

13-018

**ORIGINAL****LONG-TERM CARE
APPLICATION FOR PERMIT****SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**
This Section must be completed for all projects.**RECEIVED****DESCRIPTION OF PROJECT**

APR 26 2013

Project Type

[Check one]

[check one]

HEALTH FACILITIES &
SERVICES REVIEW BOARD

☒ General Long-term Care ☐ Specialized Long-term Care	☒ Establishment of a new LTC facility ☐ Establishment of new LTC services ☐ Expansion of an existing LTC facility or service ☐ Modernization of an existing facility
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Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive. Include: the number and type of beds involved; the actions proposed (establishment, expansion and/or modernization); the **ESTIMATED** total project cost and the funding source(s) for the project.

Luther Oaks, Inc., an Illinois not-for-profit corporation ("Luther Oaks"), proposes to construct a new 36 bed skilled nursing facility ("Project"). The Project will be located at 601 Lutz Road, Bloomington, Illinois 61704, which is leased to Luther Oaks by Trinity Lutheran Church of Bloomington, Illinois pursuant to a 99-year land lease. The Project will enhance Luther Oaks' existing senior care campus, which consists of 90 independent living apartments, 40 assisted living apartments and 18 assisted living memory support apartments ("ALU/ILUs").

Luther Oaks is the applicant for the Project. Lutheran Life Ministries, a faith-based not-for-profit organization, is the parent of Luther Oaks. Consequently, Lutheran Life Ministries is named as a co-applicant.

The Project will consist of the construction of 2 skilled nursing wings. One wing will have 16 private rooms focused on short-term rehabilitation and transitional care. The other wing will consist of 16 private rooms and 2 semi-private rooms for a total of 20 beds. These beds will focus on long-term care. The 2 wings will include shared common space and dining areas that will total approximately 21,000 square feet. The existing main kitchen will be expanded to allow for preparation of all meals to be served in the skilled nursing wings. Such an expansion will total approximately 2,200 square feet. The 2 existing dining rooms will be expanded to accommodate more residents. The expansion of these areas will total approximately 3,000 square feet.

The total cost of the Project is \$9,545,000. The money to fund the Project will be a combination of cash equity contributions and traditional debt financing from a bank, which will be secured under the existing Master Trust Indenture relating to the construction of the ALU/ILUs.

The Project is classified as substantive pursuant to Section 1110.40(c) of the Illinois Health Facilities and Service Review Board's Rules.

Facility/Project Identification

Facility Name: Luther Oaks, Inc.		
Street Address: 601 Lutz Road		
City and Zip Code: Bloomington 61704		
County: McLean	Health Service Area: 4	Health Planning Area: McLean County

Applicant /Co-Applicant Identification**[Provide for each co-applicant [refer to Part 1130.220].**

Exact Legal Name: Luther Oaks, Inc.		
Address: 601 Lutz Road, Bloomington, IL 61704		
Name of Registered Agent: Andrew P. Tecson		
Name of Chief Executive Officer: Roger W. Paulsberg		
CEO Address: 3150 Salt Creek Lane, Arlington Heights, IL 60005		
Telephone Number: 847-368-7400		

Type of Ownership (Applicant/Co-Applicants)

☒ Non-profit Corporation	☐ Partnership
☐ For-profit Corporation	☐ Governmental
☐ Limited Liability Company	☐ Sole Proprietorship
☐ Other	

- Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

Name: Andrew P. Tecson
Title: Counsel
Company Name: Chuhak & Tecson, P.C.
Address: 30 S. Wacker Drive, Suite 2600, Chicago, IL 60606
Telephone Number: 312-855-4321
E-mail Address: atecson@chuhak.com
Fax Number: 312-444-9027

Additional Contact**[Person who is also authorized to discuss the application for permit]**

Name: Kimberly T. Boike
Title: Counsel
Company Name: Chuhak & Tecson, P.C.
Address: 30 S. Wacker Drive, Suite 2600, Chicago, IL 60606
Telephone Number: 312-855-6418
E-mail Address: kboike@chuhak.com
Fax Number: 312-444-9027

Applicant /Co-Applicant Identification**[Provide for each co-applicant [refer to Part 1130.220].**

Exact Legal Name: Lutheran Life Ministries
Address: 3150 Salt Creek Lane, Arlington Heights, IL 60005
Name of Registered Agent: Andrew P. Tecson
Name of Chief Executive Officer: Roger W. Paulsberg
CEO Address: 3150 Salt Creek Lane, Arlington Heights, IL 60005
Telephone Number: 847-368-7400

☒ Non-profit Corporation	☐ Partnership	
☐ For-profit Corporation	☐ Governmental	
☐ Limited Liability Company	☐ Sole Proprietorship	☐ Other
- o Corporations and limited liability companies must provide an Illinois certificate of good standing. - o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.		

