



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-03	BOARD MEETING: August 6, 2019	PROJECT NUMBER: 16-010
PERMIT HOLDERS(S): OSF Healthcare System		
FACILITY NAME and LOCATION: OSF St. Mary's Medical Center, Galesburg		

STATE BOARD STAFF REPORT **PERMIT RENEWAL REQUEST**

I. Background

On May 10, 2016, the State Board approved Project #16-010. The permit authorized a construction/major modernization project on the campus of St. Mary's Medical Center in Galesburg, Illinois. The State Agency notes the project is obligated, and the current project completion date is August 15, 2019. Project cost: \$28,107,515.

State Board Staff notes the permit holders submitted the permit renewal request on June 19, 2019. 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 first 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 May 15, 2020. This would extend the project's completion date by nine months, from August 15, 2019 to May 15, 2020.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the new construction phase of the project is 100% complete, and the modernization portion is proceeding with due diligence. The following project components remain:
- Modernization Phase
 - IDPH Inspection/Licensure
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the project has proceeded with due diligence. The initial application for permit described the project as occurring through implemented phases, one preceding the next. In their application, the permit holders anticipated that project complexities in the preceding phases may affect the timeliness of the phases that would follow. In this case, the permit holders prediction proved true.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate approximately \$21,110,026 (75.1% 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 approved permit amount of \$28,107,515.

IV. Project Description & Other Background Information

The permit authorized a construction/major modernization project on the campus of OSF St. Mary's Medical Center in Galesburg, Illinois. Project cost: \$28,107,515.

Permit Issuance Date:	May 10, 2016
Project Obligation Date:	December 6, 2016
Original Project Completion Date:	August 15, 2019
Proposed Project Completion Date: (9-month renewal request)	May 15, 2020

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.

June 19, 2019

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

RECEIVED

JUN 20 2019

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: First Request for Permit Renewal (Section 1130.740)
Con Permit #16-010, as altered
OSF Healthcare System d/b/a OSF St. Mary Medical Center, Galesburg
Expansion and Modernization of Key Clinical Areas

Dear Ms. Avery:

On behalf of OSF Healthcare System d/b/a OSF St. Mary Medical Center, Galesburg, we are submitting a permit renewal request for the above referenced project that has an approved permit capitalized cost of \$28,107,515. As indicated in our original permit application dated February 27, 2016, the Narrative, Exhibit 2, described phased project implementation noting "unanticipated construction conditions during the various 4-stages, as described, could impact on the schedule". As such, we request this permit renewal due to these construction complexities.

The current project completion date is August 15, 2019. We are requesting a nine (9) month extension, until May 15, 2020, to allow sufficient time for project completion, including the required Illinois Department of Public Health inspection and approval.

The permit was issued to construct new space and modernize existing space, including Laboratory, Center for Outpatient Services, surgical operating rooms, procedure room and recovery rooms.

The status of the project is as follows:

- The project overall is 80% complete.
- The new construction is 100% complete as noted in our latest annual progress report dated May 3, 2019. We are proceeding diligently to complete the modernization component of the approved Project.
- To date, approximately \$21,110,026 in capitalized project cost has been expended or committed on the project which is 75% of the CON approved amount.
- The project scope and cost is in compliance with the permit issued on May 10, 2016, as subsequently altered.

First Request for Permit Renewal (Section 1130.740)

OSF Healthcare System d/b/a OSF St. Mary Medical Center, Galesburg
Expansion and Modernization of Key Clinical Areas - Con Permit #16-010, as altered
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I am submitting the required \$500.00 permit renewal fee with this request.

Thank you for your consideration and should you have any questions do not hesitate to contact me at 309-308-9656 or mark.e.hohulin@osfhealthcare.org.

Sincerely,



Mark Hohulin, Senior Vice President
OSF Healthcare System

c: Curt Lipe
Jennifer Junis
Michael Henderson
Brian Geier
Ed Parkhurst

Enclosure