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October 24, 2017

Honorable Tim Anderson
Secretary of the Senate
401 Capital Building
Springfield, Illinois 62706

Honorable Timothy D. Mapes
Clerk of the House
402 Capital Building
Springfield, Illinois 62706

Dear Secretary Anderson and Clerk Mapes:

Pursuant to 20 ILCS 2310/2310-640(d), the Illinois Department of Public Health is required to report annually to the General Assembly on the Hospital Capital Investment Program. This grant program provided funds to hospitals to address capital needs, including construction or building renovation and acquisition of medical or information technology equipment.

Attached is the report for 2017. As of the filing of this report, all grant projects are complete. The report provides other information and details, including each hospital name, location, project description, grant award, and project status.

Very truly yours,

Nirav Shah

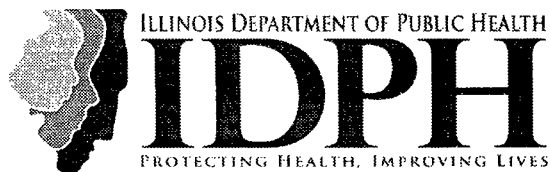
Nirav D. Shah, M.D., J.D.
Director



State of Illinois
Illinois Department of Public Health

Hospital Capital Investment Program Annual Report to the Illinois General Assembly

December 2017





**Illinois Department of Public Health
Hospital Capital Investment Program
Report for 2017**

Overview

In January 2011, the Illinois Department of Public Health (“IDPH”) began the Hospital Capital Investment Program to provide grants to hospitals for capital-related projects. Grant funds were released between 2012 and 2014. In total, \$150,000,000 in funding was available. Based on the requirements of the program, 124 hospitals qualified for funding. Of this number, 123 hospitals were awarded grants. Total grant awards encompassed \$149,354,439. As of the date of this report, all 123 projects that were funded by this grant program are complete.

Background

Public Act 96-0037 (Act) created Section 2310-640 of the Department of Public Health Powers and Duties Law [20 ILCS 2310/2310-640(a-e)]. This section mandated that IDPH establish a hospital capital grant program. Grants can be used by qualifying hospitals to:

1. Renovate buildings to address life/safety code standards
2. Maintain, improve, renovate, expand, or construct buildings
3. Maintain, establish, or improve health information technology and medical equipment
4. Maintain or improve patient safety, quality of care, or access to care

The Act created two grant processes: Safety Net Hospital and Community Hospital grants. Awards for Safety Net Hospital grants ranged from \$4.6 million to \$7 million per hospital. Total awards could not exceed \$100 million. Community Hospital grants averaged \$350,000 per hospital. Total awards could not exceed \$50 million.

Grant Award Requirements

To qualify for a Safety Net Hospital grant, hospitals must meet one of the criteria referenced in subsection (b) of the Act:

1. Be a general acute care hospital located in a county of more than three million inhabitants, have a Medicaid inpatient utilization rate (for the rate year beginning October 1, 2008)

As noted, \$149.4 million was awarded to hospitals. This is less than the \$150 million dedicated to the program. Elmhurst Memorial Hospital qualified for a grant (\$404,000) but did not apply. Other hospitals did not apply for the maximum amount of funds available, which resulted in \$241,561 of unused grant funds. In total, \$645,561 in grant funds were not utilized (see Table One).

TABLE ONE		
Utilization of Grant Funds		
Grant Funds Available	Grant Funds Utilized	Grant Funds Not Utilized
\$150,000,000	\$149,354,439	\$645,561

Distribution of Grants

Grants have funded capital projects statewide. The map attached in Appendix B displays the geographic distribution of grants. As referenced in this map, 12 of the grants were for hospitals in Chicago, three grants were for hospitals in Cook County (outside Chicago), 13 grants were for hospitals located in the collar counties (Lake, McHenry, Kane, DuPage, and Will), while 95 grants were for downstate hospitals (includes all areas except Chicago, Cook County, and the collar counties). From the 123 hospitals that received grants, 67 are in rural areas, while 56 are in urban areas. Of the 67 rural grantees, 43 are critical access hospitals (see Table Two).

