STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

	BOARD MEETING:	PROJECT NO:	PROJECT COST:
	November 18, 2025	25-031	Original: $2,835,857
FACILITY NAME: Oak Hill Senior Living & Rehabilitation Center		CITY: Waterloo	
TYPE OF PROJECT: Substantive			HSA: XI

DESCRIPTION: The Applicants are requesting that the State Board approve the transfer of operational control of Oak Hill Senior Living & Rehabilitation Center from Monroe County to Accolade Healthcare of Waterloo LLC. The project's cost is $2,835,857, and the expected completion date is upon licensure by the Illinois Department of Public Health.

Information regarding this Application for Permit can be found at this link: **https://hfsrb.illinois.gov/project.25-031-oak-hill-senior-living-and-rehabilitation-center,-waterloo.html**

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (Monroe County, Illinois, Accolade Ventures LLC., and Accolade Healthcare of Waterloo LLC) are requesting that the State Board approve the transfer of operational control of Oak Hill Senior Living & Rehabilitation Center, 623 Hamacher Street, Waterloo, Illinois, from Monroe County to Accolade Healthcare of Waterloo LLC. The project's cost is $2,835,857, and the expected completion date is upon licensure by the Illinois Department of Public Health.

BACKGROUND

- Monroe County has been the operator and licensee of Oak Hill Senior Living and Rehabilitation Center (formerly known as Monroe County Nursing Home) for nearly 75 years.
- In August 2025, the Monroe County Board voted to lease the county-owned facility to Accolade Healthcare of Waterloo, LLC, following reports of financial struggles and administrative issues. The lease includes a $14 million buy option during the second five-year term. This purchase requires a county referendum.
- As shown in the table below, Oak Hill Senior Living & Rehabilitation operated at an 89% utilization rate, with a payor mix of 36% Medicaid, 3% Medicare, 54% Private Pay, and 7.3% Other for the period from 2019 to 2024. (Source: State of Illinois Department of Healthcare and Family Services, Financial and Statistical Report (Cost Report) For Long-Term Care Facilities)

Executive Summary
TABLE ONE
Oak Hill Senior Living & Rehabilitation Center
Number of Days by Payor Source and Utilization, and Average Daily Census for the Period 2019-2024

Year	Medicaid	Medicare	Private Pay	Other	Total	ADC	Occ.
2019	13,098	0	29,938	5,879	48,915	134	93.07%
2020	14,892	0	24,663	4,829	44,384	122	84.44%
2021	15,673	0	23,831	4,298	43,802	120	83.34%
2022	18,891	2,958	23,465	1,334	46,648	128	88.75%
2023	18,484	3,508	23,722	2,066	47,780	131	90.91%
2024	18,158	2,515	25,101	1,936	47,710	131	90.77%
Total	99,196	8,981	150,720	20,342	279,239		88.60%
%	35.52%	3.22%	53.98%	7.28%	100.00%		

Executive Summary
TABLE TWO
Oak Hill Senior Living & Rehabilitation Center
Profit/Loss

	2023	2022	2021	2020	2019
Revenue	$13,087,615	$11,912,420	$10,863,247	$11,436,636	$11,551,487
Total Revenue	$17,810,551	$15,661,810	$13,904,753	$14,461,297	$14,223,547
Total Expenses	$18,494,676	$16,410,384	$14,008,251	$13,647,182	$12,796,591
Income (Loss)	($684,125)	($748,574)	($103,498)	$814,135	$1,426,956

PURPOSE OF THE PROJECT:

- The purpose of the project is to transfer operational control of Oak Hill Senior Living & Rehabilitation Center – the Monroe County Nursing Home.

PUBLIC COMMENT:

