



# STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

<b>DOCKET ITEM:</b> A-3	<b>BOARD MEETING:</b> November 17, 2015	<b>PROJECT NUMBER:</b> 12-029
<b>PERMIT HOLDERS(S):</b> Fresenius Medical Care Holdings, Inc. BMA Southwestern Illinois, LLC		
<b>FACILITY NAME and LOCATION:</b> BMA Southwestern Illinois, Alton		

## STATE BOARD STAFF REPORT PERMIT RENEWAL REQUEST

### **I. Background**

On September 12, 2012, the State Board approved Project #12-029. The permit authorized the discontinuation and re-establishment of a 19-station End Stage Renal Dialysis (ESRD) facility in Alton. The State Agency notes the project is obligated, and the current project completion date is May 1, 2015. Project cost: \$4,442,054.

The State Agency notes the permit holders submitted the permit renewal request on March 13, 2015. This submittal was in accordance with 77 IAC 1130.740(d), which states that renewal requests must be received by the State Agency at least 45 days prior to the permit expiration date. A \$500.00 permit renewal fee accompanied the permit renewal request.

### **II. Findings**

The State Agency notes this is the **second** renewal request for this project and it appears the permit holders have submitted all of the information required in Section 1130.740 for a permit renewal. An earlier permit renewal request was approved by the Board Chair on July 14, 2014, extending the project completion date from August 1, 2014, to May 1, 2015 (9-months).

### III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of April 30, 2016. This would extend the project's completion date by twelve months, from May 1, 2015 to April 30, 2016.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project is essentially complete, has been obligated, and treated its first patient in February 2014. The following item remains:
- Medicare Certification Survey Completion Letter
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state early adverse weather conditions in the fall of 2012 delayed completion of the construction of the building (shell), to Spring 2013, and the permit holders could not begin interior build out until July 2013. The facility is currently awaiting its Medicare Certification Letter.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate \$3,538,396 (79.6%) of the total project funds have been expended to date, and that sufficient funds exist to complete the project.
- E. Anticipated Final Cost of the Project: The permit holders report the project will be completed in compliance with the originally approved project cost of \$4,442,054.

### IV. Project Description & Other Background Information

The permit authorized the discontinuation and re-establishment of a 19-station ESRD facility in 10,243 GSF of leased space in Alton. The project cost is \$4,442,054.

Permit Issuance Date: September 12, 2012

Required Completion Date: August 1, 2014

Project Obligation Date: October 30, 2012

Proposed Project Completion Date: May 1, 2015  
(1<sup>st</sup> Request: 9 month renewal)

Proposed Project Completion Date: April 30, 2016  
(2<sup>nd</sup> Request: 12 month renewal)

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 1130.740(b) 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(c) states that a permit renewal will commence on the expiration date of the original or renewed completion period.