TABLE TWO		
Distribution of Hospital Capital Grants		
Geographic Designation		
Location	Number of Grants	Percent of Total Grants
Chicago	12	10%
Cook County ⁽¹⁾	3	2%
Collar Counties ⁽²⁾	13	11%
Downstate ⁽³⁾	95	77%
TOTAL	123	100%
Urban / Rural Designation		
Urban / Rural ⁽⁴⁾	Number of Grants	Percent of Total Grants
Urban	56	46%
Rural	67	54%
TOTAL	123	100%
Critical Access Hospitals		
Facility	Number of Grants	Percent of Total Grants
Critical Access Hospitals ⁽⁵⁾	43	35%
1 - Hospitals located outside Chicago. 2 - Hospitals located in Lake, McHenry, Kane, DuPage, and Will counties. 3 - All areas except Chicago, Cook County, and the collar counties. 4 - Urban / Rural designations obtained from the IDPH - Center for Rural Health. 5 - Critical access hospital designation obtained from the Illinois Critical Access Hospital Network.		

A Critical Access Hospital (CAH) is a federal designation offered to small hospitals in rural areas to serve residents that would otherwise have to travel long distances for medical care. CAHs must adhere to several requirements, including: 1) no more than 25 inpatient beds, 2) an average length of stay under 96 hours, 3) be more than 35 miles from another hospital (exceptions allowed for areas with poor roads or difficult terrain), and 4) offer 24/7 emergency care.

Funded Projects

Due to the variety of capital activities initiated by hospitals, IDPH classified projects by four general categories: construction/renovation, medical equipment acquisition, information technology, and life/safety code. As seen in Table Five, a majority of grant funds were used for construction/renovation projects or medical equipment acquisition.

Type of Project	Grants Funded	Percent of Total Grants	Amount of Grants	Percent of Total Grant Awards
Construction / Renovation	39	32%	\$100,382,353	67%
Medical Equipment Acquisition	56	45%	\$38,399,757	26%
Information Technology	7	6%	\$2,571,743	2%
Life / Safety Code	21	17%	\$8,000,586	5%
TOTAL	123	100%	\$149,354,439	100%

Although the Act did not require grantees to contribute financially or match funds for their grants, many hospitals provided additional monies towards their projects. Including the grantees' financial contributions, costs for all projects totaled \$265.8 million. Overall, grantees contributed \$116.4 million (44%) toward the projects' costs, while IDPH's grants funded \$149.4 million (56%). Table Six displays this information.

Financial Contribution	Amount	Percent of Total Contribution
Grantees' Funds	\$116,449,812	44%
IDPH Grants	\$149,354,439	56%
TOTAL	\$265,804,251	100%

Certificate of Need Determination

The Act mandated that hospitals fulfill the applicable requirements of the Illinois Health Facilities Planning Act [20 ILCS 3960] as it related to grant projects. Accordingly when each grant application was received, a copy was forwarded to staff at the Illinois Health Facilities and Services Review Board for a determination on the applicability of a Certificate of Need ("CON") in connection with the project. From these reviews, five facilities required a CON. It is noted that each facility received the CON prior to the grant being issued (see Table Seven).

Hospital	Location	Project	Grant Award
Jackson Park Hospital	Chicago	Renovate space for women's health service	\$7,000,000
La Rabida Children's Hospital	Chicago	Construct new building, renovate existing space	\$4,600,000
Mt. Sinai Hospital	Chicago	Building renovation	\$7,000,000
Sarah Culbertson Memorial Hospital	Rushville	Building renovation, IT upgrades, discontinue long-term care service	\$352,492
Swedish Covenant Hospital	Chicago	Construct ambulatory care building	\$7,000,000
TOTAL			\$25,952,492

TABLE EIGHT	
Grant Projects Subject to the Hospital Licensing Act	
Hospital	Location
St. Margaret's Hospital	Spring Valley
St. Mary's Hospital	Decatur
Swedish Covenant Hospital	Chicago
Touchette Regional Hospital	Centreville

Economic Assessment

As referenced in Table Six, nearly \$266 million dollars were expended by hospitals statewide through this grant program. From these grants, hospitals reported the creation of 2,320 construction jobs and 345 permanent jobs.

Although a formal economic impact analysis is beyond the scope of this report, the direct effect of this grant program on local economies is significant. Direct effects include monies initially spent by the hospitals, including architects, contractors, supplies, raw materials, and equipment vendors.

Grant Monitoring

Per the requirements of the Illinois Grant Funds Recovery Act [30 ILCS 705], each grantee was required to submit quarterly reports for their projects. These reports detailed the progress made on each project and provided expenditure information on grant funds. IDPH notes all 123 grantees submitted the required reports for the duration of their projects.

