



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

MEMORANDUM

DATE: May 10, 2012

TO: Mike Constantino – Chief Program Review Section
Division of Health Systems Development

FROM: Dale Galassie
Illinois Health Facilities and Services Review Board

RE: Permit Renewal – #11-006 – Transitional Care Center of Arlington Heights

This is to advise you that I have reviewed the above-captioned permit renewal with the requirements in 77 Ill. Adm. Code 1130.740 and have determined the following:

- This application is in compliance with the requirements in 1130.740.
- This application is to be reviewed by the Health Facilities and Services Review Board.
- This application is DENIED effective _____ because it does NOT comply with the requirements specified in Ill. Adm. Code 1130.750.
- Other actions as follows:

Dale Galassie, Chairman
Illinois Health Facilities and Services Review Board

5-10-12

Date



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|---|---------------------------------------|----------------------------------|
| DOCKET ITEM: A-1 | BOARD MEETING: June 5, 2012 | PROJECT NUMBER: 11-006 |
| PERMIT HOLDERS(S): Transitional Care Management Transitional Care Center of Arlington Heights, LLC | | |
| FACILITY NAME and LOCATION: Transitional Care Center of Arlington Heights, Arlington Heights | | |

STATE AGENCY REPORT
PERMIT RENEWAL REQUEST

I. Background

On June 28, 2011, the State Board approved Project #11-006. The permit authorized the establishment of a 120-bed skilled nursing facility in Arlington Heights. The State Agency notes the project is not obligated, and the current project completion date is April 30, 2012. Project cost: \$22,275,873.

The State Agency notes the permit holders submitted the permit renewal request on March 12, 2012. This submittal was in accordance with 77 IAC 1130.740(d), which states that renewal requests must be received by the State Agency at least 45 days prior to the permit expiration date. A \$500.00 permit renewal fee accompanied the renewal request.

II. Findings

The State Agency notes this is the first renewal request for this project and it appears the permit holders have submitted all of the information required in Section 1130.740 for a permit renewal. It is also noted that a request to extend the obligation date accompanied this permit renewal. This obligation extension request is scheduled to be heard by the State Board.



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III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of April 30, 2014. This would extend the project's completion date by twenty-four months, from April 30, 2012 to April 30, 2014.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project is currently in the final steps of the design stage, with final approval from the Arlington Heights Zoning Department occurring on November 7, 2011. The permit holders note the project is 3% complete, with the following components requiring completion:
- Final working drawings from the Architect
 - Approval of final drawings by the Village of Arlington Heights
 - Closing on project financing
 - Selection of a General Contractor
 - Construction, Licensing and Certification
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the following events occurred, which delayed completion of the project:
- The permit holders state the project encountered an extensive effort and multiple meetings with the Arlington Heights Village Zoning Council to initially approve the facility design for said project. This, in turn, resulted in a substantial delay in obligating project #11-006.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate that \$649,770 (2.9%) of the project funds have been expended to date, and that sufficient financial resources existed to complete the proposed project.
- E. Anticipated Final Cost of the Project: The permit holders estimate the project did not deviate from the originally approved permit amount of \$22,275,873.

IV. Project Description & Other Background Information



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The permit authorized the establishment of Transitional Care Center of Arlington Heights, a 120-bed skilled nursing facility in Arlington Heights. Project cost: \$22,275,873.

Permit Issuance Date: June 28, 2011

Original Project Completion Date: April 30, 2012

Project Obligation Date: April 30, 2012

Requested Extension to Obligation Date: April 30, 2013 (12 months)

Proposed Project Completion Date: April 30, 2014 (24 months)

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

77 IAC 1130.740(d) 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.



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77 IAC 1130.740(e) states IDPH will review the request and prepare a report of its findings. If the findings are that the request is in conformance with all HFPB criteria, and if this is the first request for this project, then the request, IDPH's findings, and all related documentation shall be sent to the Chairman. The Chairman, acting on behalf of HFPB, will approve, deny or refer the request to the HFPB for action. If IDPH 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 HFPB for action, then HFPB 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 HFPB'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/obligation extension.
- A detailed explanation of the project's financing.
- A copy of the original State Agency Report.