



# 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> September 13, 2022	<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 September 30, 2022. Project cost: \$37,353,666.

State Board Staff notes the permit holders submitted the permit renewal request on July 13, 2022. 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 third 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 two permit renewals are listed below.

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

March 16, 2021: Approved for an 18-month permit renewal (3/31/21 to 9/30/22)

### **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 approximately nine months, from September 30, 2022 to July 7, 2023.
- B. Status of the Project and Components Yet to be Finished: The permit holders anticipate completion of the construction phase to occur in Q1 2023, with the following components remaining:
- Demolition of antiquated areas.
  - Construction completion of the nurse station, medication room, and nourishment area.
  - Construction of support areas (storage, bathrooms)
  - Renovation of 5 semi-private rooms (floors, ceilings, walls, lighting, bathroom floors and fixtures)
  - Renovation of corridors (floors, ceilings, walls)
  - Replacement of outdate HVAC unit for better ventilation/air exchanges
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state delays in facility construction and material supply deliveries attributed to the COVID-19 Pandemic, and the need to re-bid the final development phase with the United States Department of Agriculture (USDA), account for the need for a third permit renewal
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate that \$36,900,000 (98.8% 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: June 30, 2022

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)

Proposed Project Completion Date: July 7, 2023  
(9-month/3<sup>rd</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, and a copy of the original State Board Staff Report.



1201 Pine Street | Eldorado, IL 62930 | P: 618-273-3361 | F: 618-273-2571

Permit Renewal Request  
Ferrell Hospital Permit 16-048

July 13, 2022

Certified Mail  
Return Receipt Requested

Mr. John P. Kniery  
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 Mr. Kniery,

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 currently approved project completion date is September 30, 2022. At this time, completion of the project has been delayed due to the COVID-19 pandemic and its effect on supply chain processes across the country. We continue to be able to move forward with construction. Construction is in its final phase, but supply chain delays have further impacted our timeline for final completion. By way of example, room doors for this final construction phase have a 20-week delay in delivery. As well, the USDA required us to re-bid the Project's final development phase which began on June 6, 2022.

Our current construction schedule indicates construction tentatively finishing in Quarter 1 of 2023, as we continue to experience delays due to both material supply deliveries and construction itself. Thus, we respectfully request a 9-month permit renewal, until July 7, 2023, 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.

As of, July 8, 2022 the project is 92% complete. Project components to be completed are

- Demolition work of the antiquated areas and walls has started and is around 90% complete,
- New construction consisting of construction of a nurse station, a medication room and nourishment area,
- Construction of support facilities such as needed storage rooms and bathrooms,
- Renovation of the 5 semi private patient rooms (floors, ceilings, walls and lighting), upgrade bath fixtures and floors,
- Renovation of area corridors with hard surface floors along with ceilings and walls,
- Replacement of the 1972 AHU unit to provide better ventilation and required air exchanges along with adding exhaust fans to add negative pressure rooms to be installed.

Additionally, the legally committed and expended funds as of June 30, 2022 are \$36,900,000. The Project's cost and scope comply with the IHFSRB approval, and sufficient financial resources are available to complete the Project.

Our \$500.00 application processing fee is enclosed (Section 1130.230) Check #3606

In that this is not our first Renewal Request, we understand an appearance before the Review Board will be required. Please advise me as to the potential date of the Meeting. Additionally, we expect the need to file an additional Annual Report due to the fact the requested new permit completion date extends beyond the originally approved Project date.

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 black ink that reads "Alisa Coleman". The signature is fluid and cursive, with the first name "Alisa" and last name "Coleman" clearly distinguishable.

Alisa Coleman, CEO

Cc: Mike Constantino, Supervisor, Project Review Section  
Andrea Chleboun, VMG Health  
Ed McGrath, VMG Health  
Ed Parkhurst, PRISM Healthcare Consulting