



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-02	BOARD MEETING: September 17, 2019	PROJECT NUMBER: 18-027
PERMIT HOLDERS(S): Aghapy Surgical Center, S.C. Dr. George Atia, M.D. S.C.		
FACILITY NAME and LOCATION: Aghapy Surgical Center, Barrington		

STATE BOARD STAFF REPORT **PERMIT RENEWAL REQUEST**

I. Background

On December 4, 2018, the State Board approved Project #18-027. The permit authorized the establishment of a single-specialty Ambulatory Surgery Treatment Center, in Barrington. The State Agency notes the project is not obligated, and the current project completion date is December 31, 2019. Original project cost: \$3,855,000.

State Board Staff notes the permit holders submitted the permit renewal request on August 29, 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 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 on August 29, 2019, the permit holders also sought to alter the permit, increasing the project cost from \$3,855,000 to \$4,038,785 (\$183,785/4.8%), and increase the gross square feet from 4,850 GSF to 4,995 GSF (145 GSF/3%).

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of December 31, 2020. This would extend the project's completion date twelve months, from December 31, 2019 to December 31, 2020.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project was initially approved to establish a single-Specialty ASTC in an existing physician's office, and no initial modernization costs were to be incurred. However, a licensure inspection by IDPH revealed deficiencies with plumbing, electrical, HVAC, and cabinetry components. Work has yet to proceed on these components, pending approval of the permit alteration that accompanies this renewal request.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the pending permit alteration request that is scheduled to be heard at the September meeting as well, is delaying progress on the modernization/remediation process. Once approved, modernization will immediately commence.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate that no modernization funds have been expended to date, and the permit holders 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 \$4,038,785.

IV. Project Description & Other Background Information

The permit authorized the establishment of a single specialty ASTC in Barrington. Project cost: \$4,038,785.

Permit Issuance Date: December 4, 2018

Project Obligation Date: December 4, 2019

Original Project Completion Date: December 31, 2019

Project Alteration: September 17, 2019
Increase Project Cost 4.8%
Increase Project Size 3%

Proposed Project Completion Date: December 31, 2020
(12-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.

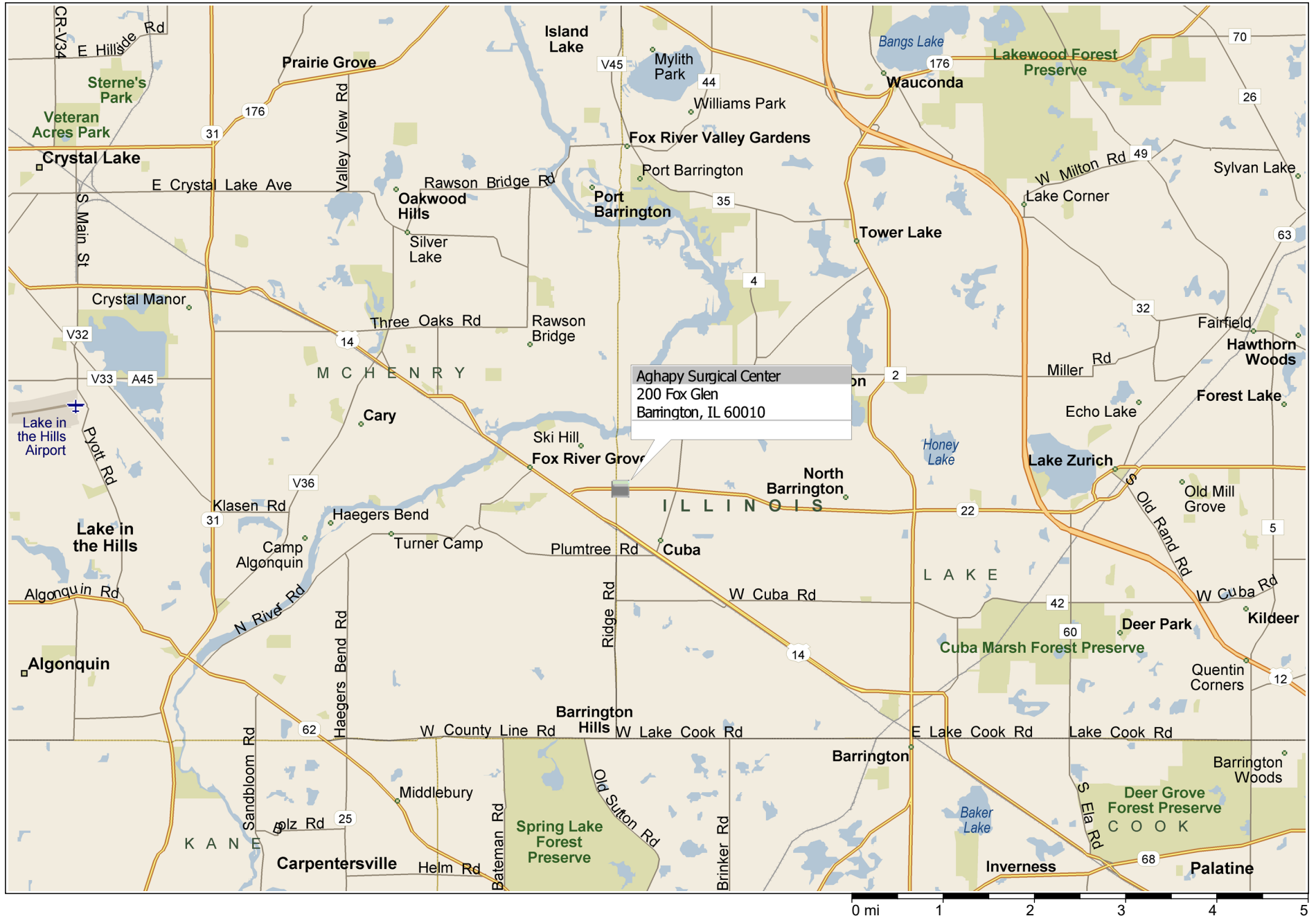
77 IAC 1130.740(c) states that the State Board must be in receipt of a permit renewal request at least 45 days prior to the expiration date of the completion period, and include the following: 1) the requested completion date; 2) a status report on the project detailing what percent has been completed 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.

