



# STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516

<b>DOCKET ITEM:</b> A-01	<b>BOARD MEETING:</b> October 30, 2018	<b>PROJECT NUMBER:</b> 16-040
<b>PERMIT HOLDERS(S):</b> Total Renal Care, Inc. DaVita, Inc.		
<b>FACILITY NAME and LOCATION:</b> Jerseyville Dialysis, Jerseyville		

## **STATE BOARD STAFF REPORT** **PERMIT RENEWAL REQUEST**

### **I. Background**

On January 24, 2017, the State Board approved Project #16-040. The permit authorized the modernization/expansion of an existing 9-station End Stage Renal Dialysis (ESRD) facility in Jerseyville, Illinois, to include the addition of 8 additional stations. The State Agency notes the project is obligated, and the current project completion date is July 31, 2018. Project cost: \$2,228,757.

State Board Staff notes the permit holders submitted the permit renewal request on July 26, 2018. This submittal was not 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, and a \$500.00 late 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 January 31, 2019. This would extend the project's completion date by six months, from July 31, 2018 to January 31, 2019.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the construction phase is 100% complete, and a certificate of occupancy granted on November 16, 2017. The following project component remain:
- Medicare Certification Inspection of additional 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 \$1,756,860 (78.8% 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 \$2,228,757.

### IV. Project Description & Other Background Information

The permit authorized the modernization/expansion of an existing 9-station ESRD facility in Jerseyville, Illinois, to include the addition of 8 additional stations. Project cost: \$2,228,757.

Permit Issuance Date: January 24, 2017

Project Obligation Date: June 9, 2017

Original Project Completion Date: July 31, 2018

Proposed Project Completion Date: January 31, 2019  
(6-month renewal request)

**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.



**RECEIVED**

JUL 26 2018

HEALTH FACILITIES  
SERVICES REVIEW BOARD

July 24, 2018

**FEDERAL EXPRESS**

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

**Re: Permit Renewal Request – Jerseyville Dialysis (Proj. No. 16-040)**

Dear Ms. Avery:

I am writing on behalf of DaVita Inc. and Total Renal Care, Inc. (collectively, "DaVita") to request a six month extension of the completion date for Project No. 16-040 (Jerseyville Dialysis). On January 24, 2017, the Illinois Health Facilities and Services Review Board ("HFSRB") approved DaVita's certificate of need application for a nine station expansion of Jerseyville Dialysis (the "Project"). While construction is complete, the additional stations are awaiting Medicare certification. DaVita anticipates it may take an additional six months for Medicare certification of the facility. Accordingly, DaVita respectfully requests a six month renewal of the Project permit and a new project completion date of January 31, 2019.

**1. Requested Project Completion Date**

DaVita requests the HFSRB grant a six month renewal of the Project permit and establish January 31, 2019 as the new project completion date.

**2. Status of the Project**

The Project was obligated on June 9, 2017, through the execution of a construction contract for modernization of the dialysis facility. Construction is complete, and a certificate of occupancy was received on November 16, 2017. DaVita is presently awaiting Medicare certification of the additional stations, and based on recent experience, anticipates it may take an additional six months for Medicare certification. Therefore, to allow sufficient time to complete the Project, DaVita requests a six month renewal of the Project permit.

To date, DaVita has expended \$1,756,860 on the Project.

**3. Statement Regarding Completion of the Project**

Construction is complete. To ensure adequate time to allow for Medicare survey and certification of the additional stations, DaVita respectfully requests a six month renewal of the Project permit.

**4. Confirmatory Evidence of Project Compliance**

I hereby certify, pursuant to 77 Ill. Admin. Code §1130.740, DaVita's compliance with the scope and costs of the project approved by the HFSRB pursuant to Project Permit #16-040.

Based on the above information, which is provided to the HFSRB in compliance with Section 1130.740 of the Illinois Administrative Code, DaVita formally requests a six month renewal of its permit for Project #16-040 and a new project completion date of January 31, 2019.

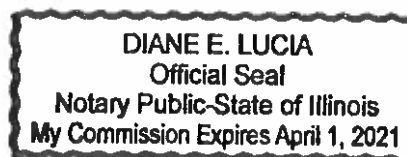
If you need any additional information or have any questions regarding the status of the project, please feel free to contact me.

Sincerely,



Cindy Emley  
Regional Operations Director  
DaVita Inc.

SUBSCRIBED AND SWORN  
to before me this 25th day of  
July, 2018



My commission expires: 4-1-21