

*H. Edward Vogelsinger*  
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July 5, 2012

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

Dear Mr. Galassie:

RE: Opposition to Good Samaritan-Pontiac Certification of Need Application  
Project No. 12-027

I am writing in opposition to the above noted application to approve a Certification of Need (CON) filed by Good Samaritan-Pontiac. Recently I served as the Evenglow Lodge Board of Trustees chair and remain a member of the Executive Committee. Additionally I am a CPA and retired Chairman and CEO of FREESTAR Bank, the largest financial institution headquartered in Livingston County.

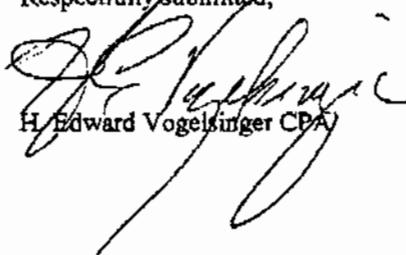
Realizing that other letters of opposition have or will be filed, I will keep this brief.

The following are some of the reasons this project should not be approved:

- The financing commitment for the project is at best a weak commitment to carry through or at worst "if all the other commitments come through" Busey Bank will provide financing. No bank headquartered in Livingston County (there are at least 9) is willing to provide financing for the project to the best of my knowledge,
- Given the likelihood of significant operating losses during the ramp-up phase and even assuming the project would reach full utilization by 2016 (see later comments) Good Sam's financials are not strong enough to sustain the operating losses until a break-even level is achieved and it is not clear that Good Sam can sustain itself during the construction phase either furthermore Busey Bank is not providing an operating line during the construction and ramp-up phases,
- The last minute significant increase in the size and dollar amount of the project is disturbing as it raises the issue of how well thought out the project has been particularly given it has been four years in the planning state and no revision of the financial projections has been provided,
- Utilization in the Livingston County area, or healthcare planning area 4, is already below desired levels and Good Sam has no hard evidence that the new facility will attract more patients without, at a minimum, poaching from other area 4 nearby facilities that are already underutilized.

My conclusion as a CPA and banker is that the project is doomed to fail from the start and will injure other area nursing homes should it be approved. I strongly urge the Board to deny the application for the CON for all the reasons (and others not noted) stated above.

Respectfully submitted,

  
H. Edward Vogelsinger CPA



# **First Financial Bank**

Towanda Banking Center  
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## **Fax**

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Date: <i>7-5-2012</i>
Subject: <i>Good Samaritan Position CON Application</i>

Comments:

*Please see the attached letter in opposition to the proposed facility*