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ILLINOIS HEALTH FACILITIES

AND SERVICES REVIEW BOARD

4

BEFORE HEARING OFFICER KAREN HALL

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In Re:)

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)

Public Comments) Project No. 10-031

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Regarding the)

Certificate of Need)

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Application for)

Pecatonica Pavilion,)

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LLC.)

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REPORT OF PROCEEDINGS had and testimony

13

taken in accordance with the requirements of

14

the Illinois Health Facilities Planning Act

15

regarding the Certificate of Need Application for

16

Pecatonica Pavilion, LLC, taken at the Pecatonica

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Village Hall, 405 Main Street, Pecatonica,

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Illinois, on July 30, 2010, at the hour of 10:07

19

a.m.

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23 PRESENT:

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ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW

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MS. KAREN HALL,

Second Floor

525 West Jefferson Street

Springfield, Illinois 62761

(217) 782-3516

appeared as the Public Hearing Officer.

1 HEARING OFFICER: Good morning. My
2 name is Karen Hall. I'm with the Illinois
3 Department of Public Health. I'm here today to
4 conduct a public hearing on the proposed project
5 known as 10-031, Pecatonica Pavilion, Pecatonica,
6 Illinois. As per the rules of the Illinois
7 Health Facilities and Services Review Board, I
8 would like to read the legal notice into the
9 record.

10 In accordance with the requirements of the
11 Illinois Health Facilities Planning Act, notice
12 is given of receipt to establish a 46-bed skilled
13 nursing unit, Project 10-031, Pecatonica
14 Pavilion, Pecatonica, Illinois. Applicants are
15 Revere Health Care, LTD., and Pecatonica
16 Pavilion, LLC.

17 The Applicants propose to establish a
18 46-bed skilled nursing unit in conjunction with a
19 119-bed assisted living facility located at the
20 northwest corner of Sumner Road and Grove Street
21 in Pecatonica. Project cost is \$16,345,253.
22 Consideration by the State Board has been
23 tentatively scheduled for the October 26th, 2010,
24 State Board meeting. A public hearing is to be

1 held by the Illinois Department of Public Health
2 and pursuant to the Illinois Health Facilities
3 Planning Act, the hearing is open to the public
4 and will afford an opportunity for parties at
5 interest to present written or -- and/or verbal
6 comment relevant to the project.

7 All allegations or assertions should be
8 relevant to the need of the proposed project and
9 be supported with two copies of documentation or
10 material that are printed on or typed on paper
11 size eight-and-a-half by 11.

12 A copy of the application may be viewed at
13 the Illinois Health Facilities and Services
14 Review Board's office. To obtain a copy of the
15 application, the phone to the office, and
16 details -- phone the office for details for copy
17 fees. And the number is (217) 782-3516.

18 Any person wanting a public hearing on the
19 proposed project must submit a written request
20 for such to 525 West Jefferson Street, 2nd floor,
21 Springfield, Illinois 62761. You can send that
22 to the attention of Mike Constantino or myself.

23 If you have not done so, please sign in by
24 using the appropriate registration forms. One

1 form is for individuals who want to provide
2 testimony in support of the project. Another
3 form is for individuals to provide testimony who
4 oppose the project, and the last form is for
5 individuals to register their attendance who do
6 not wish to testify.

7 To ensure that the Illinois Health
8 Facilities and Services Review Board's public
9 hearings protect the privacy and maintain the
10 confidentiality of an individual's health
11 information, covered entities as defined by the
12 Health Insurance Affordability Act of 1996, such
13 as facilities, hospital providers, health plans,
14 and health care clearing houses, submitting oral
15 or written testimony that discloses protected
16 health information of individuals shall have a
17 valid written authorization from that individual.

18 The authorization shall allow the covered
19 entity to share the individual's protected health
20 information at this hearing. Those of you who
21 came prepared with prepared texts for your
22 presentations may choose to submit that without
23 giving testimony. However if you are giving oral
24 testimony, seeing that there are not that many

1 people here, you don't have to be brief. You can
2 speak as long as you want until 12:00. Okay.

3 As per legal notice, I would appreciate two
4 copies of your testimony if you have it. When
5 you make your presentation, please give the court
6 reporter the spelling of your complete name. If
7 there is a chief spokesperson for the Applicant,
8 we would like that individual to make the first
9 presentation. The remaining testimony will be
10 taken in the order of the names on the registers.

11 Please hold all of your questions until --
12 please hold all of your questions until all of
13 the testimony has been presented. Is there
14 someone from the Applicant who wishes to make the
15 first presentation?

16 MR. GEORGE ANDERSON: George
17 Anderson.

18 HEARING OFFICER: Okay. Come
19 forward.

20 MR. GEORGE ANDERSON: You want a copy
21 of this?

22 HEARING OFFICER: Yes. Thank you.

23 MR. GEORGE ANDERSON: I'm George
24 Anderson, the Applicant in this effort to have a

1 skilled nursing home facility in Pecatonica. I'm
2 the developer, CEO, whatever, and I thank the
3 Health Facilities and Services Review Board for
4 an opportunity to present Pecatonica Pavilion and
5 explain why we are seeking this permit.

6 The Pecatonica Pavilion, LLC, proposes to
7 construct and operate a retirement living and
8 care facility that will provide assisted living,
9 residential, dementia care, and skilled nursing
10 care. The facility will be located in the town
11 of Pecatonica out here at the area of Grove Road
12 and Sumner Road and Parkview Streets in
13 Pecatonica.

14 The two-story building will contain 81,008
15 square feet of which 19,526 square feet will be
16 for the need of the 46 skilled nursing beds that
17 are the subject of the certificate of need
18 application. The total project cost is estimated
19 to be 16.4 million and 2.97 million of that for
20 the skilled nursing portion of the project.

