



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET ITEM: C-04	BOARD MEETING: December 4, 2018	EXEMPTION NUMBER: E-035-18
APPLICANT(S): Loyola University Medical Center, Palos Health Surgery Center, LLC, Trinity Health Corporation		
FACILITY NAME and LOCATION: Palos Health Surgery Center, LLC, Orland Park, Illinois		

STATE BOARD STAFF REPORT
RELINQUISHMENT OF EXEMPTION

I. Background

In March of 2017 the State Board approved the establishment of Palos Health Surgery Center, LLC a multi-specialty ASTC located in Orland Park, Illinois at a cost of \$13,216,496 (Permit #16-059). The surgery center is a joint venture between Palos Community Hospital and Loyola University Medical Center. South Campus Partners, Inc., a general Illinois not for-profit corporation, is the sole member of Palos Health Surgery Center, LLC. Palos Community Hospital and Loyola University Medical Center are members of South Campus Partners. Palos Community Hospital holds a 51 % interest in the South Campus Partners entity and Loyola University Medical Center has a 49% interest.

On July 24, 2018 the Illinois Health Facilities and Services Review Board (State Board) approved a request for a change of ownership of the Palos Health Surgery Center, LLC (#E-035-18). At that time Loyola University Medical Center was to be the sole member of Palos Health Surgery Center, LLC.

On October 29, 2018 the State Board received a request to relinquish exemption #E-035-18. Loyola University Medical Center and Palos Community Hospital decided to move forward with the joint venture of Palos Health Surgery Center as originally approved as Permit #16-059. Palos Community Hospital will retain a controlling interest (51%) in South Campus Partners, Inc. (the sole member of Palos Health Surgery Center) and Loyola University Medical Center will retain its 49% interest.

II. Relinquishment of an Exemption

The holder of an HFSRB exemption may request to withdraw that exemption. The relinquishment request requires an application to and approval by HFSRB for relinquishment. Upon approval of relinquishment by HFSRB, the exemption is considered null and void. Requests for relinquishment shall be considered only for exemptions that are current and valid. Requests shall be filed with HFSRB prior to the completion date of the exemption.

- a) Relinquishment Procedure

The permit holder shall notify HFSRB in writing, prior to the execution of the withdrawal of a project. The notice shall include:

- 1) A description of the exemption and related costs;
 - 2) A detailed explanation of the reasons for relinquishment; and
 - 3) If the approval of the permit or exemption was based upon need, an explanation of how that need will be met in absence of the project.
- b) HFSRB staff shall review the request for relinquishment and prepare a report of its findings. HFSRB staff findings and all related documentation shall be sent to the Chairman. The Chairman, acting on behalf of HFSRB, shall approve the request or refer it to the full Board for action. The approval or denial of a request for relinquishment constitutes HFSRB's final administrative decision.
- c) Upon approval of a request for relinquishment, HFSRB staff shall adjust all inventories accordingly.
- d) Decisions on requests for relinquishment shall be transmitted in writing to the exemption holder.
- e) Any relinquishment undertaken without prior HFSRB approval shall be considered a violation of the Act and shall be subject to the sanctions and penalties in the Act (see 20 ILCS 3960/14.1) and in Section 1130.790.
- f) A request for relinquishment shall be assessed an application-processing fee of \$1,000 (see Section 1130.230(h)(8)(B)).

III. Conclusion

The exemption holder has met all of the requirements of the State Board regarding the relinquishment of the exemption.