

DOCKET ITEM: A-01	BOARD MEETING: June 20, 2017	PROJECT NUMBER: 15-005
PERMIT HOLDERS(S): Presence Lakeshore Gastroenterology, LLC Presence Holy Family Medical Center Presence Health		
FACILITY NAME and LOCATION: Presence Lakeshore Gastroenterology, Des Plaines		

STATE AGENCY REPORT
PERMIT RENEWAL REQUEST

I. Background

On August 25, 2015, the State Board approved Project #15-005. The permit authorized the establishment of a limited specialty Ambulatory Surgery Treatment Center (ASTC), in Des Plaines. The State Agency notes the project is obligated, and the current project completion date is June 30, 2017. Current project cost: \$3,082,422.

The State Agency notes the permit holders submitted the permit renewal request on June 12, 2017. This submittal was **not** 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, and a \$500.00 late filing fee accompanied the renewal request.

II. Findings

The State Agency notes this is the second renewal request for this project. On December 23, 2015, the permit holders received an 18-month permit renewal for the project (12/31/15-6/30/17). Board Staff notes the application was initially modified in May 2015, reducing the overall project cost by 8%, from \$3,153,640 to \$2,898,522. On March 1, 2016, the permit was approved for an alteration, increasing the project cost to \$3,082,422, and the project size to 3,587 GSF. It appears the permit holders have submitted all of the information required in Section 1130.740 for a permit renewal.

IV. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of December 31, 2017. This would extend the project's completion date by six months, from June 30, 2017 to December 31, 2017.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project is essentially complete. The initial Life Safety Code inspection has been completed, and issues are being identified and corrected. The permit holders are waiting to be re-inspected for Life Safety, and await the initial nursing inspection from IDPH.
- 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 attest that the project is essentially complete, with the remaining components involving inspection and certifications. The permit holder anticipate immediate re-inspection and request the additional time as a precautionary measure to ensure compliance with the State Board.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate \$2,928,301 (95% of the total project cost), has been expended to date and 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 \$3,082,422.

V. Project Description & Other Background Information

The permit authorized the establishment of a limited specialty ASTC, specializing in gastroenterology procedures, in Des Plaines. Project cost: \$3,082,422.

Permit Issuance Date:	August 25, 2015
Modification of Application:	May 5, 2015
Project Obligation Date:	October 9, 2015
Original Project Completion Date:	December 31, 2015
First Permit Renewal Request: (18-month renewal request)	June 30, 2017

Alteration of Project: March 1, 2016
(Increase in project cost/size)

Second Permit Renewal Request: December 31, 2017
(6-month renewal request)

VI. 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, 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 that the State Board will review the request and prepare a report of its findings. If the findings are that the request is in conformance with all State Board criteria, and if this is the first request for this project, then the request, State Board staff's findings, and all related documentation shall be sent to the Chairman. The Chairman, acting on behalf of the State Board, will approve, deny or refer the request to the State Board for action. If State Board staff finds that all criteria are not positive, if this is not the first request for this project, or if the Chairman refers this to the State Board for action, then the State Board 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 the State Board's Notice of Intent to revoke a permit and the permit holders will be afforded an opportunity for an administrative hearing.

VII. Other Information

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