Obligation was another requirement of the grant process. Obligation means the project commenced and proceeded with due diligence. It occurred when 30 percent of the total project cost was committed (through the execution of a construction contract or purchase order) or 30 percent of the project's funds were expended. By November 2013, all of the grants were obligated.

Grant Status

When projects are finished, grantees submit a notice of project completion to IDPH. A project is complete when the grantee attests that all grant funds have been expended and all components are finished. Based on these requirements, all 123 projects are complete and the grants are closed.

Appendix

Included in this report are two appendices. Appendix A lists the hospitals that received a grant and includes the hospital name, location, project description, grant award and current project status. Appendix B provides a map showing the geographic distribution of grant awards.

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APPENDIX A

Hospital Capital Investment Program Grantees

Hospital Capital Investment Program

December 2017

Hospital	Grant Type		City	Legislative District		Project Description	Grant Award	Project Status
	Safety Net	Community		Sen.	Rep.			
Abraham Lincoln Memorial Hospital		x	Lincoln	50	100	New Diagnostic Equipment	\$ 383,650	Project Complete, Grant Closed
Adventist Glen Oaks Hospital		x	Glendale Heights	23	45	New Cardiac Monitoring System	\$ 637,865	Project Complete, Grant Closed
Advocate BroMenn Medical Center		x	Bloomington	44	88	Roof Repair, Acquire Medical Equipment	\$ 421,550	Project Complete, Grant Closed
Advocate Condell Medical Center		x	Libertyville	26	51	New Nurse Call System, New Neuro Microscope	\$ 651,050	Project Complete, Grant Closed
Advocate Good Samaritan Hospital		x	Downers Grove	21	42	Acquire New Generator	\$ 435,000	Project Complete, Grant Closed
Advocate Sherman Hospital (1)		x	Elgin	25	49	Laboratory Equipment Upgrades	\$ 614,150	Project Complete, Grant Closed
Alton Memorial Hospital		x	Alton	56	111	Acquire New Air Handling Unit	\$ 264,050	Project Complete, Grant Closed
Anderson Hospital		x	Maryville	56	112	New Canopy Over Emergency Department	\$ 298,799	Project Complete, Grant Closed
Blessing Hospital		x	Quincy	47	93	New Laboratory Automation System	\$ 719,845	Project Complete, Grant Closed
Carle Foundation Hospital		x	Urbana	52	103	Renovate Clinical Decision Unit, Expand ER	\$ 847,610	Project Complete, Grant Closed
Carle Hoopeson Regional Health Center (2)		x	Hoopeson	53	105	Equipment Upgrades for Surgery and ER	\$ 341,440	Project Complete, Grant Closed
Carlinville Area Hospital		x	Carlinville	49	98	Electronic Medical Record System	\$ 345,490	Project Complete, Grant Closed
Centegra Hospital - McHenry		x	McHenry	26	52	Relocate / Renovate Infusion Center	\$ 314,360	Project Complete, Grant Closed
Centegra Hospital - Woodstock		x	Woodstock	32	63	Renovate Radiography and Fluoroscopy Rooms	\$ 410,030	Project Complete, Grant Closed
Central DuPage Hospital		x	Winfield	48	95	New Bedside Monitors	\$ 584,000	Project Complete, Grant Closed
CGH Medical Center		x	Sterling	45	90	Fire Suppression System for Clinic Building	\$ 443,815	Project Complete, Grant Closed
Clay County Hospital		x	Flora	54	108	Replace Rooftop Cooling System	\$ 337,607	Project Complete, Grant Closed
Community Memorial Hospital		x	Staunton	49	98	Life / Safety Code Upgrades	\$ 342,205	Project Complete, Grant Closed
Crawford Memorial Hospital		x	Robinson	55	109	Renovate / Expand Operating Rooms	\$ 381,000	Project Complete, Grant Closed
Decatur Memorial Hospital		x	Decatur	51	101	New Patient Call System	\$ 565,730	Project Complete, Grant Closed