18-027 Aghapy Surgical Center - Barrington



Daniel J. Lawler
Partner
(312) 214-4861
daniel.lawler@btlaw.com

www.btlaw.com

August 29, 2019

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

Re: First Permit Renewal Request

Project: #18-027, Aghapy Surgical Center, Barrington
Permit Amount: \$3,855,000
Project Square Footage: 4,850 gsf
Current Completion Date: December 31, 2019
Requested Completion Date: December 31, 2020

Dear Ms. Avery:

We are requesting a 12-month extension of the project completion date for Project #18-027 pursuant to 77 Ill. Adm. Code Section 1130.740. This is the first request for permit renewal on this project. A check in the amount of \$500 is included with this letter as the renewal request fee.

1. The requested completion date:

We are requesting a project completion date of December 31, 2020. The current project completion date, per the permit letter, is December 31, 2019. The applicant anticipates completion of the project earlier than December 31, 2020 but is requesting that date to avoid the necessity of requesting a second permit renewal in the event of unexpected delays.

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 project was approved by the Review Board on December 4, 2018 to establish a single specialty (gastroenterology) ambulatory surgical treatment center with two procedure rooms and eight recovery stations at 200 Fox Glen Court, Barrington, Illinois. The project is located in the existing physician practice of the permit holder Dr. George N. Atia, M.D., S.C. d/b/a Illinois Center for Digestive and Liver Health. Most of the project costs were associated with the existing building lease (FMV of \$1.62 million) and equipment lease (FMV of \$2.16 million) which were submitted with the permit application and the project has been financially committed.

The permit holders have proceeded with due diligence on the project. Based on the funds committed by the building and equipment leases, the project is financially committed, and the equipment is on site. The only outstanding items for project completion are those requested by IDPH following the post-permit site inspection.

3. A statement as to the reasons why the project has not been completed:

The project is located in the existing physician practice of the permit holder Dr. George N. Atia, M.D., S.C. d/b/a Illinois Center for Digestive and Liver Health. The building, which was built over ten years ago, was initially designed to ASTC licensing standards at the time. Following permit approval, certain modifications to the space were requested by IDPH following a survey of the premises. Those modifications related to, among other things, plumbing, electrical, HVAC and cabinetry. A corresponding alteration request is also being submitted with this permit renewal to seek approval for an increase in the project costs to address the modifications requested by IDPH.

4. Confirmatory evidence by the permit holder's authorized representative that the project's costs and scope are in compliance with what HFSRB approved and that sufficient financial resources are available to complete the project:

The undersigned authorized representative of the permit holders attests that the project's costs and scope are in compliance with what HFSRB approved and that sufficient financial resources are available to complete the project. The modifications requested by IDPH will increase the project cost by \$183,785 (subject to HFSRB approval of the applicant's permit alteration submitted with this permit renewal request). The additional project cost will be funded from the operation of the applicant's existing gastroenterology practice.

If you have any questions, please feel free to contact me.

Sincerely,

BARNES & THORNBURG LLP



Daniel J. Lawler

Enclosures

cc: Mike Constantino, Lead Project Reviewer