STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

DOCKET NO: H-06	BOARD MEETING: March 12, 2024	PROJECT NO: 23-042	PROJECT COST: $3,490,000
FACILITY NAME: Well Care Home, NFP, INC.		CITY: Highland	
TYPE OF PROJECT: Substantive			HSA: XI

PROJECT DESCRIPTION: The Applicant (Well Care Home, NFP, INC.) proposes to establish a 74-bed long-term care facility at 100 Faith Drive, Highland, Illinois at a cost of $3,490,000. The expected completion date is September 30, 2024.

Information regarding this application can be found at this link:
https://hfsrb.illinois.gov/projects/project.23-042-well-care-home-nfp.html

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicant (Well Care Home, NFP, INC.) proposes to establish a 74-bed long-term care facility at 100 Faith Drive, Highland, Illinois in approximately 74,000 GSF of space at a cost of $3,490,000. The expected completion date is September 30, 2024. Well Care Home, NFP, INC. purchased the facility at a cost of $2,350,000.
- In September of 1999 the State Board approved a 76-bed long term care facility known as Faith Countryside Home (Permit #99-069) at a cost of $12.5 million. As part of this project there were 36 assisted living apartments. The State Board has no jurisdiction of assisted living apartments.
- In June of 2021 Faith Countryside Home closed. The closure was the result of decreased hospital discharges and falling revenues as expenses increased for staffing and supplies as a result of the public health emergency. Faith Countryside Homes filed for bankruptcy protection in East St. Louis June 15, 2021, listing assets of $1 million to $10 million and liabilities of $10 million to $50 million.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- This project is before the State Board because the project proposes the establishment of a long-term facility.

PURPOSE OF THE PROJECT:

- The Applicant states the purpose of the project is to reopen a long-term care facility in Highland, Illinois.

PUBLIC HEARING/COMMENT:

- No public hearing was requested, and letters of support were received by the State Board. No opposition letters have been received by the State Board.

SUMMARY:

- The Applicant has purchased the closed facility at a cost of $2,350,000. The Applicant engaged an Architect to survey the facility. That report is attached to the end of this report. Prior to closing Faith Countryside Home averaged 85% occupancy from 2015 thru 2020 (see Table Two below). The Applicant addressed a total of 18 criteria and have not met the following:

State Board Standards Not Met	
Criteria	**Reasons for Non-Compliance**
1125.530 - Planning Area Need	The proposed facility will be located in the Madison County Long Term Care Planning Area and Health Service Area XI. There is currently a calculated excess of 143 LTC beds in the Madison County Planning Area.
1125.540 -Service to Planning Area Residents	No referral letters were provided, and the State Board Staff was unable to determine the if 50% of the residents of the proposed nursing home will reside within the 17-mile GSA.
1125.570 - Service Accessibility	The Long-term care service currently exists in this planning area; therefore, the Applicant cannot meet condition number one. No evidence has been provided that the existing facilities have restrictive admissions policies; therefore, condition number two cannot be met. There is approximately 35 LTC facilities with 3,715 LTC beds within the 17-mile GSA. Two-

State Board Standards Not Met	
Criteria	**Reasons for Non-Compliance**
	year average utilization of these 35 LTC facilities is 57.5% therefore, condition number three cannot be met. No evidence of medical care problems has been identified by the Applicant, therefore condition four cannot be met.
1125.580 - Unnecessary Duplication of Service	As shown in Table Three below, there is approximately 35 LTC facilities with 3,715 LTC beds within the 17-mile GSA. Two-year average utilization of these 35 LTC facilities is 57.5%. There are 38 zip codes with approximately 241,450 residents residing in the 17-mile GSA. There are 3,712 LTC Beds within this 17-mile GSA or 1 LTC Bed for every 65 residents in this GSA. There are approximately 88,532 nursing care beds in the State of Illinois. There are approximately 12.62 million people in the State of Illinois or 1 LTC bed for every 143 residents. The ratio of beds within this 17-mile GSA is 1.5 times the State of Illinois ratio. Based upon this ratio there is a surplus of the long-term care beds in this 17-mile GSA.