Dr. John Warner Hospital		x	Clinton	44	87	Fire Suppression System	\$ 345,130	Project Complete, Grant Closed
Fairfield Memorial Hospital		x	Fairfield	54	108	Acquire New Generator	\$ 367,360	Project Complete, Grant Closed
Fayette County Hospital		x	Vandalia	51	102	Acquire Digital Mammography Equipment	\$ 356,470	Project Complete, Grant Closed
Ferrell Hospital		x	Eldorado	59	118	Electronic Medical Record System	\$ 362,320	Project Complete, Grant Closed
Franklin Hospital		x	Benton	59	117	Replace Water Plumbing System	\$ 352,690	Project Complete, Grant Closed
Freeport Memorial Hospital		x	Freeport	45	89	Reconfigure and Resurface Visitor Parking Lot	\$ 470,635	Project Complete, Grant Closed
Genesis Medical Center - Aledo (3)		x	Aledo	36	72	Acquire Digital Mammography Equipment	\$ 340,720	Project Complete, Grant Closed
Genesis Medical Center - Silvis (4)		x	Silvis	36	71	Establish Cardiac Outpatient Unit	\$ 322,820	Project Complete, Grant Closed
Gibson Community Hospital		x	Gibson City	53	105	Acquire Radiology Equipment	\$ 356,785	Project Complete, Grant Closed
Good Samaritan Regional Health Center		x	Mt. Vernon	54	107	Operating Room Integration System	\$ 515,500	Project Complete, Grant Closed
Graham Hospital		x	Canton	46	91	Renovate Intensive Care Unit	\$ 445,795	Project Complete, Grant Closed
Holy Family Hospital (5)		x	Greenville	51	102	Update Wall Suction System	\$ 368,350	Project Complete, Grant Closed
Hamilton Memorial Hospital		x	McLeansboro	59	117	New Fire Suppression System, New Loading Dock	\$ 352,240	Project Complete, Grant Closed
Hardin County General Hospital		x	Rosiclare	59	118	New Lab Equipment, Renovate Clinical Space	\$ 354,175	Project Complete, Grant Closed
Harrisburg Medical Center		x	Harrisburg	59	118	Equipment Upgrades	\$ 446,965	Project Complete, Grant Closed
Herrin Hospital		x	Herrin	59	117	Automated Pharmacy Dispensing System	\$ 420,460	Project Complete, Grant Closed
Hillsboro Area Hospital		x	Hillsboro	49	98	New MRI Machine	\$ 345,355	Project Complete, Grant Closed
Holy Cross Hospital	x		Chicago	16	32	Equipment Upgrades	\$ 7,000,000	Project Complete, Grant Closed
Illini Community Hospital		x	Pittsfield	49	97	Renovate Space for Physical Therapy Department	\$ 344,905	Project Complete, Grant Closed
Illinois Valley Community Hospital		x	Peru	38	76	New CT Scanner	\$ 457,090	Project Complete, Grant Closed
Ingalls Memorial Hospital	x		Harvey	15	30	New Equipment, HVAC Upgrades	\$ 4,600,000	Project Complete, Grant Closed
Iroquois Memorial Hospital		x	Waukega	53	105	Life / Safety Code Upgrades	\$ 383,470	Project Complete, Grant Closed
Jackson Park Hospital	x		Chicago	17	33	Renovate Women's Health Services	\$ 7,000,000	Project Complete, Grant Closed
Jersey Community Hospital		x	Jerseyville	49	97	Renovate / Expand Emergency Department	\$ 379,375	Project Complete, Grant Closed
Katherine Shaw Bethea Hospital		x	Dixon	45	90	Renovate Patient Registration Area	\$ 430,000	Project Complete, Grant Closed
Kirby Medical Center		x	Monticello	55	110	New Medical Equipment and IT Upgrades	\$ 340,855	Project Complete, Grant Closed
Kishwaukee Community Hospital		x	DeKalb	35	70	Cardiac Catheterization Lab Expansion	\$ 444,805	Project Complete, Grant Closed
La Rabida Children's Hospital	x		Chicago	13	25	Construct New Building and Renovate Existing Space	\$ 4,600,000	Project Complete, Grant Closed
Lawrence County Memorial Hospital		x	Lawrenceville	55	109	Electronic Medical Record System	\$ 358,090	Project Complete, Grant Closed
Loretto Hospital	x		Chicago	4	8	Renovate Clinical Space and Equipment Upgrades	\$ 7,000,000	Project Complete, Grant Closed
MacNeal Hospital	x		Berwyn	11	21	Renovate Medical / Surgical Units	\$ 4,600,000	Project Complete, Grant Closed

