

Palos Hills Surgery Center, LLC

December 27, 2019

Courtney Avery, Administrator
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

RECEIVED

DEC 31 2019

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Permit Renewal
Project Number: #17-041
Facility Name: Palos Hills Surgery Center
Facility Address: 10330 S. Roberts Road, STE 3000, Palos Hills, IL
Permit Holder: Palos Hills Surgery Center, LLC
Permit Amount: \$5,117,973.48

Dr. Ms. Avery:

I am writing to submit a permit renewal request for Project No. 17-041. The permit for this Project was granted November 14, 2017. The Project was an expansion and modernization of an existing ambulatory surgical center and to increase the number of operating rooms and recovery rooms. The permit provided for a project completion date of December 1, 2019.

The Permit Holder now requests an extension of the Project Permit, with an anticipated completion date of March 31, 2020.

1. Requested Project Completion Date

The Permit Holder requests the Board grant a 120-day renewal of the Project Permit to establish March 30, 2020 as the new project completion date.

2. Status of the Project

The Project is nearly complete. The remaining project component is the Final Occupancy Approval by the Illinois Department of Public Health ("IDPH"). The funds expended to date total \$3,533,091.34. The chart on the following page describes the costs of the Project as approved in the permit along with a report of the costs incurred for the Project:

USE OF FUNDS	CON / ALLOWANCE	ACTUAL
Preplanning Costs	\$74,763.66	\$56,072.75
Site Survey and Soil Investigation	\$7,669.87	\$5,229
Site Preparation	\$125,738.13	\$94,303.60
Off Site Work	\$148,200.00	\$111,150.00
New Construction Contracts	\$2,985,751.40	\$2,262,086.95
Modernization Contracts	\$213,176.10	\$161,508.05
Contingencies	\$61,386.14	
Architectural/Engineering Fees	\$305,800.00	\$224,829
Consulting and Other Fees	\$155,000.00	\$133,910
Movable or Other Equipment (not in construction contracts)	\$1,040,488.18	\$484,002
Bond Issuance Expense		
Net Interest Expense During Construction (project related)		
FMV of Leased Space or Equipment		
Other Costs to Be Capitalized		
Acquisition of Building/Other Property		
TOTAL USES OF FUNDS	\$5,117,973.48	\$3,533,091.34

3. Statement Regarding Completion of the Project

The Project was not be completed by December 1, 2019 because the IDPH is anticipated to perform the final survey and issue their findings in 2020. The Permit Holder has received temporary occupancy approval (see attachments) for the site and is submitting its final occupancy certification packet shortly. IDPH is allowed up to 45 days to complete its certification review and then schedule its survey. As a result, the Permit Holder is requesting a 120-day extension to March 30, 2020 to account for any further delays during the survey process.

4. Confirmatory Evidence of Project Compliance

Attached is a signed letter from Dr. Gary Kronen, an authorized representative of the Permit Holder, confirming that the Permit Holder is complying with the scope and costs of the project approved by the Board and that sufficient financial resources are available pursuant to Project Permit #17-041.

Based on the above information, which is provided to the Board in keeping with Section 1130.740 of the Illinois Administrative Code, the Permit Holder formally requests a 120-day renewal of its permit for Project #17-041 and a new project completion date of March 30, 2020.

If you need any additional information or have any questions regarding the status of the project, please feel free to contact me.

Sincerely,

Gary Kronen

Gary Kronen, MD
Palos Hills Surgery Center, LLC

Attachments

Palos Hills Surgery Center, LLC

December 20, 2019

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, IL 62761

Re: Attestation of Authorized Representative

On behalf of certificate of need permit holder Palos Hills Surgery Center, LLC ("CON Permit Holder"), I acting as the Permit Holder's authorized representative, hereby attest that the project to expand and modernize the existing ambulatory surgical center, approved by the Illinois Health Facilities and Services Review Board ("State Board") on November 14, 2017, remains on budget and will not exceed the stated costs reported to the State Board. I further attest that sufficient financial resources remain available to complete the project.

Please contact myself at GaryKronen@MidAmericaOrtho.com with any questions regarding this filing.

