

St. Mary's Good Samaritan

Incorporated

January 25, 2011

Ms. Courtney Avery
Administrator
Illinois Health Facilities Planning Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

*Cosponsored by Felician Services, Inc.
and SSM Health Care*

RECEIVED

JAN 26 2011

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: 2010 / 2011 Annual Progress Report for Project # 08-070
(Physician Surgery Center at Good Samaritan)

Dear Ms. Avery,

In accordance with Section 1130.760 of the Administrative Code, this letter serves as the annual Progress Report for Project 08-070 (Physician Surgery Center at Good Samaritan). This project was approved by the Health Facilities Planning Board on January 28, 2009 along with two other related projects -- Good Samaritan replacement hospital (project 08-051) and the Physicians & Ambulatory Services Building (Project 08-050).

STATUS REPORT

The following is an outline of progress towards the Physician Surgery Center through January 11, 2011:

- Through January 11, 2011, \$336,288 in expenses have been paid towards the project.
- A standard agreement for the Physicians & Ambulatory Services Building construction was signed between Mt. Vernon Physicians, LLC / Frauenshuh and McCarthy Building Companies for \$14,466,899 in October, 2010. This contract plus the expenditures-to-date (\$1.085 million) obligate the Physicians & Ambulatory Services Building (35.8% of \$43.5 total).
 - Although the Surgery Center is a separate project from the Physicians & Ambulatory Services Building, these projects are one construction project. The fair market value of the lease space equates to approximately 50% of the Surgery Center total cost. Therefore, with obligation of the Physicians & Ambulatory Services Building, the Surgery Center is obligated as well.
- The Surgery Center space lease with the Physicians & Ambulatory Services Building (project 08-050) was signed and finalized in September, 2010.
- In August, 2010, the Planning Board approved a request to reduce the Surgery Center space (located inside the Physicians & Ambulatory Services Building) to 10,937 GSF. The GSF reduced by the surgery center will be converted to lease space in the medical office building. (approval letter attached)
- Completed drawings for the Physicians & Ambulatory Services Building were approved by the Illinois Department of Public Health on July 1, 2010.
- In June, 2010, the Chairperson of the Health Facilities Planning Board approved an extension of obligation for the Physician Surgery Center at Good Samaritan through July 28, 2011 (attached).
- The first meeting of the Physician Surgery Center at Good Samaritan governing board was held in April, 2010.
- The share offering for the Surgery Center was finalized on August 21, 2009. All 40 available physician shares were sold. The first half of the investment by the physicians (\$400,000) was finalized on this date.
- Good Samaritan finalized the first half (\$300,000) of its investment in the Physician Surgery Center at Good Samaritan in November, 2009.

605 North 12th Street
Mt. Vernon, 62864
618.242.4600

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- United Surgical Partners, International finalized the first half (\$300,000) of its investment in the Physician Surgery Center at Good Samaritan in November, 2009.
- The Physicians & Ambulatory Services Building / Physician Surgery Center Commencement Schedule was approved by the Steering Team in October, 2009.

The Medical Office Building / Ambulatory Surgery Project Commencement schedule is attached for your reference. The schedule is based on our intention to request a one-year "Extension of Obligation".

COSTS & FINANCING

Project Cost & Sources of Funds – Total

<u>Cost</u>	<u>CON Permit Amount</u>	<u>Expenditures-to-Date</u>
New Construction Contracts	\$1,112,500	--
Contingencies	\$100,000	--
Architectural / Engineering Fees	\$203,500	\$186,351
Consulting & Other Fees	\$225,000	\$97,446
Movable or Other Equipment	\$2,490,000	--
Fair Mkt Value of Leased Space / Equip	\$4,478,781	--
<u>Other Costs to be Capitalized</u>	<u>\$338,490</u>	<u>\$52,491</u>
Total Statement of Probable Cost	\$8,948,271	\$336,288

ANTICIPATED DATE OF COMPLETION

As shown on the attached Commencement Schedule, the construction of the Physician Surgery Center at Good Samaritan is estimated to take approximately 120 days. It will be located inside the new Physicians & Ambulatory Services Building which has an anticipated construction period of 17 months. The projects will be complete before the December 31, 2012 required completion date listed in the Certificate of Need permits.

If you should have any questions about this Progress Report, or would like additional information, feel free to contact me at (618) 241-2201.