21 Briefly describing the Pecatonica Pavilion;
22 by offering a new facility we can incorporate
23 state-of-the-art design, efficient operations,
24 and quality residential care. The Pavilion will

1 provide residents with the ability to enjoy the
2 quality of life with as much independence as they
3 are capable of achieving and have a very pleasant
4 place to live.

5 If they need help in anything, there will
6 be help available. If they need rehabilitation,
7 we'll have the clinical capabilities and
8 facilities to get them back on their feet and
9 moving as best we can. If they need specialized
10 programming for dementia, we'll have caring
11 trained staff looking out for them.

12 The facility will have the amenities of
13 enjoyment for the residents; beauty/barber shops
14 and activities, social engagement, and
15 socialization of other like-minded community
16 folks in an attractive spaces for gathering and
17 going about friendly activities.

18 The need for the project; the market
19 feasibility study identified a need for a
20 facility serving western Winnebago County and
21 Stephenson County and we are in the middle of
22 that and a very attractive place to have such a
23 facility. In this area we identify 4,729
24 individuals over the age of 75 and the

1 population -- that specific population is
2 expected to grow 3.6 percent in the next five
3 years. The group needs the assisted living, the
4 dementia care, the skilled nursing, and the
5 rehabilitation as it is presently underserved in
6 the area.

7 As some here know, not everyone who lives
8 in this rather rural Pecatonica area, wide
9 spread, carries the interest in driving or
10 commuting to larger cities, such as Rockford or
11 Freeport, for services. In addition, the Health
12 Facilities and Service Review Board have
13 identified the need for 46 licensed skilled
14 nursing beds in the Stephenson County alone in
15 its latest inventory.

16 As Pecatonica is at the border of both
17 Winnebago and Stephenson County, the Pecatonica
18 Pavilion expecting to meet those needs.

19 Thank you.

20 HEARING OFFICER: Thank you. I can't
21 make this out but I think it might be Chad -- I
22 don't know. I'm trying to make this out. It is
23 not printed.

24 AUDIENCE MEMBER: Give it a try.

1 We'll help.

2 HEARING OFFICER: It looks like Chad.

3 It has myself.

4 AUDIENCE MEMBER: Would that be
5 Edward Smith?

6 HEARING OFFICER: Could be, yes.

7 MR. EDWARD SMITH: Good morning.

8 HEARING OFFICER: That was you.

9 MR. EDWARD SMITH: I'm Edward Smith,
10 and I'm familiar with the format of this forum,
11 and I would prefer to make my observations after
12 I have heard the opponents. Is that possible?

13 HEARING OFFICER: Sure.

14 MR. EDWARD SMITH: Thank you.

15 HEARING OFFICER: I will come back to
16 you. Elizabeth Leigh Clark.

17 MS. ELIZABETH CLARK: That's me. I'm
18 the attorney for Pecatonica Pavilion and I
19 understand we have a number of -- for the record,
20 it is C-l-a-r-k. Elizabeth Leigh. The middle
21 name is L-e-i-g-h.

22 I have my practice here in Pecatonica and
23 I'm a local resident of Pecatonica. I understand
24 we have a number of different facilities here who

1 are in opposition and that I understand is also a
2 standard for these kind of hearings. It is a
3 competition. We understand that. But we have
4 gone through a very lengthy process here in the
5 Village of Pecatonica because we also had sought
6 approval for a TIF.

7 We have had our own public hearings here.
8 We have had the public come forward, and they
9 unanimately had reached out wanting this type of
10 facility here. As Mr. Anderson indicated, we
11 border two counties here and market studies have
12 indicated the need for these 46 skilled nursing
13 beds.

14 In addition to that, we have had a lot of
15 complaints of residents who have had to move out
16 where they don't want to. People like to -- we
17 have a large senior base here, and seniors have
18 put in their lives here. They have had their
19 homes here. They have worked here. They don't
20 want to move to other areas and that's what has
21 been indicated to us as well.

22 So what is happening here, we are trying to
23 provide a facility to meet the market studies, to
24 meet the needs of our citizenry. And ultimately

1 the competition is good for the seniors because
2 it drives to have better health care, it drives
3 to have lower costs, and it drives to have just
4 all the services that are available to it.

5 We are a little bit unique in Pecatonica, I
6 would like to say, because we do have services
7 available. We have hospice here in our little
8 village. We have a rehabilitative facility. We
9 have a gym. We have health care here through
10 FHN. We have our own dentistry. We have many
11 services here who will support this facility and
12 economically it would be good for the village as
13 well.

14 Thank you.

15 HEARING OFFICER: Thank you. Gordon
16 Oksnevad.

17 MR. GORDON OKSNEVAD: You already
18 have the spelling.

19 HEARING OFFICER: Please spell it.

20 MR. GORDON OKSNEVAD:
21 O-k-s-n-e-v-a-d, Gordon. I represent Alpine
22 Fireside, the administrator in Rockford. 2005 we
23 had 67-percent occupancy. 2009 we have
24 68-percent occupancy. Basically in 2005 there

1 was just under 500 empty beds every day of the
2 year, and in 2009 we have just over 500 empty
3 beds in Winnebago County. There is no need for
4 more skilled beds in the county.

5 Thank you.

6 HEARING OFFICER: I can't figure this
7 one out either but Pecatonica's trustee.

8 MR. STEPHEN EYTALIS: Stephen
9 Eytalis; S-t-e-p-h-e-n, E-y-t-a-l-i-s. I have
10 operated a frame shop in town for about the last
11 three years and closed it recently and been a
12 trustee for a little over a year. And I got more
13 communication regarding the Pavilion and county
14 business and village business than framing
15 business.

16 In fact, I could have put an office on the
17 front door and it would have been more
18 appropriate. But I had many dozens of comments
19 from local citizens, Pecatonica residents, who
20 are looking forward to spending their senior
21 years in the Pavilion and extolling the need for
22 such a facility and not wanting to travel any
23 significant distance.