- The State Board conducts public hearings and accepts written comments to gather community feedback on proposed projects. This input is taken into consideration during the decision-making process.
- On October 8, 2025, the State Board Staff conducted a public hearing in Waterloo, Illinois. One hundred five individuals registered their attendance, with 12 residents supporting, 74 opposing, and 19 remaining neutral. Those who opposed the project directed their criticism at the lack of transparency in the decision-making process and concerns over a decline in the quality of resident care. The most vocal criticism came from Oak Hill employees, local taxpayers, and voters who felt they had been caught off guard by the decision. Those in opposition allege that the county board did not adequately involve them in the judgment, ignoring public input at meetings where the lease was discussed. An employee stated that the board's actions made the community feel blindsided, invisible, unimportant, belittled, and brushed aside like we were nothing". One union representative publicly accused board members of lying to them during earlier union negotiations, despite already being aware that a lease proposal was pending. Concerned community members and family members of residents expressed fears that a new, for-profit operator would negatively impact the quality of care. Critics pointed to the new operator's other facilities, which they noted have lower ratings (two to three stars) compared to Oak Hill's current four-star rating. Some believe that understaffing, rather than the facility itself, is the source of Oak Hill's problems, and they fear that the new lease will only exacerbate staffing shortages. There is widespread concern that a for-profit company like Accolade will prioritize financial gains over the well-being of residents. Others opposing the project were concerned about the facility's poor economic performance and questioned the County Board's oversight. They stated that a series of administrator turnovers occurred in the years preceding the lease and that the county board hired an accounting firm to conduct a forensic audit[1] Following an investigation into potential Medicare billing irregularities, Oak Hill's practices are being reviewed. In November 2024, the administrator was fired due to an alleged failure to report abuse/neglect allegations and for violating COVID-19 safety protocols. County officials stated that operating a nursing home has become too complex, citing rising costs, staffing shortages, and increasing regulatory requirements. The decision to lease Oak Hill is consistent with a trend of private companies acquiring publicly owned nursing homes amid financial pressures. Residents have raised questions about the five-year lease and a $14 million buy option for Accolade in 2030, which some believe undervalues the property. There are also concerns about how the county will use a $2.5 million endowment fund for facility upkeep during the lease.
- The State Board also received 22 opposition letters/emails, four letters of concern, and one letter of support.

SUMMARY:

- From documents received by the State Board, it appears that a change of control of Oak Hill Senior Living & Rehabilitation Center has occurred before the approval of the State Board. A change of ownership or control of a health facility requires prior approval from the Illinois Health Facilities and Services Review Board (HFSRB), as specified in the Illinois Administrative Code. A change

---

[1] A forensic audit is a detailed, investigative examination of an organization's or an individual's financial records to uncover and document evidence of potential financial misconduct or fraud. The primary purpose is to produce findings that can be used in a legal proceeding, such as a criminal trial, civil dispute, or insurance claim. (Source: Corporate Financial Institute)

in operational control or ownership of a facility's physical plant and capital assets is defined as a "change of ownership" and is not permitted without this approval. The lease was signed on August 26, 2025, and operational control occurred on October 1, 2025.

Criterion	Non-Compliance
77 Ill. Code 1110.230 (a) Background of the Applicants	The State Board Staff review of the background information revealed prior adverse actions of the Accolade facilities, which HFSRB is required to consider under Section 1110.110(a) of the administrative rules. **A listing of the Type A violations by facility is provided at the end of the report.**

State Board Staff Report
Oak Hill Senior Living & Rehabilitation Center
PROJECT #25-031

APPLICATION / CHRONOLOGY / SUMMARY	
Applicants	Monroe County, Illinois, Accolade Ventures LLC., and Accolade Healthcare of Waterloo LLC
Facility Name	Oak Hill Senior Living & Rehabilitation Center
Location	623 Hamacher Street, Waterloo, Illinois
Permit Holder	Monroe County, Illinois, Accolade Ventures LLC., and Accolade Healthcare of Waterloo LLC
Operating Entity/Licensee	Accolade Healthcare of Waterloo LLC
Owner of Site	Monroe County
Application Received	August 11, 2025
Application Deemed Substantially Complete	August 14, 2025
Review Period Ends	October 13, 2025
Project Completion Date	Upon Licensure by the Illinois Department of Public Health
Review Period Extended by the State Board Staff?	No
Can the Applicants request a deferral?	Yes

I. The Proposed Project

The Applicants (Monroe County, Illinois, Accolade Ventures LLC, and Accolade Healthcare of Waterloo LLC) are requesting that the State Board approve the transfer of operational control of Oak Hill Senior Living & Rehabilitation Center, located at 623 Hamacher Street, Waterloo, Illinois, from Monroe County to Accolade Healthcare of Waterloo LLC. The project's cost is $2,835,857, and the expected completion date is upon licensure by the Illinois Department of Public Health.

