

Murer Consultants, Inc.



58 North Chicago Street
7th Floor
Joliet, IL 60432
815-727-3355 Telephone
815-727-3360 Telefax

June 20, 2013

Mike Constantino
Illinois Health Facilities and Services Review Board
2nd Floor
525 West Jefferson Street
Springfield, Illinois 62761

RECEIVED

JUN 24 2013

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Alteration of Palos Hills Surgery Center, Project # 11-095

Mr. Constantino,

Please find in the table below in response to Courtney Avery's letter of June 13, 2013. This table contains a project costs and source of funds schedule that includes both the original project costs and the altered project costs.

Use of Funds	Approved Amounts			Altered Amounts		
	Clinical	Non-Clinical	Total	Clinical	Non-Clinical	Total
Modernization Contracts	\$693,000	\$207,000	\$900,000	\$962,500	\$287,500	\$1,250,000
Contingencies	\$48,150	\$14,490	\$63,000	\$48,150	\$14,490	\$63,000
Architectural/Engineering Fees	\$69,300	\$20,700	\$90,000	\$69,300	\$20,700	\$90,000
Consulting & Other Fees	\$51,590	\$15,410	\$67,000	\$51,590	\$15,410	\$67,000
Moveable & Other Equipment	\$481,408.40	\$0	\$481,408.40	\$291,408.40	\$0	\$291,408.40
Fair Market Value of Leased Space	\$631,207.50	\$188,542.40	\$819,750	\$631,207.50	\$188,542.40	\$819,750
Totals	\$1,975,015.90	\$446,142.50	\$2,421,158.40	\$1,987,491.97	\$593,666.43	\$2,581,158.40
Source of Funds						
Cash & Securities	\$1,343,808.40	\$257,600	\$1,601,408.40	\$1,356,284.47	\$405,123.93	\$1,761,408.40
Leases (FMV)	\$631,207.50	\$188,542.50	\$819,750	\$631,207.50	\$188,542.50	\$819,750
Totals	\$1,975,015.90	\$446,142.50	\$2,421,158.40	\$1,987,491.97	\$593,666.43	\$2,581,158.40

As this table demonstrates, **all additional costs are to be funded with cash.** Please also note that the figure in our request for alteration, dated June 7, 2013, for "Fair Market Value of Leased Space or Equipment" is the amount for Moveable & Other Equipment as originally approved in the permit. The figure of \$631,207.50 cited in your request for information is for the clinical component of the Fair Market Value of Leased Space.

Therefore, a modified version of the table supplied in our June 7th request for alteration, which highlighted the project component that had been modified is as follows:

Project Component	Cost	Calculation
Modernization Contract	\$1,250,000	\$900,000+\$350,000
Moveable & Other Equipment	\$291,408.40	\$481,408.40-\$350,000+\$160,000
Total Use of Funds	\$2,581,158.40	\$2,421,158.40+\$160,000

If you require any additional information, please do not hesitate to contact me.

Sincerely,



Cheryl G. Murer, JD, CRA
President & CEO, Murer Consultants, Inc.

Enclosures:

Request for Information from Board: June 13, 2013

CC:

Gary Kronen, M.D., Authorized Representative and Owner of Palos Hills Surgery Center
Anton Fakhouri, M.D., Authorized Representative and Owner of Palos Hills Surgery Center
Tom Hunt, MidAmerica Orthopedics, S.C.



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

June 13, 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Cherliyn G. Murer
 President & CEO
 Murer Consultants, Inc.
 58 North Chicago Street 7thFloor
 Joliet, Illinois 60432

REQUEST FOR INFORMATION
 Illinois Health Facilities Planning Act
 Permit #11-095 – Palos Hills Surgery Center

Dear Ms. Murer:

We are in receipt of the second alteration request for Permit #11-095. For us to proceed with this request we need a project costs and sources of funds schedule that includes the original project costs, the altered project costs in the format below. We also need to know how the additional costs are to be funded. Please **note** the Fair Market Value of Leased Space and Equipment was approved for \$631,207.50 and not \$481,408.40 as provided in the alteration request.

Use of Funds	Approved Amounts			Altered Amounts		
	Clinical	Non – Clinical	Total	Clinical	Non – Clinical	Total
Modernization Contracts	\$693,000	\$207,000	\$900,000			
Contingencies	\$48,510	\$14,490	\$63,000			
Architectural/Engineering Fees	\$69,300	\$20,700	\$90,000			
Consulting & Other Fees	\$51,590	\$15,410	\$67,000			
Moveable & Other Equipment	\$481,408.40	\$0	\$481,408.40			
Fair Market Value of Leased Space	\$631,207.50	\$188,542.50	\$819,750			
Totals	\$1,975,015.90	\$446,142.50	\$2,421,158.40			
Source of Funds						
Cash & Securities	\$1,343,808.40	\$257,600	\$1,601,408.40			
Leases (FMV)	\$631,207.50	\$188,542.50	\$819,750			
Total	\$1,975,015.90	\$446,142.50	\$2,421,158.40			

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Should you have any questions, please call Mike Constantino or George Roate at (217) 782-3516 (TDD # 800-547-0466 for hearing impaired only).

Sincerely,

A handwritten signature in cursive script that reads "Courtney R. Avery".

Courtney R. Avery
Administrator Illinois Health Facilities and
Services Review Board

cc: Dale Galassie

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			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts	\$693,000	\$207,000	900,000
Contingencies	\$48,510	\$14,490	63,000
Architectural/Engineering Fees	\$69,300	\$20,700	90,000
Consulting and Other Fees	\$51,590	\$15,410	67,000
Movable or Other Equipment (not in construction contracts)	\$481,408.40		481,408.40
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment	\$631,207.50	\$188,542.50	819,750
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$1,975,015.90	\$446,142.50	\$2,421,158.40
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$1,343,808.40	\$257,600	\$1,601,408.40
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)	\$631,207.50	\$188,542.50	\$819,750
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$1,975,015.90	\$446,142.50	\$2,421,158.40
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			