

DETERMINATION OF REVIEWABILITY

INSTRUCTIONS

This assessment form is to be used for proposed construction or modification projects and the acquisition of major medical equipment. It is designed to help understand whether a Certificate of Need (CON) Permit or Exemption to Permit is required.

This form is neither mandatory nor a substitute for complying with any Health Facilities and Services Review Board (HFSRB) requirements under the Illinois Health Facilities Planning Act or Rules.

Please observe the following instructions with respect to the completion of this form.

1. This form is divided into the following parts:
 - Part I: “Checklist” is a tool designed for potential applicants to check the need for a permit or exemption to permit.
 - Part II: “Certification” includes the project and applicant identification. The project identification provides the costs, description and scope of services included in the project. If you are requesting an advisory opinion for a potential project, you must submit the Worksheet of Total Estimated Project Cost that is inclusive of CONSTRUCTION AND ALL OTHER COSTS TO BE CAPITALIZED, inflated through the anticipated project completion date, along with the Certification (Part II).
2. Definitions of terms used in the document are provided in the Appendix.
3. Copies of this form are available electronically upon request.
4. For a staff advisory opinion, Parts I and II (Pages Form 1-5 of the CON assessment form) must be completed, signed and mailed to:

Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 W Jefferson St, 2nd floor
Springfield, IL 62761
5. The form must be signed by the Chief Executive Officer or authorized representative of each applicant entity.

If you have ANY questions concerning ANY of the contents of this form, contact HFSRB staff at (217) 782-3516. If the assessment indicates that a CON Permit or Exemption to Permit is required, HFSRB staff can also be contacted for technical assistance with applicable rules.

Rules for projects or transactions subject to the Act can be obtained from 77 Ill. Adm. Code 1130.310 and 1130.410 at

CERTIFICATE OF NEED OR EXEMPTION TO PERMIT
ASSESSMENT OF APPLICABILITY

<http://www.ilga.gov/commission/jcar/admincode/077/077011300C03100R.html> and
<http://www.ilga.gov/commission/jcar/admincode/077/077011300D04100R.html>

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PART I: CHECKLIST

SECTION A:

IS THE PROJECT AUTOMATICALLY REVIEWABLE BECAUSE OF ITS NATURE?

a1. Are you establishing one of the following “health care facilities”? **No**

- 1.1. Hospital
- 1.2. Long-Term Care facility (includes ICF/DD)
- 1.3. ASTC (Ambulatory Surgical Treatment Center)
- 1.4. ESRD (End Stage Renal Disease) Center
- 1.5. FEC (Freestanding Emergency Center)
- 1.6. BC (Birth Center)
- 1.7 An institution, place, building, or room used for the provision of a health care category of service.
- 1.8 An institution, place, building, or room used for the provision of major medical equipment used in the direct clinical diagnosis or treatment of patients whose project costs is in excess of the capital expenditure minimum.

a2. Are you discontinuing (closing) one of the following “health care facilities”?

No

- 1.1. Hospital
- 1.2. ASTC (Ambulatory Surgical Treatment Center)
- 1.3. ESRD (End Stage Renal Disease) Center
- 1.4. FEC (Freestanding Emergency Center)
- 1.5. BC (Birth Center)
- 1.6 An institution, place, building, or room used for the provision of a health care category of service.
- 1.7 An institution, place, building, or room used for the provision of major medical equipment used in the direct clinical diagnosis or treatment of patients whose project costs is in excess of the capital expenditure minimum.

a3. Is your project for the acquisition of “major medical equipment” (as defined on Page APP 7)?

No

a4. Are you establishing or discontinuing a “category of service” (as listed on Page APP 1)?

No

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a5. Are you changing *the bed capacity of a health care facility by increasing the total number of beds or by distributing beds among various categories of service or by relocating beds from one physical facility or site to another by more than 20 beds or more than 10% of total bed capacity as defined by the State Board, whichever is less, over a 2 year period* [20 ILCS 3960/5]? **No**

a6. Does your project involve a “change of ownership” or “control” of an existing health care facility that is not a long-term care facility (as defined on Pages APP 2 and APP 4 respectively)? **No**

a7. Does your project “substantially change the scope or change the functional operation of a health care facility” (as defined on Page APP 8)? **No**

IF YES TO ANY OF THE QUESTIONS IN SECTION A, IT APPEARS THAT A PERMIT OR EXEMPTION TO PERMIT IS REQUIRED.