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Well Care Home NFP, INC.
STATE BOARD STAFF REPORT
Project #23-042

APPLICATION SUMMARY	
Applicants	Well Care Home NFP, INC.
Facility Name	Well Care Home NFP, INC
Location	100 Faith Drive, Highland, Illinois
Permit Holder	Well Care Home NFP, INC
Operating Entity	Well Care Home NFP, INC
Owner of Site	Well Care Home NFP, INC
Application Received	September 29, 2023
Application Deemed Complete	October 6, 2023
Project Completion Date	September 30, 2025
Review Period Extended by the State Board Staff?	No
Can the Applicants request a deferral?	Yes
Expedited Review?	Yes

I. Project Description

The Applicant (Well Care Home NFP, INC.) proposes to establish a 74-bed long-term care facility at 100 Faith Drive, Highland, Illinois in approximately 74,000 GSF of space at a cost of $3,490,000. The expected completion date is September 30, 2025. Well Care Home, INC. purchased the facility at a cost of $2,350,000.

II. Summary of Findings

A. State Board Staff finds the proposed project to **not** be in conformance with the provisions of 77 ILAC 1110 (Part 1110).

B. State Board Staff finds the proposed project is in conformance with the provisions of 77 ILAC 1120 (Part 1120).

III. General Information

The Applicant (Well Care Home NFP, INC.) proposes to establish a 74-bed long-term care facility at 100 Faith Drive, Highland, Illinois in approximately 74,000 GSF of space at a cost of $3,490,000. Well Care Home NFP, Inc is an Illinois not-for-profit corporation incorporated June 14, 2023. The corporation is owned by Dr. Ahsan Usman and Rabia and Ahad Usman. Dr. Usman is the CEO. Well Care Home NFP, Inc does not own any other health care facilities. The building housing the proposed long term care facility was purchased on June 14, 2023, by Well Care Home NFP, Inc. The **Geographical Service Area** for a project in Madison County is 17-miles. This is a substantive project which is subject to both a Part 1110 and a Part 1120 review.

IV. Project Sources and Uses of Funds

The Applicant proposes to fund the project with cash in the amount of $3,490,000.

TABLE ONE
PROJECT COST AND SOURCES OF FUNDS

Proposed Use of Funds		Amount
Modernization	$	1,140,000
Acquisition of Property	$	2,350,000
Total	$	**3,490,000**
Cash	$	3,490,000
Total	**$**	**3,490,000**

V. Background of the Applicant, Purpose of the Project, Alternatives to The Proposed Project

A) 1125.520 - Background of the Applicant

All applicants shall comply with the requirements of this Section, as follows:
a) An applicant must demonstrate that it is fit, willing and able, and has the qualifications, background, and character, to adequately provide a proper standard of LTC service for the community. [20 ILCS 3960/6] In evaluating the qualifications, background, and character of the applicant, HFSRB shall consider whether adverse actions have been taken against the applicant, or against any LTC facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application. An LTC facility is considered "owned or operated" by every person or entity that owns, directly or indirectly, an ownership interest. If any person or entity owns any option to acquire stock, the stock shall be considered to be owned by that person or entity. (See Section 1125.140 for the definition of "adverse action".)

Well Care Home NFP, Inc is an Illinois not-for-profit corporation incorporated June 14, 2023. The corporation is owned by Dr. Ahsan Usman and Rabia and Ahad Usman. Dr. Usman is the CEO. Well Care Home NFP, Inc does not own any other health care facilities. The building housing the proposed long term care facility was purchased on June 14, 2023, by Well Care Home NFP, Inc.

Dr. Ahsan Usman has been in a medical practice as a physician since 2003. Dr. Usman has been caring for patients for the last twenty years and has been medical director for nursing homes. Based upon the information provided the Applicant appears to be fit, willing and able, and has the qualifications, background, and character, to adequately provide a proper standard of LTC service for the community.

