

Daniel J. Lawler
Partner
(312) 214-4861
daniel.lawler@btlaw.com

www.btlaw.com

December 26, 2019

VIA OVERNIGHT DELIVERY

Ms. Courtney Avery, Administrator
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Annual Progress Report: #15-026, Vista Medical Center – East, Waukegan

Dear Ms. Avery:

The status of the Project #15-026, Vista Medical Center - East is as follows:

- a. The project costs incurred to date are \$833,035 and the project is approximately 5% complete.
- b. Project design is complete, construction contracts have been signed and initial construction has commenced.
- c. The following components remain to be finished: most of the modernization contracts and equipment purchase.

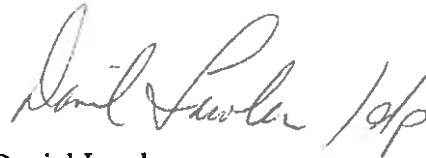
The applicants are filing a second permit renewal request for this project. The current project completion date is December 31, 2019 and the renewal request is to June 30, 2022. Following permit approval, the project was put on hold by Quorum Health Corporation, the parent entity of Vista Medical Center – East (“Vista – East”) and a permit holder. This was due to the need to conserve capital. Vista-East has a significant Medicaid population: in 2018, Vista – East’s Medicaid patients accounted for 37.7% of inpatients and 41.9% of outpatients. In recent years, the State has been very back-logged on Medicaid payments. These factors combined contributed to the internal hold on the project. Vista – East remains in need of the approved modernization. The permit holders are committed to the project, and funding is being made available by Quorum to Vista – East to now proceed with the project.

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If you have any questions, please feel free to contact me at 312-214-4861 or at dlawler@btlaw.com.

Very Truly Yours,

BARNES & THORNBURG LLP

A handwritten signature in cursive script, appearing to read "Daniel Lawler /dlp".

Daniel Lawler