



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

May 1, 2017

Jedediah L. Cantrell, FACHE, MBA, RHIA
Vice President of Operations
SwedishAmerican Health System Corporation
1401 State Street,
Rockford, IL 61104

Re: Projects #17-019, Exemption #019-17

Dear Mr. Cantrell:

We are in the process of reviewing your application for permit and exemption for the establishment of a NICU Category of Service and need additional information.

1. Please provide a new Project Costs and Sources of Funds Schedule [page 7 of the application for permit]. The current table does not foot to the totals. See Below.

Preplanning Costs	\$75,000	\$15,000	\$90,000
New Construction Costs	\$35,184,274	\$14,851,828	\$50,036,102
Modernization Costs	\$25,390,551		\$25,390,551
Contingencies	\$10,827,525	\$2,688,222	\$13,515,747
Architectural and Engineering Fees	\$4,837,013	\$1,097,191	\$5,934,204
Consulting and Other Fees	\$208,333	\$41,667	\$250,000
Movable Equipment	\$18,697,226	\$5,047,077	\$23,744,303
Bond Issuance Expense	\$950,116	\$236,993	\$1,187,109
Net Interest Expense	\$6,667,008	\$1,662,992	\$8,330,000
Project Uses (total)	\$102,837,046	\$25,640,970	\$128,478,016
As Presented in Application	\$102,628,712	\$25,599,302	\$128,228,014
	\$208,334	\$41,668	\$250,002
Project Sources			
Cash	\$5,667,008	\$1,662,992	\$7,330,000
Gifts	\$1,000,000		\$1,000,000
Bond Issue	\$95,961,704	\$23,936,310	\$119,898,014
Project Sources	\$102,628,712	\$25,599,302	\$128,228,014

2. Itemization of project costs needs to be in greater detail that what has been provided on page 80 of the application for permit. Specifically we need the cost for each item identified: For example preplanning costs should include the costs for space programming and the costs for pre-schematic planning. Additionally please provide a list of the movable equipment and the cost for each being proposed for this project.
3. Itemization of the project costs needs to be in greater detail that what has been provided on page 70 of the exemption for the NICU Category of Service Application.

4. Itemization by department or service needs to be provided for non-reviewable costs and gross square footage. [See Application for Permit page 82].

[illegible]

5. Please provide support for the deterioration of facilities as documented at page 122 of the application for permit. Please provide

- A) IDPH Centers for Medicare and Medicaid Services (CMMS) inspection reports; and/or
- B) Joint Commission reports.
 - A) Copies of maintenance reports;
 - B) Copies of citations for life safety code violations; and
 - C) Other pertinent reports and data.

6. The certification letters for both the application for permit and the exemption application for the NICU Category of Service refer to the change of ownership of the facility. See page 73-74 of the exemption application and page 96-97 of the application for permit.

- 7. Criterion 77 IAC 1110.730 (c) (4) – Planning Area Need – Service Demand Expansion of AMI**

The application for permit addressed this sub-criterion by utilizing the State Board's calculation of the AMI bed need. To add beds to an existing category of service the calculated bed need is not considered. To justify the number of beds requested the applicants must justify the request with either historical utilization of the existing service, physician referrals or projected demand based upon rapid patient growth. Please provide corrected information for this criterion. [Application for Permit page 125]

8. Please provide the clinical implications that the medical staff has decided upon that require a peer review? [Application for Permit page 131].
9. Please provide a floor layout for the cardiac cath labs. The floor layout that was provided is not readable. [Application for Permit page 135]

10. Please explain the gift of \$1,000,000 that is being used to fund a portion of the project.
11. Please provide the expected terms and conditions of the bonds used to fund the project?
12. Please provide a readable schematic and narrative of the location of the department/services that are being modernized at the hospital.
13. As part of the surgery modernization there is no discussion/information for the six (6) gastro procedure rooms (1) pain management room and one (1) minor procedure room. Are these rooms being modernized? If so please provide a narrative of this modernization.
14. "On January 1, 2015, Regional Division, Inc. f/k/a University Health Care, Inc. (RDI) became the sole member of the Swedish." We have no information in our files of this occurring. [#E-051-14] We need an explanation of this transaction. [See page 18 of the audited financial statements]
15. The Historic Preservation letter needs to be submitted before the project can proceed to the State Board for approval. [Application for Permit page 53]

Should you have any questions or concerns please contact Mike Constantino at 217.782.3516 or mike.constantino@illinois.gov

Sincerely,



Mike Constantino, Project Reviewer

cc: Dan Lawler