IF NO TO ALL THE QUESTIONS IN SECTION A, PROCEED TO SECTION B.

SECTION B:

OTHER CONDITIONS REQUIRING A CERTIFICATE OF NEED OR EXEMPTION TO PERMIT:

b1. Have **ALL** “components” (as defined on Page APP 3) of the project or transaction been identified? **Yes**

b2. Does the “total estimated project cost” worksheet (Page Form 4) include all the “components” from b1? **Yes**

If the proposed project involves construction or modernization, are there any additional projects that are interdependent architecturally or programmatically where the undertaking of one compels the undertaking of the other? **No**

b3. Does the “total estimated project cost” (line C₁₆) of the worksheet meet or exceed the current “capital expenditure minimum” (as defined on Page APP 1)? **No**

- Hospitals: \$13,171,046
- Long-Term Care: \$7,444,502
- All other applicants: \$3,435,925 **Current threshold: \$3,515,982**

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IF YES TO b2 AND b3, YOU MAY NEED A CERTIFICATE OF NEED. SUBMIT THE ASSESSMENT FORM TO HFSRB STAFF FOR AN ADVISORY OPINION.

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If the Assessment indicates a CON Permit or Exemption to Permit is required, you can contact HFSRB staff for technical assistance with applicable rules.

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SECTION C: WORKSHEET
TOTAL ESTIMATED PROJECT COST

(This must include all “Components” as defined on Page APP 3)

If there is no cost in any of the lines below, please enter 0 (zero). Costs should be through date of completion of the project.

USE OF FUNDS	AMOUNT
C ₁ - Preplanning Costs	
C ₂ - Site Survey and Soil Investigation	
C ₃ - Site Preparation	
C ₄ - Off Site Work	
C ₅ - New Construction Contracts	700,000
C ₆ - Modernization Contracts	
C ₇ - Contingencies	70,000
C ₈ - Architectural/Engineering Fees	2,475
C ₉ - Consulting and Other Fees	3,000
C ₁₀ - Movable or Other Equipment (not in construction contracts)	1,699,675
C ₁₁ - Bond Issuance Expense (project related)	
C ₁₂ - Net Interest Expense During Construction (project related)	
C ₁₃ - Fair Market Value of Leased Space or Equipment	917,798
C ₁₄ - Acquisition of Building or Other Property (excluding land)	
C ₁₅ - All other project related costs to be capitalized	1,700
C₁₆ - TOTAL ESTIMATED PROJECT COST	3,394,648

PART II: CERTIFICATION

DATE: JANUARY 29, 2019

PROJECT IDENTIFICATION

-Name of the Project: Radiation Oncology service

-Total Estimated Project Cost: \$3,394,648

-Project Description:

[Includes Type of service(s) and scope of work]

Quincy Medical Group has submitted a permit application for the establishment of an ASTC and cardiac catheterization service at 3347 Broad Street, Quincy, IL. In a different location in the building, QMG will renovate space to house a radiation oncology program, including the purchase of a linear accelerator. The radiation oncology program is not dependent upon the ASTC, nor is the ASTC dependent on the radiation oncology program. IDPH's Design Standards does not consider the rad onc service as part of the ASTC and stated it will not review the rad onc space. The total cost of the radiation oncology space is below the capital expenditure threshold of \$3,515,648.

-Location: 3347 Broadway Street

-Street Address

-City Quincy, IL

County Adams

Zip 62301

APPLICANT IDENTIFICATION

-Name of the person completing this Assessment: Ralph Weber

-Title CON consultant, Weber Alliance

-Street Address 920 Hoffman Lane

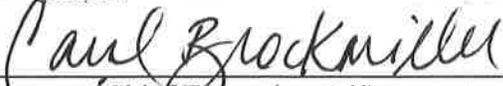
-City Riverwoods, IL

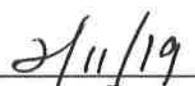
County Lake

Zip 60015

-Email Address: rmweber90@gmail.com Telephone: 847-791-0830

I HEREBY CERTIFY THAT I HAVE THOROUGHLY REVIEWED THE SUBMITTED INFORMATION, AND THAT THE ATTACHED INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.


