



# Advocate Christ Medical Center

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October 28, 2019

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

Re: Request for Permit Renewal Section 1130-750

Permit #14-057      Advocate Health and Hospitals Corporation d/b/a  
Advocate Christ Medical Center and Advocate Health  
Network

Permit Amount      \$85,519,082

Dear Ms. Avery:

Advocate Health and Hospitals and Advocate Health Care Network are seeking to renew Permit 14-057 granted to Advocate Christ Medical Center in Oak Lawn. The current permit is approved to expire on December 31, 2020; the applicants request that the permit be renewed through August 31, 2023.

This report summarizes the current status of the project.

Enclosed is a \$500 permit renewal filing fee.

Sincerely,

Richard J. Heim  
President  
Advocate Christ Medical Center

cc: Mike Constantino, Supervisor of Project Review  
Mike Farrell, President, Advocate Children's Hospital  
Janet Scheuerman, PRISM Healthcare Consulting





## **REQUEST FOR PERMIT RENEWAL FOR PERMIT 14-057**

**Permit:** Trauma I Center/Emergency Department Expansion and Renovation  
Permit #14-057

**Permit Holder:** Advocate Heath and Hospitals Corporation d/b/a/  
Advocate Christ Medical Center

**Permit Amount:** \$85,519,082

### **Section 1130.740 of Administrative Code Title 77 Chapter II b Permit Renewal:**

A permit holder may request a completion date that is later than an approved project completion date by submitting to HFSRB a request for permit renewal.

**a) Permit renewal by HFSRB must be requested prior to the required completion date.**

This permit renewal is being submitted prior to October 31, 2019. The required completion date for Permit #14-057 is December 31, 2020; hence, the renewal request is being made prior to the required completion date.

The proposed completion date requested in this Permit Renewal is August 31, 2023. This completion date includes all close-out activities.

**b) A permit renewal shall commence on the expiration date of the original permit.**

The original expiration date for Permit #14-057 is December 31, 2020. The proposed renewal of this Permit will commence on the expiration date of the Permit, or December 31, 2020.

Permit #14-057 is for the modernization of Advocate Christ Medical Center's Trauma I Center and the Adult and Pediatric Emergency Department in existing space as well as space vacated by departments moved to the new Outpatient Center. The requested extension time is in part attributable to both 1) experiencing unforeseen delays in vacating the existing space and 2) the complexities of maintaining the operation of the Trauma Center/Emergency Department while the modernization was underway.

However, 3) the majority of the delay is attributable to complications related to the ramp.<sup>1</sup>

- c) **The request for permit renewal shall be in writing and shall be received at least 45 days prior to the expiration date of the permit and shall include the following information:**

This request for permit renewal is expected to be filed on or before October 31, 2019.

This is more than 45 days before the expiration date of the permit.

**1) The requested completion date:**

The requested completion date is August 31, 2023.

**2) A status report on the project detailing what percent has been completed and a summary of the project components yet to be finished and the amount of funds expended on the project to date.**

**a) Current status of the project**

- Percent of the Project Finished – The project is 42 percent completed.
- Components Completed – Enabling renovations are completed; these included moves required to relocate existing departments from the new Emergency Department footprint including the Emergency Department temporary entry, the Cardiac Catheterization support area, the Cardiac Catheterization intake area, the Simulation Laboratory as well as EEG space. Pediatric Emergency Department space on the first floor is complete. Renovations also included completing the new Emergency Department Administrative Suite. The new Emergency Department Walk on the ground floor and all electrical infrastructure work for new switchgear and generators is complete.

<sup>1</sup> The ramp is a separate structure attached to the hospital building. It is used by ambulances to access and egress the Trauma Center/Emergency Department from street level to the first level of the hospital (the location of the Trauma Center/Emergency Department) or approximately an 8-foot grade difference. This ramp was constructed in the 1980's so that an expansion to the Trauma/Emergency Department could be on the same level as the existing department because of the slope of the site

In her letter dated August 6, 2014, Ms. Avery, Administrator of the HFSRB ruled that "the modernization of the emergency department ramp...does not require an application for a certificate of need." In another letter dated the same day, she also ruled that bringing new electrical structure upgrades from ComEd to the site would not require an application for a CON.

