



Advocate Christ Medical Center

4440 West 95th Street || Oak Lawn, IL 60453 || T 708.684.8000 || advocatehealth.com

February 19, 2020

Via Overnight Courier

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, IL 62761

RECEIVED

FEB 20 2020

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Project #16-047 Advocate Christ Medical Center (the "Project")

Annual Progress Report

Advocate Health and Hospitals Corporation, (d/b/a Advocate Christ Medical Center), and Advocate Health Care Network Construction Project for expansion and modernize its Radiation Oncology Department in the Cancer Center, with a combination of modernization and new construction.

Dear Ms. Avery:

This letter is to inform you that, in accordance with requirements of the 77 Ill. Adm. Code 1130.760, Advocate Christ Medical Center at 4440 West 95th St., Oak Lawn, is submitting an annual progress report on the Project referenced above. The permit for this Project was granted January 24, 2017.

The Project is modernization of the oncology department and replace radiation therapy equipment with demolition and construction of a new building in 24,446 GSF.

Current status of the Project:

- Obligation: The project was timely obligated on May 23, 2017 by the signing of a construction contract with Pepper Construction Company.
- Percentage of the Project finished: 65% Complete
- Components Finished:
 - Phase #1/ New Construction 100% Complete
 - Radiation Therapy Equipment Installation Phase #1 100% Complete
 - Phase #1/ Enabling 100% Complete
 - Building Demolition Phase #1 100% Complete
- Components Not Completed: (Due to sequenced work)
 - Design Phase #2 50% Complete
 - Renovations Phase #2 0% Complete
 - Radiation Therapy Equipment Installation Phase #2 0% Complete
- Changes in scope and size: The Project remains substantially consistent with the general scope of the Project as approved by the Review Board.

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However, due to technological advancements in radiation oncology equipment, we are revisiting whether Advocate's original plans formulated in 2016 remain the best approach for Advocate and our patients for the following reasons:

1. The equipment installed as part of Phase I (Tru-Beam linear accelerator) is able to successfully treat more kinds of tumors than originally contemplated. These additional capabilities have allowed many cases previously treated using our existing linear accelerators to be treated on the new equipment.
2. The capabilities of radiation therapy equipment currently on the market (or soon to be available) is far superior to equipment that was on the market at the time the Project was approved.
3. Currently, the radiation oncologists who treat patients in the facility are assessing both potential benefits of the new equipment already on the market and also the capabilities of the new generation of the radiation oncology equipment that will be far superior to the equipment that was available at the time the subject permit was approved.

The outcome of the assessment of the full potential of the newly installed radiation equipment and the potential of the new radiation therapy equipment models that would replace those that are proposed in the Permit will determine whether it is still appropriate to replace the equipment in the manner specified in the Permit.

2. Costs incurred to date, an itemized listing of the total current estimated project costs, and a comparison of those costs to the approved permit amounts.

USE OF FUNDS	Costs Incurred to Date	In Permit
Preplanning Costs	\$ 320,600	\$ 320,600
Site Survey and Soil Investigation	\$ 83,026	\$ 115,600
Site Preparation	\$ 730,960	\$ 913,700
Off Site Work	\$ 594,581	\$ 743,226
New Construction Contracts	\$9,129,171	\$10,272,981
Modernization Contracts	\$ 0	\$ 5,664,864
Contingencies	\$ 0	\$ 1,869,059
Architectural/Engineering Fees	\$ 1,416,807	\$ 1,434,404
Consulting and Other Fees	\$ 490,278	\$ 2,708,700
Movable or Other Equipment (not in construction contracts)	\$ 4,788,841	\$ 17,431,768
Bond Issuance Expense (project related)	\$ 0	\$ 316,312
Net Interest Expense During Construction (project related)	\$ 0	\$ 1,101,851
Fair Market Value of Leased Space or Equipment	\$ 0	\$ 0
Other Costs to be Capitalized	\$ 1,161,660	\$ 4,073,200

Acquisition of Building or Other Property (excluding land)	\$ 0	\$ 0
TOTAL USES OF FUNDS	\$ 18,715,924	\$ 46,966,265

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3. Method of financing the project and sources of funds: There has been no change to the method of financing this project.

4. Anticipated date of completion: Due to the increased capabilities of the newly installed radiation therapy equipment and possible revisions to our future equipment purchases, the Project completion date may change. We will keep HFSRB and Staff apprised and will submit all appropriate documentation in the event that Advocate determines it is appropriate to purchase and install different equipment than was identified in the original application and the impact, if any, such change may have on the completion date of the Project

Please contact me at 630-929-5577, if you have any questions about this report.

Sincerely,



Scott Nelson, AIA, ACHA
System Vice President, Planning, Design and Construction
Advocate Health and Hospitals Corporation

CC: Richard Heim, Advocate Christ Medical Center
Rolla Sweis, Advocate Health Care
Patrick Lyons, Advocate Health Care