



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: September 17, 2019	PROJECT NUMBER: 17-047
PERMIT HOLDERS(S): Associates in Nephrology, S.C. d/b/a Vascular Access Centers of Illinois (VACI)		
FACILITY NAME and LOCATION: Vascular Access Centers of Illinois, Chicago		

STATE BOARD STAFF REPORT **PERMIT RENEWAL REQUEST**

I. Background

On January 9, 2018, the State Board approved Project #17-047. The permit authorized the establishment of a single-specialty Ambulatory Surgery Treatment Center (ASTC), in Chicago. The State Agency notes the project is obligated, and the current project completion date is September 30, 2019. Project cost: \$1,207,344.

State Board Staff notes the permit holders submitted the permit renewal request on August 16, 2019. 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 fourth 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 previous renewal requests are noted below:

- 1) February 27, 2018: 6-Month Renewal (3/31/2018 – 9/27/2018)
- 2) October 30, 2018: 8-Month Renewal (9/27/2018 – 5/31/2019)
- 3) April 30, 2019: 4-Month Renewal (5/31/2019 – 9/30/2019)
- 4) Current Request: 9-Month Renewal (9/30/2019 – 6/30/2020)

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of June 30, 2020. This would extend the project's completion date nine months, from September 30, 2019 to June 30, 2020.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the construction phase is complete, and the remaining components include IDPH inspection/certification surveys, and licensure.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the project has proceeded accordingly, but minor issues were identified with the floor plan during an IDPH Life Safety and Construction survey that required remediation. The permit holders were informed these issues would be remediated by the end of April 2019, and be ready for re-inspection by IDPH. During this recent post-construction survey, additional deficiencies were noted, requiring some structural remediation. This renewal request is taken as a cautionary measure to ensure both the contractor has sufficient time to remediate the issue(s), and IDPH has sufficient time to re-inspect the facility.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate that no project funds have been expended to date, due to the project cost involving leased equipment, and rent for leased space. However, the permit holders can attest to the existence of sufficient financial resources to complete the project, and expedient expenditure of funds to purchase the earlier mentioned equipment, once construction is completed.
- E. Anticipated Final Cost of the Project: The permit holders estimate the project will not deviate from the original permit amount of \$1,207,344.

IV. Project Description & Other Background Information

The permit authorized the establishment of a single-specialty ASTC in Chicago. Project cost: \$1,207,344.

Permit Issuance Date: January 9, 2018

Project Obligation Date: March 9, 2019

Original Project Completion Date: March 31, 2018

Proposed Project Completion Date: September 27, 2018

(1st Request 6-month Renewal)

Proposed Project Completion Date: May 31, 2019
(2nd Request 6-Month Renewal)

Proposed Project Completion Date: September 30, 2019
(3rd Request 4-Month Renewal)

Proposed Project Completion Date: June 30, 2020
(4th Request 9-Month Renewal)

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.



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August 16, 2019

VIA FEDEX

Ms. Courtney Avery, Board Administrator
Health Facilities and Services Review Board
Illinois Department of Public Health
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Permit Renewal Request - Vascular Access Centers of Illinois, Chicago Project
#17-047

Dear Courtney:

On January 9, 2018 the Illinois Health Facilities and Services Review Board (HFSRB) approved Project # 17-047 to establish a single specialty Ambulatory Surgical Treatment Center (ASTC) at 1701 W. Monterey Avenue in Chicago, Illinois. Chairwoman Olson approved our request for a permit renewal on February 27, 2018, that extended our project completion date to September 27, 2018. We requested and received a second permit renewal on October 31, 2018, and we requested and received a third permit renewal on April 30, 2019. The purpose of this letter is to request a Permit Renewal pursuant to Ill. Admin. Code 1130.740.

Requested Project Completion Date

The permit holder requests that the HFSRB grant a permit renewal that would establish June 30, 2020 as the project completion date for this project.

Status of the Project

The remaining project components include a post-construction survey and licensure of the facility by the Illinois Department of Public Health (IDPH). During the review process IDPH Division of Life Safety and Construction identified minor issues with the existing floor plan. We were informed by the building owner that the work addressing those issues would be completed by April 2019. That work was completed and a subsequent post-construction survey was scheduled with IDPH Division of Life Safety and Construction. The IDPH survey unit was not able to complete their survey of the facility for several weeks after work was already completed.