Signature: Chief Executive Officer or Authorized Representative


Date

Title Chief Executive Officer

-Street Address Quincy Medical Group, 1025 Maine Street

-City Quincy County Adams

Zip 62301

Email Address: cbrockmiller@quincymedgroup.com Telephone: 217-222-6550

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APPENDIX

The complete set of Board Administrative Rules can be obtained from the following websites:

[77 Ill. Adm. Code Part 1100 Narrative and Planning Policies](#)

[77 Ill. Adm. Code Part 1110 Processing, Classification Policies and Review Criteria](#)

[77 Ill. Adm. Code Part 1120 Health Facilities Planning Economic and Fiscal Feasibility Review](#)

[77 Ill. Adm. Code Part 1125 Long Term Care](#)

[77 Ill. Adm. Code Part 1130 Health Facilities Planning Procedural Rules](#)

DEFINITIONS:

"Capital Expenditure" means an expenditure made by or on behalf of a health care facility (as such a facility is defined in the Act), which, under generally accepted accounting principles, is not properly chargeable as an expense of operation and maintenance, or is made to obtain by lease or comparable arrangement any facility or part thereof or any equipment for a facility or part and which exceeds the capital expenditure minimum. For purposes of this definition, the cost of any studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition, improvement, expansion, or replacement of any plant or equipment with respect to which an expenditure is made shall be included in determining if such expenditure exceeds the capital expenditure minimum. Donations of equipment or facilities to a health care facility which if acquired directly by such facility would be subject to review under the Act shall be considered capital expenditures, and a transfer of equipment or facilities for less than fair market value shall be considered a capital expenditure if a transfer of the equipment or facilities at fair market value would be subject to review. [20 ILCS 3960/3]

"Capital Expenditure Minimum" means the dollar amount or value which would require a permit for capital projects and major medical equipment. Capital expenditure minimums are annually adjusted to reflect the increase in construction costs due to inflation per Section 1130.310. [77 Ill. Adm. Code 1130.140] The current capital expenditure minimums are available on the HFSRB website, <http://hfsrb.illinois.gov>, under "CON Review Thresholds."

"Categories of Service" as listed in Subchapter a. Illinois Health Care Facilities Plan 77 Ill. Adm. Code 1110 Processing, Classification Policies and Review Criteria

- Medical-Surgical/Pediatrics
- Obstetrics
- Intensive Care
- Comprehensive Physical Rehabilitation

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- Acute Mental Illness
- Neonatal Intensive Care
- Open Heart Surgery
- Cardiac Catheterization
- Long Term Acute Care (Proposed)
- Selected Organ Transplantation
- Kidney Transplantation
- In-Center Hemodialysis
- Non-Hospital Based Ambulatory Surgery
- General Long-Term Nursing Care
- Freestanding Emergency Services (New)
- Birthing Centers (Proposed)
- Specialized Long-Term Care (Chronic Mental Illness, Intermediate Care Facilities for the Developmentally Disabled – Adult and Children)
- Subacute Care Hospital Model
- Postsurgical Recovery Care Center Model
- Children’s Respite Care Center Model
- Community-Based Residential Rehabilitation Center Model

"Change of Ownership" means a change in the person who has operational control of an existing health care facility or a change in the person who has ownership or control of a health care facility's physical plant and capital assets. A change of ownership is indicated by, but not limited to, the following transactions: sale, transfer, acquisition, leases, change of sponsorship or other means of transferring control. [20 ILCS 3960/3]
Examples of change of ownership include:

