



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-07	BOARD MEETING: June 4, 2019	PROJECT NUMBER: 17-016
PERMIT HOLDERS(S): DaVita, Inc. DuPage Medical Group, Ltd. Avertail Dialysis, LLC		
FACILITY NAME and LOCATION: Salt Creek Dialysis, Villa Park		

STATE BOARD STAFF REPORT
PERMIT RENEWAL REQUEST

I. Background

On June 5, 2018, the State Board approved Project #17-016. The permit authorized the establishment of a 12-station End Stage Renal Dialysis (ESRD) facility in Villa Park, Illinois. The State Agency notes the project is obligated, and the current project completion date is June 30, 2019. Project cost: \$3,834,316.

State Board Staff notes the permit holders submitted the permit renewal request on May 10, 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.

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of December 31, 2019. This would extend the project's completion date by six months, from June 30, 2019 to December 31, 2019.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the construction phase of the project is complete, a certificate of occupancy was secured on December 18, 2018, and the facility treated its first patient on April 1, 2019. The following project components remain:
- Medicare certification.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the project has proceeded with due diligence. The permit holders are requesting the additional time to allow for the Medicare certification process, which in relation to previous projects, has taken 6 months.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate approximately \$1,818,331 (47.4% 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 approved permit amount of \$3,834,316.

IV. Project Description & Other Background Information

The permit authorized the establishment of a 12-station ESRD facility in Villa Park, Illinois.
Project cost: \$3,834,316.

Permit Issuance Date:	June 5, 2018
Project Obligation Date:	December 21, 2018
Original Project Completion Date:	June 30, 2019
Proposed Project Completion Date: (6-month renewal request)	December 31, 2019

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.



RECEIVED

MAY 10 2019

HEALTH FACILITIES & SERVICES REVIEW BOARD

May 6, 2019

RECEIVED

MAY 10 2019

HEALTH FACILITIES & SERVICES REVIEW BOARD

FEDERAL EXPRESS

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

Re: Permit Renewal Request – Salt Creek Dialysis (Proj. No. 17-016)

Dear Ms. Avery:

I am writing on behalf of DaVita Inc., DuPage Medical Group, Ltd. and Avertrail Dialysis, LLC (collectively, the “Permit Holders”) to request a 6 month extension of the completion date for Project No. 17-016 (Salt Creek Dialysis). On June 5, 2018, the Illinois Health Facilities and Services Review Board (“HFSRB”) approved the Permit Holders’ certificate of need application for the establishment of a 12 station dialysis clinic to be located at 196 West North Avenue, Villa Park, Illinois (the “Project”). While construction is complete, the facility is awaiting Medicare certification, which the Permit Holders anticipate may take an additional six months. Accordingly, the Permit Holders respectfully request a six month renewal of the Project permit and a new project completion date of December 31, 2019.

1. Requested Project Completion Date

The Permit Holders request the HFSRB grant a six month renewal of the Project permit and establish December 31, 2019 as the new project completion date.

2. Status of the Project

Construction is complete and a certificate of occupancy was received on December 18, 2018. First treatment occurred on April 1, 2019, and the facility is presently awaiting Medicare certification. Based on recent experience, the Permit Holders anticipate it may take an additional six months for Medicare certification. Therefore, to allow sufficient time to complete the Project, the Permit Holders requests a six month renewal of the Project permit.

To date, the Permit Holders have expended \$1,818,331 on the Project.

3. Statement Regarding Completion of the Project

Construction is complete. To ensure adequate time to allow for Medicare survey and certification of the Salt Creek Dialysis clinic, the Permit Holders respectfully request a six month renewal of the Project permit.

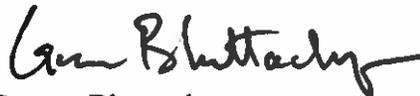
4. Confirmatory Evidence of Project Compliance

I hereby certify, pursuant to 77 Ill. Admin. Code §1130.740, Permit Holders' compliance with the scope and costs of the project approved by the HFSRB pursuant to Project Permit #17-016.

Based on the above information, which is provided to the HFSRB in compliance with Section 1130.740 of the Illinois Administrative Code, the Permit Holders formally request a six month renewal of their permit for Project #17-016 and a new project completion date of December 31, 2019.

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

Sincerely,



Gaurav Bhattacharyya
Division Vice President
DaVita Inc.

Subscribed and sworn to me
This 7th day of May, 2019



Notary Public

