



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET NO: D-01	BOARD MEETING: March 15, 2022	PROJECT NUMBER: #19-057
PERMIT HOLDERS(S): OSF Healthcare System d/b/a OSF Saint Francis Medical Center		
FACILITY NAME and LOCATION: OSF Saint Francis Medical Center Comprehensive Cancer Center, Peoria		

DESCRIPTION: The State Board is being asked to consider an Alteration to Permit #19-057 in accordance with 77 IAC 1130.750 – Alteration of the Project. This is the first alteration to this project.



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STATE BOARD STAFF REPORT **PERMIT ALTERATION REQUEST**

Project #19-057

I. Project Description and Background Information

On February 26, 2020, the Permit Holder was approved to establish a Comprehensive Cancer Center in 475,952 GSF of space, in Peoria. The approved permit amount was \$237,063,813, and the project completion date is June 30, 2024.

Subsequently the Permit Holder contacted the State Board and informed the State Board that the Application for Permit did not include 54,580 GSF of space designated for a parking deck for patient/staff vehicles. Additional non-reviewable considerations to support the parking structure increased the total spatial increase to 76,383 GSF (16% increase). This additional space did not increase the cost of the project from the original approved amount. The Permit Holder submitted a Declaratory Request asking the State Board to allow the increase in gross square footage.

At the December 2021 State Board Meeting the State Board determined that an increase, more than 5%, of the approved gross square footage in the certificate of need permit requires additional approval by the Board and an alteration request was required to be filed.

II. Alteration to Permit

The Permit Holders are asking the State Board to allow the Comprehensive Cancer Center to increase the total gross square feet by 16% from 475,952 GSF to 552,335 GSF or 76,383 GSF. There is no increase in the project costs as result of this gross square footage increase. The table below outlines the approved permit amount and the alteration request.

TABLE ONE				
Approved Gross Square Footage and Proposed Alteration				
	Approved	Alteration	Difference	% Difference
Cancer Care Center	475,952	552,335	76,383	16%
Total	475,952	552,335	76,383	16%

III. State Board Staff Review

- A. The State Board Staff finds the proposed Alteration in conformance with 77 ILAC 1130.750 - Alteration to Permit.

TABLE TWO
OSF Comprehensive Cancer Center

	Costs				Square Footage			
	Original	Revised	Difference		Original	Revised	Difference	% Difference
Infusion	\$19,222,973	\$19,222,973	\$0	0.00%	11,213	10,754	-459	-4.09%
Multi-Disciplinary	\$9,236,902	\$9,236,902	\$0	0.00%	5,388	5,167	-221	-4.10%
Imaging	\$11,156,971	\$11,156,971	\$0	0.00%	6,508	6,509	1	0.02%
Lab/Blood Draw	\$2,732,669	\$2,732,669	\$0	0.00%	1,594	1,594	0	0.00%
Proton & Brach.	\$44,146,151	\$44,146,151	\$0	0.00%	24,703	24,646	-57	-0.23%
Reviewable	\$86,495,666	\$86,495,666	\$0	0.00%	49,406	48,670	-736	-1.49%
Non-Reviewable	Original	Revised	Difference	% Difference	Original	Revised	Difference	% Difference
Infusion	\$3,485,104	\$2,684,657	-\$800,447	-22.97%	9,873	9,468	-405	-4.10%
Multi-Disciplinary	\$2,737,111	\$2,108,483	-\$628,628	-22.97%	7,754	7,436	-318	-4.10%
Cancer Conferences	\$1,937,581	\$1,556,409	-\$381,172	-19.67%	5,489	5,489	0	0.00%
P/A Support	\$4,352,762	\$3,496,746	-\$856,016	-19.67%	12,331	12,332	0	0.00%
Imaging	\$2,541,553	\$2,041,848	-\$499,705	-19.66%	7,200	7,201	0	0.00%
Proton/Brachytherapy	\$4,834,245	\$3,716,498	-\$1,117,747	-23.12%	13,695	13,107	-588	-4.29%
Shared Services	\$1,192,059	\$916,436	-\$275,623	-23.12%	3,377	3,232	-145	-4.29%
Physician Offices (Shell)	\$11,860,580	\$8,843,944	-\$3,016,636	-25.43%	33,600	31,190	-2,410	-7.17%
Research (Shell)	\$11,860,580	\$8,832,602	-\$3,027,978	-25.53%	33,600	31,150	-2,450	-7.29%
Parking Deck	\$104,839,057	\$103,690,726	-\$1,148,331	-1.10%	297,000	351,580	54,580	18.38%
Penthouse	\$0	\$4,827,449	\$4,827,449	100.00%	0	17,025	17,025	0.00%
Bridge	\$0	\$2,300,000	\$2,300,000	100.00%	0	2,260	2,260	0.00%
Tunnel	\$0	\$3,400,000	\$3,400,000	100.00%	0	4,605	4,605	0.00%
Tunnel Mezzanine	\$0	\$1,711,228	\$1,711,228	100.00%	0	6,035	6,035	0.00%
Egress Mezzanine	\$0	\$440,921	\$440,921	100.00%	0	1,555	1,555	0.00%
Contingency	\$927,667	\$0	-\$927,667	-100.00%	2,627	0	-2,627	-100.00%
Total Non-Reviewable	\$150,567,947	\$150,567,947	\$0	0.00%	426,546	503,665	77,119	18.08%
Total	\$237,063,613	\$237,063,613	\$0	0.00%	475,952	552,335	76,383	16.05%