24 I have also heard stories of people moving

1 their assets into different communities and
2 selling their assets in the area so as to provide
3 for proximity to the ones they love who are in
4 assisted living centers. So there is popular
5 support for the program.

6 I have found it, even before becoming a
7 trustee -- and I know the village had numerous
8 meetings, and there was concern, but not about
9 need. The need has always been recognized. The
10 concern was the risk of the village for the
11 indemnity of the property that we would be
12 fiscally responsible for and that has been
13 satisfied by the developer. We are not at risk
14 as a village.

15 We do want this facility. There is a need
16 for the businesses to be stimulated. There is a
17 need for Pecatonica to be stimulated. We are
18 looking forward to it very much.

19 thank you.

20 HEARING OFFICER: Michelle Lindeman.

21 MS. MICHELLE LINDEMAN: I'm Michelle
22 Lindeman -- M-i-c-h-e-l-l-e, L-i-n-d-e-m-a-n --
23 and I'm the administrator at Provena St. Joseph
24 in Freeport. I'm strongly opposed to Pecatonica

1 Pavilion, which includes a 46-bed skilled nursing
2 unit in Pecatonica. We have been told the
3 proposed facility will lessen the burden on the
4 skilled nursing facilities in both Winnebago and
5 Stephenson Counties.

6 Based on the Services Review Board's bed
7 inventory, Winnebago County does not have a
8 demonstrated need for additional beds and
9 Stephenson County only requires 44 beds at this
10 time.

11 Although the facility is being planned to
12 serve those with needs in Stephenson County, why
13 is the proposed facility based in Winnebago?
14 Many of the skilled nursing facilities in
15 Stephenson County are not running at optimum
16 occupancy levels. For instance, Provena
17 St. Joseph's center is currently running at 87
18 percent, Freeport Rehabilitation Center is
19 running at 86 percent, and Stephenson County
20 Nursing Center is running at 72 percent.

21 Many of the homes in the area have
22 available beds but not have seen a demonstrated
23 needs to fill those beds. The addition of the
24 46-bed skilled nursing addition will adversely

1 affect the census of the market's skilled
2 facilities and thus raise the cost of care for
3 every senior cared for in this area.

4 I do not feel the proposed facility is
5 needed in this area as the entities currently in
6 operation in Stephenson County have been able to
7 meet the needs of their seniors. Thank you.

8 HEARING OFFICER: Joli Koch.

9 MS. JOLI KOCH: Joli is spelled
10 J-o-l-i. Last name is spelled K-o-c-h.

11 Good morning. My name is Joli Koch. I
12 work with Rosewood Care Centers. I'm here today
13 to present oral and written testimony to the
14 opposition of Pecatonica Pavilion's application
15 to construct a 46-bed skilled nursing facility as
16 part of a 119-bed community also offering
17 Alzheimer's and assisted living care.

18 Based upon Pecatonica Pavilion's CON
19 application, it seeks to construct 19 one-bedroom
20 private and three two-bedroom semiprivate memory
21 support rooms and 36 one-bedroom and six
22 two-bedroom semiprivate assisted living rooms in
23 addition to the 46 skilled nursing beds.

24 As I'm sure you will find through

1 correspondence and data from other concerned area
2 providers, the average utilization for 2008 does
3 not meet the board's 90-percent target occupancy
4 rate to support the proposed project. In fact,
5 it comes nowhere even close. The facilities used
6 as a reference for the proposed new facility are
7 all located within a 30-minute travel time from
8 the proposed new site and divided between
9 Winnebago and Stephenson Counties.

10 A review of the long-term care facility
11 questionnaire for 2008 indicated that the total
12 occupancy rate for 2008 was 77.37 percent for
13 Winnebago County and 74.23 percent in Stephenson
14 County. Of the 11 facilities in Winnebago
15 County, only three facilities met the 90-percent
16 occupancy role. In Stephenson County none of the
17 seven facilities met the 90-percent occupancy
18 role. Only one facility came close with an
19 89.80 percent occupancy rate in 2008.

20 The closest facility to the proposed new
21 site, which is Medina Nursing Center, is a
22 four-star rated Medicare/Medicaid certified
23 facility. It had an occupancy rate of
24 83.8 percent in 2008, which also remained well

1 below the 90 percent targeted occupancy rate.

2 Medina Nursing Center's last reported
3 census of 72 during its most recent annual survey
4 also reflects a decline that has been typical of
5 the majority of all nursing homes in the area and
6 likely throughout the state. However, there is
7 no evidence that Medina Nursing Care Center has
8 shown a decline in census because it, quote, end
9 quote, "does not possess the modern facilities
10 necessary for providing quality skilled nursing
11 services and rehabilitative therapies expected by
12 today's older adults," end quote, as reflected in
13 the CON application.

14 The more likely reason is that there are
15 simply more health care options available to
16 seniors to enable them to remain in their homes.
17 More and more home health care and community care
18 resources are available to seniors to remain in
19 their homes. That has widely impacted census in
20 most all area facilities, including Rosewood,
21 that had an average occupancy of 65.7 percent in
22 2008.

23 In fact, according to the recent home
24 health care compared search for Pecatonica, there

1 are at least 44 Medicare certified home health
2 care agencies that have served patients in the
3 area. These numbers of home health care
4 providers are also minimal and do not necessarily
5 reflect the number of newly Medicare certified
6 home health care agencies and only reflect those
7 certified by Medicare.

8 The emerging use of home health care and
9 community care options were not taken into
10 account in determining there is a need for 46
11 additional beds in the Stephenson County area.
12 Therefore, Pecatonica Pavilion's proposed project
13 to construct the 46-bed skilled facility clearly
14 does not meet the required criterion for approval
15 and does not consider all the variables that
16 impact the current and future needs of the senior
17 population in the Pecatonica area.

18 For these valid reasons, the certificate of
19 need -- or the certificate of need application
20 for Pecatonica Pavilion should be denied.