B) Section 1125.320 - Purpose of the Project

The purpose of the project is to reestablish a long-term care facility in Highland, Illinois.

C) Section 1125.330 – Alternatives to the Project

The Applicant did not consider any other alternatives to the proposed project but provided a narrative in which the Applicant stated the proposed reopening of the long-term care facility as possible long-term options will provide dialysis treatments, an onsite infusion center, and respiratory and ventilator management services at the proposed facility.

VI. General Long-Term Care

A) Section 1125.530 - Planning Area Need

The applicant shall document that the number of beds to be established or added is necessary to serve the planning area's population, based on the following:

a) Bed Need Determination

1) The number of beds to be established for general LTC is in conformance with the projected bed need specified and reflected in the latest updates to the HFSRB Inventory.

2) The number of beds proposed shall meet or exceed the occupancy standard specified in Section 1125.210(c).

The proposed facility will be located in the Madison County Long Term Care Planning Area and Health Service Area XI. There is currently a calculated excess of 143 LTC beds in this planning area.

b) Service to Planning Area Residents

1) Applicants proposing to establish or add beds shall document that the primary purpose of the project will be to provide necessary LTC to the residents of the area in which the proposed project will be physically located (i.e., the planning or geographical service area, as applicable), for each category of service included in the project.

2) Applicants proposing to add beds to an existing general LTC service shall provide resident/patient origin information for all admissions for the last 12-month period, verifying that at least 50% of admissions were residents of the area. For all other projects, applicants shall document that at least 50% of the projected resident volume will be from residents of the area.

3) Applicants proposing to expand an existing general LTC service shall submit resident/patient origin information by zip code, based upon the resident's/patient's legal residence (other than an LTC facility).

The Applicant has stated that the proposed nursing home will be in the former 76-bed *"***Faith Countryside Home"** and will serve the residents of Madison County. According to the Applicant the nursing home will provide care to the people of Highland where no one has to leave Highland and surrounding cities to receive long term care and rehabilitation. No referral letters have been provided and the State Board Staff was unable to determine if 50% of the admissions will come from the geographical service area.

B) Section 1125.540 - Service Demand – Establishment of General Long-Term Care

a) The number of beds proposed to establish a new general long-term care service is necessary to accommodate the service demand experienced annually by the existing applicant facility over the latest two-year period, as evidenced by historical and projected referrals, or if the applicant proposes to establish a new LTC facility, the applicant shall submit projected referrals. The applicant shall document subsection (c) and subsection (d) or (e).

b) If the applicant is not an existing facility and proposes to establish a new general LTC facility, the applicant shall submit the **number of annual projected referrals, as required in subsection (d) or (e).**

c) Historical Referrals

If the applicant is an existing facility and is proposing to establish this category of service, the applicant shall document the number of referrals to other facilities, for each proposed category of service, for each of the latest two years. Documentation of the referrals shall include resident/patient origin by zip code; name and specialty of referring physician or identification of another referral source; and name and location of the recipient LTC facility.

d) Projected Referrals

An applicant proposing to establish a category of service or establish a new LTC facility shall submit the following:

1) Letters from referral sources (hospitals, physicians, social services, and others) that attest to total number of prospective residents (by zip code of residence) who have received care at existing LTC facilities located in the area during the 12-month period prior to submission of the application. Referral sources shall verify their projections and the methodology used.

2) An estimated number of prospective residents whom the referral sources will refer annually to the applicant's facility within a 24-month period after project completion. The anticipated number of referrals cannot exceed the referral sources documented historical LTC caseload. The percentage of project referrals used to justify the proposed expansion cannot exceed the historical percentage of applicant market share, within a 24-month period after project completion.

3) Each referral letter shall contain the referral source's Chief Executive Officer's notarized signature, the typed or printed name of the referral source, and the referral source's address; and

4) Verification by the referral sources that the prospective resident referrals have not been used to support another pending or approved Certificate of Need (CON) application for the subject services.