1. A transfer of stock or assets resulting in a person obtaining majority interest (i.e., over 50%) in the person who is licensed or certified (if the facility is not subject to licensure), or in the person who owns or controls the health care facility's physical plant and capital assets; or
2. The issuance of a license by IDPH to a person different from the current licensee; or
3. For facilities not subject to licensing, the issuance of a provider number to a different person by certification agencies that administer Titles XVIII and XIX of the Social Security Act; or
4. A change in the membership or sponsorship of a not-for-profit corporation; or
5. A change of 50% or more of the voting members of a not-for-profit corporation's board of directors, during any consecutive 12 month period, that controls a health care facility's operations, license, certification (when the facility is not subject to licensing) or physical plant and capital assets; or

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6. A change in the sponsorship or control of the person who is licensed or certified (when the facility is not subject to licensing) to operate, or who owns the physical plant and capital assets of a governmental health care facility; or

7. Any other transaction that results in a person obtaining control of a health care facility's operations or physical plant and capital assets, including leases. [77 Ill. Adm. Code 1130.140]

Change of Ownership or the Discontinuation of a Long-Term Care Facility

The Health Facilities Planning Act states:

“This Act does not apply to the closure of an entity or a portion of an entity licensed under the Nursing Home Care Act, with the exceptions of facilities operated by a county or Illinois Veterans Homes, that elects to convert, in whole or in part, to an assisted living or shared housing establishment licensed under the Assisted Living and Shared Housing Act.” [20 ILCS 3960/3]

“This Act does not apply to any change of ownership of a healthcare facility that is licensed under the Nursing Home Care Act, with the exceptions of facilities operated by a county or Illinois Veterans Homes. Changes of ownership of facilities licensed under the Nursing Home Care Act must meet the requirements set forth in Sections 3-101 through 3-119 of the Nursing Home Care Act.” [20 ILCS 3960/3]

"Clinical Service Area" means *a department and/or service that is directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility* [20 ILCS 3960/3]. A clinical service area's physical space shall include those components required under the facility's licensure or Medicare and/or Medicaid Certification, and/or as outlined by documentation from the facility as to the physical space required for appropriate clinical practice. [77 Ill. Adm. Code 1130.140]

“Components of a Project or Transaction”

In determining the elements of a transaction or a project subject to the Act, the following factors apply:

1. Components of construction or modification that are interdependent must be grouped together. Interdependence occurs when components of construction or modification are architecturally and/or programmatically interrelated to the extent that undertaking one or more of the components compel the other components to be undertaken.
2. Projects involving acquisition of equipment that are linked with construction for the provision of a service cannot be segmented. A health service linkage exists when all components must be present for a service to be operational, or when financing is obtained at one time for a series of related components.

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3. Components under an application for permit must be for a single health care facility unless the components are interdependent among multiple facilities. [77 Ill. Adm. Code 1130.310]

"Control" means a person possesses any of the following discretionary and non-ministerial rights or powers:

1. In the case of an entity, the ability to direct the management and policies of the entity, whether through the voting of securities, corporate membership, contract, or otherwise. Examples of such control include, without limitation:
2. Holding 50% or more of the outstanding voting securities of an issue;
3. In the case of an entity that has no outstanding voting securities, having the right to 50% or more of the profits or, in the event of dissolution, the right to 50% or more of the assets of the entity;
4. Having the power to appoint or remove 50% or more of the governing board members of an entity;
5. Having the power to require or approve the use of funds or assets of the entity; or
6. The power to approve, amend or modify the entity's bylaws or other governance documents.
7. In the case of capital assets or real property, the power to direct or cause the direction of the personal property, real property or capital assets that are components of the project (i.e., fixed equipment, mobile equipment, buildings and portions of buildings). Examples of such control include, without limitation:
 - ownership of 50% or more in the property or asset;
 - serving as lessee or sublessee [77 Ill. Adm. Code 1130.140]

"Estimated Project Cost" or "Project Costs" means the sum of all costs, including the fair market value of any equipment or other real property (whether acquired by lease, donation, or gift) necessary to complete a project, including:

The applicant shall provide project cost information for each of the following components as is applicable. When a project or any component of a project is to be accomplished by lease, donation, gift or any other means, the fair market value or dollar value which would have been required for purchase, construction, or acquisition shall be included in the estimated total project cost. The applicant shall submit documentation as to the fair market or dollar value in accordance with the requirements of 77 Ill. Adm. Code 1120.40.

