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May 11, 2017

VIA OVERNIGHT DELIVERY

Mr. Michael Constantino
Illinois Health Facilities & Services Review Board
525 West Jefferson Street
Second Floor
Springfield, IL 62761

RECEIVED

MAY 15 2017

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Exemption # E-019-17, SwedishAmerican Hospital, Rockford, NICU

Response to Requested Information

Dear Mr. Constantino:

This letter provides the additional information requested in your letter dated May 1, 2017 to Ms. Jedediah Cantrell pertaining to Exemption #E-019-17 SwedishAmerican Hospital.

a. *Itemization of the project costs:*

With reference to itemization of project costs (Attachment 7 of the application), the project cost line items are addressed below:

Site Preparation: The proposed NICU will be located in existing space on the fifth floor of the hospital. This existing space will need to be gutted for the new NICU and these demolition costs total \$250,000.

Modernization Contracts: After demolition of existing space on the fifth floor, the space will be modernized pursuant to a modernization contract with a cost of \$550,000.

Contingencies: The contingency for the project is \$80,000.

Architectural/Engineering Fees: These fees are for the construction build documents and total \$75,000.

Consulting and Other Fees: These fees include the exemption filing fee and consulting/legal fees which are broken out in the enclosed revised Attachment 7.

Movable/Other Equipment: The itemization of movable/other equipment is included in the enclosed Attachment 7.

b. *Certification letter:*

The Certification letters on pages 73 and 74 of the Exemption Application inadvertently referred to a change of ownership application. The template used for those certifications had been from a previous change of ownership application (#E-051-14) and that reference should have been stricken from the certification in the present project. Attached are corrected certifications from the applicants.

c. *University Health Care, Inc. name change:*

Your letter requests an explanation of the following statement from the applicants' financial statements: "*On January 1, 2015, Regional Division, Inc. f/k/a University Health Care, Inc. (RDI) became the sole member of the Corporation [SwedishAmerican Health System].*" Pursuant to Projects #E-051-14 and E-050-14, University Health Care, Inc. (whose corporate members are University of Wisconsin Hospitals and Clinics Authority and University of Wisconsin Foundation, Inc.) became the sole corporate member of SwedishAmerican Health System. The two change of ownership exemptions were approved by the Review Board on December 16, 2014 and the transaction closed effective January 1, 2015, which is the date referenced in the applicants' financial statements. Subsequently, University Health Care, Inc. changed its name to Regional Division, Inc. (See attached name-change filing with the Wisconsin Department of Financial Institutions.) All ownership interests in SwedishAmerican Health System and Regional Division, Inc. f/k/a University Health Care Inc. remain the same as approved by the Review Board in Exemptions #E-050-14 and #E-051-14 and there has been no change in any ownership interest of these entities or of the licensed facilities SwedishAmerican Hospital and SwedishAmerican Medical Center/Belvidere.

d. *Historic Preservation letter:*

The Historic Preservation Agency clearance letter has been previously submitted under cover of my letter to you dated May 1, 2017. A copy of the clearance letter is also enclosed herein.

Please contact me if you have any questions regarding the above.

Very truly yours,

BARNES & THORNBURG LLP



Daniel J. Lawler

DJL:dp
Enclosures

Itemization of Project Costs

Items	Cost
Pre-Planning	
Site Survey	
Site Preparation	
Site Prep 5th Floor	250,000
Off-Site Work	
New Construction Contracts	
Modernization Contracts	
NICU	550,000
Contingencies	80,000
Architectural/Engineering Fees	
Architect/Engineer Basic Services	75,000
Consulting and Other Fees	
CON Filing	2,500
Consulting/Legal Fees	22,500
Movable/Other Equipment	
NICU Lab Equipment	22,155
NICU Pharmacy Equipment	30,000
NICU Staff Equipment	2,400
NICU Unit Equipment	995,465
NICU Unit Furniture	42,000
Surgical Instruments & Equip	750,000
Equipment Contingency	45,941
TOTAL PROJECT COST	2,867,961

