STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD
525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 • FAX: (217) 785-4111

December 29, 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul Van Den Heuvel, V.P. & Gen Counsel
Mercy Health System
1000 Mineral Point Road
Janesville, Wisconsin 53548

Re: **Corrected** Exemption Approval
EXEMPTION NUMBER: E-039-14
FACILITY NAME: Mercy Harvard Memorial Hospital - Harvard, Illinois
APPLICANTS: Interstate Alliance, Inc., Rockford Memorial Hospital, Mercy Alliance, Inc. Rockford Health System, Mercy Harvard Hospital, Inc.

Dear Mr. Heuvel:

On December 16, 2014, the Illinois Health Facilities and Services Review Board/Chairwoman approved the exemption application for the referenced project based upon the project's substantial conformance with the applicable standards and criteria of 77 Ill Adm. Code 1130. In arriving at a decision, the State Board considered the findings contained in the State Board Staff Report, the exemption application material, public hearing testimony and documents, any testimony made before the State Board, and the Illinois Health Facilities Planning Act (20 ILCS 3960).

The operating entity licensee is Mercy Harvard Hospital, Inc. and the owner of the site is Mercy Harvard Hospital, Inc. The acquisition price/fair market value is $20,203,000.

You are reminded that this exemption is only valid for 24 months from the date of approval and is not transferable or assignable. This exemption must be completed within the 24 month period. To demonstrate completion of this transaction, the exemption holder must provide the State Agency with the date that the ownership change occurred and also provide a copy of the license or certification issued pursuant to the change of ownership. Failure to provide the required notification shall subject the exemption holder to the sanctions provided under Section 14 of the Illinois Health Facilities Planning Act. The exemption holder is also reminded that 77 IAC 1130.140 defines transactions that constitute a change of ownership of a health care facility. You should become familiar with those definitions.

The State Board's approval does not exempt the transaction from any other regulatory, certification or licensure requirements that may be applicable prior to acquisition. The exemption will be invalid should the facility for which the change of ownership was granted cease to be an existing health care facility as defined in 77 IAC 1130.140.

Exemption Permit Letter

This permit does not exempt the project or permit holder from licensing and certification requirements, including approval of applicable architectural plans and specifications prior to construction. **Please note the Illinois Department of Public Health will not license the proposed facility until such time as all of the permit requirements have been completed.** Should you have any questions regarding the permit requirements, please contact Mike Constantino at 217-782-3516.

Sincerely,

Courtney Avery

Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board