



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

DOCKET ITEM: A-09	BOARD MEETING: October 30, 2018	PROJECT NUMBER: 14-028
PERMIT HOLDERS(S): Copley Memorial Hospital, Inc. Rush University Medical Center Rush-Copley Medical Center, Inc.		
FACILITY NAME and LOCATION: Rush-Copley Medical Center, Aurora		

STATE BOARD STAFF REPORT **PERMIT RENEWAL REQUEST**

I. Background

On October 7, 2014, the State Board approved Project #14-028. The permit authorized a major modernization/expansion project to the Surgery department on the campus of their 210-bed acute care hospital in Aurora, Illinois. The State Board Staff notes the project is obligated, and the current project completion date is December 31, 2018. Project cost: \$52,725,760.

State Board Staff notes the permit holders submitted the permit renewal request on October 10, 2018. 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 first renewal request for this project and 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 December 31, 2019. This would extend the project's completion date by twelve months, from December 31, 2018 to December 31, 2019.
- B. Status of the Project and Components Yet to be Completed: The permit holders state the construction phase is 80% complete. The construction phase of the new addition is complete, and Certificates of Occupancy have been granted for the new construction, and the expanded Phase II recovery rooms. The following project components remain:
- Modernization/Expansion of the existing surgical suite, and the associated non-clinical services areas.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the following delays account for the 12-month permit renewal request:
- A delay during construction of the new addition, attributed to an unanticipated need for additional demolition of existing structures to accommodate the new construction.
 - Subsequent delays in securing measurements for structural steel needed for new construction, and fabrication times of these essential materials, once the measurements were obtained.
 - Investigation of conflicts with the installation of the CleanSuite assemblies in the modernized operation rooms as well as the relocation of those conflicts.
 - The project's proximity to active patient areas required slowing and at times stopping construction.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate approximately \$35,918,964 (68.1% of the total project cost), has been expended to date and can attest to the existence of sufficient financial resources to complete the project.
- E. Anticipated Final Cost of the Project: The permit holders estimate the project will not deviate from the approved permit amount of \$52,725,760.

IV. Project Description & Other Background Information

The permit authorized a major modernization/expansion project to the Surgery department on the campus of Rush Copley Medical Center in Aurora, Illinois. Project cost: \$52,725,760.

Permit Issuance Date: October 7, 2014

Project Obligation Date: May 11, 2015

Original Project Completion Date: December 31, 2018

Proposed Project Completion Date: December 31, 2019
(12-month renewal 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.



October 9, 2018

RECEIVED

OCT 10 2018

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
Second Floor
525 West Jefferson
Springfield, Illinois 62702-5051

Re: IHFSRB Project #14-028
Copley Memorial Hospital, Aurora

Dear Ms. Avery:

I am submitting this request for a permit renewal for the above-referenced project, which was granted a CON permit at the October 7, 2014, meeting of the Illinois Health Facilities and Services Review Board (HFSRB). A subsequent change in the sources of funds were reported in an alteration that was reported to the HFSRB and acknowledged by your agency on April 27, 2015.

This permit was granted to expand and modernize several departments at Copley Memorial Hospital.

1. I am requesting a renewal of this permit to a Project Completion Date of December 31, 2019, from the original Permit Completion Date of December 31, 2018.
2. The current status of the project is as follows.
 - a. As of August 1, 2018, 80% of the project is completed.
 - b. The following components of the project are completed:
 - All of the construction components of the new construction portion of the project have been completed;

- IDPH certification for occupancy has been received for all phases of new construction as well as for Phase 3 of the project, which includes the modernization and expansion of 21 Phase 2 recovery rooms, one new operating room, two remodeled/enlarged operating rooms, and associated support space.
- c. The 4th and final phase of the project is underway but not yet complete. This phase of the project includes completing the modernization and expansion of the existing Surgical Suite and other non-clinical service areas that are part of the modernization portion of the project.
- d. The funds expended as of August 1, 2018, are \$35,918,964.
3. The project has not been completed in the time frame proposed in the CON application for the following reasons, which delayed completion of the construction by 8 months.
- a. The first phase of the project, which was the construction of the new addition, experienced unanticipated delays of approximately 7 months for the following reasons.
- First, although unanticipated during architectural planning of the project, the existing building on the construction site needed to be demolished before numerous "verify in field" dimensions could be secured for the fabrication of the structural steel for the new addition.
- Second, because of this delay in securing measurements for the structural steel, the lead times required to fabricate the structural steel pushed the new construction into unfavorable winter weather conditions.
- b. Although the contractor and RCMC hoped to make up time during Phase 3, a subsequent phase of the project that involved modernization of existing operating rooms, this was not possible, and unanticipated complications actually delayed the project by an additional month.
- That was because, during Phase 3 of the project, when demolition within the existing operating rooms took place, it was discovered that over 50 existing critical mechanical, electrical, and plumbing utilities within the operating rooms and surrounding areas conflicted with and impeded the installation of the CleanSuite assemblies in the modernized operating rooms. The investigation of these conflicts and the planning and execution of their relocation required unanticipated additional time.

- c. The project's proximity to active patient care areas and operating rooms required slowing and at times stopping construction in order to minimize any potential disruptions to critical areas and systems, while attempting to expedite the construction in a safe manner.
4. I hereby confirm that I am an authorized representative of the permit holders for this project.

I further confirm that the project's costs and scope comply with the project approved by the Illinois Health Facilities and Services Review Board, including the alteration of the sources of funds, and that sufficient financial resources are available to complete the project.

A check for \$500 for the permit renewal processing fee is enclosed

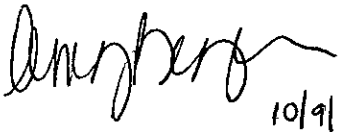
Please feel free to contact Andrea Rozran of Diversified Health Resources, Inc. (312-266-0466, arozran@diversifiedhealth.net) if you have any questions.

Sincerely,



Barry C. Finn
President & CEO

cc: Michael Constantino



10/9/18

