



Cancer  
Treatment  
Centers  
of America

at Midwestern Regional Medical Center

Winning the fight against cancer, every day.®

2520 Elisha Avenue  
Zion, IL 60099

tel 847-872-6301  
fax 847-872-1591  
web [cancercenter.com](http://cancercenter.com)

RECEIVED

MAR 04 2013

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

February 27, 2013

Ms. Courtney R. Avery  
Administrator, Illinois Health Facilities and Services Review Board  
525 West Jefferson, Second Floor  
Springfield, Illinois 62761  
RE: Midwestern Inpatient Modernization Financial Viability Proposal

Firstly, thank you again for taking the time to meet with us to discuss this exciting project. We are continually grateful for your time and support in our mission to optimize cancer treatment.

Per your request, I would like to take a moment to outline our discussed proposal pertaining to Midwestern's financial viability justification for this project.

With our recent Imaging Expansion project, despite our ability to fund the project from operations, we (1) placed 100% of the total project cost in an account which funded the project; (2) provided the State Board with monthly statements showing the account balance; (3) received a resolution from our Hospital Board; and (4) received a letter of support from an A-rated banking institution. It is my understanding that we have fulfilled our expectations thus far and look forward to continuing to do so.

We also understand from the State Board's rules (Section 1120.130) that if we provide a third-party surety bond or letter of credit, from an A-rated guarantor guaranteeing project completion, that we will meet our expectations in terms of financial viability for this project. However, for a project of this magnitude (\$78 million - \$94 million based on final scope), these options are very expensive and drastically increase our costs which we would hope to utilize for patient care. For example, a letter of credit is approximately a 1.0% fee of the total project cost (or \$780,000 - \$940,000); a surety bond can be as much as 2.0% of the total project cost (or \$1.6 million - \$1.9 million).

Accordingly, we would like to propose the following for your approval:

- 1) For the State Board's security, Midwestern will place 10-20% of the total project cost into an escrow account that will not be drawn upon whatsoever during the duration of the project not to be released until project completion;
- 2) Midwestern will fund the project through operations;
- 3) Midwestern will provide the State Board with monthly statements showing an unchanged account balance;
- 4) Midwestern will provide the State Board with a letter of support from our Hospital Board; and,
- 5) Midwestern will provide a letter of support from an A-rated banking institution.

We believe that this proposal will fulfill the important missions of the State Board to lower the cost of healthcare as well as ensuring successful project completion.

We would be so grateful to have your guidance on if this proposal is acceptable, and thank you in advance for your consideration in this regard.

Sincerely,

Cecilia Taylor  
Chief Financial Officer  
Midwestern Regional Medical Center  
2520 Elisha Avenue, Zion, IL 60099  
(o) 847-872-6301  
(c) 414-803-6395  
(e) [cecilia.taylor@ctca-hope.com](mailto:cecilia.taylor@ctca-hope.com)

cc: Mike Constantino, Frank Urso, Joe Ourth, Scott Jones