

**REVIEW CRITERIA RELATING TO ECONOMIC FEASIBILITY (ECON)**  
(continued)

- a. that the lowest net cost available has been selected; or
  - b. that the choice of higher cost equipment is justified due to such factors as, but not limited to, maintenance agreements, options to purchase, or greater diagnostic or therapeutic capabilities.
3. List the items and costs included in preplanning, site survey, site preparation, off-site work, consulting, and other costs to be capitalized. If any project line item component includes costs attributable to extraordinary or unusual circumstances, explain the circumstances and provide the associated dollar amount. When fair market value has been provided for any component of project costs, submit documentation of the value in accordance with the requirements of Part 1190.40.

**D. Criterion 1120.310(d), Projected Operating Costs**

Read the criterion and provide in the space below the facility's projected direct annual operating costs (in current dollars per equivalent patient day or unit of service, as applicable) for the first full fiscal year of operation after project completion or for the first full fiscal year when the project achieves or exceeds target utilization pursuant to 77 Ill. Adm. Code 1100, whichever is later. If the project involves a new category of service, also provide the annual operating costs for the service. Direct costs are the fully allocated costs of salaries, benefits, and supplies. Indicate the year for which the projected operating costs are provided. (See financial forecast, Attachment 75)

**E. Criterion 1120.310(e), Total Effect of the Project on Capital Costs**

Is the project classified as a category B project? Yes  No  If no is indicated, go to item F. If yes is indicated, provide in the space below the facility's total projected annual capital costs as defined in Part 1120.130(f) (in current dollars per equivalent patient day) for the first full fiscal year of operation after project completion or for the first full fiscal year when the project achieves or exceeds target utilization pursuant to 77 Ill. Adm. Code 1100, whichever is later. Indicate the year for which the projected capital costs are provided. (See financial forecast, Attachment 75)

**F. Criterion 1120.310(f), Non-patient Related Services**

Is the project classified as a category B project and involve non-patient related services? Yes  No . If no is indicated, this criterion is not applicable. If yes is indicated, read the criterion and document that the project will be self-supporting and not result in increased charges to patients/residents or that increased charges are justified based upon such factors as, but not limited to, a cost benefit or other analysis that demonstrates the project will improve the applicant's financial viability.

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HEALTH FACILITIES &  
SERVICES REVIEW BOARD

**REVIEW CRITERIA RELATING TO ECONOMIC FEASIBILITY (ECON)**  
(continued)

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**F. Criterion 1120.310(e), Total Effect of the Project on Capital Costs**

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**D. Criterion 1120.310(d), Projected Operating Costs**

Read the criterion and provide in the space below the facility's projected direct annual operating costs (in current dollars per equivalent patient day or unit of service, as applicable) for the first full fiscal year of operation after project completion or for the first full fiscal year when the project achieves or exceeds target utilization pursuant to 77 Ill. Adm. Code 1100, whichever is later. If the project involves a new category of service, also provide the annual operating costs for the service. Direct costs are the fully allocated costs of salaries, benefits, and supplies. Indicate the year for which the projected operating costs are provided.

**Criterion 1120.310.d, Projected Operating Costs**

	<u>FY 2013</u>	
Inpatient Revenue	\$2,572,748	
Outpatient Revenue	<u>\$21,577,967</u>	
Total Net Patient Revenue	<u>\$24,150,715</u>	
Patient Days	2,166	
Equivalent Patient Days	20,333 $2,166 / (2,572,748 / 24,150,715)$	
Salaries & Benefits	\$12,127,123	
Supplies*	<u>\$6,433,770</u>	
	<u>\$18,560,893</u>	
Salary, Benefits, & Supplies per Equivalent Patient Day	\$913	

\* Supplies equals the following line item expenses from the examined forecast:

Supplies and minor equipment	\$1,284,124
Repairs and Service	\$597,496
Utilities and telephone	\$364,444
Drugs	\$2,474,845
Purchased service	\$1,018,334
Training, dues, travel, recruitment	\$256,310
Marketing	\$102,828
Other expenses	<u>\$335,389</u>
	<u>\$6,433,770</u>

**E. Criterion 1120.310(e), Total Effect of the Project on Capital Costs**

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**Criterion 1120.310.e, Total Effect of the Project on Capital Costs**

	<u>FY 2013</u>	
Inpatient Revenue	\$2,572,748	
Outpatient Revenue	<u>\$21,577,967</u>	
Total Net Patient Revenue	<u>\$24,150,715</u>	
Patient Days	2,166	
Equivalent Patient Days	20,333	2,166/(2,572,748/24,150,715)
Depreciation	\$1,596,705	
Interest	<u>\$3,046,666</u>	
	<u>\$4,643,371</u>	
Capital Costs per Equivalent Patient Day	\$228	