IV. Project Status

The project has been financially committed and to date approximately 25% of the project has been completed with an expenditure to date of approximately \$64.3 million.

V. Alteration Rules

The Health Facilities Planning Act (20 ILCS 3960) states: *“Projects may deviate from the costs, fees, and expenses provided in their project cost information for the project's cost components, provided that the final total project cost does not exceed the approved permit amount. Project alterations shall not increase the total approved permit amount by more than the limit set forth under the Board's rules.”*

The Limits are outlined below.

Section 1130.750 -Alteration of Post-Permit Projects

a) Applicability

- 1) Permit holders shall report all alterations to HFSRB before executing the alteration. Some proposed alterations require HFSRB approval, and some are prohibited. Proposed alterations that are not cited under these two categories require only written notification to HFSRB prior to execution.
- 2) Any change after the permit is issued may constitute an alteration. Permit holders shall report all alterations to HFSRB before the alteration is executed.
- 3) The alteration requirements are applicable only to projects with open permits (approved projects that are not yet completed).
- 4) Alteration provisions are valid only for the projects defined and approved in the permit.
- 5) A project with a permit can be altered any time between the date of permit issuance and project completion.
- 6) All alterations requiring HFSRB action shall be reviewed and approved on a cumulative basis. More than one alteration can be reviewed and approved during the life of a project; however, the limits on alterations shall be applied cumulatively for a single permit.

b) Limits on Allowable Alterations Requiring HFSRB Approval

The cumulative effect of alterations to a project shall not exceed the following:

- 1) a change in the approved number of beds or stations, provided that the change would not independently require a permit or exemption from HFSRB.
 - 2) abandonment of an approved category of service established under the permit.
 - 3) any increase in the square footage of the project up to 5% of the approved gross square footage.
 - 4) any decrease in square footage greater than 5% of the project.
 - 5) any increase in the cost of the project not to exceed 7% of the total project cost. This alteration may exceed the capital expenditure minimum in place when the permit was issued if it does not exceed 7% of the total project cost.
 - 6) any increase in the amount of funds to be borrowed for those permit holders that have not documented a bond rating of "A-" or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18-month period prior to the submittal of the application).
- c) **Prohibited Alterations**
Notwithstanding the provisions of subsection (b), the following alterations are not allowed and, if incurred, invalidate the permit:
- 1) an increase in the total project cost that exceeds 7% of the permit amount.
 - 2) an increase in the project's gross square footage that exceeds 5% of the project's approved gross square footage, unless that increase is required or mandated by local, State, or federal building or life safety requirements that were not in effect at the time of permit issuance.
 - 3) any other change in the project's scope or funding that would independently require a CON permit or exemption.

VI. Other information

Attached is a copy of the Permit Holder's alteration request and the recent annual report.