II. Summary of Findings

A. The State Board Staff finds the proposed project is **not** in conformance with the provisions of Part 1110.

B. The State Board Staff finds the proposed project is in conformance with the provisions of Part 1120.

III. General Information

The Applicants are Monroe County, Illinois, Accolade Ventures LLC., and Accolade Healthcare of Waterloo LLC. Oak Hill Senior Living & Rehabilitation Center is a 144-bed long-term care facility. The long-term care planning area for this project is Monroe County. There is one other long-term care facility in Monroe County, BRIA of Columbia, located in Columbia, Illinois, which has 119 long-term care beds. There is currently a calculated excess of 9 long-term care beds in the Monroe County Planning Area. Should this project be approved, Accolade Healthcare of Waterloo LLC will be the licensee, and Monroe County will be the owner of the site.

The project is a non-substantive project subject to review under Part 1110 and Part 1120. Financial commitment will occur upon permit issuance. Accolade Healthcare of Waterloo LLC members are Moshe Freedman (33%), Igor Rebel (16%), Joseph Chase (16%), Michael Zahtz (16%), Joshua Rosen (3%), and Yaskov Brandman (16%).

IV. Project Uses and Sources of Funds

The project's cost is the Fair Market Value of the leased space, which is $2,835,857.

V. Background of the Applicant, Purpose of Project, Safety Net Impact Statement, and Alternatives

A) 77 Adm. Code 1110.110 (a) - Background of the Applicant
B) 77 Adm. Code 1110.110 (b) - Purpose of the Project
C) 77 Adm. Code 1110.110 (c) – Alternatives to the Project

A) Background of Applicant

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 health care service for the community.* [20 ILCS 3960/6] In evaluating the qualifications, background and character of the applicant, HFSRB shall consider whether adverse action has been taken against the applicant, including corporate officers or directors, LLC members, partners, and owners of at least 5% of the proposed health care facility, or against any health care facility owned or operated by the applicant, directly or indirectly, within 3 years preceding the filing of the application. **A health care 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 77 Ill. Adm. Code 1100 and 1130 for definitions of terms such as "adverse action", "ownership interest", and "principal shareholder")[2]The State Board investigates the qualifications, background, and character of the applicant and any affiliated parties. This includes reviewing past adverse actions against the applicant or facilities they own or operate.

Moshe Freedman and Shmuel Freedman have an ownership interest in all five facilities listed in Table 1. The Applicants provided a list of the 'A' violations at these facilities for the years 2022-2024. This listing is at the end of this report and on the State Board's website.

---

[2] Adverse Action" means a disciplinary action taken by IDPH, CMMS, or any other State or federal agency against a person or entity that owns or operates licensed or Medicare or Medicaid certified healthcare facility in the State of Illinois. These actions include, but are not limited to, all Type "A" and Type "AA" violations. As defined in Section 1-129 of the Nursing Home Care Act [210 ILCS 45], *"Type 'A' violation" means a violation of* the Nursing Home Care *Act or of the rules promulgated thereunder which creates a condition or occurrence relating to the operation and maintenance of a facility that (i) creates a substantial probability that the risk of death or serious mental or physical harm to a resident will result therefrom or (ii) has resulted in actual physical or mental harm to a resident.* As defined in Section 1-128.5 of the Nursing Home Care Act, *a "Type AA violation" means a violation of* the *Act or of the rules promulgated thereunder which creates a condition or occurrence relating to the operation and maintenance of a facility that proximately caused a resident's death.* [210 ILCS 45/1-129]

TABLE ONE Accolade Facilities in Illinois								
Facility	Star Rating	Beds	Medicare	Medicaid	Private Pay	Other	Total	%
Accolade Healthcare Paxton	1	106	3,132	23,399	4,692	3,064	34,287	88.62%
Accolade Healthcare of Danville	2	108	4,168	24,665	2,828	3,243	34,904	88.54%
Accolade Healthcare of Peoria	3	144	6,069	28,164	2,890	2,955	40,078	76.25%
Accolade Healthcare Pontiac	3	97	4,101	20,708	2,180	748	27,737	78.34%
Accolade Paxton Senior Living	4	75	3,473	13,149	4,705	3,243	24,570	89.75%
Total		530	20,943	110,085	17,295	13,253	161,576	83.52%
			12.96%	68.13%	10.70%	8.20%	100.00%	

TABLE TWO Ownership Interest in Accolade Facilities in Illinois	
Accolade Healthcare Paxton	Ownership %
Moshe Freedman	98.00%
Shmuel Freedman	2.00%
Accolade Healthcare of Danville	
Moshe Freedman	98.00%
Shmuel Freedman	2.00%
Accolade Healthcare of Peoria	
Moshe Freedman	90.00%
Shmuel Freedman	10.00%
Accolade Healthcare Pontiac	
Moshe Freedman	99.00%
Shmuel Freedman	1.00%
Accolade Paxton Senior Living	
Moshe Freedman	99.00%
Shmuel Freedman	1.00%

A review of the information submitted indicates that the Applicants are not fit, willing, and able, and possess the qualifications, background, and character to provide a proper standard of healthcare service to the community.

