



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-02	BOARD MEETING: February 25, 2020	PROJECT NUMBER: 16-042
PERMIT HOLDERS(S): Fresenius Medical Care Holdings, Inc Fresenius Medical Care Paris, LLC		
FACILITY NAME and LOCATION: Fresenius Kidney Care Paris Community, Paris		

STATE BOARD STAFF REPORT
PERMIT RENEWAL REQUEST

I. Background

On March 14, 2017, the State Board approved Project #16-042. The permit authorized the establishment of an 8-station End Stage Renal Dialysis (ESRD) facility on the campus of Paris Community Hospital in Paris, Illinois. State Board Staff notes the project is obligated and the current project completion date is March 31, 2020. Altered Project cost: \$2,707,415.

State Board Staff notes the permit holders submitted the permit renewal request on February 11, 2020. This submittal was in accordance with 77 IAC 1130.740(d), which states that renewal requests must be received by the State Board 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. Board Staff notes the following:

- 1) 10/30/2018: A request to extend the financial commitment date an additional 12 months (9/14/18 to 9/14/19).
- 2) 10/30/2018: A previous 18-month permit renewal request (9/30/2018 – 3/31/2020).
- 3) 10/12/2017: Permit Alteration to increase project size by 245 GSF (4.9%), and increase project cost by \$104,165 (4%).

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of March 31, 2021. This would extend the project's completion date by twelve months, from March 31, 2020 to March 31, 2021.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project is 50% complete and the facility is expected to finish construction and be operational before March 31, 2021.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the following events occurred, which delayed completion of the project:
- The permit holders note the project coincides with a modernization project currently underway at Paris Community Hospital. The planning process for the hospital modernization was longer than expected, resulting in delays in the execution of a lease. The permit holders note the lease has been secured and construction of the building shell/interior is proceeding with due diligence.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate \$1,382,890 (51%) of project funds have 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 altered permit amount of \$2,707,415.

IV. Project Description & Other Background Information

The permit authorized the establishment of an 8-station ESRD facility on the campus of Paris Community Hospital, in Paris. Project cost: \$2,707,415.

Permit Issuance Date: March 14, 2017

Project Obligation Date: September 30, 2019

Original Project Completion Date: September 30, 2018

Proposed Project Completion Date: March 31, 2020
(18-month renewal request/1st request)

Proposed Project Completion Date: March 31, 2021
(12-month renewal request/2nd 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, a summary of project components yet to be finished and a summary of 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 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). If a request for permit renewal is denied, HFSRB may issue a Notice of Intent to Revoke a permit if the project is not completed by the HFSRB-approved completion date. If such a Notice is issued, 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.



February 10, 2020

RECEIVED

FEB 11 2020

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

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

Re: Request for Permit Renewal Section 1130.740
Project #16-042, Fresenius Kidney Care Paris Community
Permit Holder: Fresenius Medical Care Paris, LLC, and Fresenius Medical Care Holdings, Inc.

Dear Ms. Avery:

Fresenius Medical Care Paris, LLC is seeking a second permit renewal for Fresenius Kidney Care Paris Community. Enclosed is a \$500.00 permit renewal fee. There has been no change to the size and scope of this project since the granted alteration approval dated October 12, 2017. This report summarizes the status of the project.

Sincerely,

Lori Wright
Fresenius Medical Care
Senior CON Specialist



January 22, 2020

Request for Permit Renewal Section 1130.750

Project #16-042, Fresenius Kidney Care Paris Community

Permit Holder: Fresenius Medical Care Paris, LLC, and Fresenius Medical Care Holdings, Inc.

- 1. The requested completion date:** *The requested completion date is March 31, 2021.*
- 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 date**

This project is for the establishment of an 8-station ESRD facility at Paris Community Hospital. The project received a permit renewal and financial commitment extension on November 5, 2018. The project was obligated September 30, 2019 with the execution of the lease for premises.

The project is approximately 50% complete and is expected to be complete prior to March 31, 2021.

- 3. a statement as to the reasons why the project has not been completed**

Paris Community Hospital, where the facility will be located was planning renovations to hospital spaces and the planning process for this took longer than expected. Final plans along with lease execution for the facility were unable to proceed until the planning process for the hospital's work was complete. After the permit renewal and financial commitment extension, lease negotiations took longer than expected further delaying the project.



4. evidence of financial commitment to fund the project

Sources and Uses of Funds

Total committed for Project

PROJECT COST AND SOURCES OF FUNDS		
	Committed	Spent
Preplanning Costs	N/A	N/A
Site Survey and Soil Investigation	N/A	N/A
Site Preparation	N/A	N/A
Off Site Work	N/A	N/A
New Construction Contracts	N/A	N/A
Modernization Contracts	923,120	0
Contingencies	94,410	0
Architectural/Engineering Fees	99,000	57,005
Consulting and Other Fees	N/A	N/A
Movable or Other Equipment (not in construction contracts)	265,000	0
Bond Issuance Expense (project related)	N/A	N/A
Net Interest Expense During Construction (project related)	N/A	N/A
Fair Market Value of Leased Space or Equipment	1,325,885	1,325,885
Other Costs To Be Capitalized	N/A	N/A
Acquisition of Building or Other Property (excluding land)	N/A	N/A
	Total Committed For Project	
	\$2,707,415	
	Spent	\$1,382,890

5. Anticipated final cost of the project: *Final cost will be within the permit amount of \$2,707,415.*



FRESENIUS KIDNEY CARE

Fresenius Medical Care Paris, LLC

In accordance with Section 1130.740 part c, of the Illinois Health Facilities & Services Review Board rules for renewal of a permit;

I do hereby certify that the financial resources to fund the project are available and that the project's cost, scope, design, square footage, number of stations are compliant with that which the State Board has approved.

By: *[Signature]*

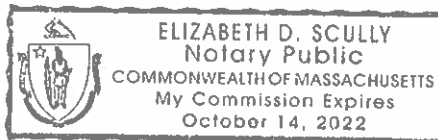
ITS: *[Signature]* **Bryan Mello**
Assistant Treasurer

Notarization:

Subscribed and sworn to before me

This 3rd day of February, 2020

Seal





FRESENIUS KIDNEY CARE

Fresenius Medical Care Holdings, Inc.

In accordance with Section 1130.740 part c, of the Illinois Health Facilities & Services Review Board rules for renewal of a permit;

I do hereby certify that the financial resources to fund the project are available and that the project's cost, scope, design, square footage, number of stations are compliant with that which the State Board has approved.

By: *Bryan Mello*

ITS: Bryan Mello
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
This 22nd day of January 2020

Seal

