



SOUTHERN ILLINOIS HEALTHCARE

October 30, 2018

RECEIVED

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
Second Floor
525 West Jefferson
Springfield, IL 62702-5056

Re: IHFSRB Project #13-069
Memorial Hospital of Carbondale

Dear Ms. Avery:

Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale and Southern Illinois Healthcare Enterprises, Inc., which were granted the above-referenced CON permit on March 11, 2014, are providing notification that they will be shifting funds among line items of this project without making any change in the total altered project costs that were approved on February 16, 2016.

The 2016 alteration to the permit increased the total project costs to \$56,112,398 for this project, which consists of the construction of 2 additions to the hospital and the modernization of existing space. The source of funds is not-for-profit bonds.

The purpose of these changes in project costs is to enable Memorial Hospital of Carbondale to replace its existing daVinci Robotic Surgical System while the modernization of the hospital's Surgical Suite is being completed. The hospital's existing daVinci Robotic Surgical System is 8 years old and uses outdated technology that prevents this system from being used for complex cases.

This notification is to inform you that we will be making the following changes to the previously-approved altered project costs without changing the approved Estimated Total Project Costs of \$56,112,398:

1. A reduction of Net Interest Expense during Construction (project related) to \$6,445,525 from the approved amount of \$9,680,000 (a reduction of \$3,234,475), due to less interest expense than expected during the life of the project;
2. An increase of Modernization Contracts to \$7,200,506 from the altered approved amount of \$6,810,506 (an increase of \$390,000) in order to undertake the construction and installation necessary to accommodate the new daVinci Robotic Surgical System, which will replace the existing DaVinci Robotic Surgical System that is currently in operation in Memorial Hospital's Surgical Suite;

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3. An increase of Movable or Other Equipment (not in construction contracts) to \$13,053,705 from the altered approval of \$10,209,230 (an increase of \$2,844,475) in order to purchase the new daVinci Robotic Surgical System.

All of these shifts in project costs between line items are for Clinical Service Areas.

These shifts in project costs between line items will not change the square footage of any of the Clinical Service Areas or Non-Clinical Service Areas included in the project or any other changes that are not in this notice.

We are enclosing a chart showing the current and proposed Estimated Total Project Costs by line item.

We trust that this information will be adequate for you to review this notice. If you have any questions, please call Andrea Rozran at Diversified Health Resources (312-266-0466).

Sincerely,

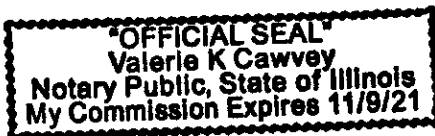


Rex P. Budde, President and CEO
Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale



Michael Kasser, Senior Vice President/CFO/Treasurer
Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale

cc: Michael Constantino



MEMORIAL HOSPITAL OF CARBONDALE EXPANSION AND MODERNIZATION

IHFPPB PROJECT # 13-069

PROJECT COSTS AND SOURCES OF FUNDS AS OF 10/30/18

	APPROVED COSTS PER 2/16/16 ALTERATION	CHANGES IN LINE ITEMS OF PROJECT COSTS AS OF 10/30/18
Preplanning Costs	\$159,231	\$159,231
Site Survey and Soil Investigation	\$33,638	\$33,638
Site Preparation	\$188,631	\$188,631
Off Site Work	\$395,218	\$395,218
New Construction Contracts	\$20,865,371	\$20,865,371
Modernization Contracts	\$6,810,506	\$7,200,506
Contingencies	\$2,644,088	\$2,644,088
Architectural/Engineering Fees	\$1,963,438	\$1,963,438
Consulting and Other Fees	\$2,003,014	\$2,003,014
Movable or Other Equipment (not in construction contracts)	\$10,209,230	\$13,053,705
Bond Issuance Expense (project related)	\$1,055,000	\$1,055,000
Net Interest Expense during construction (project related)	\$9,680,000	\$6,445,525
Fair Market Value of Leased space or equipment	\$0	\$0
Other costs to be capitalized	\$105,033	\$105,033
Acquisition of building or other property (excluding land)	\$0	\$0
Estimated Total Project Cost	\$56,112,398	\$56,112,398