



STATE OF ILLINOIS  
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

MEMORANDUM

**RECEIVED**

DEC 19 2012

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

TO: Mike Constantino, Chief - Program Review Section  
Division of Health Systems Development

FROM: Dale Galassie, Chairman  
Illinois Health Facilities and Services Review Board

RE: Permit Renewal Request for Project # 10-068

Facility: DaVita Mt. Vernon Dialysis, Mt. Vernon

This is to advise you that I have reviewed the above-captioned permit renewal request within the requirements in 77 IAC 1130.740 and have determined the following:

  f   The request is in compliance with the requirements in 77 IAC 1130.740 and the renewal request is approved.

       This request is to be reviewed by the Health Facilities Planning Board.

       This request is DENIED effective \_\_\_\_\_ because it does NOT comply with the requirements specified in 77 IAC 1130.740.

       Other actions as follows:

12-13-12

Dale Galassie, Chairman  
Illinois Health Facilities and  
Services Review Board

Date



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<b>DOCKET ITEM:</b> NA	<b>BOARD MEETING:</b> NA	<b>PROJECT NUMBER:</b> 10-068
<b>PERMIT HOLDERS(S):</b> DaVita, Inc. Renal Life, Inc. d/b/a Mt. Vernon Dialysis		
<b>FACILITY NAME and LOCATION:</b> Mt. Vernon Dialysis. Mt. Vernon		

**STATE AGENCY REPORT**  
**PERMIT RENEWAL REQUEST**

**I. Background**

On December 14, 2010, the State Board approved Project #10-068. The permit authorized the discontinuation of a 14-station End Stage Renal Dialysis (ESRD) facility in Mt. Vernon, and the re-establishment of a 16-station replacement facility in the same city. The State Agency notes the project is obligated, and the current project completion date is January 30, 2013. Project cost: \$2,588,801.

The State Agency notes the permit holders submitted the permit renewal request on December 3, 2012. This submittal was in accordance with 77 IAC 1130.740(d), which states that renewal requests must be received by the State Agency at least 45 days prior to the permit expiration date. A \$500.00 permit renewal fee accompanied the renewal request.

**II. Findings**

The State Agency notes this is the first renewal request for this project and it appears the permit holders have submitted all of the information required in Section 1130.740 for a permit renewal.

### III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of October 31, 2013. This would extend the project's completion date by nine months, from January 30, 2013 to October 31, 2013.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project is approximately 65% complete. The shell building is finished, and interior construction is expected to be completed in the next few months. Remaining components involve the Medicare certification survey, and Medicare enrollment documentation, which is expected to take four to six months.
- 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 extended negotiations with the landlord at the replacement site resulted in delays in the signing of the lease and subsequent delivery of the building shell/commencement of the construction phase.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate \$176,709 (6.9% of the total project cost), has been expended to date and the existence of sufficient financial resources to complete the proposed transaction.
- E. Anticipated Final Cost of the Project: The permit holders estimate the project will not deviate from the originally approved permit amount of \$2,588,801.

### IV. Project Description & Other Background Information

The permit authorized the discontinuation of an existing 14-station ESRD facility and the establishment of a 16-station replacement facility in Mt. Vernon. Project cost: \$2,588,801.

Permit Issuance Date: December 14, 2010

Original Project Completion Date: January 30, 2013

Project Obligation Date: May 10, 2012

Proposed Project Completion Date: October 31, 2013

**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 1130.740(b) 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(c) states that a permit renewal will commence on the expiration date of the original or renewed completion period.

77 IAC 1130.740(d) 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(e) states IDPH will review the request and prepare a report of its findings. If the findings are that the request is in conformance with all HFPB criteria, and if this is the first request for this project, then the request, IDPH's findings, and all related documentation shall be sent to the Chairman. The Chairman, acting on behalf of HFPB, will approve, deny or refer the request to the HFPB for action. If IDPH 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 HFPB for action, then HFPB 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 HFPB's Notice of Intent to revoke a permit and the permit holders will be afforded an opportunity for an administrative hearing.

**VI. Other Information**

**Permit Renewal Request**

**Project #10-068**

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Appended to this report are the following: the permit holders' documents for a permit renewal, and a copy of the original State Agency Report.