



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

MEMORANDUM

TO: Mike Constantino, Supervisor – Program Review Section
Division of Health Systems Development

FROM: Dale Galassie, Chairman
Illinois Health Facilities and Services Review Board

RE: Alteration Request for Project # 12-034

Facility: DaVita Red Bud Dialysis

This is to advise you that I have reviewed the above-captioned permit alteration request within the requirements in 77 IAC 1130.730 and have determined the following:

The request is in compliance with the requirements in 77 IAC 1130.730 and the alteration request is approved.

This request is to be reviewed by the Health Facilities Planning Board.

This request is DENIED effective _____ because it does **NOT** comply with the requirements specified in 77 IAC 1130.730.

Other actions as follows:

3/26/2013

Dale Galassie, Chairman
Illinois Health Facilities and
Services Review Board

Date



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DOCKET ITEM NUMBER: NA	BOARD MEETING: NA	PROJECT NUMBER: #12-034
PERMIT HOLDERS(S): Davita, Inc., Total Renal Care, Inc.		
FACILITY NAME and LOCATION: Red Bud Dialysis		

Project Description:

The permit holders are requesting an alteration to Permit #12-034 a Red Bud Dialysis in accordance with 77 IAC 1130.750 - Alteration of the Project. **This is the first alteration request for this project.**



STATE AGENCY REPORT
PERMIT ALTERATION REQUEST
Project #12-034

I. Project Description and Background Information

On September 12, 2012 the State Board approved project #12-034 - Red Bud Dialysis. The permit holders were approved to establish an 8 station End Stage Renal Dialysis (ESRD) facility in 6,000 GSF of leased space. The approved cost of the project is \$2,367,073, and the anticipated project completion date is December 31, 2014.

I. The Proposed Alteration

A. The following proposed alterations require State Board approval:

1. The permit holders are proposing to decrease the gross square footage of the project from 6,000 GSF to 5,490 GSF a decrease of 8.5% or 510 GSF.
2. The permit holders are proposing to decrease the cost of the project from \$2,367,073 to \$2,251,399 a decrease of \$115,674 or 4.88%
3. The financing of the project remains unchanged from the original approved permit amount.

B. Reason(s) for the Proposed Alteration:

The permit holders state "After further defining the building footprint, completing the design plan and working out the space requirements with the landlord, DaVita has determined that the facility will consist of 5,490 gross square feet rather than the 6,000 gross square feet as originally anticipated."

III. Applicable Rules

77 IAC 1130.750 specifies that a permit is valid only for the project as defined in the application and any change to the project subsequent to permit issuance constitutes an Alteration to the project.

Allowable alterations that require HFPB action are:



- 1) a change in the approved number of beds or stations provided that the change would not independently require a permit or exemption from HFPB;
- 2) abandonment of an approved category of service established under the permit;
- 3) any increase in the square footage of the project up to 5% of the approved gross square footage;
- 4) any decrease in square footage greater than 5% of the project;
- 5) any increase in the cost of the project not to exceed 5% of the total project cost. This alteration may exceed the capital expenditure minimum in place when the permit was issued, provided that it does not exceed 5% of the total project cost;
- 6) any increase in the amount of funds to be borrowed for those permit holders that have not documented a bond rating of "A" or better;
- 7) any increase in the project costs components (i.e., line item amounts) if the increase is not in compliance with the 77 Ill. Adm. Code 1120 review criteria; or
- 8) any change that substantially changes the scope or changes the functional operation of the project, as defined in Section 1130.140.

V. **Summary of State Agency Findings**

All findings from the Original State Agency Report remain unchanged.

The State Agency finds the proposed Alteration appears to be in conformance with all applicable review criteria for Part 1110. The applicants

The State Agency finds the proposed Alteration appears to be in conformance with all applicable review criteria for Part 1120.

VI. **Projects Costs and Sources of Funds**

Table One shows the original project costs and the altered project costs.



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TABLE ONE			
Project Costs and Sources of Funds			
Project Costs			
	Original Permit Amount	Altered Permit Amount	Difference
	Clinical	Clinical	
New Construction Contracts	\$890,000	\$890,000	\$0
Contingencies	\$89,000	\$89,000	\$0
A & E Fees	\$90,000	\$90,000	\$0
Consulting & Other Fees	\$50,000	\$50,000	\$0
Moveable Equipment	\$315,755	\$315,755	\$0
Fair Market Value of Leased Space/Equipment	\$849,593	\$733,919	\$115,674
Other Costs to be Capitalized	\$82,725	\$82,725	\$0
Total Uses of Funds	\$2,367,073	\$2,251,399	\$115,674
Sources of Funds	Clinical	Clinical	Difference
Cash and Securities	\$1,517,480	\$1,517,480	\$0
Leases (fair market value)	\$849,593	\$733,919	\$115,674
Total Sources of Funds	\$2,367,073	\$2,251,399	\$115,674

VII. Projects Cost Space Requirement

The permit holders are proposing to decrease the size of the facility from 6,000 GSF to 5,490 GSF or 510 GSF or 8.55%.

TABLE TWO							
Cost Space Chart							
Department/Area	Cost	Existing	Proposed	New Construction	Modernized	As Is	Vacant
Clinical							
Clinical	\$2,251,399		5,490		5,490		
Total	\$2,251,399		5,490		5,490		



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Other Information

Included with this report are the alteration request and the original state agency report.