

## Bed Relocation Discussion

We already have bed relocation in Illinois through change of ownership and replacement facilities – other than it is done on facility-wide basis. The proposal to allow the partial relocation of a facility through the sale of some but not all beds provides greater flexibility in the system.

### Advantages:

1. Encourages downsizing and provide a marketplace approach to accomplish it;
2. Provides for expansion of individual facilities without increasing beds in the system;
3. Provides access to capital to modernize and upgrade older facilities;
4. Allows for more person-centered use of space and environment in previous cookie-cutter institutions.

Bed Relocation already exists in seven other states in various forms. A number of those states treat facility replacement (closing one facility and opening a new one) conceptually the same as they do for bed relocation, with the same requirements.

Issues for the workgroup to consider in developing a bed relocation program based on other states' programs:

### **Distance:** How far can beds be relocated?

- Statewide
- Same planning area
- Within a county or adjoining county
- 6 to 45 miles from site of sale
- 15 to 45 minutes drive time from site of sale
- Only from an over-bedded area to an area with bed need
- Different distances based on whether it is arm's length sale or within the same management company (6 miles vs. 30)
- Different distances if a replacement facility (6 miles vs. 30)

### **Restrictions on seller**

- No restrictions
- Must have transition plan for residents in sold beds
- Residents in sold beds do not have to move if they don't want to
- No more than 50% of the facility beds
- Can't relocate from an underbedded, or underserved area
- Can only sell beds once every 7 years
- If sold beds, can't expand for 5 years

### **Restrictions on buyer**

- No requirement
- Only for existing facilities expanding, not establishing a new facility
- Demonstrate previous occupancy of 90% to 95% over the past 1 to 3 years
- Must move beds from overbedded to underbedded area
- No revocations, receivership, bankruptcy or violations involving death of a resident in past 18 months
- Existing facility can only expand through relocation to a ceiling (25% or 30 beds whichever is greater).

### **Exceptions if no one will sell**

- Then beds are not for sale, or
- Proof of legitimate offer, then 30 bed expansion allowed, with Board review
- Expansion allowed only if proof of legitimate offer and bed need in an area
- Only an existing facility can buy beds for expansion; not brand new facility

- Subject to other restrictions on buyer (previous occupancy, underbedded area, no penalties)

### **Moratorium**

- Total moratorium
- Moratorium unless average occupancy in planning area is over 90% for the past year
- Moratorium with exceptions and variances
- No moratorium

### **Review Process**

- Report the sale with no review process
- Expedited review by the board, including ownership background and financials
- Full substantive review based on planning area need
- Expedited for same ownership; full review for arms length transaction

Are there other unique Illinois factors?