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**VIA ELECTRONIC MAIL & FEDEX DELIVERY**

Illinois Health Facilities & Services Review Board  
525 West Jefferson Street, Second Floor  
Springfield, Illinois 62761  
Attention: Courtney Avery, Administrator

**RE: Project Cost Increase  
Coulterville Rehabilitation & Health Care Center (Project 20-024)**

Dear Ms. Avery,

Per the request of the staff of the Illinois Health Facilities and Services Review Board ("State Board"), I am writing to provide an explanation regarding the proposed construction costs in connection with certificate of need ("CON") Project 20-024 submitted by Coulterville Rehab & Health Care Center ("Applicant"), a total cost which is \$1,336,110 higher than the project cost provided in a prior permit application for the same project (i.e., Project 19-030, approved by the State Board on December 10, 2019). Specifically, the total project cost in regard to Project 20-024 is \$3,721,471 and the previously approved total project cost in the CON permit for Project 19-030 was \$2,385,361. The difference between the project costs was greater than allowed limits and required the Applicant to submit a new CON permit applicant (an alteration of the previously-approved project was prohibited under the State Board's rules per 77 Ill. Adm. Code 1130.750(b)(5)).

There are two reasons why the CON total project cost for Project 20-024 is higher than the total project cost for Project 19-030. First, the bid submitted for Project 19-030 by Luke Draily, a construction company based in Kansas City, Missouri, was developed over two years ago and was mistakenly based on construction costs in Kansas City, Missouri and not for costs in Coulterville, Illinois. The construction company did not base its cost estimate on any real project drawings and did not consult with any potential subcontractors in Illinois to double-check the proposed costs. The difference in costs between the previous and current projects is largely due to this discrepancy. Second, Project 20-024 relies not only on Illinois cost estimates, but it also is based on 2020 prices instead of outdated estimates. This partially accounts for the difference in project costs between the current and prior CON permit applications.

If you should have any further questions about this letter, please call or e-mail me at your convenience.

Respectfully,

A handwritten signature in blue ink, appearing to read 'J Hylak' followed by a stylized flourish.

Joseph Hylak-Reinholtz  
Project Legal Counsel  
Coulterville Rehabilitation and Health Care Center