



STATE OF ILLINOIS  
 HEALTH FACILITIES AND SERVICES REVIEW BOARD

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<b>DOCKET ITEM NUMBER:</b> C-12	<b>BOARD MEETING:</b> January 15, 2019	<b>PROJECT NUMBER:</b> #15-044
<b>BUSINESS ITEM:</b> Relinquishment of Permit		
<b>FACILITY NAME:</b> Transformative Health of McHenry		
<b>APPLICANTS:</b> MS McHenry, LLC, TCO JV, LLC, Mainstreet Property Group, LLC		
<b>PERMIT HOLDERS:</b> MS McHenry, LLC, TCO JV, LLC, Mainstreet Property Group, LLC		

**STATE BOARD STAFF REPORT**  
**RELINQUISHMENT OF PERMIT**

**I. Background**

On June 21, 2016, the Permit Holder was approved to construct and operate a ninety eight (98) bed long term care facility on the campus of Centegra Hospital, McHenry (Permit #15-044). The cost of the project was \$19,275,829.

**II. Reasons for Relinquishment**

On December 10, 2018, the Permit Holders submitted a request to relinquish Permit #15-044. On June 29, 2017, the Permit Holders had notified the State Board that the Project site for permit #15-044 had an unknown wetland encroachment issue that required additional research and problem solving by the Permit Holders. On April 13, 2017, Centegra Health Systems informed the Permit Holders that no suitable alternative site would be available for the project on the Centegra Hospital campus. As a result of the unforeseen issues with the land designated for the proposed facility, the Permit Holder was forced to seek an alternate location.

Subsequently, the Permit Holders submitted Project #18-016, to be located in close proximity to the original site of the proposed facility. On October 30, 2018, the State Board approved Project #18-016 for the establishment of an 84-bed skilled care facility at a cost of \$17,412,660. At the time of the approval of Permit # 18-016 the Permit Holders represented to the State Board that Permit #15-044 would be relinquished.

Permit #15-044 was submitted and approved based upon the calculated need for 127 long term care beds in the McHenry County Planning Area. Permit #18-016 addresses the need for the long term care beds at the time of the approval of permit #15-044.

### **III. Staff Recommendation**

A permit holder desiring to relinquish a permit is required to submit to the State Board a letter documenting:

- 1) A description of the permit and related costs;
- 2) A detailed explanation of the reasons for relinquishment; and
- 3) If the approval of the permit or exemption was based upon need, an explanation of how that need will be met in absence of the project.

The permit holder has provided all of the information required by the State Board.

**STATE BOARD STAFF FINDS THE PROPOSED RELINQUISHMENT OF PERMIT TO BE IN COMPLIANCE WITH CRITERION RELINQUISHMENT OF A PERMIT (77 IAC 1130.775)**

# 15-044 Transformative Health of McHenry - McHenry

