



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-07	BOARD MEETING: March 18, 2025	PROJECT NO: 24-038	PROJECT COST: Original: \$0
FACILITY NAME: Kindred Hospital Sycamore		CITY: Sycamore	
TYPE OF PROJECT: Substantive			HSA: I

PROJECT DESCRIPTION: The Applicants (Kindred Healthcare Operating, LLC, and Kindred Sycamore, LLC) propose to discontinue a Long Term Care Acute Hospital (LTACH), in Sycamore. There is no cost associated with this project, 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.24-038-kindred-hospital-sycamore.html>

EXECUTIVE SUMMARY

PROJECT DESCRIPTION

- The Applicants (Kindred Healthcare Operating, LLC and Kindred Sycamore LLC) propose to discontinue a Long Term Care Acute Care Hospital (LTACH), in Sycamore. There is no cost to this project, and the expected completion date is April 30, 2025.
- The proposed discontinuation is the result of low utilization and an expiring facility lease that the Applicants decided to terminate.
- Kindred Hospital Sycamore is a 64-bed LTACH, located at 225 Edward Street, Sycamore. The facility provides the following imaging services (general radiography/fluoroscopy, ultrasound, computerized axial tomography, magnetic resonance imaging). These services will be discontinued with the LTACH, and the equipment distributed among the remaining operational Kindred facilities.

SUMMARY

- The Applicants are asking the Health Facilities & Services Review Board (“HFSRB” or “State Board”) to approve the discontinuation of an existing LTACH in Sycamore. The Applicants cite low utilization and the pending expiration of the building lease, which the Applicants chose not to renew.
- The existing LTACH has experienced a steady decline in utilization over the last five years. The Applicants note two other Kindred facilities within a 50-mile radius have similar operational issues (substandard capacity) that can accommodate Kindred Sycamore’s patient population, and benefit by increasing operational capacity. Table One illustrates the historical operational capacity at Kindred Sycamore in the last five years.

TABLE ONE					
Utilization at Kindred Hospital Sycamore					
Year	2019	2020	2021	2022	2023
64-Bed LTACH	41.5%	45.3%	42%	41.1%	34.1%
1. Information taken from facility surveys.					
2. State Board Standard: 85% occupancy.					
3. LTACH: Long Term Care Acute Hospital					

- The LTACH is in HSAs 6, 7, 8, and 9 LTACH planning area.
- This discontinuation was submitted in conjunction with Kindred Chicago Lakeshore’s application (#24-037), to discontinue a 103-bed LTACH, operating as part of the Subacute Care Demonstration Program. The Lakeshore discontinuation project is also scheduled for HFSRB consideration at the March 2025 meeting.



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STATE BOARD STAFF REPORT Project #24-038 Kindred Hospital Sycamore

APPLICATION/CHRONOLOGY/SUMMARY	
Applicant	Kindred Healthcare Operating, LLC Kindred Sycamore LLC
Facility Name	Kindred Hospital Sycamore
Location	225 Edward Street, Sycamore, IL
Permit Holder	Kindred Healthcare Operating, LLC
Operating Entity	Kindred Sycamore, 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 Sycamore LLC) propose to discontinue a Long Term Acute Care Hospital (LTACH), located at 225 Edward Street, Sycamore, Illinois. There is no cost to this project, 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 Sycamore LLC. There are no costs associated with this discontinuation.

IV. Background of the Applicant

The Applicants are Kindred Healthcare Operating, LLC and Kindred Hospital Sycamore, 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 have been taken against this corporation in the three years prior to 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 Applicants identified four other LTACHs located within 50 miles of the Applicant facility that 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 and 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 Sycamore. The proposed discontinuation is attributed to an expiring lease, underperforming LTACHs in the planning area, an excess of 231 LTACH beds in the planning area, and a history of substandard performance at the Applicant facility (see Table One).

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 Northlake, 2544 Montrose Avenue, Chicago, which is located approximately 61 miles (71 minutes) from the Applicants; facility, or Kindred Hospital North, 366 North Avenue, Chicago (57 miles/1 hour). It is noted that these LTACHs have historically reported operational capacities below the State standard of 85%. The Applicants supplied 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. 52).