Sincerely,



Michael Warren, FACHE
 President, Good Samaritan Regional Health Center

605 North 12th Street
 Mt. Vernon, IL 62864
 618-242-4600

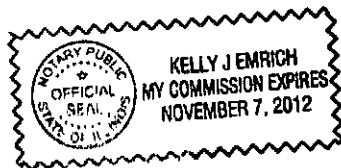
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State of Illinois
County of Jefferson

I, hereby attest that before me this 25th day of January, 2011, appeared the person known to me as Michael Warren and that he affixed his hand and seal in my presence to the foregoing document dated January 25, 2011, and addressed to Ms. Courtney Avery of the Illinois Health Facilities Planning Board.

Kelly Emrich

Kelly Emrich
Notary



My commission expires: November 7, 2012



Pat Quinn, Governor
Damon T. Arnold, M.D., M.P.H., Director

525-535 West Jefferson Street • Springfield, Illinois 62761-0001 • www.idph.state.il.us

July 1, 2010

Kevin TenBrook
Philo Wilke Partnership
11275 S. Sam Houston Pkwy W., Suite 200
Houston, TX 77031-

Re: Physicians Surgery Center @ Good Samaritan
Mt. Vernon
New ASTC
IDPH No: 9026

Dear Kevin TenBrook:

Please refer to our letter dated June 28, 2010. In that letter, we stated that "We are unable to complete the review process for the surgery center until [issues related to the communicating space within the building] are brought to a successful completion. Please be advised that all issues related to the communicating space have now been resolved.

Our records indicate that the drawings we have reviewed regarding the new ASTC were design development drawings, and that final working drawings remain to be submitted for compliance with Illinois Administrative Code 205.1330(g). We await that submittal.

Even though the Illinois Department of Public Health (Department) conducts a facility plan review, the facility is totally responsible for meeting the Department's licensure standards. The facility's responsibility is never waived even if the Department conducts a facility plan review and does not specify all licensure deficiencies.

If you have any questions, please do not hesitate to call us at 217/785-4264. The Department's TTY # is 800/547-0466, for use by the hearing impaired.

Sincerely,

William R. Bender, Staff Architect
Design Standards Unit
Division of Health Care Facilities & Programs

cc: Rosa Byrum,
6724 Christiansted Ln
Nashville, TN 37211

Improving public health, one community at a time

printed on recycled paper

Copy: *John Jones*
Robert D. Domizio



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516

June 9, 2010

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mike Warren, President
Good Samaritan Regional Health Center
605 North 12th Street
Mt. Vernon, Illinois 62864

RE: EXTENSION OF OBLIGATION
Project #08-070 - Physicians Surgery Center at Good Samaritan
Permit Holder: Physicians Surgery Center at Good Samaritan, LLC, Mount Vernon's
Physicians, LLC, SSM Health Care Corporation, SSM Regional Health Services

Dear Mr. Warren:

On June 8, 2010 the Acting Chairman of the Illinois Health Facilities and Services Review Board approved an "Extension of the Obligation Period" for the above-captioned project. The approval was for a 12-month extension from July 28, 2010 to July 28, 2011. Therefore, this project must be obligated in accordance with the State Board Rule at 77 IAC 1130.720, no later than July 28, 2011.

PLEASE NOTE THAT 77 IAC 1130.730 ALLOWS ONLY ONE TWELVE-MONTH EXTENSION OF THE OBLIGATION PERIOD FOR EACH PROJECT. THEREFORE, THIS IS THE ONLY EXTENSION ALLOWABLE FOR THIS PROJECT.

Failure to meet the requirements for permit obligation will result in the permit being considered expired and the project abandoned.

The permit holder is also reminded of other post-permit requirements contained in "Subpart G" of Part 1130. Adherence to these requirements is essential in maintaining a valid permit and is the responsibility of the permit holder.

Should you have any questions, please contact our office at (217) 782-3516.

Sincerely,

Dale W. Galassie
Acting Chairman Illinois Health Facilities and
Services Review Board



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516

August 31, 2010

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mike Warren, President
Good Samaritan Regional Health Center
605 North 12th Street
Mt. Vernon, Illinois 62864

RE: ALTERATION OF PERMIT
Project #08-070 - Physicians Surgery Center at Good Samaritan
Permit Holder: Physicians Surgery Center at Good Samaritan, LLC, Mount Vernon's
Physicians, LLC, SSM Health Care Corporation, SSM Regional Health Services

Dear Mr. Warren:

On August 17, 2010 the Acting Chairman of the Illinois Health Facilities and Services Review Board approved an "Alteration of Permit" for the above-captioned project. The approved alteration was for the following:

"a reduction in the number of operating rooms (OR's) from 5 to 4 operating rooms, a reduction in the amount of gross square footage ("GSF") from 13,675 GSF to 10,937 GSF, and a reduction in the cost of the project from \$8,949,271 to \$7,432,427."