21 Thank you.

22 HEARING OFFICER: Bart Becker.

23 MR. BART BECKER: Bart Becker,

24 B-a-r-t, B-e-c-k-e-r. I would like to introduce

1 myself as the administrator at Rosewood Care
2 Center in Rockford. I'm writing this letter to
3 oppose the Pecatonica Pavilion certificate of
4 need application to construct a 46-bed skilled
5 nursing facility in Pecatonica, Illinois, Project
6 No. 10-031.

7 Our facility, as many others in the area,
8 struggle to maintain our census, which is well
9 below the 90 percent occupancy standard. The
10 average occupancy of the 18 facilities within the
11 30-minute drive time was 74.01 percent, or, more
12 specifically, 76.1 percent for Winnebago County
13 and 70.1 -- I'm sorry, 70.71 percent for
14 Stephenson County according to data taken from
15 the long-term care facility questionnaire for
16 2008, which was also included in the CON
17 application.

18 The construction of the Pecatonica Pavilion
19 would drastically decrease the census of not only
20 our facility but many other facilities in the
21 area, as indicated in the spreadsheet and graph
22 that I have created.

23 The CON application service-to-planning
24 area residents page states that western Winnebago

1 County, excluding Rockford, yields a situation
2 where the older adult population is underserved
3 by skilled nursing beds. If that is true, why
4 are the facilities in that area well below the
5 90 percent occupancy standard?

6 It is also stated, quote, "the surplus of
7 beds only exists in Rockford," end quote. Since
8 all but three of the facilities within the
9 30-mile drive time are below the 90 percent
10 occupancy standard, as well as the closest
11 facility to the projected site, there is no
12 concrete justification for the need of 46
13 additional skilled nursing facility beds.

14 Medina Manor is a four-star rated nursing
15 home, according to CMS, Centers for Medicare and
16 Medicaid Services, which is a compliment in and
17 of itself. Four stars indicate that its
18 staffing, quality measures, health inspections,
19 and overall quality are very good.

20 Medina's one of five facilities within a
21 30-mile drive time with a four star or higher
22 rating. The CON application states that -- and I
23 quote -- "Medina does not possess the modern
24 facilities necessary for providing the quality

1 skilled nursing services and rehabilitative
2 therapies expected," end quote. But it goes on
3 to read -- and I quote -- "this is a probable
4 source of Medina Nursing Center's underperforming
5 the state's standard of 90 percent occupancy,"
6 end quote.

7 There is nothing further from the truth and
8 statements such as these are not inaccurate but
9 also inappropriate. As a nursing home
10 administrator, staffing is a very significant
11 factor in the viability of the facility. Revere
12 has stated in their application that professional
13 nursing staff, RNs, LPNs, and CNAs, can be
14 recruited from existing long-term care facilities
15 in Rockford. And that is quoted from their CON
16 application.

17 This is very troubling, as staff turnover
18 and the utilization of nurse agencies can impact
19 continuity of care, quality of care, not to
20 mention the financial impact. Most of the
21 facilities in Winnebago and Stephenson Counties
22 are well below the 90 percent occupancy standard.
23 The existing facilities, especially Medina Manor,
24 can indeed accommodate the rural patients in need

1 of skilled nursing facility.

2 Pecatonica Pavilion is definitely not
3 needed, therefore the CON for the Pecatonica
4 Pavilion should be denied. Thank you for your
5 time.

6 HEARING OFFICER: Andres Bardelas.

7 MR. ANDRES BARDELAS: Good morning.

8 My name is Andres, A-n-d-r-e-s, Bardelas,
9 B-a-r-d-e-l-a-s. I am the administrator of Manor
10 Court in Freeport, that is a nursing facility, of
11 course, from the Libertyville Freeport campus.

12 I was prepared to come before this meeting
13 to object to the Pecatonica Pavilion project due
14 to the fact that they were attempting to use the
15 bed needs in Stephenson County as justification
16 for the approval of their project.

17 While Pecatonica may be about two miles
18 from the Winnebago/Stephenson County line, the
19 three townships of Stephenson County that abut
20 the Winnebago County line account for only about
21 10 percent of the Stephenson County population.

22 As Ms. Shaw with IDPH may recall, I was
23 present at a meeting of the Health Facilities
24 Planning Board on Tuesday, July 27th in Chicago.

1 At that meeting, Manor Court of Freeport had a
2 CON to increase our nursing home skilled beds
3 from 45 to 90. That CON was approved by the
4 Board; therefore eliminates the need for the 45
5 or 44 beds in Stephenson County that the
6 application by the Pecatonica Pavilion states.

7 Based on this information, we object to the
8 Pecatonica Pavilion project.

9 HEARING OFFICER: Do you have a
10 written transcript?

11 MR. ANDRES BARDELAS: Yes. I also
12 have a letter from the administrator of Freeport
13 Rehabilitation and Health Care Center who could
14 not attend that I will tender to the court.

15 HEARING OFFICER: That's fine. Ron
16 Nunziato.

17 MR. RON NUNZIATO: Ron Nunziato,
18 N-u-n-z-i-a-t-o. This is Pawn Thammarath. I
19 work with a corporation that consults to two
20 nursing homes that would be affected by this
21 project. One is the administrator of Neighbors
22 Rehab Center in Byron, Illinois, and we also have
23 a facility in Rockford called Fairview Nursing
24 Plaza.

1 I'm really not going to repeat what has
2 already been, I think, clearly demonstrated in
3 that in this area within these geographic
4 boundaries we believe, as people have testified
5 already, that the skilled nursing beds are -- we
6 are overbedded this area and thus approving --
7 for the health care planning board to approve
8 another project to administrator skilled nursing
9 beds would saturate the market even further.