B) Purpose of the Project

The applicant shall document that the project will provide health services that improve the healthcare or well-being of the population to be served in the market area. The applicant shall define the planning area, market area, or other relevant area as they determine.

According to the Applicants, the purpose of this project is to ensure that residents of Monroe County continue to have access to quality long-term care services and to maintain a continued commitment to providing care to underserved and indigent residents of Monroe County.

C) Safety Net Impact Statement

All health care facilities, except skilled and intermediate long-term care facilities licensed under the Nursing Home Care Act, shall provide a safety net impact statement*, which shall be filed with an application for a substantive project* (see Section 1110.40). *Safety net services are offered by healthcare providers or organizations that deliver care to individuals with barriers to mainstream healthcare, including those who lack insurance, are unable to afford it, have special needs, belong to an ethnic or cultural minority, or reside in a geographic area with limited access to healthcare*. [20 ILCS 3960/5.4]

No impact statement is required.

D) Alternatives to the Proposed Project

The applicant shall document that the proposed project is the most effective or least costly alternative for meeting the health care needs of the population to be served.

The Applicant considered and rejected three alternatives to the Proposed Project.

The status quo was rejected because Monroe County no longer had the expertise to operate the nursing home. **Closing the nursing home** was considered but rejected because there was only one other nursing home in Monroe County that could not accommodate all Oak Hill residents. **The sale of the nursing home** was denied because it would require a County-Wide referendum.

VI. Size of the Project, Project Scope, Utilization, Unfinished/Shell Space

A) 77 Ill. Adm. Code 1110.234 (a) – Size of Project
B) 77 Ill. Adm. Code 1110.234 (b) – Projected Services Utilization

A) Size of Project

The facility is 62,404 GSF or 433 GSF per bed. The State Board Standard is 435-713 GSF. The Applicants have successfully addressed this criterion.

B) Project Services Utilization

By the second year of operation, the long-term care facility is expected to achieve an annual utilization that exceeds the State Board's utilization standard of 90%. The Nursing Home operates 144 skilled nursing beds to achieve a 90% utilization rate; the Nursing Facility would need an average of 130 residents per day (or 47,304 resident days). Historically, the Nursing Home has consistently met or exceeded the State Board standard and is expected to continue meeting this standard in the future.

TABLE FOUR
Oak Hill Senior Living & Rehabilitation Center
Number of Days by Payor Source and Utilization, and Average Daily Census for the Period 2019-2024

Year	Medicaid	Medicare	Private Pay	Other	Total	ADC	Occ.
2019	13,098	0	29,938	5,879	48,915	134	93.07%
2020	14,892	0	24,663	4,829	44,384	122	84.44%
2021	15,673	0	23,831	4,298	43,802	120	83.34%
2022	18,891	2,958	23,465	1,334	46,648	128	88.75%
2023	18,484	3,508	23,722	2,066	47,780	131	90.91%
2024	18,158	2,515	25,101	1,936	47,710	131	90.77%
Total	99,196	8,981	150,720	20,342	279,239		88.60%
%	35.52%	3.22%	53.98%	7.28%	100.00%		

VII. Change of Ownership of County-Owned Long-Term Care Facilities

A. 77 Ill. Code Adm. 1110.240 (b) – Impact Statement
B. 77 Ill. Code Adm. 1110.240 (c) - Access
C. 77 Ill. Code Adm. 1110.240 (d) – Health Care System

A. Impact Statement

Read the criterion and provide an impact statement that contains the following Information:
1. Any change in the number of beds *or* services currently offered.
2. Who the operating entity will be.
3. The reason for the transaction.
4. Any anticipated additions or reductions in employees now and for the two years following completion of the transaction.
5. A cost-benefit analysis for the proposed transaction.

