



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 18, 2025	PROJECT NO: 24-037	PROJECT COST: Original: \$0
FACILITY NAME: Kindred Chicago Lakeshore		CITY: Chicago	
TYPE OF PROJECT: Substantive			HSA: VI

PROJECT DESCRIPTION: The Applicants (Kindred Healthcare Operating, LLC, and Kindred THC Northshore, LLC) propose to discontinue a Long Term Care Acute Hospital (LTACH), in Chicago. This project has no cost, and the expected completion date is April 30, 2025.

Information on this Application for a Permit can be found at this link:
<https://hfsrb.illinois.gov/project.24-037-kindred-chicago-lakeshore.html>

EXECUTIVE SUMMARY

PROJECT DESCRIPTION

- The Applicants (Kindred Healthcare Operating, LLC and Kindred THC Northshore LLC) propose to discontinue a 103-bed Long Term Care Acute Care Hospital (LTACH) operating as part of the Subacute Care Demonstration Program known as Chicago Lakeshore, located at 6130 North Sheridan Road in Chicago. This project has no cost, and the expected completion date is April 30, 2025.
- The proposed discontinuation is the result of an expiring facility lease that the Applicants decided to terminate, excess bed capacity in the planning areas, and substandard operational capacity.
- The proposed discontinuation will also involve the discontinuation of its Imaging services (general radiography/fluoroscopy, ultrasound, computerized axial tomography (CAT), and magnetic resonance imaging (MRI)). These services will be discontinued with the LTACH, and the equipment distributed among the remaining operational Kindred facilities.
- The Applicant facility is one of seven LTACHs operating in Illinois (see Tale One).

TABLE ONE			
LTACHs in Illinois			
Name	City	# of Beds	Occupancy in 2023
Greater Peoria Specialty Hospital	Peoria	47	66.7%
Kindred Chicago Northlake*	Northlake	91	34.3%
Kindred Chicago Northlake^	Chicago	159	41.1%
Kindred Sycamore	Sycamore	64	36.8%
Presence Holy Family	Des Plaines	178	41.1%
RML Health Chicago	Chicago	25	160.8%
RML Health Hinsdale	Hinsdale	115	72.9%
*North Avenue Facility			
^Montrose Avenue Facility			

SUMMARY

- The Applicants are asking the Health Facilities & Services Review Board (“HFSRB” or “State Board”) to approve the discontinuation of an existing LTACH in Chicago. They cite the pending expiration of the building lease, substandard operational capacity, and excess beds in the planning areas.
- The existing LTACH has experienced a significant decline in utilization over the last five years. The Applicants note there are two other Kindred facilities within a 50-mile radius with similar operational issues (substandard capacity) that can accommodate Kindred Sycamore’s patient population and benefit by increasing their operational capacity. Table Two illustrates the historical operational capacity at Kindred Lakeshore in the last five years.

TABLE TWO					
Utilization at Kindred Chicago Lakeshore, Chicago					
Year	2019	2020	2021	2022	2023
103-Bed LTACH	34.1%	33.9%	33%	31%	28%
1. Information taken from facility surveys.					
2. State Board Standard: 85% occupancy.					
3. LTACH: Long Term Care Acute Hospital					

- The LTACH is in HSA 6, and the State Board notes an excess of 231 long-term acute care beds in HSAs 6, 7, 8, and 9. HSAs 6, 7, 8, and 9 combined are the LTACH planning area for this facility (see 77 Ill. Adm. Code 1100.810(a))



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STATE BOARD STAFF REPORT

Project #24-037

Kindred Chicago Lakeshore

APPLICATION/CHRONOLOGY/SUMMARY	
Applicant	Kindred Healthcare Operating, LLC Kindred THC Northshore LLC
Facility Name	Kindred Chicago Lakeshore
Location	6130 North Sheridan Road, Chicago, IL
Permit Holder	Kindred Healthcare Operating, LLC
Operating Entity	Kindred THC Northshore, LLC
Owner of Site	Ventas Realty, Limited Partnership
Application Received	November 19, 2024
Application Deemed Complete	December 4, 2024
Review Period Ends	April 3, 2025
Financial Commitment Date	N/A
Project Completion Date	April 30, 2025
Can the Applicant request a deferral?	Yes

