



STATE OF ILLINOIS
 HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

DOCKET ITEM: A-02	BOARD MEETING: June 27, 2023	PROJECT NUMBER: 19-003
PERMIT HOLDERS(S): River North Surgery Center, LLC Fertility Surgical Partners, LLC Fertility Centers of Illinois S.C.		
FACILITY NAME and LOCATION: River North Center for Reproductive Health, Chicago		

STATE BOARD STAFF REPORT
PERMIT RENEWAL REQUEST

I. Background

On April 30, 2019, the State Board approved Project #19-003. The permit authorized the establishment of a limited-specialty ASTC in Chicago. The State Board Staff notes the project is obligated, and the current project completion date is June 30, 2023. Original project cost: \$15,615,112.

State Board Staff notes the permit holders submitted the permit renewal request on May 15, 2023. This submittal was in accordance with 77 IAC 1130.740(d), which states that the State Board must receive renewal requests at least 45 days prior to the permit expiration date. A \$500.00 permit renewal fee accompanied the renewal request.

II. Findings

State Board Staff notes this is the second renewal request for this project and the permit holders have submitted all the information required in Section 1130.740 for a permit renewal. The first permit renewal request was approved in May 2021, and extended the project completion date twenty-four months, from June 30, 2021, to June 30, 2023.

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of June 30, 2024. This would extend the project's completion date twelve months, from June 30, 2023, to June 30, 2024.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the construction phase is nearly complete, with plumbing/water service upgrades, life/safety inspections, and licensure being the remaining components.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders note the COVID-19 Pandemic, changes in applicant parties to the project, and the need to upgrade the water delivery service to the building have resulted in delays making it necessary to request additional time for project completion/close-out.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate that \$9,421,734 (60.3% of the overall project cost) has been expended to date, and that sufficient resources exist to reach project completion.
- E. Anticipated Final Cost of the Project: The permit holders estimate the project will not deviate from the original permit amount of \$15,615,112.

IV. Project Description & Other Background Information

The permit authorized the establishment of a limited-specialty ASTC in Chicago. Project cost: \$15,615,112.

Permit Issuance Date: April 30, 2019

Project Obligation Date: August 15, 2019

Original Project Completion Date: June 30, 2021

Proposed Project Completion Date: June 30, 2023
(24-month renewal request)

Proposed Project Completion Date: June 30, 2024
(12-month renewal request, 2nd request)

V. Applicable Rules for Permit Renewal Requests

77 IAC 1130.740 specifies that a permit holder may request a change in the approved project completion date by applying for a permit renewal.

77 IAC 1130.230(h)(5) states that failure to complete a project or to renew a permit within the prescribed timeframes will subject the permit holders to the sanctions and penalties provided in the Act and this Subpart.

77 IAC 1130.740(b) states that a permit renewal will commence on the expiration date of the original or renewed completion period.

77 IAC 1130.740(c) states that the State Board must be in receipt of a permit renewal request at least 45 days prior to the expiration date of the completion period, and include the following: 1) the requested completion date; 2) a status report on the project detailing what percent has been completed and a summary of project components yet to be finished and the amount of funds expended on the project to date; 3) a statement as to the reasons why the project has not been completed; and 4) confirmatory evidence by the permit holders' authorized representative that the project's costs and scope are in compliance with what the State Board approved and that sufficient financial resources are available to complete the project.

77 IAC 1130.740(d) states the State Board staff will review the request and prepare a report of its findings. If the findings are that the request is in conformance with all HFSRB criteria, and if this is the first request for this project, then the request, staff's findings, and all related documentation shall be sent to the Chairman. The Chairman, acting on behalf of HFSRB, will approve, deny, or refer the request to the HFSRB for action. If staff finds that all criteria are not positive or, if this is not the first request for this project, or if the Chairman refers this to HFSRB for action, then HFSRB will evaluate the information submitted to determine if the project has proceeded with due diligence (as defined in 77 IAC 1130.140). Denial of a permit renewal request constitutes HFSRB's Notice of Intent to revoke a permit and the permit holders will be afforded an opportunity for an administrative hearing.

VI. Other Information

Appended to this report are the following: the permit holders' documents for a permit renewal.

RECEIVED

MAY 08 2023

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

April 26, 2023

Via Federal Express
Via Email

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

Re: River North Center for Reproductive Health (Proj. No. 19-003)

Dear Mr. Constantino:

I am writing on behalf of River North Center for Reproductive Health, LLC and Fertility Centers of Illinois, S.C. (the "Permit Holders") to request a 12-month renewal of the Fertility Center permit and a new completion date of June 30, 2024. On April 30, 2019, the Illinois Health Facilities and Services Review Board ("HFSRB") approved the certificate of need application for the establishment of a limited specialty ambulatory surgical treatment center to be located at 361 West Chestnut Street, Chicago, Illinois (the "Project" or "Fertility Center"). As you know, the planned Fertility Center will specialize in services for individuals and couples experiencing infertility who seek to have children with the aid of assistive reproductive technology. While the lease for the property was promptly signed, due to various issues beyond the Permit Holders' control, e.g., supply chain disruptions and requirements from the City of Chicago, the construction work continues and Project requires an additional 12 months for completion beyond the current planned completion date.

1. Requested Permit Completion Date

The Permit Holders request the HFSRB grant a 12-month renewal of the Fertility Center permit with a new June 30, 2024 project completion date.

2. Status of the Project

Construction is nearly complete. Plumbing, HVAC, electrical, flooring, walls and painting are finished. Water service upgrade to the building mandated by the City of Chicago and the

Mr. Michael Constantino
April 26, 2023
Page 2

installation of a booster pump, which cannot be installed until the water service is complete, remain to be completed.

To date, the Permit Holders have expended \$9,421,734 on the Project.

3. Statement Regarding Completion of the Project

Construction of the building is nearly complete, i.e., plumbing, electrical, HVAC, flooring and walls have been installed and painting is complete. The remaining items to be completed include the water service upgrade to the building, mandated by the City of Chicago, as well as the installation of a booster pump, which cannot be installed until the water service upgrade is complete. The Permit Holders anticipate these items will not be completed until late in the fourth quarter of this year. Based on historical experience, the Permit Holders anticipate licensure could take 3-6 months. Accordingly, the Permit Holders request a 12-month extension of the Fertility Center Permit and a new completion date of June 30, 2024.

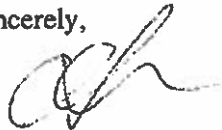
4. Confirmatory Evidence of Project Compliance

I hereby certify, pursuant to 77 Ill. Admin. Code §1130.740, the Permit Holders' compliance with the scope and costs of the project approved by the HFSRB pursuant to Project Permit #19-003.

Based on the above information, which is provided to the HFSRB in compliance with Section 1130.740 of the Illinois Administrative Code, the Permit Holders formally request a 12-month renewal of their permit for Project #19-003 and a new project completion date of June 30, 2024.

If you need any additional information or have any questions regarding the status of the project, please feel free to contact Anne Cooper at acooper@polsinelli.com or 312-873-3606.

Sincerely,



Christopher S. Sipe, M.D.

Enclosure