



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-06	BOARD MEETING: January 15, 2019	PROJECT NUMBER: 14-043
PERMIT HOLDERS(S): Hospital Sisters Health System Hospital Sisters Services, Inc. St Elizabeth Hospital of the Hospital Sisters of the Third Order of St. Francis		
FACILITY NAME and LOCATION: St. Elizabeth's Hospital, O'Fallon		

STATE AGENCY REPORT **PERMIT RENEWAL REQUEST**

I. Background

On April 21, 2015, the State Board approved Project #14-043. The permit authorized the discontinuation of an existing 303-bed acute care hospital in Belleville, and the establishment of a 144-bed acute care replacement hospital, in O'Fallon. The State Agency notes the project is obligated, and the current project completion date is December 31, 2018. Project cost: \$253,471,535.

State Board Staff notes the permit holders submitted the permit renewal request on October 18, 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 second renewal request for this project and the permit holders have submitted all of the information required in Section 1130.740 for a permit renewal. The permit holders were initially granted a 12-month permit renewal on October 5, 2017, extending the project completion date from December 31, 2017 to December 31, 2018.

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of July 31, 2019. This would extend the project's completion date by seven months, from December 31, 2018 to July 31, 2019.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the hospital portion of the project is complete and was licensed and opened for patient care on November 4, 2017. The Belleville Health Center renovation project is 85% complete, with licensure/safety/nursing certifications and inspections remaining.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the project has proceeded according to schedule. However, the modernization/repurposing of the Belleville campus experienced delays with the discovery of a substantial quantity of hazardous materials (asbestos) that required remediation/removal/disposal. This delayed the project considerably.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate approximately \$220,196,629 (86.8% 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 \$253,471,535.

IV. Project Description & Other Background Information

The permit authorized the discontinuation of an existing 303-bed acute care hospital in Belleville, and the establishment of a 144-bed replacement acute care hospital in O'Fallon. Project cost: \$253,471,535.

Permit Issuance Date:	April 21, 2015
Project Obligation Date:	January 1, 2016
Original Project Completion Date:	December 31, 2017
Proposed Project Completion Date: (12-month renewal request)	December 31, 2018
Proposed Project Completion Date: (7-month renewal / 2 nd request)	July 31, 2019

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 17, 2018

O'Fallon, IL
HSHS St. Elizabeth's Hospital

Via Overnight FedEx

Effingham, IL
*HSHS St. Anthony's
Memorial Hospital*

Ms. Courtney Avery
Administrator
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

RECEIVED

OCT 18 2018

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Breese, IL
HSHS St. Joseph's Hospital

Re: Project 14-043

Greenville, IL
HSHS Holy Family Hospital

Dear Ms. Avery:

Highland, IL
HSHS St. Joseph's Hospital

Pursuant to 77IAC 1130.740 St. Elizabeth's Hospital (the permit holder) is requesting to renew its permit for the project referenced above until July 31, 2019. The current completion date is December 3, 2018. The permit was issued for the construction of a replacement hospital located in O'Fallon, IL, and the renovation of the legacy Belleville campus outpatient buildings.

The hospital was complete, licensed by the state and opened on November 4, 2017. The Belleville Health Center renovations are 85% complete and will be finished in July 2019. The Permit Holder wants to ensure it has the necessary time to complete the project and submit required documentation to the Illinois Health Facilities & Services Review Board.

The primary reason for the delay involves the hazardous materials survey which identified a substantial quantity of asbestos to be exposed during the demolition process. It added considerable time to the project to ensure the proper and safe abatement of these materials before any major physical demolition of these areas occurred.

It was also determined that additional remodel work was needed to accommodate the staff and physicians remaining in the Medical Office Buildings (MOBs) on the Belleville Health Center campus. These additional renovations also contributed considerable construction time to the project. Attachment A identifies the significant amount of progress that has been completed on the Belleville Health Center project and Attachment B identifies work still to be completed.

224 West Garfield
Belleville, IL 62220
P.618-234-2120
www.hshs.org

The amount of funds expended on the project to date is \$220,196,629. The approved project cost is \$253,471,535. The project budget and scope is consistent with the approved permit amount. The additional funds to be spent are \$3,352,711.

Affiliates of
Hospital Sisters
Health System

I hereby certify, to the extent of currently available information, pursuant to

Section 1130.740, St. Elizabeth's compliance with the project's cost and scope in relation to what the IHFSRB has approved regarding Permit 14-043, and that sufficient financial resources are available to complete the project.

Enclosed is the requisite permit renewal fee of \$500.00. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Patti Fischer". The signature is written in black ink and is positioned below the word "Sincerely,".

Patti Fischer
President and CEO

CC: Dan Lawler
J. Nicole Lewer-Holst
Susan Beeler-Holloway

Attachment A: Progress on the Belleville Health Center

Medical Arts Building (MAB)

- Completed Renovations and Relocation of Physical Therapy on MAB Lower Level.
- Completed the construction of the Timeshare/ Specialty Clinic on MAB Lower Level.
- Completed the renovations for Pregnancy Clinic on MAB Lower Level.
- Completed renovation for the Micro Market on MAB Lower level.
- Completed the Renovation of Southern Business Office (SBO) and their relocation on MAB 2
- Completed upgrades and renovations to the MAB 2nd floor elevator Lobby and Restrooms.
- Completed Construction of the fourth floor of the MAB and relocated the flooring departments to MAB 4th Floor
 - Accounting
 - Clinical Education
 - Central Verification Office
 - Home Health
 - Health Information Management
 - Cancer Registry
 - IT
- Completed finish upgrades to the four conference/ training rooms on MAB 4
- Completed the upgrades and renovations of the MAB elevators
- Completed the original scope of the MAB parking lot and ADA parking lot and access.
- Completed MAB Stairwell upgrades.

Physician Office Building (POB)

- Completed Feldman Suite on POB 1 and their relocation
- Completed Metro East Gastroenterology/ Greenspan's Suite on POB 1.
- Completed Greenspan's relocation from POB 2 to POB 1

- Completed the renovations of BFM's Administration and select POB2 space.
- Completed BFM's relocation to POB 3
- Completed Construction of two Epic training rooms and storage.

- Completed the Canopy replacement for the POB.
- Completed the South Stairwell upgrades in the POB and its extension to POB 3

Attachment B: Remaining Work on the Belleville Health Center

- Complete POB Lobby upgrades on all three floors.
- Complete Finish upgrades in North POB Stairwell.
- Complete Belleville Family Medicine (BFM) Renovation.
- Relocate BFM from Belleville Medical Building (BMB) 2 to POB2.
- Complete BFM Restroom on POB 3 where the connection between buildings occurs.
- Complete Exterior walls of POB where the connector between POB and BMB will be removed.
- Perform Deep Repairs at select locations in the POB and BMB
- BMB/ POB ADA Lot will be milled and overlaid, with a change in grade for ADA requirements. Replace Concrete sidewalk to meet ADA requirements.
- Finish Upgrade MAB 1st Floor Lobby and Restrooms.
- Complete the Finish Refresh on MAB 3.
- Complete Temporary space for Pre-Access on MAB 3.
- Complete new Double doors for MAB Entrance.
- Relocate Pre-Access.
- Relocate Pregnancy Clinic.
- Install and/ or re-letter Exterior Signage.
- Complete Interior signage installation and Artwork install.
- Complete Commissioning.