The Applicants state there will be no change in the services currently offered at Oak Hill Senior Living & Rehabilitation Center, a 144-bed long-term care facility in Waterloo, Illinois. Accolade Healthcare of Waterloo LLC will provide services for high-acuity residents, such as those with tracheostomies, requiring dialysis, or complex wound care, services currently not offered at the Nursing Home. Accolade Healthcare of Waterloo LLC will be the operating entity/licensee of the Nursing Home. Monroe County will retain ownership of the physical plant.

According to the Applicants, the purpose of this project is to ensure that residents of Monroe County continue to have access to quality long-term care services and to maintain a continued commitment to providing care to underserved and indigent residents of Monroe County. The County determined it no longer has the required expertise to operate a skilled nursing facility and decided to exit the business. Bringing in a new operator with experience in owning and operating skilled nursing facilities, the nursing home will not only address operational and staffing needs but also expand its current services to accommodate higher-acuity residents.

According to the Applicants, no significant additions or reductions in employees are anticipated. Accolade Healthcare of Waterloo LLC determines staffing needs based on its census. In the future, staffing hours and/or positions will be adjusted according to resident census and care needs. The Applicants anticipate no reduction in their employee count. Bringing in a new operator with expertise in owning and operating skilled nursing facilities will enable the nursing home to address not only its operational and staffing needs but also to expand its current services to admit higher-acuity residents.

B. Access

1. Current Admissions Policy
2. Proposed Admissions Policy
3. Admission Policy certification

The Applicants provided the current admission policy and the admission policy that will be in place after the change of control of the nursing home, as required. The Applicants state on page 64 of the Application for Permit that the admissions policy will not become more restrictive as a result of the change of control.

C. Health Care System

1. Impact on Other Area Providers
2. Facilities within Applicant's Health Care System
3. Present and Proposed Referral Agreements
4. Time and Distance for Proposed Referrals
5. Use of Care System Providers
6. Duplication of Services
7. Services Not Available to the Community

According to the Applicants, there will be no change in the scope of services due to the change in the nursing home's operator. The transaction will not impact other unaffiliated long-term care facilities, as it involves a change of control of the operating entity. Accolade Healthcare of Waterloo LLC does not own and/or operate any other healthcare facilities in the State of Illinois. There are no current or proposed referral agreements for the facilities involved in this transaction.

The change of operator of the nursing home will have no impact on the area's long-term care facilities. The shift in operator will not restrict the use of other long-term care providers in the area, and Accolade Healthcare of Waterloo LLC will admit residents in accordance with a nondiscriminatory admission policy. The proposed transaction contemplates a change of control of the nursing home. Accordingly, the proposed transaction involves the change of operator of an existing long-term care facility; there will be no duplication of services. Accolade Healthcare of Waterloo LLC will provide services for high-acuity residents, such as those with tracheostomies, requiring dialysis, or requiring complex wound care, services currently not offered at the nursing home.

VIII. Financial Viability and Economic Feasibility

A) 77 Ill. Adm. Code 1120.120 - Availability of Funds
The project involves a change in control of a long-term care facility through a lease agreement. No capital expenditure is being made as part of this change of control.

B) 77 Ill. Adm. Code 1120.130 - Financial Viability

The Applicants provided a pro forma financial statement for the second year of operation, following the completion of the project.

TABLE FIVE		
Viability Ratios	State Board Standard	2nd Year
Current Ratio	≥1.5	2.48
Net Margin %	≥2.5	7.8%
LTD/Capitalization	≤50%	N/A
Projected Debt Service	≥1.50	N/A
Days Cash on Hand	45 Days	11
Cushion Ratio	≥3.0	N/A

TABLE SIX	
Pro-Forma Financial Information 2nd Year	
Total Revenue	$14,969,703
General Services	$2,018,880
Health Care Program	$6,852,839
General Adm	$4,948,724
Total Operating Expenses	$13,820,443
Dep/Rent	$373,000
Profit	$776,260

C) 77 Ill. Adm. Code 1120.140 (a) – Reasonableness of Financing Arrangements
D) 77 Ill. Adm. Code 1120.140 (b) – Terms of Debt Financing

A lease is considered debt financing by the State Board.

Lease Agreement
Initial Five (5) year lease period
A second Five (5) year lease period with similar lease rents to those in the Initial Period, but *including an option to purchase the fee-simple interest* in the Nursing Home at some date within *the* Second Period.
The Initial Period rent shall be paid at the beginning of Lessee operations as follows:
Initial Period Rent Schedule:

Year 1:

- Months 1 to 3: $35,000 per month.
- Months 4 to 12: $62,500 per month.

