



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-10	BOARD MEETING: October 31, 2018	PROJECT NUMBER: 14-056
PERMIT HOLDERS(S): St. Anthony's Memorial Hospital Hospital Sisters Health System		
FACILITY NAME and LOCATION: St. Anthony's Hospital-Ambulatory Care Center, Effingham		

STATE BOARD STAFF REPORT **PERMIT RENEWAL REQUEST**

I. Background

On March 10, 2015, the State Board approved Project #14-056. The permit authorized the establishment of an Ambulatory Care Center in a newly-constructed facility on the campus of St. Anthony's Memorial Hospital, Effingham. The State Agency notes the project is obligated, and the current project completion date is December 21, 2018. Project cost: \$12,181,075.

The State Agency notes the permit holders submitted the permit renewal request on October 12, 2018. 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 second renewal request for this project and it appears the permit holder has submitted all of the information required in Section 1130.740 for a permit renewal. Board staff notes the permit holders were granted their first permit renewal request on March 1, 2016, extending the project completion date from June 16, 2017 to December 21, 2018 (30 months). Board Staff notes the permit holders also submitted a request to extend the obligation period from June 17, 2016 to June 16, 2017 (12 months), and a permit alteration to reduce the overall project cost, and re-designate applicants/financially responsible parties to the project.

IV. **The Permit Renewal Request**

- A. **Requested Completion Date:** The permit holders request a project completion date of March 18, 2019. This would extend the project's completion date by approximately three months, from December 21, 2018, to March 18, 2019.
- B. **Status of the Project and Components Yet to be Finished:** The permit holders state the project is proceeding with due diligence, and notes this project is proceeding in parallel with an additional project, #17-022, St. Anthony's Hospital Ambulatory Care Center. The permit holders expect both projects to be granted occupancy simultaneously, in late November/early December. The remaining components for this, and project #17-022, involve demolition of an existing MRI building, and replacing it with a paved parking lot. The project completion date for Project #17-022 is March 18, 2019, the same extended completion date requested for this project.
- 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 attribute the delays and permit renewal request to the production schedule of local asphalt contractors, which suspend operations during the winter months. The applicants note the MRI building will be demolished in a timely manner, but the parking lot for both facilities will not undergo final pavement installation until the Spring of 2019.

- D. **Evidence of Financial Commitment to Fund the Project:** The permit holders indicate \$8,290,617 (59.1% 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 modified permit amount of \$12,181,075.

V. **Project Description & Other Background Information**

The permit authorized the establishment of an Ambulatory Care Center in leased space, on the campus of St. Anthony's Hospital, in Effingham. Project cost: \$14,004,619.

Permit Issuance Date: March 10, 2015

Original Project Obligation Date: June 17, 2016

Extended Project Obligation Date: June 16, 2017
(1-Year Extension)

Original Project Completion Date:	June 17, 2016
Proposed Project Completion Date: (18-month renewal request)	December 21, 2018
Proposed Project Completion Date: (3-Month renewal request)	March 18, 2019

VI. 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 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.

VII. Other Information

Appended to this report are the following: the permit holders' documents for a permit renewal.



October 10, 2018

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

Re: Permit Renewal Request (Section 1130.740)
CON Permit # 14-056
St. Anthony's Memorial Hospital (SAE)
Ambulatory Care Center (ACC/POB) Project

Dear Ms. Avery,

On March 1, 2016, the Illinois Health Facilities and Services Review Board Chair approved our first request to renew the permit for project # 14-056 until December 21, 2018.

As your files will indicate, there are two major components to this project. The ACC/POB itself (CON Permit #14-056) and also the approved permit to complete or finish the included shelled space for physician offices (CON Permit # 17-022). In essence, this is essentially one project that has two completion dates as the construction is progressing concurrently on both. The approved permit for the shelled space completion has a March 18, 2019 completion date. We expect substantial occupancy of the entire facility to occur in late November or early December 2018.

As noted on the Attachment #7 detail in our Type A Modification for Permit #14-056 dated January 23, 2015, the project demolishes an MRI Building. Once demolished, the site becomes paved parking. The capitalized cost for each element is in this approved permit. Unfortunately, asphalt plants in this area suspend operations in the winter, and the parking surface will not be able to be completed until early spring. Hence, we will not be able to complete the approved ACC/POB project until Spring, 2019.

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Given Projects #14-056 and #17-022 are being completed concurrently, we respectfully request a March 18, 2019 Permit Renewal date (approximately 87 days) for CON Permit #14-056 which is the same completion date for CON Permit #17-022. We anticipate filing the final realized cost report (Section 1130.770) simultaneously for each project.

As evidenced by the annual progress reports in the related project files, construction is proceeding as anticipated.

We attest that the project's cost and scope, as altered, comply with the Review Board's approvals and sufficient financial resources are available to complete the project.

Our permit renewal processing fee check in the amount of \$500.00 is enclosed (Section 1130.230).

Please let me know if you have any questions. I can be reached by e-mail at Theresa.Rutherford@hshs.org or by telephone at 217-347-1494.

Sincerely,



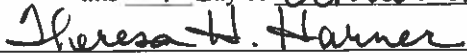
Theresa J. Rutherford
President and Chief Executive Officer

Enclosure: Check #133451 Renewal Processing Fee

Notarization:

Subscribed and sworn to before me

this 10th day of October 2018



Signature of Notary



Seal

CC: Mike Constantino, Supervisor, Project Review Section
E.W. Parkhurst, Jr., PRISM Healthcare Consulting