



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET NO: H-01	BOARD MEETING: April 26, 2022	PROJECT NO: 21-029	PROJECT COST: Original: \$2,162,795
FACILITY NAME: Quincy Medical Group Birth Center		CITY: Quincy	
TYPE OF PROJECT: Substantive			HSA: III

PROJECT DESCRIPTION: The Applicant (Quincy Physicians & Surgeons, PLLC d/b/a Quincy Medical Group) proposes to establish a 3-room free-standing birthing center in Quincy, Illinois. The anticipated cost of the project is \$2,162,795. The anticipated completion date is June 30, 2023.

Information concerning this Application for Permit can be found at
<https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Quincy-Medical-Group-Birth-Center,-Quincy---21-029.aspx>

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicant (Quincy Physicians & Surgeons, PLLC d/b/a Quincy Medical Group) proposes to establish a 3-room free-standing birthing center in Quincy, Illinois. The anticipated cost of the project is \$2,162,795. The anticipated completion date is June 30, 2023.
- This Birthing Center Application for Permit is being submitted under the Alternative Health Care Delivery Act (210 ILCS 3/1). The Alternative Health Care Delivery Act allows the State Board of Health through the Illinois Department of Public Health to recommend to the General Assembly and Governor those models that should be authorized as alternative health care models for which demonstration programs should be initiated. Currently there are four alternative health care models¹ that the Illinois Health Facilities and Services Review Board must approve before an Applicant can begin operation and be licensed under this program:
 - Birthing Center
 - Children’s Community Based Health Care Centers
 - Community Based Residential Rehabilitation Centers
 - SubAcute Care Hospital Model
- On March 1, 2022, a Type A Modification was submitted that replaced Quincy Physicians & Surgeons, S. C. d/b/a Quincy Medical Group with Quincy Physicians & Surgeons, PLLC d/b/a Quincy Medical Group as the Applicant. A public hearing was conducted March 18, 2022, regarding the Type A Modification.

ALTERNATIVE HEALTH CARE DELIVERY MODEL-BIRTHING CENTER

- In 2009 the General Assembly approved (PA 96-0699) the birth center model as a demonstration program under the Alternative Health Care Delivery Act [210 ILCS 3]. The purpose of the demonstration project is to evaluate the birth center model for quality factors, access, and the impact on health care costs. Each applicant approved under this model will be required to periodically submit data necessary for evaluating the model's effectiveness. The General Assembly initially authorized the establishment of **10 birth center models** in the demonstration program including:
 - 4 located in the combined Cook, DuPage, Kane, Lake, McHenry, and Will counties.
 - 3 located in municipalities with a population of 50,000 or more not located in an area described above; and
 - 3 located in rural areas.
- In each of the geographic groups identified above, **one** birth center shall be owned or operated by a hospital and **one** birth center shall be owned and operated by a federally qualified health center (“FQHC”).
- **Public Act 102-0414 effective August 20, 2021**, amended the Alternative Health Care Delivery Act by increasing the number of birth centers in the State of Illinois. This Amendment allows 10 (rather than 4) birth centers in Chicago and the collar counties. These include additional sites on the south and west sides of Chicago. Two (rather than 1) birth centers are to be owned or operated by a Federally Qualified Health Center. Additionally, one birth center is to be in the A-3 Hospital

¹ Post-Surgical Recovery Care Model was closed in 2008. Free Standing Emergency Centers would require legislation to reopen the model.

Planning Area². One additional birth center is to be in East St. Louis in the F-1 Hospital Planning Area³. The total number of allowed birth centers has been increased from 10 to 17 birth centers.