150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606 • (312) 819-1900

December 27, 2021

Via Federal Express
Via E-Mail

Anne M. Cooper
312.873.3606
312.276.4317 Fax
acooper@polsinelli.com

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review
Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

**Re: OSF Saint Francis Medical Center Comprehensive Cancer Center
(Proj. No. 19-057)
Permit Alteration Request**

Dear Ms. Avery:

Pursuant to Section 1130.750 of the Illinois Health Facilities and Services Review Board ("HFSRB") rules, I am writing on behalf of OSF Healthcare System d/b/a OSF Saint Francis Medical Center ("OSF") to advise of a planned change in non-clinical square footage to the above referenced project. As you are aware, the HFSRB approved the OSF's application to establish a comprehensive cancer center and adjacent parking structure to be located at located on the campus of OSF Saint Francis Medical Center in Peoria (the "Project"). During the course of design, alterations were made to the parking structure as well as the tunnels and penthouse. The design modifications have changed the gross square footage of non-reviewable areas of the project. The modification to the parking structure provides more driving surface to expedite traffic flow in the parking structure. The speed ramps that were added to the design allow for safer and quicker vertical transitions to and from parking spaces within the structure. This design differs from other common parking structures that require vehicles to circumnavigate the interior of the structure to move vertically to access parking spaces. Due to how parking structures are designed the speed ramps which are similar to roadways are included in the gross square footage of the parking structure. There is no change in the approved project costs.

For your review, I have attached the following documents:

- Attachment – 9 (Cost Space Requirements)
- Attachment – 36C (Cost and Gross Square Feet by Department)

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Ms. Courtney Avery
December 27, 2021
Page 2

Based on the vote and direction of the HFSRB on December 14, 2021, we are submitting the request for alteration and understand that the HFSRB will permit this planned alteration that only impacts non-clinical space.

By this letter, OSF requests the HFSRB Chair to approve this alteration. Please let me know if you have further questions.

Sincerely,

A handwritten signature in black ink that reads "Anne M. Cooper".

Anne M. Cooper

cc: Mark Hohulin

Attachments

Section I, Identification, General Information, and Certification
Cost Space Requirements

Dept. / Area	Cost	Reported in CON Application	Revised	Change
CLINICAL				
Infusion	\$19,222,973	11,213	10,754	-459
Multi-Disciplinary	\$9,236,902	5,388	5,167	-221
Imaging	\$11,156,971	6,508	6,509	1
Lab/Blood Draw	\$2,732,669	1,594	1,594	0
Proton & Brachytherapy	\$44,146,151	24,703	24,646	-57
Total Clinical	\$86,495,666	49,406	48,670	-736
NON REVIEWABLE				
Infusion	\$2,684,657	9,873	9,468	-405
Multi-Disciplinary	\$2,108,483	7,754	7,436	-318
Cancer Conferences	\$1,556,409	5,489	5,489	0
Public/Amenities/ Support	\$3,496,746	12,331	12,332	1
Imaging	\$2,041,848	7,200	7,201	1
Proton & Brachytherapy	\$3,716,498	13,695	13,107	-588
Shared Services	\$916,436	3,377	3,232	-145
Physician Offices (Shell)	\$8,843,944	33,600	31,190	-2,410
Research (Shell)	\$8,832,602	33,600	31,150	-2,450
Contingency	\$0	2,627	0	-2,627
Parking Deck	\$103,690,726	297,000	351,580	54,580
Penthouse	\$4,827,449		17,025	17,025
Bridge	\$2,300,000		2,260	2,260
Tunnel	\$3,400,000		4,605	4,605
Tunnel Mezzanine	\$1,711,228		6,035	6,035
Egress Mezzanine	\$440,921		1,555	1,555
Total Non-Reviewable	\$150,567,947	426,546	503,665	77,119
TOTAL	\$237,063,613	475,952	552,335	76,383

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(c), Reasonableness of Project and Related Costs

