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 A Memorial Health System Affiliate

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**HEALTH FACILITIES &
 SERVICES REVIEW BOARD**

December 7, 2015

Courtney R. Avery
 Administrator
 Illinois Health Facilities Services and Review Board
 Illinois Department of Public Health
 525 West Jefferson Street, Second Floor
 Springfield, Illinois 62702

Re: Annual Progress Report -- IHFSRB Project #12-080, Memorial Medical Center
 Permit Holder – Memorial Health System

Dear Ms. Avery:

This letter is submitted in compliance with State Board Rule 1130.760 which requires that a CON permit holder provide an annual report of project status to the Illinois Health Facilities Services and Review Board.

Memorial received approval on December 10, 2012 to construct a vertical expansion containing all-private, replacement medical surgical beds and modernize and expand the hospital's main operating suite. Other affected Clinical Service Areas include our Post Anesthesia Recovery Unit and Stage 2 Recovery. The project also includes construction and modernization of certain Non-Clinical Service Areas. This project was obligated on November 6, 2013. 89.2% of the approved amount for this project has been disbursed to-date. The building is completed, with payment of remaining expenses underway. Patients began receiving care in the building on November 16, 2015. The final report will be submitted to the Planning Board before December 31, 2016.

The amounts approved in the CON and the amounts paid in each of the expense categories follow:

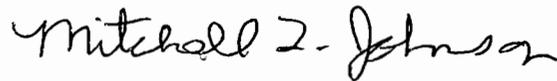
	<u>Approved</u>	<u>Disbursed</u>
Preplanning	\$1,183,236	\$1,045,555
Site Survey & soil investigation	0	0
Site Preparation	589,534	544,261
Off site work	0	0
Construction contracts	62,682,180	62,682,180
Modernization contracts	5,966,339	5,966,339
Contingencies	6,864,852	7,473,621
Arch/Eng fees	4,717,820	4,417,437
Consulting/Other	2,532,648	2,343,874
Equipment	28,231,796	16,931,362
Bond Issuance Expense	3,172,000	1,068,108
Net interest	2,828,000	3,810,261
Other Costs to be Capitalized	3,589,097	2,849,857

Total	\$122,357,501	\$109,132,855

The scope of the project has not altered from what was approved by the IHFSRB. The source and use of funds and method of financing for this project remain as stated in the approved CON application.

If additional information is required, please contact us at 217-788-3342.

Sincerely,

A handwritten signature in black ink that reads "Mitchell L. Johnson". The signature is written in a cursive, slightly slanted style.

Mitchell L. Johnson
Senior Vice President &
Chief Strategy Officer