- **Public Act 102-0518 effective August 20, 2021**, created the Birth Center Licensing Act that will require licensing of birth centers.
- The **first 3 birth centers** authorized to operate by the Department shall be in or predominantly serve the residents of a health professional shortage area as determined by the United States Department of Health and Human Services. There shall be no more than 2 birth centers authorized to operate in any single health planning area for obstetric services as determined under the Illinois Health Facilities Planning Act. If a birth center is located outside of a health professional shortage area, (i) the birth center shall be located in a health planning area with a demonstrated need for obstetrical service beds, as determined by the Health Facilities and Services Review Board or (ii) there must be a reduction in the existing number of obstetrical service beds in the planning area so that the establishment of the birth center does **not** result in an increase in the total number of obstetrical service beds in the health planning area.
- The proposed birth center (Project #21-029) is the **sixth birth center** to be proposed in the State of Illinois under the Alternative Health Care Model.
 - The **First** Application (Permit #12-084), PCC South Family Health Center, Berwyn, was approved on February 5, 2013, and was completed on December 31, 2014. PCC South Family Health Center is a FQHC.
 - The **Second** Application (Project #15-006) Bloomington-Normal Birthing Center was approved April 21, 2015 and was completed on September 23, 2017.
 - The **Third** Application (Permit #20-003), Burr Ridge Birthing Center was approved February 25, 2020, and completed April 1, 2021.
 - The **Fourth** Application (Permit #20-029), Birth Center of Chicago was approved September 22, 2020. This project has not been completed.
 - The **Fifth** Application (Permit #21-021) NorthPointe Birth Center was approved on December 14, 2021. This project has not been completed.
- As of the date of this report rules implementing the licensing legislation has not been completed by the Illinois Department of Public Health.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- This project is before the State Board because the project proposes to establish a health care facility as defined by Illinois Health Facilities Planning Act.

PUBLIC HEARING/COMMENTS

- As mentioned above a public hearing was conducted by the State Board and letters of support and opposition have been received by the State Board.

SUMMARY:

- The State Board does not have a need methodology for birthing centers, nor size or utilization

² **Planning Area A-3:** City of Chicago Community Areas of Douglas, Oakland, Fuller Park, Grand Boulevard, Kenwood, Near South Side, Washington Park, Hyde Park, Woodlawn, South Shore, Chatham, Avalon Park, South Chicago, Burnside, Calumet Heights, Roseland, Pullman, South Deering, East Side, Garfield Ridge, Archer Heights, Brighton Park, New City, West Elsdon, Gage Park, Clearing, West Lawn, West Englewood, Englewood, Chicago Lawn and Greater Grand Crossing.

³ **Planning Area F-1:** Madison and St. Clair Counties; Monroe County Precincts 2, 3, 4, 5, 7, 10, 11, 14, 16, 17, 18, 19, 21, and 22; Clinton County Townships of Sugar Creek, Looking Glass, Germantown, Breese, St. Rose, Wheatfield, Wade, Sante Fe, Lake, Irishtown, Carlyle and Clement.

standards for this alternative health care model. Also, financial viability and cost standards have not been developed for this model.

- The location of the proposed facility is in the E-05 Hospital Planning Area which includes Adams and Hancock Counties; Schuyler County Townships of Birmingham, Brooklyn, Camden, and Huntsville; Brown County Townships of Pea Ridge, Missouri, Lee, Mount Sterling, Buckhorn and Elkhorn.
- There is a calculated excess of 14 Obstetric Beds in the E-05 Planning Area, per the March 2022, IDPH Inventory Update.

STATE BOARD STAFF REPORT
Quincy Medical Group Birth Center
Project #21-029

APPLICATION/CHRONOLOGY	
Applicant	Quincy Physicians & Surgeons, PLLC d/b/a Quincy Medical Group
Facility Name	Quincy Medical Group Birth Center
Location	3301 Broadway
Permit Holder	Quincy Physicians & Surgeons, PLLC d/b/a Quincy Medical Group
Owner of the Site	Quincy-Cullinan, LLC
Operating Entity/Licensee	Quincy Physicians & Surgeons, PLLC d/b/a Quincy Medical Group
Application Received	9/20/2021
Application Deemed Complete	9/23/2021
Review Period Ends	01/21/2022
Financial Commitment	June 30, 2023
Project Completion Date	June 30, 2023
Expedited Review Requested?	No

I. The Proposed Project

The Applicant (Quincy Physicians & Surgeons, PLLC d/b/a Quincy Medical Group) proposes to establish a 3-room free-standing birthing center in Quincy, Illinois. The anticipated cost of the project is \$2,162,795. The anticipated completion date is June 30, 2023.

