



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET ITEM: A-06	BOARD MEETING: March 5, 2019	PROJECT NUMBER: 17-024
PERMIT HOLDERS(S): Fresenius Medical Care Holdings, Inc Fresenius Medical Care Springfield East, LLC		
FACILITY NAME and LOCATION: Fresenius Kidney Care Springfield East, Springfield		

STATE BOARD STAFF REPORT **PERMIT RENEWAL REQUEST**

I. Background

On January 9, 2018, the State Board approved Project #17-024. The permit authorized the establishment of a 9-station End Stage Renal Dialysis (ESRD) facility in 7,081 GSF of leased space in Springfield, Illinois. State Board Staff notes the project is obligated and the current project completion date is March 31, 2019. Project cost: \$2,914,837.

State Board Staff notes the permit holders submitted the permit renewal request on February 8, 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 Notes that on June 27, 2018, the project was approved for an alteration to increase the project costs by \$126,000, from \$2,788,837 to \$2,914,837 (4.5%).

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of October 31, 2019. This would extend the project's completion date by seven months, from March 31, 2019 to October 31, 2019.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project is 99% complete. The construction phase is complete, and the facility began treating patients in January 2019. Medicare certification and licensure 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 an initial delay resulted from the need to acquire additional funds for unforeseen expenses, to include an increase in the cost of construction steel. Once the alteration was granted, construction commenced, and the construction phase completed.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate \$2,472,191 (84.8%) 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 altered permit amount of \$2,914,837.

IV. Project Description & Other Background Information

The permit authorized the establishment of a 9-station ESRD facility in 7,081 GSF of leased space, in Springfield. Project cost: \$2,914,837.

Permit Issuance Date:	January 9, 2018
Project Obligation Date:	February 12, 2018
Original Project Completion Date:	March 31, 2019
Proposed Project Completion Date: (7-month renewal request)	October 31, 2019

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.