSF role.

Will existing Rockford Health

icons and decor in place once they're owned by OSF?

"It is traditional to have Christian symbols and art in the health care setting. OSF will use such symbols, art and OSF mission statements for the sake of identification. Christian art and symbols can also provide comfort and peace to many persons at a time of vulnerability."

What will become of the Rockford Memorial Development Foundation?

The Rockford Memorial Development Foundation will become independent of OSF HealthCare once the transaction is complete, and a new foundation — the OSF Northern Region Foundation — will be established to fund-raise for the OSF Northern Region, which includes Rockford Memorial Hospital and OSF Saint Anthony Medical Center facilities that will be owned by OSF.

Fifty percent of the unrestricted assets of the Rockford foundation will be transferred to the new foundation. The total assets of the Rockford Memorial Development Foundation, as of 2010, are \$109 million. Of that, \$13 million is restricted and \$96 million is unrestricted.

The Rockford foundation will need a new name and a new board, and the new board has to include two members nominated by OSF HealthCare and two members nominated by the OSF Northern Region, and Kaatz will be an ex-officio member. In addition, the Rockford foundation will nominate two directors to serve on the board of OSF HealthCare. A majority of board members on all boards must be community members. The Rockford foundation can purchase existing Rockford Health System facilities but can't be "part of any venture that would own or provide direct health care services." Kaatz and Schertz say the foundation's purpose will be to use its existing as-

plained

health care in the region, but it won't be able to fundraise. "RMDF" will continue to play an important role post-affiliation. With the unrestricted assets that it will retain, it will continue providing funding of health care initiatives in the community as well as supporting the OSF Northern Region. ... The OSF Northern Region expects to maintain a strong future relationship with RMDF through a common vision and overlapping board appointments."

What happens to the employees of both facilities if this deal is approved?

The application gives OSF and Rockford Health System the right to terminate employees or conduct staff reductions before, on or after the transaction closing date.

"Pre-closing, both organizations, on an independent basis, will continue to manage the day-to-day operations of their respective facilities, including making prudent decisions regarding necessary

If you go

Details: The hearings open to the public and attendees are allowed to present written and oral comments. All allegations or assertions should be relevant to the need for the proposed project and be supported with two copies of documentation or materials that are printed or typed on 8½-by-11-inch paper.

staffing. If the affiliation is approved, both hospitals will continue to operate as usual in the short term until an appropriate integration plan is developed that will, among other things, address the appropriate staffing that will be needed to meet the operational needs of both hospitals."

What are the costs associated with the transaction?

The application states there is no acquisition price for this transaction and the

How do I find out

more about the application?

For more information, contact the chairman of the Illinois Health Facilities and Services Review Board, 525 W. Jefferson St., Second Floor, Springfield, IL 62761. The deadline to submit written comments is 9 a.m. Wednesday.

Phone: 217-782-3516
Fax: 217-785-4111

fair market value of the transaction is about \$212.6 million. As part of the agreement, OSF will assume Rockford Health System assets and liabilities. The current RHS debt of \$100 million will be paid off as part of the agreement. There is no actual money that changes hands with the deal.

Reach HealthyRockford editor Mike DeDoncker at mikedoncker@rrstar.com or 815-987-1382. Reach staff writer Melissa Westphal at mwestpha@rrstar.com or 815-987-1341.

100% OFF

4-14-11

E007-11

In regard to merger of O.S.F. and R.M.H.
in Rockford, Illinois. I am strongly
against it. It says in R.Pfd. Register
Star dated 4-14-11 that St. Anthony
will have the power to cease
operations at R.M.H. after 5 years.
and that ~~that~~ O.S.F. has the power
to have christian symbols and
art in hospitals which would mean
crucifixes & catholic art work.
What happen to freedom of religion?
Also sounds like the only thing
this merger would do is let O.S.F.
have all the say and R.M.H. would
lose everything they have stood for
in the many years they have been
in Rockford. R.M.H. has been my
hospital for years and I hope to
continue it to be. Please vote
NO to this merger. Thank you.



Sally Carter
Apt. 913
310 7th St.
Rockford, IL 61104

Sally Carter

RECEIVED

APR 18 2011

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Here's is copy of what was
in R.Pfd Register star 4-14-11

This is my opinion! Thank you!

★ PRINT EXCLUSIVE | NOT AVAILABLE FREE ONLINE

Hospital merger details explained

By Mike DeDoncker and Melissa Westphal
ROCKFORD REGISTER STAR

ROCKFORD — The Rockford Memorial Development Foundation will have a new identity if Peoria-based OSF HealthCare is allowed to acquire Rockford Health System.

That's one of the major changes outlined in the 543-page application that the health systems prepared in asking the Illinois Health Facilities and Services Review Board for a certificate of exemption to join.

The state review board has tentatively planned to review the application at its May 10 meeting, but residents can voice their opinions on the deal Friday morning during a public hearing in Rockford hosted by the Illinois Department of Public Health.

Even if state officials give OSF and Rockford Health System the go-ahead, they still need federal approval, a process expected to take two to three more months.

Included in OSF's acquisition would be Rockford Health System, Rockford Memorial Hospital, Rockford Health Physicians, Visiting Nurses Association of the Rockford area, Rockford Health Insurance Ltd. and Rockford Health System Ventures LLC. The Rockford Memorial Development Foundation as it currently exists would be excluded from the deal.

