



UnityPoint Health
Trinity

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AUG 09 2013

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Richard A. Seidler, FACHE
President and CEO

2701 17th Street
Rock Island, IL 61201
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fax (309) 779-2399

rick.seidler@unitypoint.org

August 5, 2013

Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson, Second Floor
Springfield, IL 62761

Re: Request for Second Alteration to Permit #10-059, Surgery Modernization
Permit Holders: Iowa Health System, Trinity Regional Health System, Trinity Medical
Center (the site owner) and Trinity Rock Island (the operating entity/licensee)

Dear Ms. Avery,

In accordance with Illinois Administrative Code 77, Chapter II, Part 1130, Section 1130.750, Alteration of a Permit for Which a Permit Has Been Issued, the above referenced permit holders are requesting the second alteration to Permit #10-059. According to Section 1130.750 a), Allowable alterations that require HFSRB action include 5) increase in cost not to exceed 7 percent of the total project cost.

After the initial filing and approval of Project #10-057, the permit holders filed an initial alteration request to alter the originally approved permit by increasing the project cost by \$372,727 and decreasing the gross square footage to be modernized by 375 GSF. The alteration request was approved May 14, 2012.

The permit holders have since determined the need to file a second alteration request to further increase the project cost by \$404,228 and to decrease the square footage by 11 square feet. This total increase in cost is \$775,955 or 6.15 percent higher than the originally approved project amount or less than the now-allowable increase of 7 percent of the total project cost. The total decrease in square footage of 386 square feet is .007 percent of the originally approved square footage or less than the now allowable increase of 7 percent of the total project square footage.

The additional costs and square footage proposed in Alteration 2 relate to the following revisions:

- Relocating the cystoscopy room
- Relocating of the scrub sink as required after IDPH inspection
- Price increases in both material and labor
- Improving the flow of patients, staff and supplies through the department
- Enlarging the physician lounge by reconfiguring the lounge and soiled utility

- Adding to and updating IT and electrical to accommodate Electronic Medical Records (EMR)
- Replacing outdated doors not in the original scope
- Revising the original flooring material to a new and improved product
- Additional legal and consulting fees to develop Alteration 2
- Additional architectural costs
- Replacing material ordered and stored at the beginning of the project that is now obsolete, and
- Increasing the estimate of unknown costs to project completion.

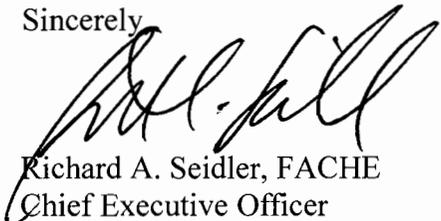
The additional project cost is being financed with cash and securities. Iowa Health System dba UnityPoint Health is A bond rated. Bond rating documents were submitted with Project 12-101 approved in March 2013.

The following exhibits are appended to this letter.

- Exhibit 1 Attachment 7, Project Costs and Sources of Funds with Itemization, Original Application
- Exhibit 2 Attachment 7, Project Costs and Sources of Funds with Itemization, Alteration #2
- Exhibit 3 Summary of Square Footage Changes
- Exhibit 4 Summary of Cost Changes

I trust that this information will be adequate for you to review our alteration request. If you have any questions please call Janet Scheuerman at Prism Healthcare Consulting at 630-790-1265.

Sincerely


Richard A. Seidler, FACHE
Chief Executive Officer
Trinity Medical Center


Greg Pagliuzza, FACHE
Chief Financial Officer
Trinity Medical Center

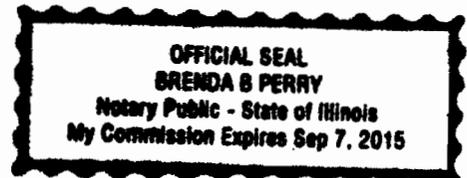
State of Illinois

County of Rock Island

Signed (or subscribed or attested) before me on August 5, 2013 (date)

by Richard Seidler and Greg Pagliuzza (name or person)

Brenda B. Perry (signature of Notary)
(seal)



CC: Mike Constantino, Supervisor of Project Review
Janet Scheuerman, PRISM Healthcare Consulting

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$66,121	\$0	\$66,121
Site Survey and Soil Investigation	\$16,643	\$7,207	\$23,850
Site Preparation	\$118,696	\$51,404	\$170,100
Off Site Work	\$0	\$0	\$0
New Construction Contracts	\$2,266,400	\$2,296,020	\$4,562,420
Modernization Contracts	\$4,199,445	\$412,909	\$4,612,354
Contingencies	\$216,096	\$28,904	\$245,000
Architectural/Engineering Fees	\$529,953	\$229,509	\$759,462
Consulting and Other Fees	\$295,841	\$15,496	\$311,337
Movable or Other Equipment (not in construction contracts)	\$990,461	\$64,708	\$1,055,169
Bond Issuance Expense (project related)	\$0	\$0	\$0
Net Interest Expense During Construction (project related)	\$0	\$0	\$0
Fair Market Value of Leased Space or Equipment	\$0	\$0	\$0
Other Costs To Be Capitalized	\$12,439	\$56,704	\$69,143
Acquisition of Building or Other Property (excluding land)	\$0	\$0	\$0
TOTAL USES OF FUNDS	\$8,712,095	\$3,162,861	\$11,874,956
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$8,712,095	\$3,162,861	\$11,874,956
Pledges	\$0	\$0	\$0
Gifts and Bequests	\$0	\$0	\$0
Bond Issues (project related)	\$0	\$0	\$0
Mortgages	\$0	\$0	\$0
Leases (fair market value)	\$0	\$0	\$0
Governmental Appropriations	\$0	\$0	\$0
Grants	\$0	\$0	\$0
Other Funds and Sources	\$0	\$0	\$0
TOTAL SOURCES OF FUNDS	\$8,712,095	\$3,162,861	\$11,874,956
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