10 Most facilities are operating in the 70 to
11 80 percent. We are looking at, in the
12 demonstration of the project, census data from
13 2008 which has changed greatly in the last two
14 years, as someone already indicated, because of
15 different resources like assisted living, which
16 is also part of this project, to which we have no
17 legal right to object to and I think everyone
18 here would support the assisted living portion of
19 this project.

20 Two points that I did want to make, one
21 that the gentleman from Rosewood started to talk
22 about, and that's staffing. Staff -- to find
23 staff, qualified RNs, LPNs, and CNAs, is a very
24 difficult task. Not only do we have the

1 competition of fighting for these individuals to
2 work in our facilities from the hospitals and
3 doctor's offices and clinics and such, we also
4 have the fight of getting people from long-term
5 care facilities and that competition of finding
6 these people remains very difficult. And it
7 is -- it is an industry, most especially nurses,
8 which is in huge demand. So for another health
9 care entity to come aboard would just deplete the
10 already reduced resources that are available.

11 The last point that I will make is given
12 the State of Illinois's budget, given the crisis
13 that this state is in financially, the state
14 cannot afford to pay another nursing home for
15 residents that are somewhere else. The state
16 pays us now currently six months, eight months
17 out of what we currently are billing for, and so
18 to add another burden to the state of someone
19 else looking for Medicaid dollars to support the
20 skilled nursing facility isn't in the best
21 interest of anyone.

22 So our request would be to deny this
23 application as well.

24 MS. PAWN THAMMARATH: I just want to

1 confirm that we are at Byron, which is 20 minutes
2 from here, and I'm struggling to keep my census
3 afloat to 90 percent. I think I run about
4 84 percent. And, again, the staffing in the
5 rural area is a challenge. I mean my agency
6 hours is about 400 hours in a pay period, which
7 is significant. So I just feel that we need to
8 oppose.

9 THE COURT REPORTER: Can I get your
10 name, please?

11 MS. PAWN THAMMARATH: P-a-w-n, and my
12 last name is T-h-a-m-m-a-r-a-t-h.

13 THE COURT REPORTER: Thank you.

14 HEARING OFFICER: Excuse me, do you
15 have your written testimony?

16 MR. RON NUNZIATO: No. This is the
17 application. It all came from the brain.

18 HEARING OFFICER: Okay.

19 Holgeir Oksnevad.

20 MR. HOLGEIR OKSNEVAD: My name is
21 Holgeir Oksnevad -- H-o-l-g-e-i-r,
22 O-k-s-n-e-v-a-d -- and I want to thank the
23 Planning Board for having this hearing. I'm the
24 owner and administrator of the Medina Nursing

1 Center in Durand. I'm speaking in opposition of
2 the proposed Pecatonica Pavilion 46-bed skilled
3 nursing center. I'm going to skip through what I
4 have got here because some of the data has been
5 already presented about the census in Winnebago
6 and Stephenson Counties.

7 On page 56 of the application the purpose
8 of the project states, "Will provide skilled
9 nursing services to the elderly of Pecatonica and
10 surrounding communities"; stating that the market
11 area is, quote, "Western Winnebago and eastern
12 Stephenson County," and states, quote, "Rural
13 communities in this area are underserved." And
14 continuing with another quote, "Traveling to
15 major urban centers is limited."

16 What wasn't stated is that Medina Nursing
17 Center already provides skilled nursing services
18 to the elderly of Durand, Pecatonica, Winnebago,
19 Shirland, Seward, Harrison, and Rockton, all of
20 which is in western Winnebago County and Davis,
21 Lake Summerset, Rock City, Rock Grove, Dakota,
22 Ridott in eastern Stephenson County.

23 Also on page 56 it states, "Drastically
24 reduce travel times for older adults who must

1 travel for Rockford for physical or occupational
2 therapy."

3 What it doesn't state is that Medina
4 Nursing Center already provides physical,
5 occupational, and speech therapy, and there is a
6 therapy company in Pecatonica offering physical
7 therapy.

8 On page 57 of the application,
9 Alternatives, basically talks about absence of a
10 facility providing quality skilled nursing and
11 rehabilitative services in close proximity to
12 residents of Pecatonica and similar small
13 communities in western Winnebago and eastern
14 Stephenson counties. Again what wasn't stated is
15 that Medina Nursing Center already serves
16 Pecatonica and similar small communities in
17 western and eastern Stephenson counties as
18 stated.

19 Page 69 of the application, Planning Area
20 Services Accessibility, states, quote, "Medina
21 does not possess the modern facilities necessary
22 to provide the quality skilled nursing services
23 and rehabilitative therapies expected by today's
24 older adults. This is a probable source of

1 Medina Nursing Center underperforming the state
2 standard of 90 percent occupancy," end quote.

3 In the attachments I have information on
4 the bed and the occupancies in both counties
5 using the 2005 data from Health Facilities
6 Planning Board and an updated version of the
7 2008. The occupancy average of 79 percent in
8 Winnebago and 77 percent in Stephenson for 2005,
9 the statement does not possess the modern -- and
10 in the statement it says, "does not possess
11 modern facilities necessary for providing quality
12 nursing services or rehabilitative therapies
13 expected by today's older adults," end of quote,
14 has no basis.

15 When using CMSs five-star rating for
16 nursing homes, Medina Nursing Center is in the
17 top third of the county, being a four-star rated
18 facility, and that I have attached. We have an
19 outside company doing customer satisfaction
20 surveys. That is an attachment also. And the
21 ratings that we get exceed the national average,
22 and all but one area exceeds best in class with
23 comments like they are one of the best facilities
24 in town and I need more therapy, I plan to go

1 back.

2 Also attached are thank-you notes from
3 families that have used Medina Nursing Center. I
4 use one quote, "we thank you" -- "We can't thank
5 you enough for everything. We appreciate all the
6 kindness and care the whole staff shows our dad.
7 We can see why Medina is so highly recommended."

