



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: December 14, 2021	PROJECT NUMBER: 18-042
PERMIT HOLDERS(S): Quincy Physicians & Surgeons Clinic, S.C. d/b/a Quincy Medical Group		
FACILITY NAME and LOCATION: Quincy Medical Group Surgery Center, Quincy		

CORRECTION
STATE BOARD STAFF REPORT
PERMIT RENEWAL REQUEST

I. Background

On April 30, 2019, the State Board approved Project #18-042. The permit authorized the establishment of a multi-specialty Ambulatory Surgery Treatment Center (ASTC) in 26,850 GSF of newly constructed space in Quincy, Illinois. State Board Staff notes the project is obligated and the current project completion date is ~~March 1, 2021~~ **September 1, 2021**. Project cost: \$20,885,391.

State Board Staff notes the permit holders submitted the permit renewal request on November 23, 2021. This submittal was not 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, and a \$500.00 late fee, accompanied the renewal request.

II. Findings

State Board Staff notes this is the second renewal request for this project and the permit holders have submitted all of the information required in Section 1130.740 for a permit renewal. State Board Staff notes that on January 11, 2021, the permit holders submitted a permit alteration request to increase the line item for moveable equipment costs by \$1,366,333, or 6.99% of the over all project cost. The overall project cost increased from \$19,519,058 to \$20,885,391. State Board Staff notes that on February 24, 2021, the permit holders were granted their first six-month permit renewal, extending the project completion date from March 1, 2021 to September 1, 2021.

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of December 31, 2021. This would extend the project's completion date by four months, from ~~March 1, 2021~~ to ~~September 1, 2021~~ **December 31, 2021.**
- B. Status of the Project and Components Yet to be Finished: The permit holders state the ASTC is licensed and operational. The only remaining component is an audited financial report for project close-out.
- 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 state the reporting process has experienced delays due the QMG/Duly change of ownership transaction, which has slowed the auditors in their reporting process.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate the entirety (100%) of the total project funds have been expended to date and can attest to the existence of sufficient financial resources to complete the project reporting process.
- E. Anticipated Final Cost of the Project: The permit holders estimate the project will not deviate from the altered permit amount of \$20,885,391.

IV. Project Description & Other Background Information

The permit authorized the establishment of a multi-specialty ASTC in 26,850 GSF of newly-constructed space in Quincy. Project cost: \$20,885,391.

Permit Issuance Date: April 30, 2019

Project Obligation Date: May 27, 2020

Original Project Completion Date: March 1, 2021

Proposed Project Completion Date: September 1, 2021
(6-month renewal request)

Proposed Project Completion Date: December 31, 2021
(4-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, 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.



November 19, 2021

Via Federal Express
Via Email

Ms. Debra Savage
Chair
Illinois Health Facilities and Services Review
Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

**Re: Quincy Medical Group Surgery Center (Proj. No. 18-042)
Permit Renewal Request**

Dear Ms. Savage:

I am writing on behalf of Quincy Physicians & Surgeons Clinic, S.C. d/b/a Quincy Medical Group ("QMG") to request a 4-month extension of the completion date for Project No. 18-042 (Quincy Medical Group Surgery Center). On April 30, 2019, the Illinois Health Facilities and Services Review Board (the "HFSRB") approved QMG's certificate of need application to establish an ambulatory surgical treatment center ("ASTC") located at 3347 Broadway, Quincy, Illinois (the "Project"). The ASTC is licensed; however due to the fact the total project costs exceed three times the capital expenditure minimum in place at the time of permit approval, an audited financial report of all project costs and sources of funds is required. Due to the QMG/Duly transaction, things have slowed and the auditors requested additional time beyond the November 30, 2021 deadline to complete the ASTC final cost audit. Accordingly, QMG respectfully requests a 4-month renewal of the Project permit and a new project completion date of December 31, 2021.

1. Requested Project Completion Date

The Permit Holders request the HFSRB grant a 4-month renewal of the Project permit and establish December 31, 2021 as the new project completion date.

2. Status of the Project



The ASTC is licensed; however due to the fact the total project costs exceed three times the capital expenditure minimum in place at the time of permit approval, an audited financial report of all project costs and sources of funds is required. Due to the QMG/Duly transaction, things have slowed and the auditors requested additional time beyond the November 30, 2021 deadline to complete the ASTC final cost audit.

3. Statement Regarding Completion of the Project

The ASTC is licensed. Due to the QMG/Duly transaction, things have slowed and the auditors requested additional time beyond the November 30, 2021 deadline to complete the ASTC final cost audit.

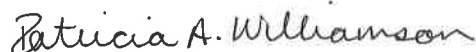
4. Confirmatory Evidence of Project Compliance

I hereby certify, pursuant to 77 Ill. Admin. Code §1130.740, QMG's compliance with the project approved by the HFSRB pursuant to Project Permit #18-042.

Based on the above information, which is provided to the HFSRB in compliance with Section 1130.740 of the Illinois Administrative Code, QMG formally requests a 4-month renewal of its permit for Project #18-042 and a new project completion date of December 31, 2021.

If you need any additional information or have any questions regarding the status of the project, please feel free to contact me.

Sincerely,



Patricia Williamson
Chief Financial Officer
Quincy Medical Group