



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET ITEM: A-02	BOARD MEETING: April 17, 2018	PROJECT NUMBER: 15-025
PERMIT HOLDERS(S): Genesis KC Development, LLC ISD Renal, Inc. DaVita Inc.		
FACILITY NAME and LOCATION: DaVita South Holland Renal Center, South Holland		

STATE BOARD STAFF REPORT **PERMIT RENEWAL REQUEST**

I. Background

On August 25, 2015, the State Board approved Project #15-025. The permit authorized the discontinuation of an existing 20-station End Stage Renal Dialysis (ESRD) facility and the establishment of a 24-station replacement facility in South Holland. The State Agency notes the project is obligated, and the current project completion date is April 30, 2018. Project cost: \$4,517,588.

State Board Staff notes the permit holders submitted this second permit renewal request on March 8, 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.

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of October 31, 2018. This would extend the project's completion date by six months, from April 30, 2018, to October 31, 2018.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the construction phase is 100% complete, the Certificate of Occupancy was granted on November 14, 2016, and patient treatments commenced on January 30, 2017. The following project component remain:
- Medicare Certification Inspection of the additional 4 stations (approximately 4-6 months)
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the project has proceeded according to schedule. However, excessive delays in the certification inspection process made it necessary to request a permit renewal.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate approximately \$2,231,133 (49.3% 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 \$4,517,588.

IV. Project Description & Other Background Information

The permit authorized the discontinuation of an existing 20-station ESRD facility, and the reestablishment of a 24-station ESRD facility in South Holland, Illinois. Project cost: \$4,517,588.

Permit Issuance Date:	August 25, 2015
Project Obligation Date:	December 11, 2015
Original Project Completion Date:	October 31, 2017
Proposed Project Completion Date: (1st renewal request/6 months)	April 30, 2018
Proposed Project Completion Date: (2 nd renewal request/6 months)	October 31, 2018

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.