Hospital Capital Investment Program

December 2017

Hospital	Grant Type		City	Legislative District		Project Description	Grant Award	Project Status
	Safety Net	Community		Sen.	Rep.			
St. Anthony's Memorial Hospital		x	Effingham	54	108	Pharmacy Renovation	\$ 470,725	Project Complete, Grant Closed
St. Bernard Hospital	x		Chicago	3	6	Roof Replacement and Building Renovation	\$ 7,000,000	Project Complete, Grant Closed
St. Elizabeth Hospital		x	Belleville	57	113	Patient Room Renovation	\$ 532,340	Project Complete, Grant Closed
St. Francis Hospital		x	Litchfield	49	98	Emergency Generator Upgrade	\$ 410,065	Project Complete, Grant Closed
St. James Hospital	x		Olympia Fields	19	38	Replace Chillers, Air Handlers, Boiler and Generator	\$ 4,600,000	Project Complete, Grant Closed
St. John's Hospital		x	Springfield	50	99	Establish Neuro-Interventional Lab	\$ 1,102,445	Project Complete, Grant Closed
St. Joseph Memorial Hospital		x	Murphysboro	58	115	Automated Pharmacy Dispensing System	\$ 359,170	Project Complete, Grant Closed
St. Joseph's Hospital		x	Breese	54	107	Roof Repair, Equipment Upgrades	\$ 381,445	Project Complete, Grant Closed
St. Margaret's Hospital		x	Spring Valley	38	76	Pharmacy Renovation	\$ 400,300	Project Complete, Grant Closed
St. Mary's Hospital		x	Centralia	54	107	New Radiology and Nuclear Medicine Equipment	\$ 591,000	Project Complete, Grant Closed
St. Mary's Hospital (10)		x	Streator	38	76	New Heating and Cooling Pumps	\$ 390,580	Project Complete, Grant Closed
St. Mary's Hospital		x	Decatur	51	101	New Cardiac Catheterization Lab	\$ 522,395	Project Complete, Grant Closed
Swedish Covenant Hospital	x		Chicago	7	13	Construct Ambulatory Care Building	\$ 7,000,000	Project Complete, Grant Closed
SwedishAmerican Hospital		x	Rockford	34	67	Upgrade Linear Accelerator	\$ 863,630	Project Complete, Grant Closed
Taylorville Memorial Hospital		x	Taylorville	49	98	Radiology Equipment Replacement	\$ 375,955	Project Complete, Grant Closed
Thomas Boyd Memorial Hospital		x	Carrollton	49	97	Electronic Medical Record System	\$ 340,990	Project Complete, Grant Closed
Touchette Regional Hospital	x		Centreville	57	114	Emergency Department Expansion	\$ 4,600,000	Project Complete, Grant Closed
Trinity Medical Center		x	Rock Island	36	72	Exterior Building Repairs	\$ 631,790	Project Complete, Grant Closed
Valley West Community Hospital		x	Sandwich	35	70	Equipment Acquisition	\$ 366,640	Project Complete, Grant Closed
Wabash General Hospital		x	Mt. Carmel	55	109	New Surgical Equipment	\$ 346,975	Project Complete, Grant Closed
Washington County Hospital		x	Nashville	58	115	Construct Storage Building and IT Server Room	\$ 347,020	Project Complete, Grant Closed
TOTALS	16	107					\$ 149,354,439	

