



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-05	BOARD MEETING: March 5, 2019	PROJECT NUMBER: 16-053
PERMIT HOLDERS(S): Hospital Sisters Health System Hospital Sisters Services, Inc. St. John's Hospital of the Hospital Sisters of the Third Order of St. Francis		
FACILITY NAME and LOCATION: HSHS St. John's Hospital Women's and Children's Health Center Building		

STATE BOARD STAFF REPORT **PERMIT RENEWAL REQUEST**

I. Background

On March 14, 2017, the State Board approved Project #16-053. The permit authorized the establishment of an 87,154 GSF, 4-story medical office building, dedicated to the care of women and children on the campus of St. John's Hospital, Springfield, Illinois. State Board Staff notes the project is obligated and the current project completion date is March 31, 2019. Project cost: \$48,377,826.

State Board Staff notes the permit holders submitted the permit renewal request on February 9, 2019. 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 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. Board Staff also note the permit holders altered the existing project by reducing the size of the building by 368 GSF (.4%), from 87,154 GSF, to 86,786 GSF. Board approval is not needed for a reduction in project size.

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of July 12, 2019. This would extend the project's completion date by three and one half months, from March 31, 2019 to July 12, 2019.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project is essentially complete. The construction phase is complete, and occupancy commenced in January 2019. Project audit, and the final realized cost report are all that remain.
- 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 to close out the project and compile a finalized cost report, an independent, 3rd party audit is required which is expected to be complete by July 2019.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate \$45,653,231 (94.3%) of the total 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 approved permit amount of \$48,377,826.

IV. Project Description & Other Background Information

The permit authorized the establishment of an 87,154 GSF, 4-story medical office building, dedicated to the care of women and children on the campus of St. John's Hospital, Springfield, Illinois. Project cost: \$48,377,826.

Permit Issuance Date: March 14, 2017

Project Obligation Date: December 8, 2017

Original Project Completion Date: March 31, 2019

Proposed Project Completion Date: July 12, 2019
(3.5-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, 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.



Hospital Sisters
HEALTH SYSTEM

RECEIVED

February 7, 2019

FEB 8 2019

Breese, IL
HSHS St. Joseph's Hospital

Decatur, IL
HSHS St. Mary's Hospital

Effingham, IL
HSHS St. Anthony's Memorial
Hospital

Greenville, IL
HSHS Holy Family Hospital

Highland, IL
HSHS St. Joseph's Hospital

Litchfield, IL
HSHS St. Francis Hospital

O'Fallon, IL
HSHS St. Elizabeth's Hospital

Shelbyville, IL
HSHS Good Shepherd Hospital

Springfield, IL
HSHS St. John's Hospital

Chippewa Falls, WI
HSHS St. Joseph's Hospital

Eau Claire, WI
HSHS Sacred Heart Hospital

Green Bay, WI
HSHS St. Mary's Hospital
Medical Center
HSHS St. Vincent Hospital

Oconto Falls, WI
HSHS St. Clare Memorial
Hospital

Sheboygan, WI
HSHS St. Nicholas Hospital

HSHS Medical Group

Prairie Cardiovascular

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Sponsored by
Hospital Sisters Ministrie

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

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Con Permit # 16-053
HSHS St. John's Hospital Women's and Children's Health Center Building
Permit Renewal Request (Section 1130.740)

Dear Ms. Avery,

Please accept this permit renewal request for approved project # 16-053.

On March 14, 2017 the IHFSRB approved the permit application for this project with a \$48,377,826 capitalized project cost. Subsequently, the project was financially obligated / committed (Section 1130.720) in 2017 as outlined in our notification letter dated January 30, 2019.

The subject building was completed and occupied in January 2019, earlier than contemplated. The estimated capitalized cost expenditures are currently estimated to be \$45,653,231.00.

The approved project completion date is March 31, 2019. However, due to the fact an independent third-party CPA audit is required (Section 1130.770 (d) (5)), we do not expect it to be completed until July. Hence, we respectfully request a four (4) month permit renewal until July 12, 2019 to complete the required audit and subsequently file the final realized cost report (Section 1130.770), as required.

Our application processing fee in the amount of \$500.00 (Section 1130.230) is enclosed: Check number 00157520.

If you have any questions, I can be reached by email at amy.bulpitt@hshs.org or by phone at (217) 814-8336.

Sincerely,

Amy Bulpitt
Vice President and General Counsel

CC: Mike Constantino, Supervisor, Project Review Section
Ed Parkhurst, PRISM Healthcare Consulting