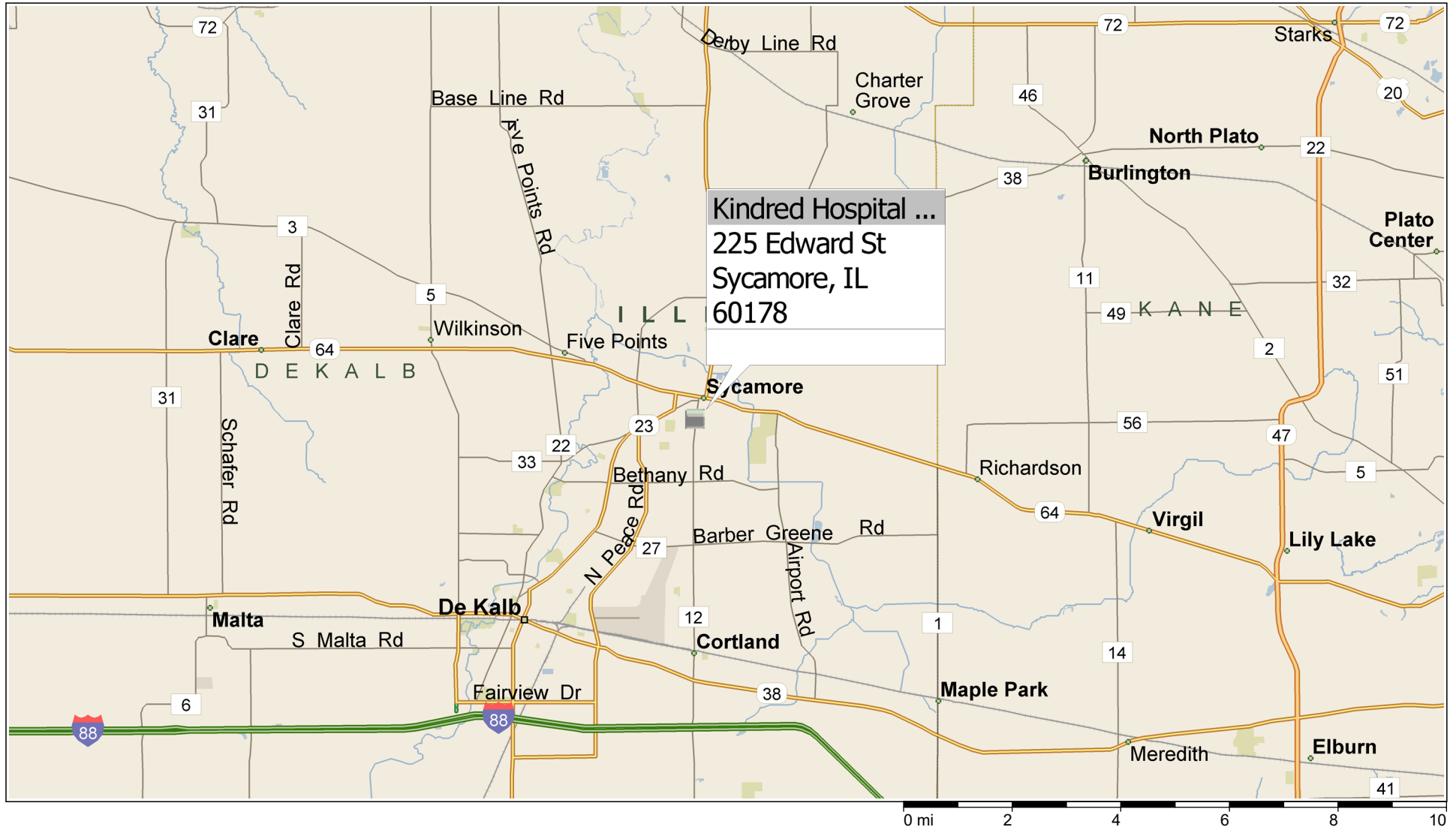
TABLE TWO LTACHs in Illinois			
Name	City	# of Beds	Occupancy in 2023
Greater Peoria Specialty Hospital	Peoria	47	66.7%
Kindred Chicago Northlake*	Northlake	91	34.3%
Kindred Chicago Northlake^	Chicago	159	41.1%
Kindred Sycamore	Sycamore	64	36.8%
Presence Holy Family	Des Plaines	178	41.1%
RML Health Chicago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

VII. Charity Care / Medicaid Information

The Applicants' provision of charity care and Medicaid is outlined in Table Three, for years 2020 through 2022.

TABLE THREE			
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
Charity (cost in dollars)	\$0	\$0	\$0
MEDICAID			
Medicaid (# of Patients)	292	151	120
Medicaid Revenue (Outpatient)	\$39,080,840	\$30,327,306	\$33,936,344

24-038 Kindred Hospital Sycamore - Sycamore



Kindred Hospital ...
225 Edward St
Sycamore, IL
60178