8 On page 71 of the application, the
9 facilities within a 30-minute drive time, it
10 shows Medina Nursing Center is in rural western
11 Winnebago and eastern Stephenson Counties. The
12 proposed site is a mere 10-minute drive from
13 Medina Nursing Center. Durand and Pecatonica
14 have coed programs together for its youth. Folks
15 from Durand drive to Pecatonica for chiropractic
16 care, hardware store, and fitness center, and
17 folks drive to Durand for nursing home and
18 therapy services.

19 On page 128 of the application it states,
20 quote, "The proposed project will not lower the
21 utilization of other area providers below the
22 occupancy standard specified in the 77 Illinois
23 Administrative Code 1100 of 90 percent and will
24 not lower to a further extent the utilization of

1 other facilities currently operating below the
2 occupancy standards," end of quote.

3 First, there are only three facilities that
4 even are at the 90 percent in both Stephenson and
5 Winnebago Counties combined. Two facilities are
6 in the 40-percent occupancy range and two
7 facilities are in the 60-percent and the rest are
8 in the 70- and 80-percent range.

9 I would also point out on the Attachment
10 No. 1 that I have that I will submit to you, the
11 number of beds available in Winnebago County
12 is 487. Let me say that again. There are 487
13 licensed beds available each and every day in
14 Winnebago County based on the 2005 data. Using
15 2008 data there are 543 beds available each and
16 every day.

17 Available occupancy in Winnebago County in
18 2008 is 78 percent. A far cry from the
19 90 percent occupancy standards specified in the
20 77 Illinois Administrative Code 1100. Stephenson
21 County has, per the 2005 data, 144 unused beds
22 every day. In 2008 it is worse. There is 175
23 beds available every day, and the average
24 occupancy in Stephenson County is 71 percent; a

1 decline from 77 percent in 2005.

2 Let's not forget that a facility just
3 received approval for an additional 45 beds in
4 Stephenson County. Clearly it shows there is no
5 bed need in either Winnebago or Stephenson
6 County.

7 Page 129 of the application, Staffing
8 Availability, statement, quote, "Professional
9 nursing staffs, RNs, LPNs, CNAs, can be recruited
10 from existing long-term care facilities in
11 Rockford," end of quote. In Winnebago and
12 Stephenson Counties we all struggle for
13 professional staff. There is even a bigger
14 problem in rural Winnebago County because we have
15 to attract workers from the urban areas.

16 People in the large cities do not drive to
17 small towns to work. People in small towns will
18 drive to larger cities to work all the time.
19 There is a great shortage of professional nursing
20 staff, RNs, LPNs, CNAs, period, and we would be
21 directly fighting for the same staff from the
22 same area.

23 Also note on the proposed labor chart there
24 is no therapy staffing. We have in our therapy

1 department seven therapists from PT, PTA, OT,
2 OTA, and speech therapists and are struggling to
3 hire two more therapists.

4 I hope I have demonstrated that Medina
5 Nursing Center does provide skilled nursing
6 services and rehabilitative therapies to rural
7 western Winnebago and eastern Stephenson County,
8 that includes Pecatonica. The bed need for both
9 counties are met; in fact, greatly exceeded. To
10 grant another licensed facility would greatly
11 impair the operation of Medina Nursing Center
12 without a doubt.

13 Respectfully submitted, Holgeir Oksnevad.

14 HEARING OFFICER: Karen Oksnevad.

15 MS. KAREN OKSNEVAD: Karen,
16 K-a-r-e-n, O-k-s-n-e-v-a-d.

17 Good morning. My name is Karen Oksnevad
18 and I'm the admissions coordinator for Medina
19 Nursing Center. I have held that position for
20 26 years, so I do have some insight into the
21 demographics of this area.

22 The majority of our population of our
23 nursing home comes from Pecatonica, Durand, Lake
24 Summerset, and Davis areas. Will a skilled

1 nursing center in Pecatonica hurt Medina? Yes,
2 it will, drastically.

3 The needs of the Rockford and Freeport area
4 are met by the homes that now currently exist in
5 these cities. People do not seek out rural
6 nursing care unless they or their families are in
7 this direct area. Medina feels these needs at
8 this time and competing with another skilled
9 facility will be a detriment to both facilities.

10 Thank you.

11 HEARING OFFICER: Linda Stack.

12 MS. LINDA STACK: Linda Stack,
13 L-i-n-d-a, S-t-a-c-k.

14 My name is Linda Stack, and I'm the
15 staffing coordinator at Medina Manor in Durand.
16 Medina employs 112 people from the Northwestern
17 part of Illinois and from the southern part of
18 Wisconsin. Our staff comes from towns like
19 Orangeville, Rockton, Broadhead, and Beloit,
20 Wisconsin, Freeport, Rockford, Winnebago, Rock
21 City, Elizabeth, Davis, Pecatonica, Byron,
22 Shirland, and Durand.

23 Our staffing needs are not completely met
24 at Medina all the time so we have to go outside

1 the facility and have a nursing agency fill the
2 rest of our needs. We just don't get enough
3 applicants to staff our -- for the needs of our
4 residents. If a new nursing facility is built
5 Pecatonica, the staffing that would be
6 normally -- that Medina would normally get would
7 go to Pecatonica. Then who would take care of
8 our residents?

9 Thank you.

10 HEARING OFFICER: Kathy Hoht.

11 MS. KATHY FOHT: Yes. I'm Kathy Foht
12 and I'm the director of nursing at Medina --
13 F-o-h-t -- Kathy with a K -- and I'm the director
14 of nursing at Medina, and I just wanted to speak
15 about the skilled nursing facility.

16 Medina is a skilled nursing facility with
17 the ability to provide care for a wide diversity
18 of residents with diagnoses ranging from
19 Alzheimer's to dementia to septicemias and
20 infections that require IV therapy for a period
21 of time, and we have RN coverage 24/7 for that.

22 We have an exceptional wound care
23 reputation in our community, which would be
24 backed up by any wound care physician in the

1 area. We provide services for all diagnoses with
2 the exception of vent care.

