

January 30, 2013

**RECEIVED**

**FEB 0 1 2013**

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

Mr. Dale Galassie, Chairperson  
Illinois Health Facilities & Services Review Board  
525 W. Jefferson Street, 2<sup>nd</sup> floor  
Springfield, IL 62761

Re: 2012 / 2013 Annual Progress Report for Project # 08-070  
(Physician Surgery Center at Good Samaritan)

Dear Mr. Galassie,

In accordance with Section 1130.760 of the Administrative Code, this letter serves as the annual Progress Report for Project 08-070 (Physician Surgery Center at Good Samaritan). This project was approved by the Health Facilities Planning Board on January 28, 2009 along with two other related projects -- Good Samaritan replacement hospital (project 08-051) and the Physicians & Ambulatory Services Building (Project 08-050).

#### **STATUS REPORT**

Listed below are key milestones of the project's progress since its inception:

- The Physicians & Ambulatory Services Building / Physician Surgery Center Commencement Schedule was approved by the Steering Team on October 9, 2009.
- United Surgical Partners, International finalized the first half (\$300,000) of its investment in the Physician Surgery Center at Good Samaritan on November 6, 2009.
- Good Samaritan finalized the first half (\$300,000) of its investment in the Physician Surgery Center at Good Samaritan on November 6, 2009.
- The share offering for the Surgery Center was finalized on August 21, 2009. All 40 available physician shares were sold. The first half of the investment by the physicians (\$400,000) was finalized on this date.
- The first meeting of the Physician Surgery Center at Good Samaritan governing board was held in April, 2010.
- In June, 2010, the Chairperson of the Health Facilities Planning Board approved an extension of obligation for the Physician Surgery Center at Good Samaritan through July 28, 2011.
- In August, 2010, the Planning Board approved a request to reduce the Surgery Center space (located inside the Physicians & Ambulatory Services Building) to 10,937 GSF. The GSF reduced by the surgery center will be converted to lease space in the medical office building.
- The Surgery Center space lease with the Physicians & Ambulatory Services Building (project 08-050) was signed and finalized in September, 2010.
- A standard agreement for the Physicians & Ambulatory Services Building construction was signed between Mt. Vernon Physicians, LLC / Frauenshuh and McCarthy Building Companies for \$14,466,899 in October, 2010.
  - This contract, plus expenses paid out at the time, obligated both the Physicians & Ambulatory Services Building and the Surgery Center, as the fair market value of the lease space equates to approximately 50% of the Surgery Center total cost. (A copy of this contract was submitted in the 2011 Progress Report.)

1 Good Samaritan Way  
Mt. Vernon, IL 62864  
618.242.4600

www.smsgsi.com

- Construction for the Physicians & Ambulatory Services Building began in April, 2011. A public groundbreaking ceremony for both the Medical Office Building and Physician Surgery Center at Good Samaritan was held in May, 2011.
- The final installment payment on the Surgery Center shares was due in May, 2012 for all partners.
- The IHFSRB approved a permit renewal for the project on November 11, 2012, extending the permit until June 30, 2013 in order to allow time to finalize audited financials.
- Substantial completion was reached on November 15, 2012.
- Final submittal package provided to IDPH by November 21, 2012.
- A mock IDPH inspection was held on December 19, 2012.
- The Surgery Center IDPH inspection was held on January 17, 2013.
- An official request for the clinical survey of the Surgery Center was submitted on January 18, 2013.
- To date, \$7,672,818 in expenses have been paid-out towards the project.

## COSTS & FINANCING

### Project Cost & Sources of Funds – Total

<u>Cost</u>	<u>CON Permit Amount</u>	<u>Expenditures-to-Date</u>
New Construction Contracts	\$1,112,500	\$557,900
Contingencies	\$100,000	\$68,000
Architectural / Engineering Fees	\$203,500	\$194,890
Consulting & Other Fees	\$225,000	\$201,180
Movable or Other Equipment	\$2,490,000	\$1,880,963
Fair Mkt Value of Leased Space / Equip	\$4,478,781	\$4,478,781
Other Costs to be Capitalized	\$338,490	\$291,104
<b>Total Statement of Probable Cost</b>	<b>\$8,948,271</b>	<b>\$7,672,818</b>

If you should have any questions about this Progress Report, or would like additional information, feel free to contact me at (618) 899-1002.

Sincerely,



Michael Warren, FACHE  
President, Good Samaritan Regional Health Center

Exterior / Good Samaritan Regional Health Center Medical Plaza:

