



# STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

<b>DOCKET ITEM:</b> A-01	<b>BOARD MEETING:</b> March 16, 2021	<b>PROJECT NUMBER:</b> 16-048
<b>PERMIT HOLDERS(S):</b> Deaconess Regional Healthcare Services Illinois, Inc. Ferrell Hospital Community Foundation		
<b>FACILITY NAME and LOCATION:</b> Ferrell Hospital, Eldorado		

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

### **I. Background**

On March 14, 2017, the State Board approved Project #16-048. The permit authorized the modernization and expansion of Ferrell Hospital, in Eldorado. The State Board Staff notes the project is obligated, and the current project completion date is March 31, 2021. Project cost: \$37,353,666.

State Board Staff notes the permit holders submitted the permit renewal request on January 26, 2021. 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. Details pertaining to the first permit renewal are listed below.

June 4, 2019: Approved for a 24-month permit renewal (3/31/19 to 3/31/2021)

### **III. The Permit Renewal Request**

- A. Requested Completion Date: The permit holders request a project completion date of September 30, 2022. This would extend the project's completion date eighteen months, from March 31, 2021 to September 30, 2022.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the construction phase of the project is completed and close-out paperwork for the USDA loan completed. Remaining components include certification/licensure inspections, and the submittal of the final cost report.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state delays associated with securing a commitment for project funding from the USDA resulted in a significant delay in the project timeline, followed by delays in facility construction and material supply deliveries, which are attributed to the COVID-19 Pandemic.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate that \$31,157,636 (83.4% of the overall project cost), has been expended to date, and the permit holders 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 original permit amount of \$37,353,666.

### **IV. Project Description & Other Background Information**

The permit authorized a major modernization/expansion project on the campus of Ferrell Hospital, in Eldorado. Project cost: \$37,353,666.

Permit Issuance Date: March 14, 2017

Project Obligation Date: March 14, 2019

Original Project Completion Date: March 31, 2019

Proposed Project Completion Date: March 31, 2021  
(24-month/1<sup>st</sup> renewal request)

Proposed Project Completion Date: September 30, 2022  
(18-month/2<sup>nd</sup> 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.



1201 Pine Street | Eldorado, Illinois 62930  
Phone (618) 273-3361 | Fax (618) 273-2571

Fourth Annual Progress Report  
Ferrell Hospital

January 26, 2021

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

Via overnight delivery, return receipt requested

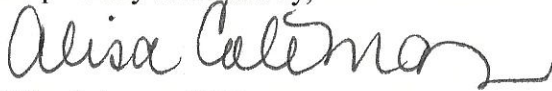
Re: Annual Progress Report (Section 1130.760)  
CON Permit # 16-048  
Ferrell Hospital, Eldorado  
Hospital Modernization and Expansion Project

Dear Ms. Avery,

Our Fourth Annual Progress Report is being submitted consistent with Section 1130.760 and our Permit Letter dated March 15, 2017. Our project has progressed diligently over the past year and we continue to hold monthly meetings with our project team to review progress and next action items. At this time, Phase I of the project has been completed with the opening of the newly expanded and modernized Hospital on November 30, 2020, as well, the Phase II modernization has begun. Phase I components completed include the new clinic entrance, new emergency department, enhanced radiology, lab and inpatient therapy services space, the addition of new, private rooms, and modernization of Ferrell's cafeteria and lobbies. Construction is approximately 75 percent complete. Under a separate filing, we will be requesting a Permit Renewal in that construction has been delayed over the last year primarily due to the COVID-19 health emergency.

Expended and legally obligated funds as of December 31, 2020 are included on Exhibit A which is integral to this Annual Progress Report. Should you have any additional questions, please contact me at 618-297-9615 or by email at [acoleman@ferrellhospital.org](mailto:acoleman@ferrellhospital.org).

Respectfully submitted by,

A handwritten signature in black ink that reads "Alisa Coleman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Alisa Coleman, CEO

Enclosure: Attachment A, Obligated Funds as of December 31, 2020.

Cc: Mike Constantino, Supervisor, Project Review Section

Dan Lawler, Barnes & Thornburg, LLP

Andrea Chleboun, Healthcare Futures

Ed McGrath, Healthcare Futures

Ed Parkhurst, PRISM Healthcare Consulting

**Exhibit A**

**Financially Obligated Funds as of December 31, 2020\***

PROJECT COSTS AND SOURCES OF FUNDS			
USE OF FUNDS	APPROVED PROJECT COST	OBLIGATED FUNDS AS OF 12- 31-2020	Variance
Preplanning Costs	61,360	-	61,360
Site Survey and Soil Investigation	19,970	56,375	(36,405)
Site Preparation	-	133,674	(133,674)
Off Site Work	-	-	-
New Construction Contracts	20,100,110	22,986,054	(2,885,944)
Modernization Contracts	1,713,198	-	1,713,198
Contingencies			
New Construction	2,010,011	-	2,010,011
Modernization	256,980	-	256,980
Architectural/Engineering Fees	1,319,705	1,496,811	(177,106)
Consulting and Other Fees	1,153,213	1,152,400	813
Movable or Other Equipment (not in construction contracts)	4,463,172	2,756,453	1,706,719
Bond Issuance Expense (project related)	4,240,192	1,716,267	2,523,925
Net Interest Expense During Construction	1,692,865	510,877	1,181,988
Fair Market Value of Leased Space or Equipment	-		
Other Costs To Be Capitalized	322,890	348,725	(25,835)
Acquisition of Building or Other Property (excluding land)	-		
<b>TOTAL USES OF FUNDS</b>	<b>37,353,666</b>	<b>31,157,636</b>	<b>6,196,030</b>

\* Expended and legally obligated



1201 Pine Street | Eldorado, Illinois 62930  
Phone (618) 273-3361 | Fax (618) 273-2571

Permit Renewal Request  
Ferrell Hospital Permit 16-048

January 26, 2021

Certified Mail  
Return Receipt Requested

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

Re: Permit Renewal Request (Section 1130.740)  
CON Project #16-048  
Ferrell Hospital, Eldorado  
Hospital Modernization and Expansion Project

Dear Ms. Avery,

Please accept this permit renewal request (Section 1130.740) for approved project #16-048. On March 14, 2017, the IHFSRB approved the permit application for this project with a \$37,353,66.00 capitalized project cost.

The approved project completion date is March 31, 2021. However, completion of the project has been delayed to the initial delay in securing funds associated with the USDA loan approval and, most recently, the COVID-19 pandemic. We have fortunately been able to continue construction through much of the pandemic, but it has impacted our timeline for final completion.

Our current construction schedule indicates construction tentatively finishing in late 2021, in that we are experiencing some construction delays due to both material supply deliveries and construction itself. Thus, we respectfully request an 18-month permit renewal, until September 30, 2022, to allow for final IDPH occupancy approvals, facility activation / move-in after

construction is completed, close out of our USDA Loan, as well as to assemble the documentation to submit the final realized cost report (Section 1130.770) to the State Agency.

Our \$500.00 application processing fee is enclosed (Section 1130.230) Check # 3492 .

If you have any additional questions, please contact me at [acoleman@ferrellhospital.org](mailto:acoleman@ferrellhospital.org) or by phone at 618-297-9615.

Respectfully submitted by:

A handwritten signature in cursive script that reads "Alisa Coleman".

Alisa Coleman, CEO

Cc: Mike Constantino, Supervisor, Project Review Section  
Andrea Chelboun, Healthcare Futures  
Ed McGrath, Healthcare Futures  
Ed Parkhurst, PRISM Healthcare Consulting