

DEERPATH AMBULATORY SURGICAL

CENTER RECEIVED

November 8, 2018

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

NOV 13 2018

HEALTH FACILITIES &
SERVICES REVIEW BOARD

RE: PERMIT RENEWAL REQUEST
CON Permit #17-059

Dear Ms. Avery:

Deerpath Orthopedic Surgical Center, LLC in Morris, Illinois, is requesting a renewal for permit #17-059. This permit is for the expansion of surgical specialties within the ASTC. The current Project Cost is \$600,000. The current Project Completion Date is December 31, 2018.

The following is the pertinent information as outlined in the Board's rules, Section 1130.740 Renewal of a Permit.

Requested Renewal:

We are requesting a Renewal of the permit with a Project Completion Date of September 30, 2019. The project timeline has been extended due to the following:

Unanticipated delays have impacted the timeline for expanding surgical services.

1. Adding these new specialties to an ASTC already in operation requires careful coordination and planning to insure staff is properly trained on all new specialties and the related equipment and instruments. The ASTC insures proper sterilization processes as a high priority while coordinating staff support and training with our partner, Morris Hospital.
2. While attempting to negotiate for the best quality and competitive pricing, we have experienced some delays in the acquisition of equipment and instruments. To some extent, we underestimated the complexity of simply working through the maze of revamping the block schedules for both our existing and new physicians, some already busy in multiple locations.

Current Status:

1. To date the following surgical specialties have been added to the ASTC: Endoscopy and Ophthalmology. The launch of ENT is scheduled for December 7, 2018.
2. The ASTC is on track to add one new specialty in each two to three-month period and plan for all four additional specialties (Urology, GYN, General Surgery, and Pain Management) to be successfully launched by September 30, 2019.



Accredited by
Accreditation Association
for Ambulatory Health Care, Inc.

Deerpath Ambulatory Surgical Center, LLC

1051 W. Rt. 6 • Morris, IL 60450 • (815) 318-5666 • Fax: (815) 318-5676

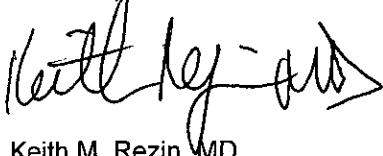
3. The Project Scope is consistent with the approved CON permit. The required project costs remain in line and have not exceeded the approved permit amounts. To date, the ASTC has spent \$440,104.
4. The source of the funds remains same as the original permit. It is anticipated that the project will not exceed the Total Project Cost approved in the original permit (Attachment 1).

This is our first request for an Renewal of the permit. We are confident that our project will be completed within the budget and within the requested completion date.

Enclosed is a check for the processing fee of \$500.00.

We appreciate your consideration of this request. If you have any questions please contact our consultant, Jeffrey Mark at 312.804.9401.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith M. Rezin", with a stylized flourish at the end.

Keith M. Rezin, MD
Chairman, Board of Directors

CC: Mark Steadham, Chief Executive Officer of Morris Hospital and Healthcare Centers
Tom Dohm, Vice President, Professional Services
Michele Cheshareck, ASTC Administrator
Charles A. Owen, President and CEO of HVP (ASTC Management Company)
Jeffrey Mark, CON Consultant

**PERMIT RENEWAL REQUEST
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PROJECT COSTS AND SOURCES OF FUNDS

Project Costs and Sources of Funds			
USE OF FUNDS	Approved Total	Expended to Date	Anticipated Total
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees	55,000		55,000
Movable or Other Equipment (not in construction contracts)	527,500	440,104	527,500
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized (equipment contingency)	\$17,500		\$17,500
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$600,000	\$440,104	\$600,000
SOURCE OF FUNDS	Approved Total	Expended to Date	Anticipated Total
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources (Bank Loan)	\$600,000	\$440,104	\$600,000
TOTAL SOURCES OF FUNDS			