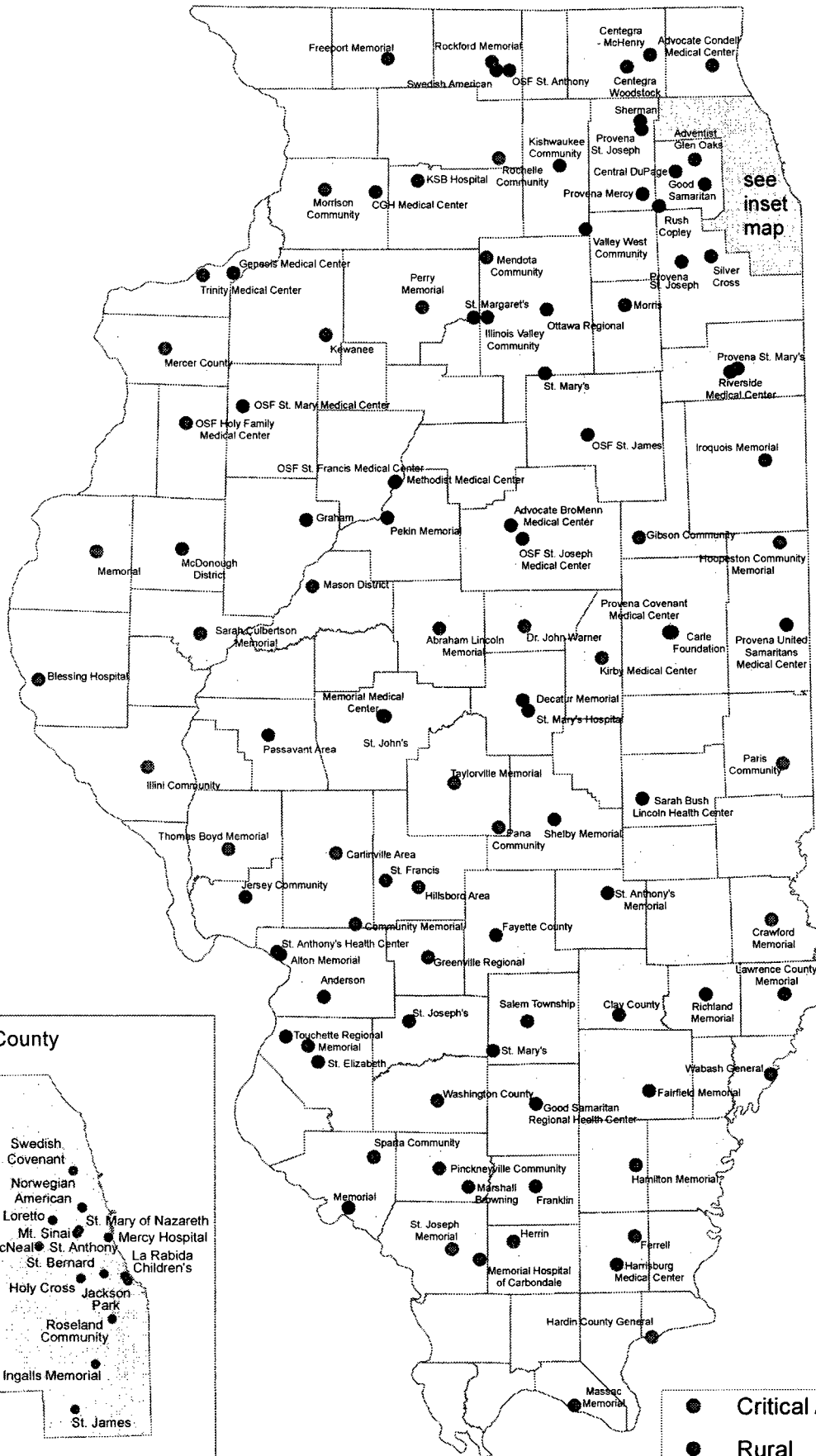
- 1 - F/K/A Sherman Hospital
- 2 - F/K/A Hoopston Regional Memorial Hospital
- 3 - F/K/A Mercer County Hospital
- 4 - F/K/A Illini Hospital
- 5 - F/K/A Greenville Regional Hospital
- 6 - F/K/A Ottawa Regional Hospital.
- 7 - F/K/A Kewanee Hospital
- 8 - F/K/A Mendota Community Hospital
- 9 - Formerly affiliated with Provena Health or Resurrection Health System.
- 10 - Hospital closed on December 31, 2015. Facility re-opened on January 1, 2016 as an outpatient center.

Project Complete, Grant Closed	123
Project Complete, Grant Closeout Pending	0
Grant Obligated, Project Ongoing	0
TOTAL	123

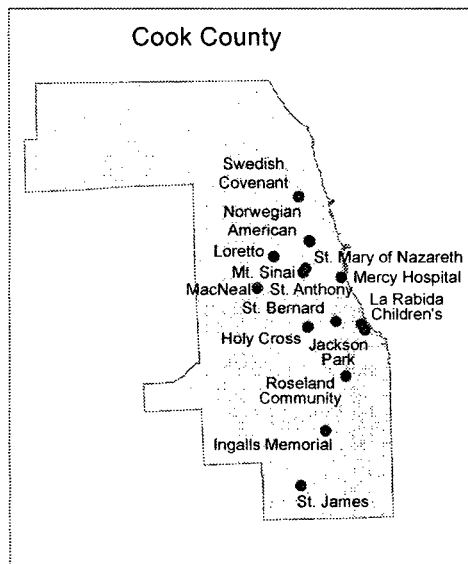
APPENDIX B

Geographic Location of Hospital Capital Investment Program Grantees

Hospital Capital Investment Program



see inset map



- Critical Access Hospital
- Rural
- Urban