



**STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD**

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DOCKET ITEM NUMBER: C-11	BOARD MEETING: January 15, 2019	PROJECT NUMBER: #17-006
BUSINESS ITEM: Relinquishment of Permit		
APPLICANTS: NorthShore University HealthSystem		
REQUESTING ENTITY / LOCATION: NorthShore University HealthSystem		

STATE BOARD STAFF REPORT
RELINQUISHMENT OF PERMIT

I. Background

On May 2, 2017, NorthShore University HealthSystem (Permit Holder) was approved to construct a medical clinics building in Round Lake Beach in approximately 34,800 gross square feet of space at a cost \$14,974,094 (Permit #17-006). The permit holder was approved for a 2-story medical clinics building that would contain physicians’ offices, a lab/specimen collection area, imaging, public areas, staff support areas, administrative space, storage, mechanical space and an elevator lobby on the first floor. The second floor would contain physicians’ offices, staff support areas, storage, mechanical space, and an elevator lobby.

This project came before the State Board because the project was by or on behalf of a health care facility (NorthShore University HealthSystem) and the cost of the project (\$14,974,094) exceeded the capital expenditure threshold at the time of approval of the permit of \$12,950,881. Currently the capital expenditure minimum is \$13,477,931.

The permit did not add beds or a category of service or establish a hospital.

II. Reasons for Relinquishment

On November 26, 2018, the State Board received a request to relinquish permit #17-006. Per the permit holder the relinquishment was due to the reduction in the medical clinics building from two stories to one, which reduces the square footage from approximately 34,800 GSF to 18,000 GSF. The cost is anticipated to drop from \$14,974,094 to \$12,000,000. Over half of the space to be eliminated from the project is administrative and conference space (9,500/GSF), with the remainder being physicians' offices. The Imaging department and lab is staying.

As of April 30, 2018 (date of first annual report) the permit holder had expended \$519,097.38.

III. Staff Recommendation

A permit holder desiring to relinquish a permit is required to submit to the State Board a letter documenting:

- 1) A description of the permit and related costs;
- 2) A detailed explanation of the reasons for relinquishment; and
- 3) If the approval of the permit or exemption was based upon need, an explanation of how that need will be met in absence of the project.

The permit holder has provided all of the information required by the State Board.

Relinquishment of Permit
#17-006 NorthShore University HealthSystem

STATE BOARD STAFF FINDS THE PROPOSED RELINQUISHMENT OF PERMIT TO BE IN COMPLIANCE WITH CRITERION RELINQUISHMENT OF A PERMIT (77 IAC 1130.775)

17-006 NorthShore University HealthSystem MOB - Round Lake Beach

