



January 11, 2021

Via Email  
Via Federal Express

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

**Re: Permit Alteration Request– Quincy Medical Group Surgery Center  
(Proj. No. 18-042)**

Dear Ms. Avery:

Pursuant to Section 1130.750 of the Illinois Health Facilities and Services Review Board (“HFSRB”) rules, I am writing on behalf of Quincy Physicians & Surgeons Clinic, S.C. d/b/a Quincy Medical Group (the “Permit Holder”) to request an alteration to the above referenced project.

As you are aware, on April 30, 2019, the HFSRB approved the Permit Holder’s Certificate of Need permit application to establish a multi-specialty ambulatory surgical treatment center with 5 operating rooms and 3 procedure rooms located at 3347 Broadway, Quincy, Illinois (the “Project”). Due to unforeseen increases in equipment costs, the Permit Holder’s request an alteration to the Project Permit to increase the total project costs to \$20,885,391.

The HFSRB’s rules allow for certain alterations to a project for which a permit has been issued. As set forth in 77 Ill. Admin. Code §1130.750, an increase up to 7% of the total approved project cost is an allowable alteration that requires HFSRB approval. For your review, I have attached the following documents:

- Project Costs and Sources of Funds
- Availability of Funds



### Moveable Equipment

The increase in moveable equipment is due to an increase of \$750,061 in the cost of x-ray imaging equipment for the cardiac cath lab. Rather than purchase the imaging equipment initially included in the certificate of need application, the Permit Holder elected the same imaging equipment the physicians currently use at the hospital. Not only are the physicians familiar with the equipment, lessening the learning curve at the new cardiac cath lab, but it is the community standard of care and will provide better reliability than the equipment initially selected when preparing the certificate of need application.

Additional \$272,043 was incurred for 5 Pyxis Anesthesia Systems and 6 Medication Dispensing machines and printers which were not included in the original budget for the Project. Pyxis machines regulate, track, and dispense medications. They automate drug inventory which alleviates having a pharmacist on staff and meets safety requirements while securing the drug inventory. The Pyxis machines were selected because they will ensure the ambulatory surgical center meets all regulatory safety requirements while providing automated inventory vs. manual inventory/distribution. Cost, annual support, safe labeling, quality, and functionality were all taken into consideration when selecting the Pyxis machines.

The cost of the anesthesia machines and monitors was \$181,782 higher than in the original budget due to the selection of different anesthesia machines and monitors that would provide greater reliability.

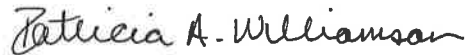
On July 5, 2019, the permit holder informed the HFSRB of substitution of a PET/CT scanner for a CT scanner. While the PET/CT scanner would cost \$100,624 more than the CT scanner, at the time of the notice to the HFSRB, it was believed the Project would recognize cost reductions in moveable equipment and other costs to be capitalized to offset the higher cost of the PET/CT scanner. As noted above due various reasons, those costs were not recognized.

An additional \$61,824 was incurred as a result of an increase in the cost of instruments, sterilizers and other miscellaneous items necessary to operate the ambulatory surgical treatment center.

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By this letter, the Permit Holder requests the Board approve this alteration.

Sincerely,

A handwritten signature in cursive script that reads "Patricia A. Williamson".

Patricia Williamson  
Chief Financial Officer  
Quincy Medical Group

Attachments

cc: Carol Brockmiller

## Project Costs and Sources of Funds

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation	\$55,584	\$13,896	\$69,480
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees	\$20,083	\$5,021	\$25,104
Consulting and Other Fees	\$352,291	\$88,073	\$440,364
Movable or Other Equipment (not in construction contracts)	\$5,822,359	\$394,716	\$6,217,075
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Leased Space	\$8,575,924	\$3,302,516	\$11,878,440
Leased Equipment	\$944,928		\$944,928
Other Costs To Be Capitalized			
Other Capital Costs - IT	\$750,000	\$335,000	\$1,085,000
Other Capital Costs – Artwork		\$125,000	\$125,000
Other Capital Costs – Signage		\$100,000	\$100,000
Acquisition of Building or Other Property (excluding land)			
<b>TOTAL USES OF FUNDS</b>	<b>\$16,521,169</b>	<b>\$4,364,222</b>	<b>\$20,885,391</b>
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$2,835,497	\$297,933	\$3,133,430
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages	\$4,164,820	\$763,773	\$4,928,593
Leases (fair market value)	\$9,520,852	\$3,302,516	\$12,823,368
Governmental Appropriations			
Grants			
Other Funds and Sources			
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$16,521,169</b>	<b>\$4,364,222</b>	<b>\$20,885,391</b>

## VI. 1120.120 - AVAILABILITY OF FUNDS

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable [Indicate the dollar amount to be provided from the following sources]:

<u>\$3,133,430</u>	<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> <li>1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and</li> <li>2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;</li> </ol>
<hr/>	<p>b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.</p>
<hr/>	<p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;</p>
<u>\$4,928,593</u>	<p>d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:</p> <ol style="list-style-type: none"> <li>1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;</li> <li>2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;</li> <li>3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;</li> <li>4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;</li> <li>5) For any option to lease, a copy of the option, including all terms and conditions.</li> </ol>
<hr/>	<p>e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a</p>

<div data-bbox="212 352 334 363"></div> <div data-bbox="212 422 363 453">\$12,823,368</div>	<div data-bbox="391 247 1414 279">resolution or other action of the governmental unit attesting to this intent;</div> <div data-bbox="391 306 1349 369">f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;</div> <div data-bbox="391 396 1414 459">g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.</div>
<div data-bbox="212 512 363 543">\$20,885,391</div>	<div data-bbox="391 499 740 531">TOTAL FUNDS AVAILABLE</div>

Quincy Medical Group

To: ILLINOIS DEPARTMENT OF PUBLIC HEALTH 1160



Check Number: 1034774

Date: 01/11/2021

Invoice Number	Date	Ref. Number	Description	Amount	Discount	Paid Amount
01-11-21	01/11/2021		PERMIT ALTERATION REQUEST	\$1,000.00	\$0.00	\$1,000.00

TOTALS: \$1,000.00 \$0.00 \$1,000.00

THIS CHECK IS VOID WITHOUT A COLORED BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

Quincy Medical Group

Bank of Springfield

1034774

1025 Maine  
Quincy, IL 62301

Pay One Thousand Dollars and 00 Cents

DATE  
Jan 11, 2021

AMOUNT  
\$1,000.00

to the Order of:

ILLINOIS DEPARTMENT OF PUBLIC HEALTH

*Carl Brockmiller*

1034774

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