No referral letters were provided. Historical utilization data was provided to demonstrate the projected utilization of the proposed facility. Over a six-year period the former "Faith Countryside Home" facility averaged 86% occupancy prior to the announcement of closing in June of 2021. The not-for-profit facility filed for bankruptcy in June 2021 citing increased expenses and lower revenues because of the public health emergency.

TABLE TWO

Faith Countryside Home (1)

Year	Medicaid	%	Other	%	Total	% Occupancy
2015	2,853	10.28%	22,108	79.70%	24,961	89.98%
2016	3,200	11.54%	22,038	79.44%	25,328	91.30%
2017	3,221	11.61%	22,659	81.68%	25,880	93.29%
2018	3,877	13.98%	19,859	71.59%	23,736	85.57%
2019	3,395	12.24%	16,484	59.42%	19,879	71.66%
2020	4,177	15.06%	17,672	63.71%	21,849	78.76%
Ave	3,454	12.45%	20,137	72.59%	23,606	85.10%

1. Information taken from HFS Long Term Cost Reports

C) Section 1125.570 - Service Accessibility

The number of beds being established or added for each category of service is necessary to improve access for planning area residents.

a) Service Restrictions

The applicant shall document that at least one of the following factors exists in the planning area, as applicable:

1) The absence of the proposed service within the planning area.

2) Access limitations due to payor status of patients/residents, including, but not limited to, individuals with LTC coverage through Medicare, Medicaid, managed care, or charity care.

3) Restrictive admission policies of existing providers.

4) The area population and existing care system exhibit indicators of medical care problems, such as an average family income level below the State average poverty level, or designation by the Secretary of Health and Human Services as a Health Professional Shortage Area, a Medically Underserved Area, or a Medically Underserved Population.

5) For purposes of this Section 1125.570 only, all services within the established radii outlined in 77 Ill. Adm. Code 1100.510(d) meet or exceed the occupancy standard specified in Section 1125.210(c).

There is approximately 35 LTC facilities with 3,715 LTC beds within the 17-mile GSA. Two-year average utilization of these 35 LTC facilities is 57.5%. Average Medicaid occupancy in these 35 LTC facilities was approximately 66%.

The service currently exists in this planning area; therefore, the Applicant cannot meet condition number one. No evidence has been provided that the existing facilities have restrictive admissions policies; therefore, condition number two cannot be met. There is approximately 35 LTC facilities with 3,715 LTC beds within the 17-mile GSA. Two-year average utilization of these 35 LTC facilities is 57.5% therefore, condition number three cannot be met. No evidence of medical care problems has been identified by the Applicant, therefore condition four cannot be met.

TABLE THREE
Facilities within the 17-mile GSA

				2-Year Average 2021 and 2022 (2)			
FACNAME	**CITY**	**Gen Beds**	**Star Rating (1)**	**Medicaid Days**	**Total Days**	**Medicaid Days % of Total Days**	**Bed Occupancy**
Alhambra Rehab & Healthcare	Alhambra	84	4	4,053	13,895	29.17%	45.32%
Bria of Mascoutah	Mascoutah	55	3	11,157	14,696	75.92%	73.20%
Autumn Meadows of Cahokia	Cahokia	150	2	23,233	29,486	78.79%	53.85%
Aviston Countryside Manor	Trenton	97	1	10,089	21,023	47.99%	59.38%
Breese Nursing Home	Breese	112	5	4,389	10,911	40.22%	26.69%
Bria of Belleville	Belleville	140	1	29,583	36,781	80.43%	71.98%
Bria of Cahokia	Cahokia	133	2	36,158	40,270	89.79%	82.95%
Carlyle Healthcare & Sr. Living	Carlyle	109	1	12,536	21,906	57.23%	55.06%
Caseyville Nursing & Rehab Ctr	Caseyville	150	1	25,903	31,150	83.16%	56.89%
Cedar Ridge Health & Rehab Center	Lebanon	116	1	20,727	35,725	58.02%	84.38%
Clinton Manor	New Baden	90	5	24,672	27,749	88.91%	84.47%
Collinsville Rehab & Health Care Center	Collinsville	39	1	13,012	15,245	85.35%	107.09%
Eden Village Care Center	Glen Carbon	128	4	8,788	21,481	40.91%	45.98%
Edwardsville Nsg & Rehab.	Edwardsville	120	2	16,476	23,894	68.95%	54.55%
Elmwood Nrsg. & Rehab Center	Maryville	104	1	21,650	27,943	77.48%	73.61%

