

Constantino, Mike

From: Grikis, Linas [lgrikis@mwe.com]
Sent: Friday, July 08, 2011 6:08 PM
To: Urso, Frank
Cc: Constantino, Mike; Avery, Courtney
Subject: Mercy Crystal Lake Hospital and Medical Center (Project No. 10-089)
Attachments: Scan001.pdf

Importance: High

Frank - following up on our meeting yesterday, please see the attached letter. If you have any questions, please call or email me. Have a great weekend. - Linas

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July 8, 2011

VIA U.S. MAIL AND ELECTRONIC MAIL

Frank Urso, Esq.
Illinois Health Facilities and Services Review Board
122 S. Michigan Ave.
Suite 700
Chicago, Illinois 62761

Re: Mercy Crystal Lake Hospital and Medical Center, Inc. ("Mercy") (Project No: 10-089)
(the "Project")

Dear Frank:

As we discussed in our meeting yesterday, in order to address concerns expressed by the Board at the June 28th meeting (where Mercy was issued an intent to deny), and Board staff in its State Agency Report, Mercy is considering submitting additional material which will modify the Project to create a smaller hospital facility in Crystal Lake. This smaller sized alternative is described generally on page 114-115 of the Project application.

Specifically, Mercy is contemplating submitting additional material that would reduce the overall size of the Project and reduce the number of proposed Medical Surgical beds from 100 to 46 and the number of proposed ICU beds from 8 to 4. The number of Obstetric beds would remain the same (20). The Project will be approximately 90,000 square feet smaller and will cost significantly less (approximately \$85 Million less). The categories of services identified in the Project application will not change.

As you are aware, Board rules provide that supplemental information provided by an applicant following receipt of an intent to deny is not subject to public hearing unless the information constitutes a Type A modification. We noted during our discussions, and as was confirmed by Board staff, that the modification described above does not appear to meet any of the Type A modification criterion specified in Section 1130.650 of the Board rules. Specifically, the proposed modification:

- Does not involve an increase in the number of beds proposed in the project.
- Does not involve a change in the site of the project to a new location within the planning area.

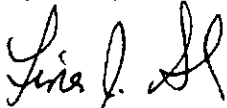
Frank Urso, Esq.
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- Does not involve an increase in the cost of the project exceeding 10% of the original estimated project cost.
- Does not involve an increase in the total gross square footage (GSF) of the project exceeding 10% of the original GSF.
- Does not involve a change in the categories of service to be provided.
- Does not involve a change in the person who is the applicant.
- Does not involve any other modification that, by itself, would require a CON application or exemption.

Based on the foregoing and the materials provided by Mercy to date, we would appreciate receiving a favorable determination that Mercy's submission of additional materials related to the smaller hospital project described above is a Type B modification (and not a Type A modification), and that the submission of such additional materials would not trigger the opportunity for yet another public hearing (which, in addition to the numerous opportunities already afforded the public for comment and testimony, would duplicate what has already been said many times before and would cause additional work for both Board staff and at least one Board member (who would now, given the full Board compliment, be required to attend the public hearing)). Furthermore, it is our understanding (based upon Section 1130.995 of the Board rules) that any submission, regardless of constituting a Type A or Type B modification or simply supplemental information, is subject to public comment (e.g., the public can submit written comments up until 20 days before final consideration). Therefore, the public will continue to have the ability to submit written comment on any supplemental information Mercy submits.

We appreciate your attention to this matter and would be happy to discuss this letter with you. Please let us know if there is anything else you need from Mercy and we look forward to hearing from you.

Very truly yours,



Linas J. Grikis

cc: Courtney Avery
Mike Constantino