II. Summary of Findings

- A) The State Board Staff finds the proposed project in conformance with Part 1110.
- B) The State Board Staff finds the proposed project in conformance with Part 1120.

III. General Information

The Applicant is Quincy Physicians & Surgeons, PLLC d/b/a Quincy Medical Group. Quincy Physicians & Surgeons Clinic, PLLC d/b/a Quincy Medical Group is an Illinois Corporation and has been serving the population of western Illinois, southeast Iowa, and eastern Missouri for more than 80 years. Quincy Medical Group is a large multi-disciplinary practice and has 115 physicians, 40 advanced physician practitioners, and over 875 employees. The Applicant has 12 office locations, serves a population of 400,000 people, and is a significant source of primary, specialty, and sub-specialty rural health care. It is physician-owned and governed; all eight members of its board are physicians.

There is no land acquisition for this project. This is a substantive project subject to both a Part 1110 and Part 1120 review. The Applicants identified initial start-up costs of

\$395,000, and financial commitment will occur after permit issuance.

IV. Health Service Area

The proposed project will be in Health Service Area III and the E-05 Hospital Planning Area. There are two hospitals in the E-05 Hospital Planning Area that provide obstetric services. There is a calculated excess of 14 obstetric beds in this Planning Area.

TABLE ONE					
Hospitals with Obstetric Service in the B-01 Hospital Planning Area					
Hospital	City	Beds	Utilization (1)	Miles	Minutes
Blessing Hospital	Quincy	25	23.8%	2.2	7
Memorial Hospital	Carthage	2	36.7%	40.4	46
Total Beds		27			
1. Target Occupancy a) 1-10 Obstetric beds in area 60% b) 11-25 Obstetric beds in area 75% c) 26 or more Obstetric beds in area 78% d) Utilization taken from 2020 Hospital Profiles.					

IV. The Proposed Project - Details

The Applicant is proposing to establish a 3-room free-standing birthing center, in approximately 6,100 GSF of space. According to the Applicants, the proposed birth center will have three birthing rooms and will be dedicated to serving the childbirth-related needs of women and their newborns. The Applicants state the birth center will have a designated space for prenatal visits and antepartum testing, a nurses’ station, linen rooms, conference space for education services, private office space, and a waiting and kitchen area. The proposed birth center will be located at 3301 Broadway in an existing vacant space at the Quincy Town Center and adjacent to the QMG Cancer Institute and QMG Surgery Center.

V. Project Uses and Sources of Funds

The total estimated project cost is \$2,162,795. The project is to be funded with cash and securities a mortgage and the fair market value of leased space.

TABLE ONE	
Project Uses and Sources Funds	
Uses of Funds	
Preplanning Costs	\$120,114
New Construction Contracts	\$1,062,172
Contingencies	\$96,926
Architectural/Engineering Fees	\$89,545
Consulting and Other Fees	\$194,038

TABLE ONE	
Project Uses and Sources Funds	
Movable or Other Equipment	\$600,000
Total Uses of Funds	\$2,162,795
Source of Funds	
Cash and Securities	\$659,995
Mortgages	\$600,000
Leases (fair market value)	\$902,800
Total Sources of Funds	\$2,162,795

VI. Background, Project Purpose, Safety Net Impact, and Alternatives - Informational

A. Criterion 1110.110 (a) - Background of Applicants

In response to this criterion the Applicant stated neither the Centers for Medicare and Medicaid Services nor the Illinois Department of Public Health has taken any adverse action involving civil monetary penalties or restriction or termination of participation in the Medicare or Medicaid programs against any Illinois health care facilities owned or operated by the applicant, directly or indirectly, within three years preceding the filing of this application. The Applicant provided a letter certifying that no adverse action has been taken against any health care facilities owned or operated by the applicant in Illinois within three years preceding the filing of this application and authorizing the HFSRB and IDPH access to any documents necessary to verify information submitted.