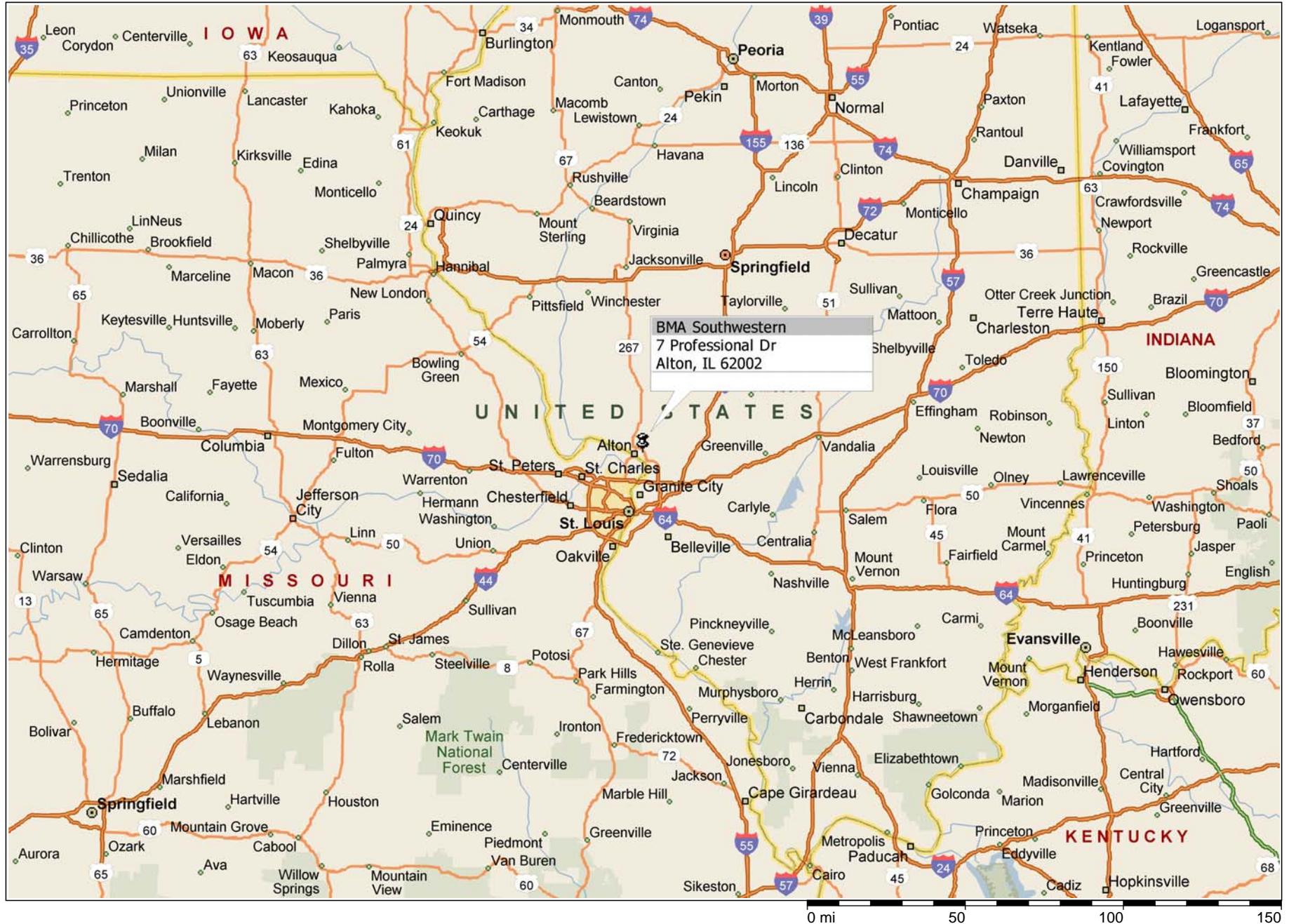
77 IAC 1130.740(d) states that the State Board must be in receipt of a permit renewal request at least 45 days prior to the expiration date of the completion period, and include the following: 1) the requested completion date; 2) a status report on the project detailing what percent has been completed 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(e) states IDPH will review the request and prepare a report of its findings. If the findings are that the request is in conformance with all HFPB criteria, and if this is the first request for this project, then the request, IDPH's findings, and all related documentation shall be sent to the Chairman. The Chairman, acting on behalf of HFPB, will approve, deny or refer the request to the HFPB for action. If IDPH 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 HFPB for action, then HFPB 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 HFPB'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.

# #12-029 BMA Southwestern Illinois



Copyright © and (P) 1988–2006 Microsoft Corporation and/or its suppliers. All rights reserved. <http://www.microsoft.com/mappoint/>  
Portions © 1990–2005 InstallShield Software Corporation. All rights reserved. Certain mapping and direction data © 2005 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario. NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2005 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc.



**FRESENIUS  
MEDICAL CARE**

**RECEIVED**

**MAR 13 2015**

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

March 12, 2015

Ms. Courtney Avery  
Administrator  
Illinois Health Facilities & Services Review Board  
525 West Jefferson, 2<sup>nd</sup> Floor  
Springfield, IL 62761

**Re: Request for Second Permit Renewal Section 1130.750**  
**Project #12-029, BMA Southwestern Illinois**  
**Permit Holder:** Bio-Medical Applications of Illinois, Inc. and Fresenius Medical  
Care Holdings, Inc.  
**Permit Amount:** \$4,442,054

Dear Ms. Avery:

Bio-Medical Applications of Illinois, Inc. is seeking a second renewal of the permit for BMA Southwestern Illinois. Enclosed is a \$500.00 permit renewal fee. There has been no change to the size and scope of this project. The permit amount is for \$4,442,054. This report summarizes the current status of the project.

