



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

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| DOCKET ITEM: A-02 | BOARD MEETING: March 5, 2019 | PROJECT NUMBER: 18-026 |
| PERMIT HOLDERS(S): University Rehab Real Estate, LLC University Rehabilitation Center of C-U, LLC Champaign County Board | | |
| FACILITY NAME and LOCATION: Champaign County Nursing Home/University Rehabilitation Center, Urbana | | |

STATE BOARD STAFF REPORT **PERMIT RENEWAL REQUEST**

I. Background

On October 30, 2018, the State Board approved Project #18-026. The permit authorized the transfer of ownership and renaming of Champaign County Nursing Home, Urbana. The State Agency notes the project is not obligated, and the initial project completion date was November 30, 2018. Project cost: \$11,000,000.

State Board Staff notes the permit holders submitted an initial (1st) permit renewal request on November 8, 2018, requesting a 3-month permit renewal, from November 30, 2018 to March 1, 2019. The State Board received the permit holders second (2nd) permit renewal request on February 5, 2019, in which the permit holders requested a 1-month permit renewal, from March 1, 2019, to April 1, 2019. This submittal was not 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 this renewal request.

II. Findings

State Board Staff notes this is the second renewal request for this project and the permit holders have submitted all of the information required in Section 1130.740 for a permit renewal. This second renewal request seeks to extend the project completion date one month, from March 1, 1019, to April 1, 2019. This request coincides with Champaign County Boards decision to grant the permit holders one last 30-day extension to complete the transaction.

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of April 1, 2019. This would extend the project's completion date one month, from March 1, 2019 to April 1, 2019.
- B. Status of the Project and Components Yet to be Finished: The permit holders state they are working diligently to transfer existing contracts, and obtain new licensure for the facility. However, the following issues remain:
- Outstanding deficiencies from previous inspections and surveys: The permit holders state on January 23, 2019, Champaign County cleared all deficiencies stemming from its January 3, 2019 survey. However, deficiencies from previous inspections remain, that require resolution before the transfer of ownership can close.
 - Application for Licensure: The application for new licensure has been submitted to IDPH. However, the issuance of a new license cannot occur until after the change of ownership transaction is complete.
 - Application for Medicare/Medicaid Numbers: The buyer is waiting for the new license to be issued before they file for the change of ownership with Medicare and Medicaid. Under the Medicare rules, they must file for the change of ownership within 60 days of closing the transaction. Board Staff notes this process has been lengthy in the past.
- C. Reason(s)Why the Project Has Not Been Completed: The permit holders' state the project has proceeded with due diligence, and the original project completion date was more ambitious than first estimated. The second renewal request stems from the need to resolve all remaining deficiencies before transaction closing can occur.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders did not indicate whether evidence of sufficient funds exist. However, the permit holders did attest to the existence of sufficient financial resources to complete the project on the permit approval date (October 30, 2018).
- E. Anticipated Final Cost of the Project: The permit holders estimate the project will not deviate from the original permit amount of \$11,000,000.

IV. Project Description & Other Background Information

The permit authorized the sale/transfer of ownership of a 243-bed Long Term Care facility in Urbana. Project cost: \$11,000,000.

Permit Issuance Date: October 30, 2018

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| Project Obligation Date: | November 30, 2018 |
| Original Project Completion Date: (Submittal of Final Cost Report) | November 30, 2018 |
| Proposed Project Completion Date: (3-month renewal request/1 st request) | March 1, 2019 |
| Proposed Project Completion Date: (1-month renewal request/2 nd request) | April 1, 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.



150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606-1599 • 312.819.1900

February 4, 2019

RECEIVED

FEB 05 2019

HEALTH FACILITIES & SERVICES REVIEW BOARD

VIA 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 – Champaign County Nursing Home (Proj. No. 18-026)

Dear Ms. Avery:

This office represents the Champaign County Board. In that capacity, I am writing to request a one month extension of the completion date for Project No. 18-026 (Champaign County Nursing Home). On October 30, 2018, the Illinois Health Facilities and Services Review Board (“HFSRB”) approved Applicants’ certificate of need application for the change of ownership of Champaign County Nursing Home, a 243 bed skilled nursing facility located at 500 South Art Bartell Drive (the “Project”). On December 4, 2018, the HFSRB approved a three month extension of the Project Permit. Due to the time needed to complete the conditions necessary to close on the sale of the nursing home, the Applicants request a one month extension of the Project permit and a new project completion date of April 1, 2019.

1. Requested Project Completion Date

The Applicants requests the HFSRB grant a one month renewal of the Project permit and establish April 1, 2019 as the new project completion date.

2. Status of the Project

The Applicants are diligently working to transfer the existing contracts and to obtain a new license for the skilled nursing facility. Due to the time required to complete the conditions to close on the transaction, which included approval of plans of correction and clearing all deficiencies related to any outstanding surveys. On January 23, 2019, Champaign County Nursing Home cleared all deficiencies related to its January 3, 2019 survey. Additional time is needed to address the remaining conditions to closing the sale of the nursing home.

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Ms. Courtney R. Avery
February 4, 2019
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3. Statement Regarding Completion of the Project

The Applicants are diligently working to transfer the existing contracts and to obtain a new license for the skilled nursing facility. Due to the time required to complete the conditions to close on the transaction, which included approval of plans of correction and clearing all deficiencies related to any outstanding surveys. On January 23, 2019, Champaign County Nursing Home cleared all deficiencies related to its January 3, 2019 survey. Additional time is needed to address the remaining conditions to closing the sale of the nursing home.

4. Confirmatory Evidence of Project Compliance

I hereby certify, pursuant to 77 Ill. Admin. Code §1130.740, the Applicants' compliance with the scope and costs of the project approved by the HFSRB pursuant to Project Permit #18-026.

5. Permit Renewal Application-Processing Fee

Enclosed is a check made payable to the Illinois Department of Public Health for \$1,000 for the permit-renewal application processing fee.

Based on the above information, which is provided to the HFSRB in compliance with Section 1130.740 of the Illinois Administrative Code, the Applicants formally request a one month renewal of their permit for Project #18-026 and a new project completion date of April 1, 2019.

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

Sincerely,

A handwritten signature in cursive script that reads "Anne M. Cooper".

Anne M. Cooper

Enclosure