B. Safety Net Impact Statement/Charity Care

The Applicant is required by the Act to be Medicare and Medicaid certified.

C. Criterion 1110.110 (b) - Purpose of the Project

The Applicants state the purpose of this project *“is to offer a high-quality, safe, cost-effective, alternative birthing experience to women in Quincy and the surrounding rural communities who are low risk and prefer to deliver in a patient-centered environment that minimizes the use of technology. The addition of the birth center will address the need to control the rising cost of healthcare without compromising quality.”*

The Applicant identified a planning area of a 75-mile radius around the Quincy Birthing Center. The Applicant believes there are problems in this service area the proposed birthing center will resolve. These include the following:

- Lack of access to an alternative source of maternity care that is high touch, minimum technology.

- Lack of availability of a high quality, lower cost birthing option.

D. Criterion 1110.110(c) - Alternatives to the Proposed Project

The Applicant proposes to establish a 3-room free-standing birth center. The Applicant considered the following alternatives:

- Status Quo
- A project of greater scope
- A Joint Venture

The **first alternative** was rejected because the Applicants believe the status quo would not address the problems of the lack of access to an alternative source of maternity care that is high touch, minimum technology or address the availability of high quality, and lower cost birthing option. The **second alternative** to the proposed project of greater scope was rejected because the Applicant believes the 3-room birthing center will best address the needs of the planning area. The **final alternative** of a joint venture was not considered as the Applicant intends to collaborate with Memorial Hospital Association, a critical access hospital located approximately 40 miles from Quincy in Carthage, Illinois, on clinical elements of the birth center. Memorial Hospital Association currently employs a nurse midwife who has been providing women's health and obstetric services for many years. The Applicant intends to work closely with this organization to leverage and build knowledge, processes, and expertise in birth center development.

VII. Project Scope and Size, Utilization and Unfinished/Shell Space – Review Criteria

A) Size of Project

The State Board does not have gross square footage standards for free-standing birthing centers. The Applicant is proposing 6,100 gross square feet for the 3 room-birthing center.

B. Criterion 1110.234 (b) - Project Services Utilization

The State Board does not have a utilization standard for birthing centers. The Applicant proposes to provide 125 birthing procedures annually by the 2nd year of operation.

VIII. Birth Centers – Alternative Health Care Delivery Model

b) Review Criteria

1. Location Requirements – Review Criteria

- A) There shall be no more than 10 birth center alternative health care models in the demonstration program including:*
- i) A total of 4 located in the combined Cook, DuPage, Kane, Lake, McHenry, and Will counties.*
 - ii) A total of 3 located in municipalities with a population of 50,000 or more not located in an area described in subsection (b)(1)(A)(i); and*
 - iii) A total of 3 located in rural areas.*
- B) In each of the geographic groups identified in subsection (b)(1)(A), one birth center shall be owned or operated by a hospital and one birth center shall be owned and operated by a federally qualified health center.*

The proposed birthing center will be located at 3301 Broadway, Quincy, Illinois. The proposed facility is the sixth birthing center being proposed in the State of Illinois to qualify under this Alternative Health Care Model. The location of the birthing center is the second center to be in a rural area. NorthPointe Birth Center, Roscoe, Illinois approved by the State Board in December 2021 was the first birth center approved in a rural area and it is owned by a hospital/health system. The Applicant has successfully addressed this criterion.

