



**RECEIVED**

MAR 28 2011

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Mr. Dale W. Galassie  
Chair  
Illinois Health Facilities and Services Review Board  
2<sup>nd</sup> Floor  
525 West Jefferson  
Springfield IL 62761

Re: Annual Progress Report (Section 1130.760)  
Obligation Period Extension Request (Section 1130.730)  
Permit Renewal Probable Request (Section 1130.740)

Dear Chair Galassie,

On April 20<sup>th</sup>, 2010, Pinckneyville Community Hospital received approval for Project 09-068 from the Health Facilities and Services Review Board. We are submitting this letter to comply with the requirement for an Annual Report in 77 (b) 1130.760 of the Administrative Code and to formally request extension of our Obligation Period. In addition, we anticipate the future need to renew our Permit.

Progress Report

On July 6<sup>th</sup>, 2010, the Board accepted a Guaranteed Maximum Price (GMP) of \$28,850,245 presented by the Construction Manager, Robins & Morton. This amount is within our approved Permit.

The Designs Standards Unit of the Division of Healthcare Facilities and Programs of the Illinois Department of Public Health has completed their review of our plans (IDPH 9039) and have indicated they have no further comments as of their review of the last construction change directives (#5 & #6) as of November 17, 2010. The net effect of the IDPH requested modifications did not change the GMP.

Attached is a copy of the Sources and Uses Section from our CON application indicating by category what funds have been expended through 3/31/2011. The project has not yet been obligated.

We have not been able to begin our project as the economy has made obtaining financing a challenge even though we have a favorable financial feasibility study. Risk assessments of projects such as ours have become more detailed as a result of the uncertainties of healthcare reform, the increasing number of individuals who are unable to pay for their care and the impact of increasing numbers of individuals covered by the Medicaid program. Both the economy and capital markets have delayed our immediate ability to implement the project and meet the original dates in our Permit Application.

#### Obligation Period

We have been adjusting our operations to counter these external impacts and look to be in a position later this year to be more attractive to funding sources which would enable us to commence the project in early 2012. To enable us to do this, we are requesting an extension of the Obligation Period as provided for in 77 (b) 1130.730. The original obligation date would have been October 20, 2011 which is 18 months after our approval.

Subsection (b) of 77 (b) 1130.730 identifies four areas that require documentation, as applicable, as part of the request for an extension. Number 1 is met as we have drawings approved by IDPH. Numbers 2 and 3 do not apply as our project is not solely for the acquisition of major medical equipment or to provide a new service.

We do not currently meet criteria number 4 regarding "confirmatory evidence that financial monies are available" for the reasons identified above. It is as a result of this difficulty in arranging financing that we are requesting an extension of the Obligation Period to allow us to continue our operating cost adjustments and discussions with financing sources. We believe we can be in a position later this year to acquire funding to make the replacement hospital a reality to ensure local access to physicians and hospital services in the future for Pinckneyville and the surrounding areas we serve.

Therefore, given the financing circumstances we have encountered, we respectfully request a 12 month extension of our obligation period from October 20, 2011 to October 20, 2012 (Section 1130.720a.1).

Our check in the amount of \$500 is enclosed per Section 1130.730 Extension of Obligation Period application processing fee.

Permit Renewal

In addition, we anticipate a future Permit renewal request will be submitted to the Review Board. Our Permit will require renewal due to our financing circumstances and requested obligation period extension. Our original expected completion date was June 30, 2012 and our expected completion date could be as early as June 30, 2013, but, until we secure financial, a final completion date cannot be established.

If you have any questions, I can be reached at 618-357-5901 or [thudgins@pvillehosp.org](mailto:thudgins@pvillehosp.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas J. Hudgins". The signature is written in a cursive, flowing style with a large initial "T".

Thomas J. Hudgins FACHE  
Administrator/CEO

March 25<sup>th</sup>, 2011

CC: Ms. Constance Avery, Administrator  
Mr. Mike Constantino, Supervisor, Project Review Section



REFERENCE NO.	DATE	GROSS AMOUNT	DISCOUNT %	DISCOUNT AMOUNT	NET PAYABLE
2011 EXTENSION CIP NEW FACILITY	03/24/11	500.00			500.00
CHECK NO. 72234		<b>TOTALS</b> 500.00	<b>TOTALS</b>		500.00

**RECEIVED**  
MAR 28 2011  
HEALTH FACILITIES &  
SERVICES REVIEW BOARD

WARNING - THIS CHECK IS PROTECTED BY SPECIAL SECURITY GUARD PROGRAM™ FEATURES

PINCKNEYVILLE COMMUNITY HOSPITAL DISTRICT  
101 NORTH WALNUT  
PINCKNEYVILLE, ILLINOIS 62274  
GENERAL CASH ACCOUNT

FIRST NATIONAL BANK  
IN PINCKNEYVILLE  
PINCKNEYVILLE, ILLINOIS

72234

01223

DATE: 03/25/11 AMOUNT: \$500.00

Five Hundred Dollars and No Cents

VOID AFTER 60 DAYS

PAY TO THE ORDER OF: ILLINOIS DEPT OF PUBLIC HEALTH  
535 WEST JEFFERSON STREET  
SPRINGFIELD, IL 62761-0001

*Thomas J. Higgins*  
*Roger H. Smith*

09-068 Pinckeyville Comm. Hospital Obligation Extension

SECURE FEATURES INCLUDE INVISIBLE FIBERS • MICROPRINTING • VOID FEATURE PANTOGRAPH • ENDORSEMENT BACKER • BROWNSTAIN CHEMICAL REACTANT

⑈072234⑈ ⑆081905344⑆ 400 854 6⑈