3 We do not have a locked Alzheimer's unit,
4 but we do provide care and we have since we
5 opened. We have a state-of-the-art therapy
6 department. We are doing all forms of therapy
7 with the exception of laser therapy.

8 Our therapy department is trained to
9 provide therapy for pelvic floor rehab, which is
10 incontinence and pelvic pain. We do lymphedema
11 for cancer patients. Sports medicine for the
12 young, orthopedics. We do speech language and
13 cognitive therapy. We do neuro rehab and joint
14 replacement programs for those getting knee and
15 hip replacements. We do mechanical traction
16 table for cervical and lumbar. It is the latest
17 in the state-of-the-art equipment. We have
18 home-safety evaluations.

19 So we feel at Medina that we are a skilled
20 nursing facility. Thank you for your time.

21 HEARING OFFICER: Do you have your
22 written testimony?

23 MS. KAREN FOHT: I do.

24 HEARING OFFICER: Edward Smith.

1 MR. EDWARD SMITH: Good morning. My
2 name is Ed Smith. That's E-d, Smith. I'm a
3 newcomer to Pecatonica. I have only been here
4 for 28 years, and I have made many observations
5 about the things I have heard here today.

6 We heard from about a dozen owners of large
7 commercial big city care facilities, and we heard
8 from about a dozen staff from Medina. I'm
9 wondering who is minding the shop? No wonder you
10 have such a hard time finding staff up there.
11 You are all here.

12 But one word and one common theme I heard
13 in these objections -- and the exact word was
14 used by several people -- was competition. They
15 are afraid that a hamburger stand is setting up
16 across the street from them and they will sell us
17 hamburgers or they will have a hard time finding
18 waitresses.

19 This is not a legitimate argument to deny
20 Pecatonica the opportunity to service its people.
21 Competition is driven by many variables. We
22 heard 84 percent, 80 some percent, most of them
23 in the 80 percent range of occupancy rates. I
24 owned 12 apartments in town, several of them

1 handicapped friendly. There is a waiting list
2 for my handicapped friendly in the town of
3 Pecatonica, and I owned a restaurant and a
4 chiropractic facility, both handicapped
5 accessible. I sold those.

6 Pecatonica is a unique town. The facility
7 in Pecatonica and the facility of Medina are
8 probably comparable. The other facilities we
9 heard from are big city operations. And I would
10 like to use a softer word but the word ignorant
11 comes to mind when you say that we have a small
12 town rural community. And they are just ignorant
13 of the needs of the people of this community.

14 Medina not so much because they are in a
15 smaller community. However, sir, if you could
16 make it to your facility in 10 minutes, I
17 guarantee you are going to be going faster than
18 75 miles an hour on Pecatonica Road.

19 Pecatonica, the facility that's being
20 proposed here, is currently agriculture. It was
21 a horse pasture. The facilities -- the big city
22 facilities on Mulford Road in Rockford, that's a
23 half a million dollars an acre land. They have
24 to charge a lot. There is two variables -- there

1 is several variables of occupancy rate. This is
2 what I found from renting apartments. One is,
3 well, there is not enough people to rent. Two,
4 your rent's too high.

5 And the exorbitant fees that I have seen in
6 the big city of Rockford, there's the reason they
7 have 84 percent and not 90 percent. Their fees
8 are high because their property tax is high
9 because their property is expensive.

10 Pecatonica's facility is ideally located
11 for those people in a rural community environment
12 with a culture much different than Rockford.
13 Much different. We have six denominations of
14 churches within nine blocks of this facility;
15 churches in excess of 150 years old. We have
16 several, dozens, of three-generation families
17 living in town and some four-generation families
18 living in town who have built these churches.

19 We have a wonderful traditional business
20 district. In fact, it is hard to think of
21 another traditional business district like this
22 in the whole county where we are on Main Street.
23 We have two banks, a pharmacy, a dentist, two
24 chiropractors, two banks -- gosh, a hardware

1 store. Everything you would need is right here
2 in town, and it is only four or five blocks from
3 the proposed facility. Which would make it easy
4 for someone with an electric cart, which are
5 becoming more and more popular, to get to town if
6 they wanted to.

7 People in Pecatonica -- you probably notice
8 we don't have a stoplight. The closest one was
9 put in the highway up there a few years back, but
10 people in Pecatonica, if they are forced to move
11 to a larger city on Mulford Road, they don't want
12 their elderly friends and relatives to have to
13 pull out of a parking lot onto Mulford Road and
14 into the rat race of Rockford to visit them.

15 This facility here will be a very, very
16 friendly facility for getting around. They can
17 get to any part of town without going through a
18 stoplight because we have no stoplights. The
19 highest speed limit in all of town is 30 miles an
20 hour. And Pecatonica needs this facility for its
21 own people because the people in Pecatonica, they
22 are still -- you go down to the coffee table in
23 the restaurants in the morning and they are
24 talking to their classmates from 1932, 1926.

1 They are talking to people they have known their
2 whole lives. It is a community that these
3 people -- it is not a transient community, much
4 like Rockford or Freeport, but it is a community
5 where these people have, like I said, been here
6 for three and four generations. And there is a
7 need for these people here.

8 They don't want to leave their churches.
9 They don't want to leave their friends. They
10 don't want to leave their relatives. They want a
11 comfortable and secure place to live in
12 Pecatonica, and we have been persuading
13 investors, and we finally snagged one here, to
14 build this for us.

15 I'm a former mayor in Pecatonica, and I
16 remember when that land up there was just a horse
17 pasture. Now there is an adjacent subdivision to
18 it, but what we are looking at -- and we heard a
19 lot of facts and figures coming out. I'm sure
20 they are dead accurate for this week. The
21 economy right now is moving very rapidly.