Year 2: $765,000 per year
Year 3: $780,300 per year
Year 4: $795,906 per year
Years 5-10: Year rent totaling $811,824 annually.

- In the event a second five (5) year lease period is commenced, Lessor agrees to place a referendum to approve the sale of the Nursing Home at the first general election following said commencement of the Second Period, requesting voter approval of the sale. The Purchase Price of the Nursing Home shall be less than $14,000,000.

During the first four quarters of the Term, Lesser shall provide Lessor with quarterly financial statements (including an income statement, balance sheet, statement of cash flows, and statement of retained earnings) of the Facility for such quarter, and for the calendar year to date, certified by an officer of Lessee to be accurate. Thereafter, Lessee shall provide like bi-annual financial statements for the preceding six (6) months, and for the calendar year to date.

C) 77 Ill. Adm. Code 1120.140 (c) Reasonableness of Project Costs

The proposed project involves no construction or modernization costs.

D) 77 Ill. Adm. Code 1120.140 (d) Direct Operating Costs

The direct operating expense per resident day is $165.05. The State Board does not have a standard for this criterion.

E) 77 Ill. Adm. Code 1120.140 (e) Total Effect of the Project on Capital Costs

The capital cost per resident day is $8.11. The State Board does not have a standard for this criterion.

Change of ownership of a health care facility" means a change in the person who has operational control of an existing health care facility or a change in the person who has ownership or control of a health care facility's physical plant and capital assets. A change in ownership is indicated by, but not limited to, the following transactions: sale, transfer, acquisition, lease, change of sponsorship, or other means of transferring control. [20 ILCS 3960/3] Examples of change of ownership include:

A transfer of stock or assets resulting in a person (parent or wholly owned entity) obtaining majority interest (i.e., over 50%) in the person (operator or licensee) who is licensed or certified (if the facility is not subject to licensure), or in the person (ownership entity) who owns or controls the health care facility's physical plant and capital assets; or

the issuance of a license by IDPH to a person different from the current licensee; or

For facilities not subject to licensing, the issuance of a provider number to a different person by certification agencies that administer Titles XVIII and XIX of the Social Security Act, or

a change in the membership or sponsorship of a not-for-profit corporation; or

A change of 50% or more of the voting members of a not-for-profit corporation's board of directors, during any consecutive 12-month period, that controls a health care facility's operation, license, certification (when the facility is not subject to licensing), or physical plant and capital assets; or

A change in the sponsorship or control of the person who is licensed or certified (when the facility is not subject to licensing) to operate, or who owns the physical plant and capital assets of a governmental health care facility; or

Any other transaction that results in a person obtaining control of a health care facility's operations or physical plant and capital assets, including leases; or

Conversion of a health care facility.

"Control" means that a person possesses any of the following discretionary and non-ministerial rights or powers:

In the case of an entity, the ability to direct the management and policies of the entity, whether through the voting of securities, corporate membership, contract, or otherwise. Examples of such control include, without limitation:

Holding 50% or more of the outstanding voting securities of an issue.

In the case of an entity that has no outstanding voting securities, having the right to 50% or more of the profits or, in the event of dissolution, the right to 50% or more of the assets of the entity.

Having the power to appoint or remove 50% or more of the governing board members of an entity.

having the power to require or approve the use of funds or assets of the entity; or

