

St. Mary's Good Samaritan

Incorporated

January 23, 2012

*Cosponsored by Felician Services, Inc.
and SSM Health Care*

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

RECEIVED

JAN 25 2012

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: 2011 / 2012 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 last year's Progress Report.)

605 North 12th Street
Mt. Vernon, 62864
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- 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. (See current construction images of the Physicians & Ambulatory Services building attached.)
- Through December, 2011, \$516,766 in expenses have been paid-out towards the Physician Surgery Center at Good Samaritan. (Also noted, \$11,025,498 in expenses have been paid-out towards the related project 08-050, Physicians & Ambulatory Services Building.)
- The final installment payment on the Surgery Center shares will be due in May, 2012.

The surgery center schedule is attached for your reference.

COSTS & FINANCING

Project Cost & Sources of Funds – Total

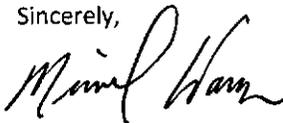
<u>Cost</u>	<u>CON Permit Amount</u>	<u>Expenditures-to-Date</u>
New Construction Contracts	\$1,112,500	--
Contingencies	\$100,000	--
Architectural / Engineering Fees	\$203,500	\$288,276
Consulting & Other Fees	\$225,000	\$175,796
Movable or Other Equipment	\$2,490,000	--
Fair Mkt Value of Leased Space / Equip	\$4,478,781	--
Other Costs to be Capitalized	\$338,490	\$52,694
Total Statement of Probable Cost	\$8,948,271	\$516,766

ANTICIPATED DATE OF COMPLETION

The construction of the Physician Surgery Center at Good Samaritan is estimated to take approximately 120 days. The project will be finished before the December 31, 2012 required completion date listed in the Certificate of Need permits.

If you should have any questions about this Progress Report, or would like additional information, feel free to contact me at (618) 241-2201.

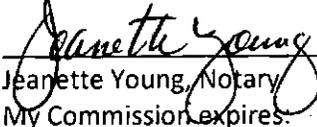
Sincerely,



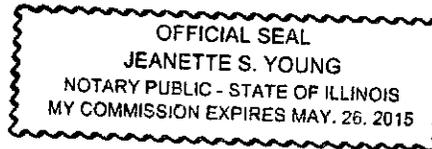
Michael Warren, FACHE
 President, Good Samaritan Regional Health Center

State of Illinois
County of Jefferson

I, Jeanette Young, Notary, attest that the person known to me as Michael Warren, appeared before me and affixed his hand and seal above on this 23rd day of January, 2012.



Jeanette Young, Notary
My Commission expires: 5/26/2015



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- Physicians & Ambulatory Services Building (project 08-050)
- Physician Surgery Center at Good Samaritan (project 08-070) to be located on 2nd floor of building in lease space



Exterior image



Interior image

FOR REVIEW

Physicians Surgery Center at Good Samaritan, LLC

10.19.11

Proposed Project Delivery Schedule

<i>Item</i>	<i>Start Date</i>	<i>Delivery Date</i>	<i>Duration</i>
Issue RFP to Invited Contractors	3/11/12	3/11/12	0
Construction Documents Issue Date	3/11/12	3/11/12	0
Issue CD's for Pricing	3/11/12	3/19/12	8
GC Pricing	3/19/12	4/9/12	21
Interview contractors	4/15/12	4/15/12	0
GC Contract / GMP	4/15/12	4/22/12	7
Issue for Permit and Construction	3/19/12	3/19/12	0
Permitting	3/19/12	4/22/12	35
Owner Review of Construction Documents	3/11/12	3/25/12	14
Incorporate GMP and Owner Revisions in CD's	3/25/12	3/29/12	4
Owner Approve Construction Documents	4/1/12	4/1/12	0
Issue Addendum/CCD with GMP changes	4/2/12	4/9/12	7
Construction 6 months	4/22/12	10/18/12	180
Shell building C of O	5/15/12	5/15/12	0
Contingency NONE	10/19/12	10/18/12	0
State Progress Inspection	8/8/12	8/8/12	0
Substantial Completion	10/11/12	10/18/12	7
State Final Inspection	10/18/12	10/18/12	0
Completion	3/11/12	10/18/12	221
Commissioning and Move in	10/18/12	11/7/12	21
Medicare certified	10/18/12	1/15/13	90
SCHEDULE TOTAL	3/11/12	1/15/13	310