DOCKET NO B-01	BOARD MEETING May 9, 2024	<b>PROJECT NO:</b> 20-044
PERMIT HOLDERS  Quincy Medical Group Hospital, Inc.  Quincy Physicians and Surgeons PLLC d/b/a Quincy Medical Group		
FACILITY NAME: Quincy Medical Group Hospital, Quincy		CITY: Quincy

## STATE BOARD STAFF REPORT EXTENSION OF FINANCIAL COMMITMENT PERIOD

On April 26, 2022, the Permit Holders were approved to establish a 28-bed acute care hospital, located at 3347 Quincy Mall, Quincy, Illinois at a cost of <u>\$61,142,058</u>.

The project is not financially committed, and the current completion date is **April 30, 2026.** In accordance with the Health Facilities Planning Act, the permit is valid provided that financial commitment of the project occurs prior to April 26, 2024. On March 8, 2024, the permit holders submitted a request to extend the financial commitment period. State Board Staff notes the permit holders are requesting a twelve-month extension to the current financial commitment period, from April 26, 2024, to April 26, 2025. State Board Staff notes the financial commitment extension request was received more than 45 days prior to the permit financial commitment date, and the permit holders paid the required \$500 application processing fee (per 77 Ill. Adm. Code 1130.730(c)).

### I. The Obligation Extension Request

### **A.** Status of the Project and Components Yet to be Finished:

The permit holders note the following events occurred regarding the above-mentioned project.

- April 26, 2022: Project #20-044 was approved by the Illinois Health Facilities and Services Review Board, to establish a 28-bed acute care hospital, in Quincy.
- May 31, 2022: Blessing Hospital files a complaint for Administrative Review, challenging the Board's 7-1 approval of the project.
- November 16, 2022: The Court dismisses Blessing Hospital's complaint with prejudice, subsequently denying Blessing Hospital's Motion to Reconsider on March 2, 2023.
- February 6, 2024: The Fourth District Appellate Court reverses the Circuit Court's decision to deny reconsideration and remands the case back to the Circuit Court for further proceedings.

### **B.** Reason Why the Project Has Not Been Financially Committed:

The permit holders state delays in financial commitment are the result of the abovementioned litigation.



# C. Anticipated Final Cost of the Project:

As of the date of this report, the originally approved cost of the project (\$61,142,058) remains unchanged.

STATE BOARD STAFF NOTES IT APPEARS THE PERMIT HOLDERS HAVE SUBMITTED ALL OF THE REQUIRED INFORMATION SPECIFIED IN 77 ILL. ADM. CODE 1130.730 - EXTENSION OF FINANCIAL COMMITMENT PERIOD.



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March 8, 2024

Mr. John Kniery Illinois Health Facilities and Services Review Board 525 West Jefferson, 2<sup>nd</sup> floor Springfield, IL 62761

RE: Request for Extension of Financial Commitment Period

Project # 20-044

Quincy Medical Group Hospital

Dear Mr. Kniery:

I am writing on behalf of Quincy Medical Group Hospital, Inc. and Quincy Physicians & Surgeons Clinic, PLLC d/b/a Quincy Medical Group (collectively, the "Permit Holders") to request a 12-month extension of the financial commitment date and a new financial commitment date of April 26, 2025.

On April 26, 2022, the Illinois Health Facilities and Services Review Board ("HFSRB") approved the Permit Holders' certificate of need application to establish a hospital in Quincy, Illinois (the "Project"). Due to ongoing litigation regarding the HFSRB's approval of the Project, the Permit Holders request a 12-month extension of the financial commitment date.

## Requested Extension of Financial Commitment Period

The Permit Holders request that the HFSRB grant a 12-month extension of the financial commitment date with a new financial commitment date of April 26, 2025.

#### Statement as to Reasons why the Project has not been Obligated

As the HFSRB is aware, the HFSRB's approval of the Project is currently subject to ongoing litigation, which has resulted in a delay regarding the financial commitment of the Project. On May 31, 2022, Blessing Hospital filed a Complaint for Administrative Review (the "Complaint") challenging the HFSRB's 7-1 approval of the Project. The circuit court dismissed the Complaint with prejudice on November 16, 2022 and subsequently denied Blessing Hospital's Motion to Reconsider on March 2, 2023. Blessing Hospital appealed the circuit court's decisions to the Fourth District Appellate Court ("appellate court"), and, on February 6, 2024, the appellate court reversed and remanded the case to the circuit court for further proceedings. Due to the ongoing litigation, the Permit Holders request an extension of the financial commitment date.

March 8, 2024 Mr. John Kniery Page 2 of 2

Based on the above information, which is provided to the HFSRB in compliance with Section 1130.730 of the Illinois Administrative Code, the Permit Holders formally request a 12-month extension of the financial commitment period for Project #20-044 and a new financial commitment date of April 26, 2025.

Enclosed please find the required \$500 application fee. Please let me know of any questions on this request.

Sincerely,

Carol Brockmiller

Chief Executive Officer

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Quincy Medical Group