The permit holder is reminded that for the final realized cost report, any amount that exceeds the altered permit amount will be considered a cost overrun without a permit.

The permit holder is also reminded of other post-permit requirements contained in "Subpart G" of Part 1130. Adherence to these requirements is essential in maintaining a valid permit and is the responsibility of the permit holder.

Should you have any questions, please contact our office at (217) 782-3516.

Sincerely,

Dale W. Galassie
Acting Chairman Illinois Health Facilities and
Services Review Board



AIA® Document A102™ – 2007

RECD OCT 15 2010

Standard Form of Agreement Between Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price

AGREEMENT made as of the 1st day of October in the year 2010
(In words, indicate day, month and year-year)

BETWEEN the Owner:
(Name, legal status, address and other information)

Mount Vernon Physicians, LLC
c/o Frauenshuh
7101 West 78th Street
Minneapolis, MN 55439

and the Contractor:
(Name, legal status, address and other information)

McCarthy Building Companies, Inc.
1341 N. Rock Hill Road
St. Louis, MO 63124

for the following Project:
(Name, location, and detailed description)

Construction labor, materials and equipment and value engineering and construction estimating during all design and construction phases necessary to complete the construction of the Medical Office Building at Good Samaritan Regional Health Center.

The Architect:
(Name, legal status, address and other information)

BSA LifeStructures
35 East Wacker Drive, Suite 800
Chicago, IL 60601

The Owner and Contractor agree as follows.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

This document is not intended for use in competitive bidding.

AIA Document A201™-2007, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

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§ 5.1.5 Unit prices, if any, are set forth in the "Schedule of Unit Prices" attached hereto as **Exhibit D**, if applicable. Such unit prices are considered complete and include (i) all materials, equipment, labor, delivery, installation, overhead, and profit and (ii) any other costs or expenses in connection with, or incidental to, the performance of that portion of the Work to which unit prices apply.

(Identify and state the unit price; state the quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price Per Unit(\$0.00)
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§ 5.2 GUARANTEED MAXIMUM PRICE

§ 5.2.1 The Contract Sum is guaranteed by the Contractor not to exceed Fourteen Million Four Hundred Sixty-Six Thousand Eight Hundred Ninety-Nine Dollars (\$ 14,466,899), subject to additions and deductions by Change Order as provided in the Contract Documents. Such maximum sum is referred to in the Contract Documents as the Guaranteed Maximum Price (or "GMP"). Costs which would cause the Guaranteed Maximum Price to be exceeded, shall be paid by the Contractor without reimbursement by the Owner.

(Insert specific provisions if the Contractor is to participate in any savings.)

100% of all savings below GMP shall accrue to Owner.

§ 5.2.1.1 The GMP includes a line item for Contractor's General Conditions of Seven Hundred Nineteen Thousand Twenty Dollars (\$719,020) which shall be a fixed amount for that line item (the "General Conditions" or "General Conditions"). Contractor will not apply for payment for any Cost of the Work that it incurs in excess of the General Conditions or be entitled to any increase in the General Conditions except for reasons that would entitle Contractor to a Change Order under this Agreement increasing the GMP. Because the General Conditions are a fixed amount, the provision in § 5.2.1 that all savings below the GMP shall accrue to the Owner does not apply to the General Conditions described in § 5.2.1.1.

§ 5.2.1.2 The GMP includes a line item for part of the Work that the Contractor will self perform with its own forces of One Million Five Hundred Eighty-Five Thousand Three Hundred Four Dollars (\$1,585,304) which will itself be a Guaranteed Maximum Price for that line item (the "Self Performed GMP" or "SPGMP"). Contractor will not apply for payment for any Cost of the Work that it incurs in excess of the SPGMP or be entitled to any increase in the SPGMP except for reasons that would entitle Contractor to a Change Order under this Agreement increasing the GMP.

§ 5.2.1.3 Contractor's GMP contains a contingency of Three Hundred Ninety-Nine Thousand Nine Hundred Two Dollars (\$399,902) to cover the risks inherent in providing a GMP for the Project. Contractor may not use the contingency established for the GMP to fund any Cost of the Work applicable to and in excess of the General Conditions or SPGMP. Contractor acknowledges that the General Conditions and the SPGMP each have their own contingencies that are already part of the General Conditions and SPGMP and that are separate from the GMP contingency. Contractor may not use the contingency to fund any cost overruns in the General Conditions or the SPGMP provided in §§ 5.2.1.1 and 5.2.1.2.