1. The Cost and Gross Square Feet by Department is provided in the table below.

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below) CLINICAL	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New Mod.		Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)	Mod. \$ (B x E)	
CLINICAL									
Proton Beam	\$402.07		24,646				\$9,909,373		\$9,909,373
Infusion Therapy	\$401.24		10,754				\$4,314,931		\$4,314,931
Imaging	\$384.75		6,509				\$2,504,377		\$2,504,377
Multi- Disciplinary	\$401.27		5,167				\$2,073,383		\$2,073,383
Lab/Blood Draw	\$384.81		1,594				\$613,395		\$613,395
Contingency	\$39.58		48,670				\$1,926,583		\$1,926,583
TOTAL CLINICAL	\$438.51		48,670				\$21,342,042		\$21,342,042
NON- CLINICAL									
Proton Beam	\$205.06		13,107				\$2,687,741		\$2,687,741
Infusion Therapy	\$205.06		9,468				\$1,941,522		\$1,941,522
Imaging	\$205.06		7,201				\$1,476,648		\$1,476,648
Multi- Disciplinary	\$205.06		7,436				\$1,524,837		\$1,524,837
Cancer Conference	\$205.06		5,489				\$1,125,582		\$1,125,582
Public/ Amenities/ Support	\$205.06		12,332				\$2,528,818		\$2,528,818
Shared Services	\$205.06		3,232				\$662,759		\$662,759
Physicians' Office (Shell)	\$334.82		31,190				\$10,443,036		\$10,443,036
Research (Shell)	\$334.81		31,150				\$10,429,643		\$10,429,643

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below) CLINICAL	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot Mod.	New	Gross Sq. Ft. New Circ.*			Gross Sq. Ft. Mod. Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Parking Deck	\$205.06		351,580				\$72,095,510		\$72,095,510
Penthouse	\$205.06		17,025				\$3,491,171		\$3,491,171
Bridge	\$205.06		2,260				\$463,439		\$463,439
Tunnel	\$205.06		4,605				\$944,308		\$944,308
Tunnel Mezzanine	\$205.06		6,035				\$1,237,545		\$1,237,545
Egress Mezzanine	\$205.06		1,555				\$318,871		\$318,871
Contingency	\$4.12		503,665				\$2,075,117		\$2,075,117
TOTAL NON- CLINICAL	\$265.97		503,665				\$113,446,547		\$113,446,547
TOTAL	\$282.58		552,335				\$134,788,589		\$134,788,589
* Include the percentage (%) of space for circulation									



OSF[®] HEALTHCARE

February 8, 2022

Debra Savage, Chairperson
Illinois Health Facilities and Services Review Board
525 West Jefferson, 2nd Floor
Springfield, IL 62761

RE: Notice of Financial Commitment and Annual Progress Report
OSF Healthcare System d/b/a OSF Saint Francis Medical Center
Establish a Comprehensive Cancer Center, CON #19-057

Dear Ms. Savage:

The purpose of this letter is to notify you that on November 20, 2020, OSF Healthcare System d/b/a OSF Saint Francis Medical Center obligated Establishment of a Comprehensive Cancer Center.

This project was approved by the HFSRB on February 25, 2020 in the amount of \$237,063,813. OSF Saint Francis Medical Center signed a construction contract with POINTCORE Construction and expended other capital costs. With the signing of the contract approximately 78 % of the approved project costs have been financially committed. This is consistent with the approved project scope and the requirements of Section 1130.720 of the rules which requires "projects for construction, establishment, or modification shall be financially committed by expending or committing to expend at least 33% of the total project cost no later 24 months" (for major construction projects).

This letter is also being submitted in compliance with State Board Rule 1130.760, which provides that a CON permit holder must submit an annual report or project status report to the Illinois Health Facilities and Services Review Board.

As stated above, OSF Saint Francis Medical Center received approval on February 25, 2020 with respect to the Establishment of a Comprehensive Cancer Center. All data submitted is through February 2, 2022.

1. Current status of project, including the percentage of the project finished, components yet to be finished and any changes to scope or project size:
 - Demolition is 95% complete
 - Site Preparation is 65% complete
 - Construction of the new building is 15% complete
 - Construction of parking deck is 5% complete

2. The project cost expended to date is \$64,228,306.00
3. The project overall is currently 25% complete
4. The anticipated date of completion is to occur by the permitted completion date of June 30, 2024
5. The method of financing and project source of funds is bond issuance

If you have any further questions, please contact me at 309-655-7796 or at robert.g.anderson@osfhealthcare.org.

Sincerely,



Robert G. Anderson
President

c: Mike Constantino
Michael Henderson
Mark Hohulin
Patrick Barrett
Robert Mixson
Kara Friedman