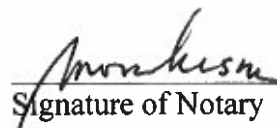
Sincerely,



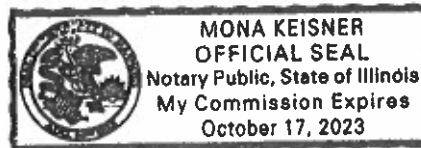
Gary Kronen, MD
Palos Hills Surgery Center, LLC

Notarization:

Subscribed and sworn to before me this 23rd day of DECEMBER, 2019.


Signature of Notary

SEAL





525-535 West Jefferson Street • Springfield, Illinois 62761-0001 • www.dph.illinois.gov

October 25, 2019

Ronald Ladniak, Administrator
Palos Hills Surgery Center
10330 S Roberts Rd, Ste 3000
Palos Hills, IL 60465-

Temporary Occupancy

Re: Palos Hills Surgery Center
Palos Hills
3rd Floor Surgery Center
IDPH No: 11234

Dear Ronald Ladniak:

Based on the evaluation of the physical plant and life safety standards, the above mentioned project has been approved for temporary occupancy on 10/24/19. **This temporary occupancy is granted for Phase 1 only at this time.**

If this project changes the bed count for which the facility is licensed for by adding or reducing beds, it will be necessary to contact the Illinois Health Facilities Services and Review Board. As required for the entire facility, this unit must be operated and maintained in accordance with the requirements of the Hospital Licensing Act (210 ILCS 8/1 et. seq.) and the Department's rules entitled Hospital Licensing Requirements (77 Ill. Adm. Code 250). For eligibility for Medicare reimbursement, the unit must be operated and maintained in accordance with the federal Conditions of Participation for hospitals (42 CFR 482.1 et. seq.).

If you have any questions about this approval, please do not hesitate to call us at 217/785-4247. The Department's TTY number is 800-547-0466, for use by the hearing impaired.

Sincerely,

Dennis Schmitt, Supervisor
Design and Construction Section
Division of Life Safety and Construction

Cc: David Mikos
Anderson Mikos Architects Ltd.

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Nationally Accredited by PHAB

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

To Owner:
 Palos Hills Surgical Center, LLC
 1330 South Roberts Road
 Palos Hills, IL 60465

RE:
 PHSC Project 3rd Flr Buildout
 10330 S. Roberts Rd.
 Palos Hills, IL 60465

From Contractor:
 Reed Construction
 600 W. Jackson, Suite 500
 Chicago, Illinois 60661

ARCHITECT:
 Anderson Mikos Architects, LTD

APPLICATION #: 10
PERIOD TO: 10/31/19
PROJECT #: 69121
PO Number:
CONTRACT DATE: 09/10/18

Distribution to:
 OWNER
 ARCHITECT
 CONTRACTOR

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM..... 2,374,976
2. Net change by Change Orders..... 48,619
3. CONTRACT SUM TO DATE (Line 1 + Line 2)..... 2,423,595
4. TOTAL COMPLETED & STORED TO DATE..... 2,213,563
(Column G on G703)
5. RETAINAGE:
 - a. % of Completed Work (Column D + E on G703)..... 117,139
 - b. % of Stored Material (Column F on G703)..... 117,139
6. TOTAL EARNED LESS RETAINAGE..... 2,096,424
(Lines 5a + 5b or Total in Column I of G703)
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)..... 1,587,578
8. CURRENT PAYMENT DUE..... 508,846
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)..... 327,171

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	43,435	-
Total approved this Month	5,184	-
NET CHANGES by Change Orders	48,619	-

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR-MADE CONSTRUCTION

By: *[Signature]* State of Illinois Date: October 31, 2019
 County of Cook
 OFFICIAL SEAL
 SANDRA GONZALEZ
 NOTARY PUBLIC, STATE OF ILLINOIS
 MY COMMISSION EXPIRES 07/14/2028

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observation and knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED..... \$ 508,846.00

(Attach explanation if amount certified differs from the amount applied. Initial all figures on Application and on the Continuation Sheet that are changed to conform to the amount certified.)

ARCHITECT: *[Signature]* Date: 12-11-19

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

COR02: Door Hardware Changes = \$5,184