In light of the state being the first entity to approve the deal as early as next month, the Register Star asked Gary Kaatz, president and CEO of Rockford Health System, and David Schertz, president and CEO of OSF Saint Anthony Medical Center, to separate from the scope of the bigger points in the application. These are their jointly prepared responses:

Will Rockford Memorial Hospital stay open?
The application says OSF will commit to health care on the west side of Rockford and

maintain Rockford Memorial Hospital as a general acute-care hospital for 10 years after the transaction closing date. But after the end of the fifth year after the closing date, OSF can cease operations at the hospital with the approval of 75 percent of the local governing board.

Kaatz and Schertz told us "at no time during the due diligence process were there any discussions about closing Rockford Memorial Hospital." In addition to approval by the local governing board, closing the hospital could require approval by the state review board.

"The 10-year and five-year periods stated in the affiliation agreement demonstrate this strong commitment, while providing the flexibility needed in today's rapidly changing health care environment to address any unforeseen circumstances that may adversely impact RMH in the future. These types of contractual commitments are common in such agreements and should not be construed as a lack of commitment to the west side on the part of OSF or RHS."

How do the Ethical and Religious Directives followed by OSF affect clinics and facilities currently owned by Rockford Health System that will be transferred to OSF ownership with regards to prescribing contraceptives?
Ethical and Religious Directives apply to all OSF properties whether they are owned or leased. Kaatz and Schertz said, "Prescribing contraceptives for family planning purposes is done by the physician or nurse practitioner in his or her professional capacity. This does occur in OSF medical offices, but the provider is engaging in this activity entirely separate from the scope of his or her employment with OSF. Providers using this "limited private practice" must tell patients they are acting in their personal capacity and not in their OSF role.

Will existing Rockford Health System facilities have religious icons and decor in place once they're owned by OSF?
"It is traditional to have Christian symbols and art in the health care setting. OSF will use such symbols, art and OSF mission statements for the sake of identification. Christian art and symbols can also provide comfort and peace to many persons at a time of vulnerability."
What will become of the Rockford Memorial Development Foundation?
The Rockford Memorial Development Foundation will become independent of OSF HealthCare once the transaction is complete, and a new foundation — the OSF Northern Region Foundation — will be established to fundraise for the OSF Northern Region, which includes Rockford Memorial Hospital and OSF Saint Anthony Medical Center facilities that will be owned by OSF.
Fifty percent of the unrestricted assets of the Rockford foundation will be transferred to the new foundation. The total assets of the Rockford Memorial Development Foundation, as of 2010, are \$109 million. Of that, \$13 million is restricted and \$96 million is unrestricted.
The Rockford foundation will need a new name and a new board, and the new board has to include two members nominated by OSF HealthCare and two members nominated by the OSF Northern Region, and Kaatz will be an ex-officio member. In addition, the Rockford foundation will nominate two directors to serve on the board of OSF HealthCare. A majority of board members on all boards must be community members. The Rockford foundation can purchase existing Rockford Health System facilities that can't be "part of any venture that would own or provide direct health care services." Kaatz and Schertz say the foundation's purpose will be to use its existing assets to continue to

health care in the region, but it won't be able to fundraise.

"RMDF" will continue to play an important role, post-affiliation. With the unrestricted assets that it will retain, it will continue providing funding of health care initiatives in the community as well as supporting the OSF Northern Region. "The OSF Northern Region expects to maintain a strong future relationship with RMDF through a common vision and overlapping board appointments."

What happens to the employees of both facilities if this deal is approved?
The application gives OSF and Rockford Health System the right to terminate employees or conduct staff reductions before, on or after the transaction closing date.

"Pre-closing, both organizations, on an independent basis, will continue to manage the day-to-day operations of their respective facilities, including making prudent decisions regarding necessary

If you go

What: State public hearing on OSF HealthCare's potential acquisition of Rockford Health System

When: 10 a.m., Friday

Where: Rockford City Hall, 425 E. State St., in the second-floor City Council chambers

Details: The hearing is open to the public, and attendees are allowed to present written and oral comments. All allegations or assertions should be relevant to the need for the proposed project and be supported with two copies of documentation or materials that are printed or typed on 8½-by-11-inch paper.

How to get involved

Digital: To read the application, go to Mrsb.illinois.gov/CompApps.htm and scroll to "Exemptions"; Rockford Memorial's application, E-007-11, is the second from the bottom.

Small mail: Illinois Health Facilities and Services Review Board, 525 W. Jefferson St., Second Floor, Springfield, IL 62761. The deadline to submit written comments is 9 a.m. Wednesday.

Phone: 217-782-3516
Fax: 217-785-4111

staffing. If the affiliation is approved, both hospitals will continue to operate as usual in the short term until an appropriate integration plan is developed that will, among other things, address the appropriate staffing that will be needed to meet the operational needs of both hospitals."

What are the costs associated with the transaction?

The application states there is no acquisition price for this transaction and the

fair market value of the transaction is about \$212.6 million. As part of the agreement, OSF will assume Rockford Health System assets and liabilities. The current RHS debt of \$100 million will be paid off as part of the agreement. There is no actual money that changes hands with the deal.

Reach HealthyRockford editor Mike DeDoncker at mikedoncker@rrstar.com or 815-987-1382. Reach staff writer Melissa Westphal at mwestphal@rrstar.com or 815-987-1341.