22 Yes, right now the occupancy rates might be
23 down. I don't have any vacant apartments, but I
24 understand some people in Rockford do. As the

1 economy improves, the need is going to improve.
2 Northern Illinois as of two or three years ago
3 stepped up their training for nursing, nursing
4 staff. My daughter is getting her master's in
5 speech pathology for the elderly, and these
6 people will be become available. They stepped up
7 the number of professors they have teaching these
8 classes and the divergence of the classes.

9 So the reason, gee, they are going to steal
10 our waitresses or sell a hamburger cheaper, those
11 aren't reasons. Competition is American. People
12 who are afraid of competition certainly can't be
13 really that great in business and providing the
14 most reliable and most economical services for
15 the people.

16 Now, because this is a horse pasture, it is
17 not a million dollar piece of land on Mulford,
18 the taxes aren't that high, the price of building
19 the building isn't that high, and the rates can
20 be much more affordable for these people. And
21 that will make a change.

22 We all know the Baby Boomers have moved
23 through the economy like a mouse in a snake's
24 belly. When a snake grabs a mouse, you can see

1 it for a period of days going through the snake.
2 The Baby Boomers have been like this going
3 through the economy. The toy companies were
4 booming in the '60s, the automobiles in the '60s
5 and '70s, the housing. It is amazing. And now
6 these Baby Boomers are approaching the point
7 where there is going to be a step demand for more
8 beds.

9 This step demand isn't going to be met
10 instantly by all of these big city places or
11 Medina. It is going to take a while. And we
12 would really like to see this facility here in
13 Pecatonica. In fact, 10 years ago, I, myself --
14 me and my late wife designed a facility we were
15 going to build because we wanted a place for us
16 to live when it came that time to move, but we
17 want to stay in town. We wanted to stay in
18 Pecatonica. This is our culture.

19 This isn't the culture of big city. We can
20 open our window and hear the birds sing. At
21 night we hear the crickets chirp. Go to a
22 friend's house in Rockford and open a window, you
23 hear the trucks going by and hear the speakers in
24 the cars, boom, boom. This isn't happening in

1 Pecatonica.

2 Like I say, their friends are here, their
3 long established churches are here, and their
4 family is here. And it is unfair when a person
5 reaches a certain age to tell them, well, look,
6 you are going to have to drive 14 miles in
7 10 minutes to Medina or you are going to have to
8 go to the big city and pay their prices for
9 health care, and maybe your friends will visit
10 you and maybe they won't.

11 I feel uncomfortable pulling out on Mulford
12 Road from a parking lot. That's how my wife was
13 killed in a car accident, on Mulford Road.
14 People in Pecatonica don't live that fast
15 lifestyle. It is a different culture.

16 And what Mr. Anderson is proposing is a
17 facility that will meet the demands of this
18 culture and the needs of this culture with the
19 flexibility to change as that culture changes.

20 When the Baby Boomers hit, there is going
21 to be a large demand for these homes. There will
22 be the 90 percent that they are seeking, and
23 there will be the people to service these
24 90 percent. The universities see it and they too

1 are gearing up for this. The Baby Boomers are
2 coming, and when we get here, we are going to
3 want a nice place to live, and I want a nice
4 place to live in Pecatonica. I want to be able
5 to go to my church. I want my friends to come
6 and visit me. And that won't happen. That type
7 of culture doesn't exist in Rockford. It exists
8 slightly up in Medina, but, like I say, it is
9 14 miles and, in fact, for two days you couldn't
10 cross the Pecatonica River because of a flood.
11 You couldn't get there.

12 So in summation, this is very good for
13 Pecatonica, this is very good for the State of
14 Illinois, and this is very good for the future of
15 the people who are going to need a facility to
16 take care of them, myself included. And I would
17 really like to see this facility built, like I
18 say, to the point where I was going to build it
19 myself until George stepped up to bat and said,
20 hey, let's take a look at it.

21 It is a good plan, flexible. It will
22 accommodate the growing needs and all the --
23 businesses out there -- who we just heard from,
24 more than a dozen -- you have got to admit there

1 is growing needs. If you are not looking at the
2 Baby Boomers coming, you are doing something
3 wrong, folks. You have got your master's in
4 business education, you know it is coming.

5 So this facility is needed in Pecatonica.
6 There is no other place that has six
7 denominations of churches and a traditional
8 business district all within eight or 10 blocks.
9 I can't think of any town in Stephenson County,
10 in Winnebago County, down in Oregon. I can't
11 think of any place that has all of these
12 churches, all of these facilities, the pharmacy,
13 everything a senior needs. Most seniors in this
14 town don't leave the town. There is restaurants
15 here. There is everything they need here.

16 So, yeah, we need this facility and, yes, I
17 understand these people not wanting competition.
18 But competition is not a reason to deny an older
19 person a reasonably priced place to live.

20 Thank you.

21 HEARING OFFICER: Has everybody
22 spoken that has wanted to speak?

23 Well, I would like to thank the Pecatonica
24 Village Hall for the use of their facility today.

1 I would remind everyone to submit your written
2 comments to me so we have this information for
3 the record. This project is scheduled for
4 consideration by the Illinois Health Facilities
5 and Services Review Board at its October 26th,
6 2010, meeting. A location for this meeting is
7 still being determined, which I think it will be
8 in Chicago.

9 The public has until October 6th of 2010 to
10 submit written comments. These comments can be
11 sent to my attention at the Illinois Department
12 of Public Health at 525 West Jefferson Street,
13 2nd floor, Springfield, Illinois 62761-0001.

14 If you prefer, you may fax your comments.
15 Our fax number is (217) 785-4111.

16 Is there any questions?

17 AUDIENCE MEMBER: I do have a
18 question. What is faxed or sent to you, must
19 that come from only the people that have spoken
20 here today?

21 HEARING OFFICER: No, it can come
22 from anybody.

23 AUDIENCE MEMBER: Or any citizen?

24 HEARING OFFICER: Anybody, yes.