Sincerely,

Lori Wright  
Fresenius Medical Care  
Senior CON Specialist

cc: Clare Ranalli

March 3, 2015

**Request For Permit Renewal Section 1130.750**

**Request For Permit Renewal Section 1130.750**

**Project #12-029, BMA Southwestern Illinois**

**Permit Holder:** Bio-Medical Applications of Illinois, Inc. and Fresenius Medical Care Holdings, Inc.

**Permit Amount:** \$4,442,054

1. **The requested completion date** *The requested completion date is 12/31/2015.*
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 date**

This is a project for the relocation of a 19-station ESRD facility to be located at 7 Professional Drive, Alton. The project was obligated through the execution for the leased premises on October 30, 2012. The facility treated its first patient on February 10, 2014. The permit holder is currently waiting for CMS certification.

**The project is approximately 99% complete and is expected to be complete by December 31, 2015.**

3. **a statement as to the reasons why the project has not been completed**

This project was approved in late fall and the building of the shell by the developer was delayed several months due to winter weather pushing construction of the shell to the following spring. Because of this, the applicant was not able to begin interior build-out until July 2013. The facility is in full operation awaiting certification.

A permit renewal was granted July 14, 2014 with a completion date of May 1, 2015 in order to obtain CMS certification. The facility has supplied additional information as requested by IDPH and is waiting for its certification survey and letter.

**4. evidence of financial commitment to fund the project**

Sources and Uses of Funds

*All Project financing to date has been funded from available cash and its equivalents as reported on the company's financial statements. The right to occupy the premises has been secured through a leasing arrangement. This leasing arrangement was utilized to obligate the project. None of the project costs have exceeded the approved permit amounts.*

Total committed for Project

<b>PROJECT COST AND SOURCES OF FUNDS</b>		
	Committed	Spent
Preplanning Costs	N/A	N/A
Site Survey and Soil Investigation	N/A	N/A
Site Preparation	N/A	N/A
Off Site Work	N/A	N/A
New Construction Contracts	N/A	N/A
Modernization Contracts	1,454,506	1,089,375
Contingencies	159,893	0
Architectural/Engineering Fees	160,000	72,517
Consulting and Other Fees	N/A	N/A
Movable or Other Equipment (not in construction contracts)	500,000	208,849
Bond Issuance Expense (project related)	N/A	N/A
Net Interest Expense During Construction (project related)	N/A	N/A
Fair Market Value of Leased Space or Equipment	2,167,655	2,167,655
Other Costs To Be Capitalized	N/A	N/A
Acquisition of Building or Other Property (excluding land)	N/A	N/A
<b>Total Committed For Project</b>	<b>\$4,442,054</b>	
	<b>Spent</b>	<b>\$3,538,396</b>

**5. anticipated final cost of the project** *Final cost will be within the original permit amount of \$4,442,054.*

**Bio-Medical Applications of Illinois, Inc.**

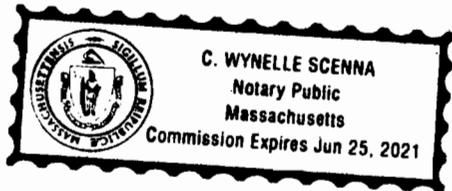
In accordance with Section 1130.740 part c, of the Illinois Health Facilities & Services Review Board rules for renewal of a permit;

I do hereby certify that the project was initiated on 10/30/2012 with the lease execution and; that the financial resources to fund the project are available or otherwise committed; and that the project's cost, scope, design, square footage, number of stations are in compliance with that which the State Board has approved.

By: B. Mello  
ITS: Bryan Mello  
Assistant Treasurer

Notarization:  
Subscribed and sworn to before me  
This 3 day of March, 2015

Seal



**Fresenius Medical Care Holdings, Inc.**

In accordance with Section 1130.740 part c, of the Illinois Health Facilities & Services Review Board rules for renewal of a permit;

I do hereby certify that the project was initiated on 10/30/2012 with the lease execution and; that the financial resources to fund the project are available or otherwise committed; and that the project's cost, scope, design, square footage, number of stations are in compliance with that which the State Board has approved.

By:   
ITS: Bryan Mello  
Assistant Treasurer

Notarization:  
Subscribed and sworn to before me  
This 3 day of March 2015

Seal