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During that post-construction survey, IDPH surveyors identified several new issues that were not previously raised during their plan review. Among the comments made by IDPH surveyors, one in particular will require additional time to complete. It relates to the width of the hallway between the operating room and the recovery area. IDPH regulations require an 8 foot clearance in that space and that facility does not currently meet that requirement.

Given the existing project completion date of September 30, 2019, we are filing this permit renewal request out of an abundance of caution. No project funds have been expended to date as the project's cost consist of leased equipment and rent for the leased space. Upon completion of the construction by the site owner, the permit holder will move forward with expending funds in accordance with the permit letter issued for this project.

Statement Regarding Project Completion

This project involves the establishment of an ASTC that will be dedicated to providing vascular access procedures for existing patients of Associates in Nephrology. These life-sustaining procedures are necessary for patient populations suffering from renal disease. The location of this project was chosen by the applicants as this area has been identified as having a substantial number of patients suffering from renal disease. At this time we have been able to continue serving our patient population in either our office based practices or in hospital surgical suites but each of those options has its own challenges. Completing this project would allow us to meet our commitment to the Board and importantly ensure that our patients are able to have procedures performed in a timely fashion and a cost efficient environment.

This project calls for the permit holder to lease space in an existing structure and for the space to be modernized consistent with IDPH ASTC building standards. Additionally, the permit holder will be required to pass a IDPH survey for the facility before a license will be issued. We continue to remain in contact with the IDPH Division of Life Safety and Construction regarding the project and the next steps to bring the facility into compliance with IDPH ASTC building standards.

This permit renewal request is being sought to allow for enough time for IDPH to schedule and complete their survey and issue the facility an ASTC license. The project size and cost will be in accordance with the permit letter issued by the HFSRB and we do not anticipate the need to alter the project in anyway.

Confirmatory Evidence of Permit Compliance

Attached is an affidavit from P. Kevin Flynn that confirms the permit holders are complying with the scope and costs of the project approved by the HFSRB pursuant to the permit letter issued for this project. Additionally, the aforementioned affidavit confirms that there are sufficient financial resources available to complete this project.

Courtney Avery
August 16, 2019
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If you have any questions or need any additional information regarding the project or this permit renewal request, please feel free to contact me at 312-212-4967. Very truly yours,

BENESCH, FRIEDLANDER,
COPLAN & ARONOFF LLP

A handwritten signature in black ink, appearing to read "Juan Morado, Jr.", with a stylized flourish at the end.

Juan Morado, Jr.

ENCLOSURES

JM:

**State of Illinois
County of Cook**

Verification Statement

I, P. Kevin Flynn, being first duly sworn, on oath, depose and state as follows:

1. I serve as the Chief Financial Officer for the Vascular Access Center of Illinois at Morgan Park, LLC ("VACI").

2. The initial construction of the facility located at 1701 W. Monterey, Chicago, IL 60643 by the site owner took longer than expected. Our project cost for VACI will be in accordance with the permit issued by the Health Facilities and Services Review Board as Project #17-047.

3. Upon submission of our IDPH Project Submission form and review by the Division of Life Safety and Construction, issues were identified that required attention before a life safety survey could be conducted. The issues identified during the plan review have been completed.

4. A life safety survey was conducted by the IDPH Division of Life Safety and Construction and surveyors identified another issue related to width of the hallway between the operating room and the recovery area. We were informed that IDPH regulations for multi-specialty ASTCs require an 8 foot clearance between the operating room and the recovery area. The facility does not currently meet that requirement.

5. We have been informed by the site owner that the work associated with the new issue identified by IDPH during their recent survey is underway.

6. All funding expended for the VACI facility will be in accordance with the permit issued by the Health Facilities and Services Review Board as Project # 17-047.

7. Our initial application for the VACI facility underestimated the time necessary to schedule and complete the IDPH post-construction survey and licensure of the facility.

8. There are sufficient financial resources available to complete Project # 17-047.

Under penalties as provided by law pursuant to § 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he verily believes the same to be true.

 (signature)

8 / 16 / 2019 (date)