§ 5.2.2 The Guaranteed Maximum Price is based on the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:
(State the numbers or other identification of accepted alternates. If bidding or proposal documents permit the Owner to accept other alternates subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when the amount expires.)

Alternates, if any, are listed in Exhibit E.

§ 5.2.3 Allowances included in the Guaranteed Maximum Price, if any, are listed in **Exhibit F** and are also included in the Guaranteed Maximum Price. Contractor represents that allowances are reasonably accurate cost estimates, but not guaranteed. Guaranteed Maximum Price will be adjusted for any items as an allowance when the actual cost for each allowance item is determined. For items listed as allowances, where the allowance is greater than the actual Cost of the Work or where the allowance is less than the actual Cost of the Work, the Guaranteed Maximum Price will be decreased or increased respectively by the amount of the difference. Before allowance is exceeded.

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(State bonding requirements, if any, and limits of liability for insurance required in Article 11 of AIA Document A201-2007.)

Type of insurance or bond

Limit of liability or bond amount (\$0.00)(\$ 0.00)

This Agreement entered into as of the day and year first written above.


OWNER (Signature)

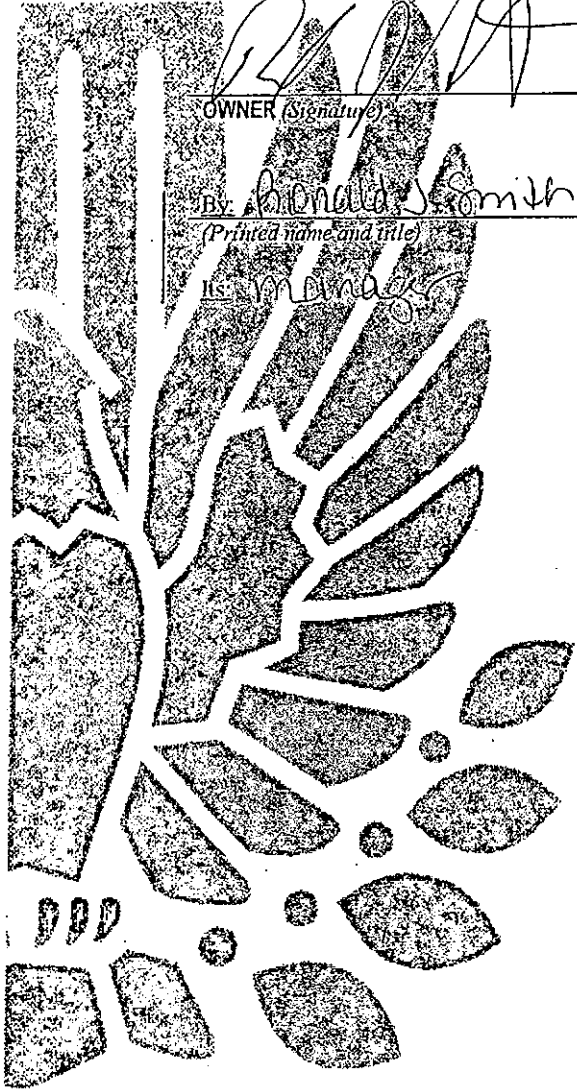
By: Ronald J. Smith
(Printed name and title)

Its: President


CONTRACTOR (Signature)

By: SCOTT T. WITTKOP
(Printed name and title)

Its: PRESIDENT-CENTRAL DIVISION



Init.

Young, Jeanette

From: Long, Julie
Sent: Tuesday, January 25, 2011 8:43 AM
To: Young, Jeanette
Subject: FW: final -- Surgery Center report & attachments

From: micbball@aol.com [mailto:micbball@aol.com]
Sent: Tuesday, January 25, 2011 8:19 AM
To: Long, Julie
Subject: Re: final -- Surgery Center report & attachments

This looks fine.

Mike Copelin
Copelin Healthcare Consulting
IL Phone 217-496-3712
TX Phone 956-772-9520
Cell Phone 217-725-4558

-----Original Message-----

From: Long, Julie <Julie_Long@ssmhc.com>
To: micbball <micbball@aol.com>
Sent: Mon, Jan 24, 2011 4:24 pm
Subject: final -- Surgery Center report & attachments

Julie Long, MBA
SSM - St. Mary's Good Samaritan
Vice President, Strategic Planning & Marketing
Office: (618) 436-6535
Cell: (618) 322-7756