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Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$66,121	\$0	\$66,121
Site Survey and Soil Investigation	\$16,643	\$7,207	\$23,850
Site Preparation	\$118,696	\$51,404	\$170,100
Off Site Work	\$0	\$0	\$0
New Construction Contracts	\$2,266,400	\$2,296,020	\$4,562,420
Modernization Contracts	\$4,783,891	\$422,369	\$5,206,260
Contingencies	\$216,096	\$28,904	\$245,000
Architectural/Engineering Fees	\$624,893	\$263,295	\$888,188
Consulting and Other Fees	\$277,853	\$15,496	\$293,349
Movable or Other Equipment (not in construction contracts)	\$1,041,517	\$84,012	\$1,125,529
Bond Issuance Expense (project related)	\$0	\$0	\$0
Net Interest Expense During Construction (project related)	\$0	\$0	\$0
Fair Market Value of Leased Space or Equipment	\$0	\$0	\$0
Other Costs To Be Capitalized	\$15,389	\$56,704	\$72,093
Acquisition of Building or Other Property (excluding land)	\$0	\$0	\$0
TOTAL USES OF FUNDS	\$9,427,499	\$3,225,411	\$12,652,910
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			\$12,652,910
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$9,427,499	\$3,225,411	\$12,652,910
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Summary of Square Footage Changes - Original Application, Alteration #1, and Alteration #2.

Original Application includes both phases approved in Permit #10-059

Alteration # 1 includes the changes filed 5/07/12 and approved 5/14/13

Alteration # 2 includes the changes filed _____ and approved _____

	New Construction			Modernization			As Is			Grand Total		
	Clinical	Non Clinical	Total	Clinical	Non Clinical	Total	Clinical	Non Clinical	Total	Clinical	Non Clinical	Total
Original Application 09-09-10	5,666	7,837	13,503	23,551	3,767	27,318	14,238	158	14,396	43,455	11,762	55,217
Alteration #1 05-7-12	5,666	7,837	13,503	23,481	3,462	26,943	14,613	158	14,771	43,760	11,457	55,217
Alteration #2	5,666	7,837	13,503	23,357	3,462	26,819	14,726	158	14,884	43,749	11,457	55,206

Summary of Cost Changes
Original Application, Alteration #1, and Alteration #2

Note: Original Application includes both phases of Permit #10-059. Alteration #1 includes changes in Alteration #1 approved on May 14, 2012. Alteration #2 includes the currently proposed alteration.

	Approved Permit Amount	Approved Alteration #1	Subtotal Permit Plus Alteration Amount	Alteration #2	Total Permit, Alteration #1, and Alteration #2
Preplanning	66,121	0	66,121	0	66,121
Site Survey, Soil Investigation	23,850	0	23,850	0	23,850
Site Preparation	170,100	0	170,100	0	170,100
Offsite Work	0	0	0	0	0
New Construction	4,562,420	0	4,562,420	0	4,562,420
Modernization	4,612,354	279,200	4,891,554	314,706	5,206,260
Contingency Escalation	245,000	0	245,000	0	245,000
Subtotal Contingency and Modernization	4,857,354	279,200	5,136,554	314,706	5,451,260
Architect/Engineering Fees	759,462	14,753	774,215	113,973	888,188
Consulting and Other Fees	311,337	41,796	353,133	(59,784)	293,349
Movable and Other Equipment	1,055,169	37,977	1,093,146	32,383	1,125,529
Bond Issuance Expense	0				
Net Interest Expense	0				
Other Costs to be Capitalized	69,143	0	69,143	2,950	72,093
Acquisition of Buildings/Other Property	0	0	0		
Total Uses of Funds	11,874,956	373,727	12,248,683	404,228	12,652,910



TRINITY REGIONAL
HEALTH SYSTEM
IOWA HEALTH SYSTEM

CHECK DATE - 8/01/2013 CHECK NUMBER - 675962

TRINITY MEDICAL CENTER
2701 17TH STREET
ROCK ISLAND IL 61201

INVOICE DATE	INVOICE #	INVOICE AMOUNT	DISCOUNT	AMOUNT PAYABLE
ALTERATION 2 FILING FEE TO PERMIT #10 8/01/2013	130801	059 RI SURGERY MODERN 1,000.00	.00	1,000.00
	CHECK TOTAL	1,000.00	.00	1,000.00

▼ REMOVE DOCUMENT ALONG THIS PERFORATION ▼



TRINITY REGIONAL
HEALTH SYSTEM
IOWA HEALTH SYSTEM

10-059 Trinity Rock Island

TRINITY MEDICAL CENTER
2701 17TH STREET
ROCK ISLAND IL 61201

DATE 8/01/2013

FIRST MIDWEST BANK
NATIONAL ASSOCIATION 70-160/719

CHECK NO. 675962

VENDOR NO. 41294

AMOUNT OF CHECK \$*****1,000.00

PAY TO THE ORDER OF

ILLINOIS DEPT OF PUBLIC HEALTH

One Thousand and 00/100 Dollars

Richard G. Seidler
RGS

DOCUMENT CONTAINS BLUE PANTOGRAPH & MICROPRINTING. BACK HAS THERMOCHROMIC INK & A WATERMARK, HOLD AT AN ANGLE TO VIEW. VOID IF NOT PRESENT.

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PATENT NUMBER US 7,972,909 B2