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- 1) Preplanning costs – includes costs incurred prior to the submission of an application, such as development and feasibility studies, market studies, legal fees, bid solicitation, etc.;
- 2) Site survey and soil investigation fees – includes costs for surrounding surveying of a proposed project site and resulting soil investigation fees;
- 3) Site preparation – includes costs of rental equipment for earthwork, concrete, lifting and hoisting, site drainage, utilities, demolition of existing structures, clearing, grading and earthwork;
- 4) Off-site work – includes costs of drainage, pipes, utilities, sewage, roads, and walks;
- 5) Construction and modernization contracts – includes expenses covered under the construction contract, including major medical and other fixed equipment, contractor's overhead and profit;
- 6) Contingencies – means an allowance for unforeseeable events relating to construction or modernization;
- 7) Architectural & engineering fees – includes fees associated with the development and implementation of drawings and design materials for a proposed project;
- 8) Consulting and other fees – includes charges for the services of various types of consulting and professional expertise, including environmental impact, acoustical studies, computer software fees, etc.;
- 9) Movable capital equipment not in construction contracts – includes the cost of all movable capital equipment, including any movable major medical equipment and the cost of installation of the equipment, excluding any trade-in allowances on existing equipment;
- 10) Bond issuance expense – includes all costs associated with the issuance of bonds to finance a project, including issuer's fees, bond counsel's fees, official statements (feasibility study), official statement printing, printing of bonds, survey of the collateral site, title insurance to property, auditor's fees, trustee fees, underwriters' discount, and government fees (if applicable);
- 11) Net interest expense during construction – means the difference between interest earned on funds for construction and interest expense on the amount of borrowed funds;
- 12) Other costs which are to be capitalized – includes miscellaneous fees and working capital expenses related to the project; and
- 13) Acquisition of buildings or other property – includes the cost incurred (or the fair market value) for the acquisition of buildings or property for the project. Any acquisition which has occurred within two years from the date the application for permit is submitted must be included as part of project costs.
[77 Ill. Admin. Code 1130.140]

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"Fair Market Value" means the dollar value of a project or any component of a project that is accomplished by lease, donation, gifts or any other means that would have been required for purchase, construction, or acquisition. Fair market value is documented as follows:

1. For equipment that is to be leased, statements from the manufacturers as to the purchase price of the equipment;
2. For equipment or other real property that will be a gift or donated, a statement from the donor attesting to the dollar value reported to the Internal Revenue Service pursuant to IRS Document 170;
3. For existing property (other than equipment) that is to be leased or otherwise acquired, copies of an appraisal performed by a certified appraiser or copies of financial statements detailing actual construction costs if the property is less than three years old; or for property (other than equipment) that is being or will be constructed and then leased, a statement from the lessor as to the anticipated costs of construction. [77 Ill. Adm. Code 1130.140]

"Health Care Facilities" includes, but is not limited to, the following facilities and organizations:

1. *An ambulatory surgical treatment center required to be licensed pursuant to the Ambulatory Surgical Treatment Center Act;*
2. *An institution, place, building, or agency required to be licensed pursuant to the Hospital Licensing Act;*
3. *Skilled and intermediate long-term care facilities licensed under the Nursing Home Care Act;*
4. *Hospitals, nursing homes, ambulatory surgical treatment centers, or kidney disease treatment centers maintained by the State or any department or agency thereof;*
5. *Kidney disease treatment centers, including a free-standing hemodialysis unit required to be licensed under the End Stage Renal Disease Facility Act;*
6. *An institution, place, building, or room used for the performance of outpatient surgical procedures that is leased, owned or operated by or on behalf of an out-of-state facility; and*
7. *An institution, place, building, or room housing major medical equipment used in the direct clinical diagnosis or treatment of patients, and whose project cost is in excess of the capital expenditure minimum.*

[20 ILCS 3960/3]

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"Major Medical Equipment" means medical equipment that is used for the provision of medical and other health services and that costs in excess of the capital expenditure minimum, except the term does not include medical equipment acquired by or on behalf of a clinical laboratory to provide clinical laboratory services if the clinical laboratory is independent of a physician's office and a hospital and it has been determined under Title XVIII of the Social Security Act (42 USCA 1395x) to meet the requirements of paragraphs (10) and (11) of section 1861(s) of the Social Security Act.

