



STATE OF ILLINOIS  
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

**MEMORANDUM**

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

FROM: Dale Galassie, Chairman  
Illinois Health Facilities and Services Review Board

RE: Permit Renewal Request for Project # 11-095

Facility: Palos Hills Surgery Center, Palos Hills

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This is to advise you that I have reviewed the above-captioned permit renewal request within the requirements in 77 IAC 1130.740 and have determined the following:

The request is in compliance with the requirements in 77 IAC 1130.740 and the renewal request is approved.

This request is to be reviewed by the Health Facilities Planning Board.

This request is DENIED effective \_\_\_\_\_ because it does **NOT** comply with the requirements specified in 77 IAC 1130.740.

Other actions as follows:

Dale Galassie, Chairman  
Illinois Health Facilities and  
Services Review Board

AUG. 1, 2012

Date



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|   |                             |                                  |
|---|-----------------------------|----------------------------------|
| <b>DOCKET ITEM:</b><br>NA   | <b>BOARD MEETING:</b><br>NA | <b>PROJECT NUMBER:</b><br>11-095 |
| <b>PERMIT HOLDERS(S):</b><br>Palos Hill Surgery Center, LLC                   |                             |                                  |
| <b>FACILITY NAME and LOCATION:</b><br>Palos Hills Surgery Center, Palos Hills |                             |                                  |

**STATE AGENCY REPORT**  
**PERMIT RENEWAL REQUEST**

**I. Background**

On February 28, 2012, the State Board approved Project #11-095. The permit authorized the establishment of a limited specialty Ambulatory Surgery Treatment Center (ASTC). The State Agency notes the project is not obligated, and the current project completion date is September 1, 2012. Project cost: \$2,421,158.

The State Agency notes the permit holders submitted the permit renewal request on July 17, 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. The application packet included a \$500.00 permit renewal fee.

**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.

### III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of September 15, 2013. This would extend the project's completion date by twelve and one half months, from September 1, 2012 to September 15, 2013.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project drawings have been submitted to IDPH for architectural review, and permits for construction will be secured shortly thereafter. Some equipment purchases have been made for the ASTC. The following items remain:
- Architectural approval
  - Construction of the facility
  - Purchase of remaining equipment
  - Licensure survey
- 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 holder states delays in scheduling for State Board's meeting, combined with an Intent-to-Deny received at the January 2012 IHFSRB meeting, set the project schedule back significantly. Subsequent to its approval (February 2012), the applicants felt it necessary to change architects, and alter the floor plan to use space more efficiently.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate \$106,500 (4.3% of the original project amount), has been expended to date, and sufficient funds exist to complete the proposed project.
- E. Anticipated Final Cost of the Project: The permit holders estimate the project will not deviate from the originally approved permit amount of \$2,421,128, and sufficient financial resources exist to complete the proposed project.

### IV. Project Description & Other Background Information

The permit authorized the establishment of a limited-specialty ASTC in 5,465 GSF of space. Project cost: \$2,421,158.

Permit Issuance Date: February 28, 2012

Original Project Completion Date: September 1, 2012

Project Obligation Date: August 28, 2013

Proposed Project Completion Date: September 15, 2013 (12.5 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.

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

**Permit Renewal Request**

Project #11-095

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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, and a copy of the original State Agency Report.