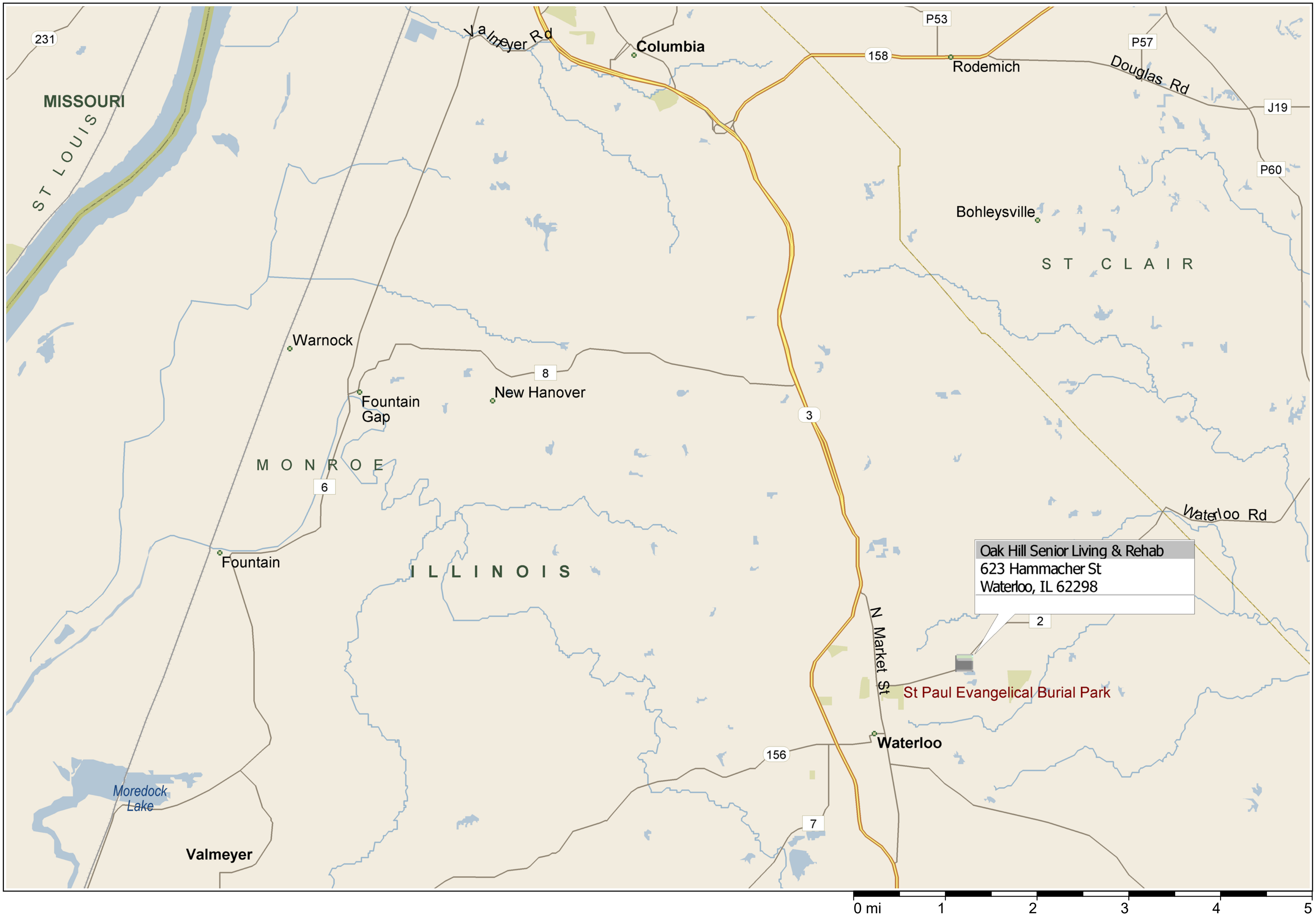
Having the power to approve, amend, or modify the entity's bylaws or other governance documents.

In the case of capital assets or real property, the power to direct or cause the direction of the personal property, real property, or capital assets that are components of the project (i.e., fixed equipment, mobile equipment, buildings, and portions of buildings). Examples of such control include, without limitation:

Owning 50% or more of the property or asset; or

Serving as lessee or sublessee.

25-031 Oak Hill Senior Living & Rehabilitation - Waterloo



ARONBERG GOLDGEHN

Aronberg Goldgehn Davis & Garmisa
225 W. Washington St., Suite 2800
Chicago, Illinois 60606
TEL: 312-828-9600
FAX: 312-828-9635
www.agdglaw.com

Anne Cooper
DIRECT: 312-755-3169
DIRECT FAX: 312-828-9635
acooper@agdglaw.com

OUR FILE NUMBER: 106193-000100

October 22, 2025

Via Email

Mr. Michael Constantino
Project Reviewer
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

RE: Oak Hill Senior Living and Rehabilitation Center (Project No. 25-031)

Dear Mr. Constantino

This office represents Accolade Ventures LLC and Accolade Healthcare of Waterloo LLC (the "Applicants"). In this capacity, we are responding to the Illinois Health Facilities and Services Review Board (the "State Board") letter dated October 15, 2025, requesting additional information on Type A and Type AA violations for Accolade Healthcare facilities in Illinois. Attached at Attachment – 1 is a list of Type A and AA violations that occurred from 2022 to 2025.