TABLE THREE
Facilities within the 17-mile GSA

				2-Year Average 2021 and 2022 (2)			
FACNAME	**CITY**	**Gen Beds**	**Star Rating (1)**	**Medicaid Days**	**Total Days**	**Medicaid Days % of Total Days**	**Bed Occupancy**
Fayette Co Hosp Nursing Home	Vandalia	85	1	7,316	12,301	59.47%	39.65%
Granite Nsg. & Rehab Center	Granite City	86	1	18,862	24,191	77.97%	77.06%
Greenville Nursing & Rehab	Greenville	90	3	10,069	18,328	54.94%	55.79%
Helia Healthcare of Belleville	Belleville	122	1	12,165	15,284	79.59%	34.32%
Staunton Health & Rehab Ctr.	Staunton	90	4	7,866	17,914	43.91%	54.53%
Highland Health Care Center	Highland	128	1	15,858	27,369	57.94%	58.58%
Hitz Memorial Home	Alhambra	67	2	3,733	14,825	25.18%	60.62%
Bria of Alton	Alton	181	1	13,712	16,700	82.11%	25.28%
Bria of Wood River	Wood River	106	3	18,154	21,412	84.78%	55.34%
Lebanon Care Center	Lebanon	90	1	16,518	17,931	92.12%	54.58%
Manor Court of Maryville	Maryville	132	2	15,246	33,112	46.04%	68.73%
Mar-ka Nursing Home	Mascoutah	76	1	6,153	12,848	47.89%	46.31%
Memorial Care Center	Belleville	82	5	0	13,006	0.00%	43.45%
Mercy Rehab and Care Center	Belleville	120	1	13,601	21,471	63.35%	49.02%
Meridian Village	Glen Carbon	70	5	2,606	20,880	12.48%	81.72%
River Crossing of Edwardsville	Edwardsville	120	1	21,136	29,617	71.36%	67.62%
St. Paul's Senior Community	Belleville	108	2	7,805	37,124	21.02%	94.17%
Swansea Rehab & Healthcare Center	Swansea	94	1	14,331	15,332	93.47%	44.69%
University Nursing & Rehab	Edwardsville	122	1	18,772	25,602	73.32%	57.49%
Vandalia Rehab & Healthcare Center	Vandalia	116	1	10,377	11,751	88.31%	27.75%
Total		**3,712**		**496,699**	**779,143**	**63.75%**	**57.51%**

1. Star Rating taken from Medicare Nursing Home Compare Website.
2. Information taken from HFS Long Term Care Cost Reports.

D) Section 1125.580 - Unnecessary Duplication/Maldistribution

a) The applicant shall document that the project will not result in an unnecessary duplication. The applicant shall provide the following information:

1) A list of all zip code areas that are located, in total or in part, within the established radii outlined in 77 Ill. Adm. Code 1100.510(d) of the project's site.

2) The total population of the identified zip code areas (based upon the most recent population numbers available for the State of Illinois); and

3) The names and locations of all existing or approved LTC facilities located within the established radii outlined in 77 Ill. Adm. Code 1100.510(d) of the project site that provide the categories of bed service that are proposed by the project.

b) The applicant shall document that the project will not result in maldistribution of services. Maldistribution exists when the identified area (within the planning area) has an excess supply of facilities, beds and services characterized by such factors as, but not limited to:

1) A ratio of beds to population that exceeds one and one-half times the State average.

