



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-01	BOARD MEETING: January 15, 2019	PROJECT NUMBER: 17-018
PERMIT HOLDERS(S): Nephrology Associates of Northern Illinois, Ltd. (NANI) DuPage Vascular Care, LLC		
FACILITY NAME and LOCATION: DuPage Vascular Care, LLC		

STATE BOARD STAFF REPORT PERMIT RENEWAL REQUEST

I. Background

On September 26, 2017, the State Board approved Project #17-018. The permit authorized the establishment of a single-specialty Ambulatory Surgery Treatment Center (ASTC), in Woodridge. The State Agency notes the project is obligated, and the current project completion date is December 1, 2018. Project cost: \$1,107,044.

State Board Staff notes the permit holders submitted the permit renewal request on November 30, 2018. This submittal was **not** 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, and a \$500.00 late 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 1, 2020. This would extend the project's completion date twenty-four months, from December 1, 2018 to December 1, 2020.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project is approximately 5% complete, with all construction and IDPH inspection/certification/licensure remaining.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the project has proceeded with due diligence. However, issues involving the selection and engagement of a general contractor remain. Once a new general contractor is selected, construction is expected to commence.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate that \$219,156 (19.7%) of project funds have 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 original permit amount of \$1,107,044.

IV. Project Description & Other Background Information

The permit authorized the establishment of a single-specialty ASTC in Woodridge. Project cost: \$1,107,044.

Permit Issuance Date: September 26, 2017

Project Obligation Date: October 26, 2018

Original Project Completion Date: December 1, 2018
(Submittal of Final Cost Report)

Proposed Project Completion Date: December 1, 2020
(24-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 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.

November 29, 2018

VIA FEDEX

Courtney Avery
Board Administrator
Health Facilities and Services Review Board
Illinois Department of Public Health
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

RECEIVED

NOV 30 2018

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: Permit Renewal Request-DuPage Vascular Care, Project #17-018

Dear Ms. Avery:

On September 26, 2018, the Illinois Health Facilities and Services Review Board (“HFSRB”) approved Project #17-018, to establish a single specialty Ambulatory Surgical Treatment Center (“ASTC”) for Nephrology Associates of Northern Illinois, LTD., and DuPage Vascular Care, LLC located at 7425 Janes Avenue, Suite 101, Woodridge, Illinois. The purpose of this letter is to request a Permit Renewal pursuant to 77 Ill. Admin. Code 1130.740. Enclosed you will find a check with the permit renewal fee. This is our first renewal request.

Request Project Completion Date

The permit holder requests that the HFSRB grant a permit renewal and establish Tuesday, December 1, 2020 as the project completion date for this project.

Status of the Project

The Project scope and size has not changed and remains consistent with the permit issued. Through September 2018, the project is 5% complete. Through the end of September 30, 2018, \$219,156.24 has been expended towards the project. The Project has been and will continue to be funded through the use of cash as indicated in our application. We anticipate the total costs at the completion of the project will be consistent with those approved under the permit issued. In our Annual Project Report, we notified the Board that we executed a lease for the property where the facility is to be located, and execution of the lease was sufficient to meet the financial commitment requirements as stated in Ill. Admin. Code Section 1130.730.

Statement Regarding Project Completion

At this time construction of the facility has not begun. This unforeseen delay is a result of issues with the original general contractor selected for the project. The permit holder has already and continues to solicit bids for a new general contractor. Upon selection of a general contractor, we anticipate construction to begin shortly thereafter. Given the scope of the project, it seemed worthwhile to request ample additional time to ensure appropriate completion of the project .

At this time we do not anticipate the need to alter the project in any way, as we expect to complete it at or under the approved budget amount. This has only impacted the timeframe in which the project will be completed.

Confirmatory Evidence of Permit Compliance

Enclosed is a verified statement from William Brennan. that confirms the permit holders are complying with the scope, costs, and conditions of the project approved by the HFSRB, pursuant to the permit letter issued for this project. Additionally, the aforementioned verified statement confirms that there are sufficient financial resources available to complete this project.

If you have any questions or need any additional information regarding the project or this permit renewal request, please feel free to contact me at 312-212-4967.

Very truly yours,

BENESCH, FRIEDLANDER,
COPLAN & ARONOFF LLP



Juan Morado, Jr.

JM:
Enclosures

cc: Jeannie Mitchell, General Counsel (via email)
Mike Constantino, Senior Project Reviewer (via email)