



Hospital Sisters
HEALTH SYSTEM

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Springfield, Illinois 62794-9456
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F: 217-523-0542
www.hshs.org

December 13, 2017

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

Re: Notification Letter pertaining to a change in financing
CON Permit #17-022
HSHS St. Anthony's Memorial Hospital, Effingham
Ambulatory Care Center (ACC) Project, Shelled Space finishing / completion

Dear Ms. Avery,

Hospital Sisters Health System (HSHS) has determined it necessary to provide the Illinois Health Facilities and Services Review Board (IHFSRB) this project notification letter. The notification is to advise the IHFSRB that HSHS intends to change the Source of Funds for the approved project, #17-022. We intend to partially fund the shelled space completion project with \$3,400,000.00 in bond proceeds, (50.4% of approved project cost), and the remaining \$3,340,820.00 (49.6% of approved project cost) with cash and securities.

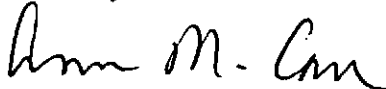
HSHS is an AA- rated organization. Documentation related to this fact is provided in our permit application #17-067. Per IHFSRB rule 1110.530 (b) (1) (3), this on-file application can fulfill any requirement to demonstrate HSHS' current bond rating status pertaining to this specific notification letter.

The change in project financing is based on our internal analysis which has determined it fiscally prudent to bond finance a portion of the shelled space completion project and conserve our cash position due to multiple external factors, not the least of which are changes in reimbursement, proposed tax reform legislation affecting not-for-profit and tax-exempt organizations, and HSHS' strong financial position. Our selected form of debt financing is the lowest cost available including advantageous terms such as pre-payment privileges and security interest considerations.

This change in financing does not impact on the approved project's scope. Section 1130.750 of the Ill Admin Code, Alteration of Post-Permit Projects, states certain alterations require the permit holder to only submit a notification letter as described in this referenced section. We believe this project alteration, based solely on a change in financing, is consistent with a required project notification. Finally, we understand the notification letter requires no filing fee and will not be heard by the IHFSRB.

If you have any questions regarding this notification letter, please contact me either by e-mail at ann.carr@hshs.org or by phone at 217-492-5832.

Sincerely,

A handwritten signature in black ink, appearing to read "Ann M. Carr". The signature is fluid and cursive, with the first name "Ann" being more prominent.

Ann M. Carr
Vice President and Treasurer
Hospital Sisters Health System

CC: Mike Constantino, Supervisor, Project Review Section
Theresa J. Rutherford, President and CEO, St. Anthony's Memorial Hospital
Jody Puckett, Executive Director of Patient Experience and Support Services
Tim Ferguson, System Director Facility Management
Jill Tomich, Manager Strategic Planning
E. W. Parkhurst, Jr., PRISM Healthcare Consulting