2) Historical utilization (for the latest 12-month period prior to submission of the application) for existing facilities and services that is below the occupancy standard established pursuant to Section 1125.210(c); or
3) Insufficient population to provide the volume or caseload necessary to utilize the services proposed by the project at or above occupancy standards.

c) The applicant shall document that, within 24 months after project completion, the proposed project:
1) Will not lower the utilization of other area providers below the occupancy standards specified in Section 1125.210(c); and
2) Will not lower, to a further extent, the utilization of other area facilities that are currently (during the latest 12-month period) operating below the occupancy standards.

As shown in Table Three above, there is approximately 35 LTC facilities with 3,715 LTC beds within the 17-mile GSA. Two-year average utilization of these 35 LTC facilities is 57.5%.

There are 38 zip codes with approximately 241,450 residents residing in the 17-mile GSA. There are 3,712 LTC Beds within this 17-mile GSA or 1 LTC Bed for every 65 residents in this GSA. There are approximately 88,532 nursing care beds in the State of Illinois. There are approximately 12.62 million people in the State of Illinois or 1 LTC bed for every 143 residents. The ratio of beds within this 17-mile GSA is 1.5 times the State of Illinois ratio. Based upon this ratio there is a surplus of the long-term care beds in this 17-mile GSA.

TABLE FOUR
LTC Beds to Population

	Population	Beds	Ratio
State of Illinois	12,620,000	88,532	0.00704
17 Mile GSA	241,451	3,712	0.01537

E) Section 1125.590 - Staffing Availability

The applicant shall document that relevant clinical and professional staffing needs for the proposed project were considered and that staffing requirements of licensure, certification and applicable accrediting agencies can be met. In addition, the applicant shall document that necessary staffing is available by providing letters of interest from prospective staff members, completed applications for employment, or a narrative explanation of how the proposed staffing will be achieved.

The Applicant provided a narrative as required and stated the proposed facility will create 50-60 jobs in the Highland Park community and according to the Applicant the supply of health care workers will not be an issue as the number of health care workers are more than the number of nursing LTC facilities in the area. The medical director will be Dr. Ahsan Usman. According to the Applicant staff will be hired once state licensure has been approved. The Applicants have met the requirements of this criterion.

F) Section 1125.600 - Bed Capacity

The maximum bed capacity of a general LTC facility is 250 beds, unless the applicant documents that a larger facility would provide personalization of patient/resident care and documents provision of quality care based on the experience of the applicant and compliance with IDPH's licensure standards (77 Ill. Adm. Code: Chapter I, Subchapter c (Long-Term Care Facilities)) over a two-year period.

The proposed facility will have a total 74 long term care beds, 14-beds dedicated to memory care, 50 skilled care beds and 10 intermediate care beds. The Applicant has met the requirements of this criterion.

G) 1125.610 - Community Related Functions

The applicant shall document cooperation with and the receipt of the endorsement of community groups in the town or municipality where the facility is or is proposed to be located, such as, but not limited to, social, economic, or governmental organizations or other concerned parties or groups. Documentation shall consist of copies of all letters of support from those organizations.

The Applicant provided community support letters from the Mayor of the City of Highland, the Highland Chamber of Commerce, City of Highland City Manager, City of Highland Economic Development Coordinator, Property Owner Gayle A. Fry, Tisha Flowers, Marketing Director Well Care Home NFP Inc., Susan Hulvey, Chief Operating Officer Well Care Home NFP Inc. The Applicant has successfully addressed this criterion.

H) Section 1125.620 - Project Size − Review Criterion

The applicant shall document that the amount of physical space proposed for the project is necessary and not excessive. The proposed gross square footage (GSF) cannot exceed the GSF standards of Appendix A, unless the additional GSF can be justified by documenting one of the following:

a) Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies.

b) The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix A.

c) The project involves the conversion of existing bed space that results in excess square footage.