2. Service Provision to a Health Professional Shortage Area

- A) The first 3 birth centers authorized to be operated by IDPH shall be in or predominantly serve the residents of a health professional shortage area, as determined by the U.S. Department of Health and Human Services. [210 ILCS 3/30] The applicant shall document whether the proposed site is in or will predominantly serve the residents of a health professional shortage area.*
- B) If a birth center is located outside of a health professional shortage area:*
- i) the birth center shall be in a health planning area with a demonstrated need for obstetrical service beds, as determined by the Health Facilities and Services Review Board; or*
 - ii) there shall be a reduction in the existing number of obstetrical service beds in the planning area so that the establishment of the birth center does not result in an increase in the total number of obstetrical service beds in the health planning area. [210 ILCS 3/30]*

The proposed birth center will be in HSA-III Health Service Area and the E-05 Hospital Planning Area. The location of the proposed facility is in a Health Professional Shortage Area. The Applicant has successfully addressed this criterion [See page 62 of the Application for Permit].

3) Admission Policies

A birth center may not discriminate against any patient requiring treatment because of the source of payment for services, including Medicare and Medicaid recipients. [210 ILCS 3/35]

The Applicants provided a copy of its admissions policy (Application page 63-67), which is accompanied by a signed attestation by the CEO of Quincy Medical Group that there will be no restrictions on admittance to the birth center because

of payor source (Application, p. 67).

4) Bed Capacity

The applicant shall document that the proposed birth center will have no more than 10 beds.

The Applicant proposes three birthing rooms at the proposed Birth Center.

5) Staffing Availability

The applicant shall document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure staffing requirements can be met. In addition, the applicant shall document that necessary staffing is available by providing a narrative explanation of how the proposed staffing will be achieved.

According to the Applicant Quincy Medical Group will recruit Certified Nurse Midwives, nurses, doulas, lactation consultants, and other experienced support professionals to staff the proposed birth center. This will be done through referrals, birthing organizations, job boards, and a national search firm. QMG already employs many clinical experts in this field, including OB/GYNs, nurses, and other education support staff. The Applicant will also consult with Memorial Hospital Association in Carthage, Illinois to develop training for the program. Memorial Hospital Association currently employs a midwife experienced in home births.

6) Emergency Surgical Backup

A birth center that is not operated under a hospital license shall be located within a ground travel time distance from the general acute care hospital with which the birth center maintains a contractual relationship, including a transfer agreement, as required under this paragraph, that allows for an emergency caesarian delivery to be started within 30 minutes of the decision a caesarian delivery is necessary.

The Applicant originally provided a signed transfer agreement with Blessing Hospital which is located less than 3-miles from the proposed Birthing Center. [Application for Permit 71-75]. Subsequently, Blessing Hospital withdrew its transfer agreement in letter to the CEO of Quincy Medical Group dated March 17, 2022, stating:

The Patient Transfer Agreement Between Blessing Hospital and Quincy Medical Group, dated September 14, 2021 (the "Transfer Agreement"), was entered into between the original Applicant, Quincy Physicians & Surgeons Clinic, S.C. d/b/a Quincy Medical Group and Blessing Hospital. At the time Blessing Hospital entered into the Transfer Agreement its understanding was that QMG was owned and operated locally by the physicians of QMG; however, QMG changed ownership in December 2021 when it was acquired by the large, Chicago-based, private equity funded multispecialty group, DuPage Medical Group, now known as Duly Health and Care. QMG has not notified Blessing Hospital that the party to the Transfer Agreement has changed and that it is no longer the Applicant for the CON. Furthermore, the Transfer Agreement has no assignment provision.

On April 6, 2022, QMG provided two new transfer agreements: one with Hannibal Regional Healthcare System d/b/a Hannibal Regional Hospital located in Hannibal, Missouri approximately 30 minutes from the proposed location of the Birth Center and Memorial Hospital Association in Carthage, Illinois approximately 43 miles from Quincy.