In determining whether medical equipment has a value in excess of the capital expenditure minimum, the value of studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition of the equipment shall be included. [20 ILCS 3906/3]

"Modernization" means modification of an existing health care facility by means of building, alteration, reconstruction, remodeling, replacement, the erection of new buildings, or the acquisition, alteration or replacement of equipment. Modification does not include a substantial change in either the bed count or scope of the facility. [77 Ill. Adm. Code 1100.220]

"Non-clinical Service Area" means an area for the benefit of the patients, visitors, staff or employees of a health care facility and not directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility. "Non-clinical service areas" include, but are not limited to, chapels; gift shops; news stands; computer systems; tunnels, walkways, and elevators; telephone systems; projects to comply with life safety codes; educational facilities; student housing; patient, employee, staff, and visitor dining areas; administration and volunteer offices; modernization of structural components (such as roof replacement and masonry work); boiler repair or replacement; vehicle maintenance and storage facilities; parking facilities; mechanical systems for heating, ventilation, and air conditioning; loading docks; and repair or replacement of carpeting, tile, wall coverings, window coverings or treatments, or furniture. Solely for the purpose of this definition, "non-clinical service area" does not include health and fitness centers. [20 ILCS 3960/3]

“Prohibition on Splitting or Separating Components of a Project or Transaction”

1. No health care facility or other person proposing a project or transaction that is subject to the Act shall split what should properly be considered a single capital expenditure into discrete components undertaken during a fiscal year period to evade the capital expenditure review threshold.
2. No health care facility or other person proposing a project or transaction that is subject to the Act shall separate portions of a single project into components, including, but not limited to, site, facility, and equipment, to evade the capital expenditure review threshold or other requirements of the Act or HFSRB rules.

[77 Ill. Adm. Code 1130.310]

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"Substantially Changes the Scope or Changes the Functional Operation of the Facility" means:

1. The addition or discontinuation of a category of service as defined in HFSRB rules;
2. Discontinuation as defined in this Part;
3. A change of a material representation made by the applicant in an application for permit or exemption subsequent to receipt of a permit that is relied upon by HFSRB in making its decision. Material representations are those that provide a factual basis for issuance of a permit or exemption and include:
 - a. Withdrawal or non-participation in the Medicare and/or Medicaid programs;
 - b. Charge information;
 - c. Requirements of variances pursuant to 77 Ill. Adm. Code 1110;
 - d. Other representations made to HFSRB as stipulated or agreed upon in the public record and specified in the application or the permit or exemption approval letter;
4. The addition of a surgical specialty not previously approved by HFSRB for an ambulatory surgical treatment center (ASTC) that has not been classified as a multi-specialty ASTC by HFSRB in accordance with the provisions of 77 Ill. Adm. Code 1110.1540;
5. An increase of more than three dialysis stations or more than 10% of the facility's total number of dialysis stations, whichever is less, over a two-year period. The two-year period begins on the date the facility's additional stations are certified. When a permit is issued for additional stations or for the establishment of an additional facility/service, the facility may not add any more dialysis stations for two years from the date that such stations approved in the permit are certified without obtaining an additional permit; or
6. The acquisition, construction, or leasing of space, buildings, or structures for the purpose of providing outpatient surgical services on a site or location that is not within the licensed premises of the health care facility. Outpatient surgical services are those surgical procedures that are routinely performed in such settings as a hospital or ambulatory surgical treatment center, or in any room or area that is designed, equipped, and used for surgery, such as, but not limited to, a surgical suite or special procedures room. Outpatient surgical services do not include those procedures performed as part of a physician's private practice in examination or non-surgical treatment rooms.

[77 Ill. Adm. Code 1130.140]