Please let me know if you have any questions or need anything further.

Sincerely,

Anne M. Cooper

Anne M. Cooper

Attachment - 1

Accoolade Healthcare
Type A Violations by Facility
2022 - 2025

Facility	Date	Type A Violation	Description
Accolade Healthcare of Danville	1/9/2024	300.610(a) 300.1210(b) 300.1210(c) 300.1210(d)	Facility failed to provide a safe, funcational air mattress to prevent fall from bed; failed to thoroughly investigate the environment to determine a targeted root cause, to repair or replace air mattress Failures resulted in resident sustaining a head injury and lacerations requiring emergency medical care at a local hospital
Accolade Healthcare of Paxton on Pells	3/10/2024	300.610(a) 300.1210(b) 300.1210(c) 300.1210(d)(6)	Facility staff failed to provide safe transfer for a resident when using a mechanical lifts for transfer The failure resulted in resident sustaining a non-displaced fracture to the
Accolade Healthcare of Paxton on Pells	7/1/2024	300.610(a) 300.1210(b) 300.1210(d)(6)	Facility failed to prevent a fall by failing to explain cares and ensure safety while elevating a bed for a resident The failure resulted in a resident falling from the bed to the floor and sustaining a skull fracture with a brain bleed
Accolade Healthcare of Danville	7/30/2024	300.610(a) 600.690(a) 300.1210(b) 300.1210(c) 300.1210(d)(3)	Facility failed to routinely assess and monitor a bruise/hematoma (bruising with blood pooling underneath the skin), update the phsycian, and assess and meaure post-surgical wounds upon readmission The failure resulted in a resident's left foot bruise/hematoma becoming infected and requiring hospital operative incision and draining

Facility	Date	Type A Violation	Description
Accolade Healthcare of Paxton on Pells	12/5/2022	300.1210(b) 300.1210(d)(6) 300.2900(d)(7)	Facility failed to identify a self-closing door as an accident hazard and failed to transfer a resident per the plan of care and assessment for a These failures resulted in a resident sustaining a post-traumatic amputation of the right third finger distal phalanx (fingertip)
Accolade Healthcare of Danville	8/16/2023	300.610(a) 300.1210(b) 300.1210(c) 300.1210(d)(6)	Faciity failed to safely transfer one resident. This failure resulted in a resident sustaining a left proximal fibula fracture
Accolade Healthcare of Paxton on Pells	10/24/2023	300.610(a) 300.1010(h) 300.1210(a) 300.1210(b) 300.1210(d)(3)(6)	Facility failed to timely report a resident fall to the resident's representative This failure resulted in resident experiencing uncontrolled pain and delay in treatment in the resident's left hip fracture following the fall. Facility failed to complete post fall neurological assessments/monitoring, identify a change in condition, and property transfer a resident following a This failure resulted in resident experiencing uncontrolled pain and delay in treatment in the resident's left hip fracture following the fall. Facility failed to document a fall in the resident medical record and failed to prevent resident falls by failing to thoroughly investigate falls and These failures resulted in a resident falling and sustaining a dislocated right
Accolade Healthcare of Peoria	2/9/2022	300.610(a) 300.1210(b) 300.1210(c) 300.1210(d)(6) 300.2340(a)	Facility failed to have fall mat interventions in place from a prior fall for a This failure resulted in the resident obtaining a subdural hema toma, and a forehead laceration with three sutures.
Accolade Paxton Senior Living	8/3/2022	300.610(a) 300.1210(b) 300.1210(d)(6) 300.3240(a)	The facility failed to complete a transfer for a resident according to the resident's plan of care for a resident reviewed for accidents This failure resulted in a resident sustaining a right humerus fracture (injury to the bone of the upper arm that connects the shoulder to the elbow). Resident was admitted to the hospital

Facility	Date	Type A Violation	Description
Accolade Paxton Senior Living	8/16/2022	300.610(a) 300.1210(b)(5) 300.1210(c) 300.1210(d)(6) 300.1220.(b)(2) 300.1220(c) 300.3100(d)(2) 300.3240(a)	Facility failed to (1) provide adequate supervision and assistance during care and (2) failed to replace a malfunctioning air mattress to prevent a fall for one resident reviewed for falls This failure resulted in a resident to fall resulting in sutures to his right eyebrow and a black eye and several skin tears.