7) Education

A birth center shall offer prenatal care and community education services and shall coordinate these services with other health care services available in the community. [210 ILCS 3/35]

According to the Applicant QMG Birth Center will offer prenatal care and community education services through implementation of a group care model called Centering. The Applicant states the education classes will be offered to both birth center and hospital patients. Under the direction of a birth center practitioner, 8-12 women of similar gestational ages will meet together, engage in discussions, and develop a support network with other group members. These groups will meet throughout the patient's pregnancy and early postpartum, encouraging engagement, personal empowerment, and community-building. Other educational services offered at the birth center will include, among others, childbirth refresher classes, newborn care classes, and breastfeeding classes. The birth center staff will work closely with area community agencies to connect patients with needed resources.

8) Inclusion in Perinatal System

- A) *At a minimum, the birth center's participation shall require a birth center to establish a letter of agreement with a hospital designated under the Perinatal System.*
- B) *A hospital that operated or has a letter of agreement with a birth center shall include the birth center under its maternity service plan under the Hospital Licensing Act and shall include the birth center in the hospital's letter of agreement with its perinatal center. [210 ILCS 3/30]*

The Applicant originally provided a signed transfer agreement with Blessing Hospital which is located less than 3-miles from the proposed Birthing Center. [Application for Permit 71-75]. Subsequently, Blessing Hospital withdrew its transfer agreement in letter to the CEO of Quincy Medical Group dated March 17, 2022.

Staff Note: The Illinois Department of Public Health requires a transfer agreement with an Illinois Hospital before the Birth Center can begin operations. Blessing Hospital, provides Level II perinatal services under Illinois' perinatal regionalization system for the transfer of birth center patients, including newborns, if necessary. Blessing Hospital is located less than 3 miles away and within approximately 8 minutes ground travel time from the proposed birth center. Blessing Hospital has an agreement with HSHS St. John's Hospital, a Level III hospital under Illinois' perinatal regionalization system, in the event neonatal intensive care unit services are needed.

On April 6, 2022, QMG provided two new transfer agreements: one with Hannibal Regional Healthcare System d/b/a Hannibal Regional Hospital located in Hannibal, Missouri and Memorial Hospital Association in Carthage, Illinois.

9) Medicare/Medicaid Certification

The applicant shall document that the proposed birth center will be certified to participate in the Medicare and Medicaid programs under titles XVIII and XIX, respectively, of the federal Social Security Act (42 USC 1395 and 1396).

The Applicants state that the proposed Birth Center will seek certification for Medicare/Medicaid services, upon project completion.

10) Criterion 1110.3130(j) – Charity Care

All birth centers shall provide charitable care consistent with that provided by comparable health care providers in the geographic area. [210 ILCS 3/30] The applicant shall provide to HFSRB a copy of the charity care policy that will be adopted by the proposed birth center.

The Applicants supplied a copy of its Charity Care Policy at page 81 of the Application for Permit.

11) Criterion 1110.3130(k) – Quality Assurance – Review Criterion

Each birth center shall implement a quality assurance program with measurable benefits. [210 ILCS 3/30] The applicant shall provide to HFSRB a copy of the quality assurance program to be adopted by the birth center.

The Applicants provided a copy of the Quality Assurance plan for the proposed Birthing Center (Application for Permit 83-87) as required.

X. 1120.120 - Availability of Funds

XI. 1120.130 - Financial Feasibility

Quincy Medical Group is financing this project with cash in the amount of \$659,995 a loan in the amount of \$600,000 and the fair market value of a lease for the space of \$902,800 for a total of \$2,162,795.