The Applicant is proposing 74 LTC beds in 39,867 GSF of reviewable space or 539 DGSF per bed. The State Board Standard for LTC beds is 350-570 DGSF per Bed. The Applicant has met the requirement of this criterion.

I) Section 1125.630 - Zoning

The applicant shall document one of the following:

a) The property to be utilized has been zoned for the type of facility to be developed.

b) Zoning approval has been received; or

c) A variance in zoning for the project is to be sought.

The Applicant provided documentation from the City of Highland which states that the site of the proposed project is properly zoned for the project. Application for Permit page 94.

J) Section 1125.640 - Assurances

a) The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in Section 1125.210(c) for each category of service involved in the proposal.

b) For beds that have been approved based upon representations for continuum of care (Section 1125.560(a)) or defined population (Section 1125.560(b)), the facility shall provide assurance that it will maintain admissions limitations as specified in those Sections for the life of the facility. To eliminate or modify the admissions limitations, prior approval of HFSRB will be required.

The Applicant has provided the necessary assurance that the proposed 74-bed facility will be at target occupancy of 90% within two years after project completion. The Applicant has met this requirement.

VII. 77 IAC 1125.800 - Financial Viability and Economic Feasibility

A) Availability of Funds
B) Financial Viability

The Applicant is financing this project with cash of $3,490,000. The Applicant provided Deposit Account Summary from Chase Bank for Well Care Home NFP, INC. indicating that $600,000 was available to provide operating capital. Additionally, a personal financial statement was also provided for Dr. Usman. Based upon the information provided funds are available and the Applicant is financial viability. (See pages 96-111 of the Application for Permit)

TABLE FIVE
Amount Spent to Date

Land + Building	$2,350,000
Carpet replaced with vinyl floor	$200,000
Sprinkler Repair	$40,000
Fire alarm System Repair	$20,000
Fire Extinguishers Tagged	$5,000
Elevators Repairs	$10,000
Back-up Generator	$15,000
Plumbing repairs	$30,000
Rooms repairs	$89,000
Kitchen updates	$40,000
Exterior building repairs	$29,000
Dialysis Center Plumbing	$28,000
Electricity Bill Paid	$34,000
Total	$2,890,000

C) Reasonableness of Debt Financing
D) Terms of Debt Financing

There is no debt associated with this project.

E) Reasonableness of Project Costs

Modernization costs are $1,140,000 or $28.58 per GSF. The State Board Standard is $201.61 per GSF. This cost appears reasonable when compared to the State Board Standard.

Acquisition of Building and Property is $2,350,000. The State Board does not have a standard for this cost.

TABLE SIX
Projected Operating Profit and Loss

Year	2024	2025	2026	2027	2028
Revenue	$4,560,150	$5,236,884	$5,636,887	$5,913,900	$6,199,738
Cost of Goods	$2,828,000	$3,184,000	$3,360,000	$3,456,000	$3,552,000
Gross Profit	$1,732,150	$2,052,884	$2,276,887	$2,457,900	$2,647,738
Salaries	$1,023,528	$1,083,650	$1,107,838	$1,132,586	$1,157,906
Marketing	$91,203	$104,738	$112,738	$118,278	$123,995
Admin	$60,000	$60,000	$60,000	$60,000	$60,000
Operations	$300,000	$300,000	$300,000	$300,000	$300,000
Other	$24,000	$24,000	$24,000	$24,000	$24,000
Housekeeping	$91,203	$104,738	$112,738	$118,278	$123,995
Total Operating Expenses	$1,589,934	$1,677,126	$1,717,314	$1,753,142	$1,789,896
Depreciation	$68,750	$68,750	$68,750	$68,750	$68,750
Interest Expense	$0	$0	$0	$0	$0
Operating Profit	$73,466	$307,008	$490,823	$636,008	$789,093

23-042 Well Care Home NFP - Highland