



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-01	BOARD MEETING: January 26, 2021	PROJECT NUMBER: 17-017
PERMIT HOLDERS(S): Provident Hospital of Cook County Cook County Health and Hospital System		
FACILITY NAME and LOCATION: Provident Hospital of Cook County Dialysis, Chicago		

STATE BOARD STAFF REPORT **PERMIT RENEWAL REQUEST**

I. Background

On November 21, 2017, the State Board approved Project #17-017. The permit authorized the establishment of a 12-station End Stage Renal Dialysis (ESRD) facility on the campus of Provident Hospital of Cook County, in Chicago. The State Agency notes the project is not obligated, and the current project completion date is December 31, 2020. Project cost: \$2,238,268.

State Board Staff notes the permit holders submitted a permit renewal request on December 28, 2020. This submittal was not 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 and a \$500.00 late 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. The first permit renewal request was approved on January 15, 2019, and sought an additional 12 months (December 31, 2018 to December 31, 2019), allowing the extension of the construction period. The second permit renewal was approved on June 4, 2019. This renewal extended the project an additional 12 months December 2019 to December 31, 2020). The permit holders were also approved for an extension to the financial commitment period (December 31, 2018 to December 31, 2019).

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of August 31, 2021. This would extend the project's completion date eight months, from December 31, 2020 to August 31, 2021.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project is approximately 98.5% complete. The remaining components include revisions/corrections mandated as part of the IDPH plumbing survey, reinspection, and submittal of all necessary project completion documents.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the project has proceeded with due diligence. However, necessary additions/revisions to the facility design, combined with revisions to the 2020 Illinois plumbing code made it necessary to request a 3rd permit renewal.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate that \$3,318,885 (148%) 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 note the project has deviated from the original permit amount of \$2,238,268, and \$3,318,885 (48% in excess of the approved project cost), has been expended to date.

IV. Project Description & Other Background Information

The permit authorized the establishment of a 12-station ESRD facility on the campus of Provident Hospital of Cook County, in Chicago. Project cost: \$2,238,268.

Permit Issuance Date: November 21, 2017

Project Obligation Date: December 21, 2019

Original Project Completion Date: December 31, 2018
(Submittal of Final Cost Report)

Proposed Project Completion Date: December 31, 2019
(12-month renewal request)

Proposed Project Completion Date: December 31, 2020
(12-month renewal request)

Proposed Project Completion Date: August 31, 2021
(8-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 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.



COOK COUNTY HEALTH

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To: Mr. Michael Constantino
Supervisor, Project Review Section
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Email: mike.constantino@illinois.gov

From: Andrea Gibson 
Interim Chief Business Officer
Cook County Health

Date: December 21, 2020

Memo: **Third Permit Renewal Request for Project 17-017
Provident Dialysis Center**

Dear Mr. Constantino:

On November 21, 2017, Provident Hospital of Cook County ("Provident" "Permit Holders") was approved by the Illinois Health Facilities and Services Review Board (the "Board") to establish a 12-station ESRD facility on the Provident campus in Chicago, Illinois. The original completion date stated in the CON application was December 31, 2018 ("Original Completion Date"). The Permit Holders timely requested its first 12-month permit renewal to extend the Original Completion Date to December 31, 2019 (First Renewal Request"). The Board approved the First Renewal Request on January 15, 2019. Subsequently, the Permit Holders requested a second 12-month permit renewal request to reconcile construction delays and proposed a new completion date of December 31, 2020 ("Second Renewal Request"). The Board approved the Second Renewal Request on June 4, 2019.

Pursuant to 77 Ill. Admin. Code §1130.740, we are requesting a third renewal of the completion date ("Third Renewal"). This rule delineates the following criteria to be considered by the Board when determining whether a permit renewal shall be granted:

- 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 holder's authorized representative that the project's costs and scope comply with the application HFSRB approved and that sufficient financial resources are available to complete the project.

We propose the following information under each criterion:

1. **The requested completion date.** The Permit Holders request that a new completion date of August 31, 2021 be given to complete the Project and file the required notice of completion and costs reports.
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.** The construction of the Project is 98.5% complete. The remaining items to be completed include:
 - Revisions per state plumbing inspection
 - The CMS 855(a) has been submitted and the IDPH survey will be scheduled after occupancy.

This Project was obligated on December 31, 2019. The attached **Exhibit A** shows the funds that have been committed to date.

3. **A statement as to the reasons why the project has not been completed.** We believe this Project has proceeded with “due diligence” as defined under 77 Ill. Admin. Code §1130.140. The COVID-19 pandemic is an unanticipated circumstance. As the pandemic has surged and plateaued most provider projects have been met with reconsideration, regression and a multitude of changes to capital projects. Additionally, certain security and IT elements were left out of the original design and need to be completed. Lastly, the application of the 2020 Plumbing Code as opposed to the prior Plumbing Code that this Project was designed under has resulted in new requirements and therefore added delay. Despite these challenges, the construction of this Project is 98.5% complete. We anticipate occupancy in the next few weeks and the CMS certification to follow.
4. **Confirmatory evidence by the permit holder's authorized representative that the project's costs and scope comply with the application HFSRB approved and that sufficient financial resources are available to complete the project.** First, there has been no change to the scope of this Project. We maintain that we will need 12 stations as approved by the Board. Similarly, the square footage of the Project remains consistent with what was approved by the Board. Secondly, the source of funds allocated to Cash and Securities has not changed. With respect to the overall total project costs, the approved permit costs are \$2,238,268. The total project costs expended to date are approximately 48% over.

Please let us know if you require any other information from us. We are requesting that this Third Renewal be approved by the Board Chair. A check in the amount of \$1,000 has been enclosed.

cc: Courtney Avery
encl: Check # 1405

EXHIBIT A

Project Costs and Sources of Funds - CON APPLICATION 17-017-Provident Dialysis Center

USE OF FUNDS	BUDGETED	EXPENDED TO DATE	PROJECT BALANCE
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts	\$1,299,443.00	\$2,1092,084.00	(\$892,641)
Contingencies	\$130,000.00	\$130,000	\$0.00
Architectural/Engineering Fees	\$108,000.00	\$143,000	(35,000)
Consulting and Other Fees	\$100,000.00	\$66,232.00	\$33,768.00
Movable or Other (not in construction contracts)	\$500,825.00	\$48,024.00	\$452,801.00
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)		\$55,721.00	(\$55,721.00)
Fair Market Value of Leased Space or Equipment		\$683,823.70	(\$683,823.70)
Other Costs to Be Capitalized	\$100,000.00	\$0.00	\$100,000.00
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$2,238,268.00	\$3,318,885.00	(\$1,080,617.00)
SOURCE OF FUNDS			
Cash and Securities	\$2,238,268.00	\$2,635,062.00	(\$396,794.00)
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)		\$683,824.00	(\$683,824.00)
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$ 2,238,268.00	\$3,318,885.00	(\$1,080,617.00)