The cost of the ground level functions (all part of the hospital structure and not the ramp) and the new entry to the Trauma Center/ Emergency Department were included in the application. Only the electrical costs related to the electrical boxes and to the emergency functions were also included in the CON. These costs have similarly been included in the renewal filing.

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Components Not Completed: (sequenced due to phasing);

Construction has started on existing work required for Phase 2, for example, Phase 2 Adult Emergency Department modernization/expansion, the Cardiac Catheterization Prep/Recovery relocation and inpatient Endoscopy relocation, are underway.

**1. Costs incurred to date**

The Project Costs Incurred to Date as of October 15, 2019 and the Permit Approved Project Budget are included as Attachment 1. It shows an increase of \$2.8 million over the most recent 2018 Annual Progress Report (\$29,109,913). Since the filing of the 2018 Annual Progress Report, the following work on Permit 14-057 includes completing 90 percent of the enabling work required for Phase 2, completing 10 percent of the Cath/Recovery Relocation, and 10 percent of the Inpatient Endoscopy Relocation. The Phase 2 Adult ED Modernization/Expansion has not yet been started.

**2. A statement as to the reasons why the project has not been completed.**

The construction team originally planned to reuse the existing ramp. It was only when the space under the hospital was excavated to develop the ground floor intake function, an elevator, sub-waiting and stairs (because more space was needed for the Trauma Center/ Emergency Department than could be accommodated in the existing and vacated spaces on the same level as the treatment areas) did the severe deficiencies of the ramp become evident and the decision made to replace the ramp.

The Trauma Center/Emergency Room Department Expansion and Renovation project construction was essentially stopped until new construction documents could be developed. For example:

- The existing ramp had to be dismantled in phases because one-half of the ramp needed to remain operational throughout the construction process to accommodate both incoming and outgoing ambulance traffic. The ramp footings had to be engineered.
- As the ramp was being dismantled, other substantial issues were identified. For example, several code deficiencies had to be resolved and the water mains in the area were found to be corroded and needed to be replaced. Buried telephone cables were uncovered and relocated.
- A special canopy had to be constructed at the lower level of the ramp in order to use the ground floor intake, elevator, stairs and sub-waiting.
- Construction was slowed because many construction phases originally planned to be completed in parallel had to be completed sequentially until the ramp was at a certain level of approval.
- Construction, once underway, was frequently stopped because new damage to the ramp that was not evident in the original assessment was uncovered.

Overall, the ramp phasing and enabling work required 18 months, Phase 2 construction phasing another 7 months due to the ramp delay, and Phase 2 construction phasing required another 7 months for vacation of exiting departments – or a total of 32 months.

|                                                               |                                            |                      |
|---------------------------------------------------------------|--------------------------------------------|----------------------|
| <b>Advocate Christ Trauma / ED</b>                            |                                            |                      |
| <b>Use of Funds</b>                                           | <b>Costs Incurred to Date<br/>10/15/19</b> | <b>Permit Amount</b> |
| Preplanning Costs                                             | \$ 929,865                                 | \$ 931,035           |
| Site Survey                                                   | \$ 67,958                                  | \$ 90,000            |
| Site Preparation                                              | \$ 1,106,349                               | \$ 1,851,908         |
| New Construction Contracts                                    | \$ 2,443,548                               | \$ 3,214,145         |
| Modernization Contracts                                       | \$ 17,382,682                              | \$ 31,234,659        |
| Contingencies                                                 | \$ -                                       | \$ 4,989,389         |
| Architectural/Engineering Fees                                | \$ 3,031,875                               | \$ 3,088,010         |
| Consulting and Other Fees Incl. CON Filing                    | \$ 1,851,790                               | \$ 5,027,000         |
| Movable or Other Equipment<br>(not in construction contracts) | \$ 3,772,521                               | \$ 12,286,000        |
| Bond Issuance Expense (project related)                       | \$ 120,896                                 | \$ 700,650           |
| Net Interest Expense During Construction<br>(project related) | \$ 980,323                                 | \$ 9,826,286         |
| Other Costs To Be Capitalized                                 | \$ 307,418                                 | \$ 12,280,000        |
| Acquisition of Building or Other Property<br>(excluding land) |                                            |                      |
| <b>TOTAL USES OF FUNDS</b>                                    | <b>\$ 31,955,225</b>                       | <b>\$ 85,519,082</b> |

Attachment 1