CERTIFICATION AND AUTHORIZATION
of
SWEDISHAMERICAN HEALTH SYSTEM and SWEDISHAMERICAN HOSPITAL

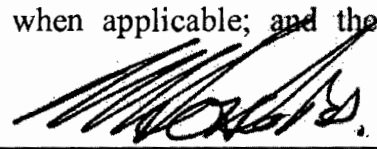
The undersigned representative of SwedishAmerican Health System and SwedishAmerican Hospital in connection with the application submitted herewith hereby states as follows:

I certify that no adverse action has been taken against SwedishAmerican Health System and SwedishAmerican Hospital by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by SwedishAmerican Health System and SwedishAmerican Hospital, directly or indirectly, within three years preceding the filing of this application.

I authorize the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) access to any documents pertaining to University of Wisconsin Hospitals and Clinics Authority necessary to verify the information submitted with this application, including, but not limited to official records of IDPH or other Illinois agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.



Gina Boettcher
Subscribed and sworn to
this 5th day of May, 2017

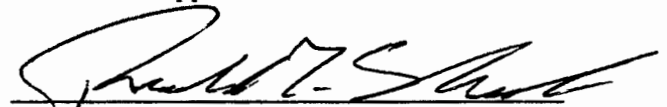

Name: William R. Gorski, M.D.
Title: CEO, SwedishAmerican Hospital and
SwedishAmerican Health System

CERTIFICATION AND AUTHORIZATION
of
UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY

The undersigned representative of University of Wisconsin Hospitals and Clinics Authority in connection with application submitted herewith hereby states as follows:

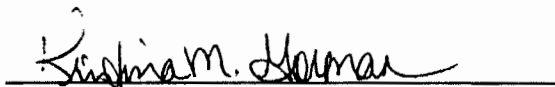
I certify that no adverse action has been taken against University of Wisconsin Hospitals and Clinics Authority by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by University of Wisconsin Hospitals and Clinics Authority, directly or indirectly, within three years preceding the filing of this application.

I authorize the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) access to any documents pertaining to University of Wisconsin Hospitals and Clinics Authority necessary to verify the information submitted with this application, including, but not limited to official records of IDPH or other Illinois agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.



Name: Ronald T. Sliwinski

Title: SVP & Chief of Hospital Division

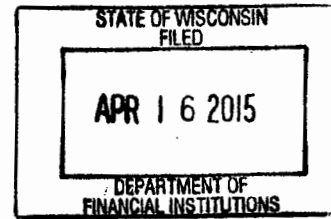


Subscribed and sworn to

this 8th day of May, 2017



ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
UNIVERSITY HEALTH CARE, INC.



University Health Care, Inc., a corporation organized and existing under Chapter 181 of the Wisconsin Statutes, does hereby certify that the existing Articles of Incorporation ("Articles") were duly amended as follows:

RESOLVED, that Article I of the Articles is hereby amended and restated in its entirety to read as follows:

"Article 1: The name of the corporation is Regional Division, Inc."

Said amendment was duly adopted on February 27, 2015, in accordance with Section 181.1003 of the Wisconsin Statutes.

Dated as of the 27th day of February, 2015

UNIVERSITY HEALTH CARE, INC.

By: Michael E. Dallman
Name: Michael E. Dallman
Title: President

This document was drafted by and is returnable to:

Amanda K. Reese, Esq.
Michael Best and Friedrich LLP
One South Pinckney Street
Madison, WI 53701-1806
(608) 283-0116

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Illinois Historic Preservation Agency

1 Old State Capitol Plaza, Springfield, IL 62701-1512

FAX (217) 524-7525

www.illinoishistory.gov

Winnebago County

Rockford

Modernization and New Construction of 2 Buildings, SwedishAmerican Health System

1401 E. State St.

IHPA Log #023041017

May 1, 2017

Claire Reed

Barnes & Thornburg LLP

One North Wacker Dr., Suite 4400

Chicago, IL 60606-2833

Dear Ms. Reed:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact David Halpin, Cultural Resources Manager, at 217/785-4998.

Sincerely,

Rachel Leibowitz, Ph.D.

Deputy State Historic

Preservation Officer