Loan:

The Applicant provided a letter from the Bank of Springfield that states the following: *“As Quincy Medical Group's primary lender and depository institution, Bank of Springfield is familiar with QMG's financial statements and financial practices. QMG is a company with solid financial leadership that is demonstrated by its consistent and long-term growth. The group has met all of its financial obligations in a timely manner and has worked closely with the bank on its long-term financial planning. Subject to the final plans and all regulatory approvals, Bank of Springfield is committed to loaning Quincy Medical Group up to \$600,000 for the purchase of medical equipment and other costs necessary for the proposed birth center. As with every loan, this loan is subject to*

satisfactory due diligence to be performed by Bank of Springfield with the cooperation of QMG and agreement on loan documentation. The term of the loan will be 5 years and will be at a market competitive rate of interest at the time of the loan commencement.”

Lease:

The Applicant will be leasing 6,100 GSF of space from Quincy Cullinan, LLC.

Financial Viability

Quincy Medical Group provided financial statements as part of the Application for Permit for Project #20-044. Quincy Medical Group considers these financial statements proprietary, and the financial statements are not being used to evaluate the availability of funds or the financial feasibility of the Applicant.

XII. Section 1120.140 - Economic Feasibility

A. Criterion 1120.140(a) - Reasonableness of Financing Arrangements

Quincy Medical Group stated the following:

“The total estimated project costs and related costs will be funded in total or in part by borrowing because borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period. The loan will be at the best terms available in the market, offering the lowest net cost. The project also involves in part the leasing of equipment and/or facilities and the expenses incurred with leasing the facility and/or equipment are less costly than constructing a new facility or purchasing new equipment”

B. Criterion 1120.140(b) - Terms of Debt Financing

The Applicant will be leasing 6,100 GSF of space for the birthing at an approximate cost of \$17.08 per square foot for 20 years with one 10-year option. The cost will be increased by the lesser of 2% or the Consumer Price Index. There is a tenant allowance of \$148 per square foot.

C. Criterion 1120.140(c) - Reasonableness of Project Cost

The State Board Staff notes the State Board does not have project cost standards for birthing centers.

Preplanning Costs– These costs total \$120,114 and comprise 5.5% of the overall cost of the project.

New Construction and Contingency Costs – These costs are \$1,159,096 or \$190.02 per GSF.

Contingency Costs – These costs are \$96,926 or 9.1% of new construction costs.

Architectural & Engineering Fees – These costs total \$89,545 or 4.14% of the total costs.

Consulting & Other Fees - These costs total \$194,038 or 8.97% of total costs.

Equipment not in Construction Contracts – These costs are \$600,000 and are 27.74% of total costs.

D) Criterion 1120.140 (d) - Projected Operating Costs

The Applicant provided the direct operating costs of \$6,428.23 per birth. The State Board does not have a standard for these costs.

E) Criterion 1120.140 (e) - Total Effect of the Project on Capital Costs

The Applicant provided the total effect of the project on capital costs of \$1,054.69 per birth. The State Board does not have a standard for these costs.

Direct Construction Cost	
Foundations	\$12,810
Basement Construction	\$0
Superstructure	\$0
Exterior Enclosure	\$38,325
Roofing	\$0
Interior Construction	\$270,563
Specialties	\$12,170
Finishes	\$173,534
Conveying	\$0
Plumbing	\$111,302
HVAC	\$100,582
Fire Protection	\$18,060
Electrical	\$117,212
Equipment	\$0
Furnishings	\$3,150
Special Construction	\$31,500
Selective Building Demolition	\$28,823
General Requirements	\$51,240
Total Direct Costs	\$969,271
Indirect Costs	
Design and Estimating Contingency	\$48,463
Construction Contingency	\$48,463
General Conditions & Staffing	\$74,634
Preconstruction services	\$21,324
Permit & Fees	\$10,662
Inflation (Material Pricing)	\$31,986
General Liability Insurance	\$13,494
Contractor OH & Profit	\$60,915
Total Indirect Costs	\$309,941
Additional Costs	
A&E Fees	\$89,845
Legal / Consulting Fees	\$190,000
Movable and other equipment	\$600,000
Total Additional Cost	\$879,545
Total Project Cost	\$2,158,757
Filing/Application cost (.22%)	\$4,038
Total	\$2,162,795