I. Project Description

The Applicants (Kindred Healthcare Operating, LLC and Kindred THC Northshore, LLC) propose to discontinue an existing Long-Term Acute Care Hospital (LTACH) located at 6130 North Sheridan Road, Chicago, Illinois. This project is free of cost, and the expected completion date is April 30, 2025.

II. Summary of Findings

- A. The State Board Staff finds the proposed project is in conformance with the provisions of 77 Ill. Adm. Code 1110.
- B. The State Board Staff notes that 77 Ill. Adm. Code 1120 is not applicable to this project because there is no cost.

III. General Information

The Applicants are Kindred Healthcare Operating, LLC and Kindred THC Northshore, LLC. The LTACH is operating as part of the Subacute Care Demonstration Program, along with six other LTACHs operating under this Demonstration Program (see Table One). A second discontinuation application for an LTACH accompanies this application. Kindred Hospital Sycamore proposes discontinuing its 64-bed LTACH in Sycamore (Project #24-038). This project is also scheduled for HFSRB consideration at the March 2025 meeting. There are no costs associated with this discontinuation.

IV. Background of the Applicant

The Applicants are Kindred Healthcare Operating, LLC and Kindred THC Northshore, LLC. Kindred Healthcare Operating LLC is a Delaware-based corporation licensed to conduct business in the State of Illinois, and the Applicant attests that no adverse actions were taken against this corporation in the three years prior to the application.

V. Purpose of the Project

The Applicants state the discontinuation of the LTACH is based on their decision to discontinue the building lease, which expires on April 30, 2025. The decision to not renew the lease is predicated on the facts that an excess of 231 long term acute care beds in the HSAs 6, 7, 8, and 9 planning area, and that three other LTACHs located within 30-minutes of the Applicant facility have excess capacity and are operating well below the State standard of 85%. The proposed discontinuation will allow the transfer of its patients to these nearby under-performing LTACHs. It will not affect patient access to long term acute care services in the planning area.

VI. Discontinuation

The Applicants propose to discontinue a Long Term Acute Care Hospital (LTACH), in Chicago. The proposed discontinuation is attributed to an expiring lease, underperforming LTACHs in the planning area, and an excess of LTACH beds in the planning area.

The Applicants supplied copies of correspondence sent to media outlets, area politicians, and State Agency Directors, informing them of the impending discontinuation. The Applicants propose to transfer its current patient complement to Kindred Chicago North, 2544 Montrose Avenue, Chicago, which is located approximately 4.8 miles (15 minutes) from the Applicant facility and has historically reported operational capacities below the State standard of 85%. The Applicants supplied a signed attestation stating that all required surveys and questionnaires will be completed and submitted to the appropriate State Agencies within 90 days following the date of discontinuation (Application, p. 51).

VII. Charity Care / Medicaid Information

Table Three outlines the applicants’ provision of charity care and Medicaid for the years 2020 through 2023.

TABLE FOUR			
Net Patient Revenue/Charity Care/Medicaid Information			
	2020	2021	2022
CHARITY CARE			
Net Patient Revenue	\$157,399,347	\$136,638,173	\$121,079,128
Amount of Charity Care (charges)	\$0	\$0	\$0
Cost of Charity Care	\$0	\$0	\$0
Charity (# of Patients)	0	0	0
MEDICAID			

TABLE FOUR			
Net Patient Revenue/Charity Care/Medicaid Information			
Medicaid (# of Patients)	292	159	120
Medicaid Revenue (Outpatient)	\$39,080,840	\$30,327,306	\$33,936,344

24-037 Kindred Chicago Lakeshore - Chicago