Primary Contact**[Person to receive ALL correspondence or inquiries]**

Name: Andrew P. Tecson
Title: Counsel
Company Name: Chuhak & Tecson, P.C.
Address: 30 S. Wacker Drive, Suite 2600, Chicago, IL 60606
Telephone Number: 312-855-4321
E-mail Address: atecson@chuhak.com
Fax Number: 312-444-9027

Additional Contact**[Person who is also authorized to discuss the application for permit]**

Name: Kimberly T. Boike
Title: Counsel
Company Name: Chuhak & Tecson, P.C.
Address: 30 S. Wacker Drive, Suite 2600, Chicago, IL 60606
Telephone Number: 312-855-6418
E-mail Address: kboike@chuhak.com
Fax Number: 312-444-9027

ADDITIONAL CONTACTS**[Person to receive all correspondence or inquiries during the review period]**

Name: Charles P. Sheets
Title: Counsel
Company Name: Polsinelli Shughart
Address: 161 North Clark Street, Suite 4200, Chicago, IL 60601
Telephone Number: 312-873-3605
E-mail Address: csheets@polsinelli.com
Fax Number: 312-819-1910

Name: Anne M. Cooper
Title: Counsel
Company Name: Polsinelli Shughart
Address: 161 North Clark Street, Suite 4200, Chicago, IL 60601
Telephone Number: 312-873-3606
E-mail Address: acooper@polsinelli.com
Fax Number: 312-819-1910

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance. **This person must be an employee of the applicant.**]

Name: Gretchen Brown
Title: Administrator
Company Name: Luther Oaks, Inc.
Address: 601 Lutz Road, Bloomington, IL 61704
Telephone Number: 309-557-8003
E-mail Address: gbrown@lutheranlifecommunities.org
Fax Number: 309-664-5999

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Trinity Lutheran Church
Address of Site Owner: 801 South Madison Street, Bloomington, Illinois 61701
Street Address or Legal Description of Site: 601 Lutz Road, Bloomington, IL 61704
Proof of ownership or control of the site is to be provided as . Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.

Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: Luther Oaks, Inc.			
Address: 601 Lutz Road, Bloomington, IL 61704			
☒	Non-profit Corporation	☐	Partnership
☐	For-profit Corporation	☐	Governmental
☐	Limited Liability Company	☐	Sole Proprietorship
		☐	Other
- o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. - o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. - o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.			

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

ATTACHMENT 4: ORGANIZATIONAL CHART

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

State Agency Submittals

The following submittals are up- to- date, as applicable:

- ☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
- ☒ All reports regarding outstanding permits:

If the applicant fails to submit updated information for the requirements listed above, the application for permit will be deemed incomplete.

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Luther Oaks, Inc. *
in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.


SIGNATURE

Roger W. Paulsberg
PRINTED NAME

President/CEO
PRINTED TITLE

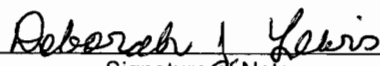

SIGNATURE

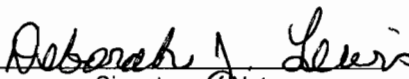
Carl Moellenkamp
PRINTED NAME

Treasurer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 15 day of April, 2013

Notarization:
Subscribed and sworn to before me
this 15 day of April, 2013


Signature of Notary


Signature of Notary



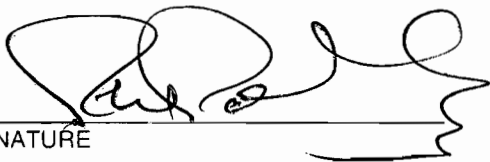
*Insert EXACT legal name of the applicant

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Lutheran Life Ministries *
in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.



SIGNATURE

Roger W. Paulsberg

PRINTED NAME

President/CEO

PRINTED TITLE



SIGNATURE

Carl Moellenkamp

PRINTED NAME

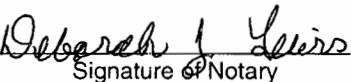
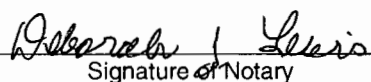
Sr. Vice President, Corporate Finance/CFO

PRINTED TITLE

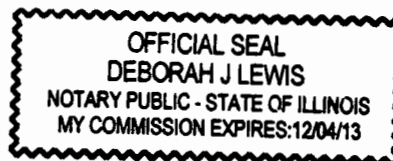
Notarization:

Subscribed and sworn to before me
this 15 day of April 2013

Notarization:

Subscribed and sworn to before me
this 15 day of April 2013
Signature of Notary
Signature of Notary

Seal



Seal

*Insert EXACT legal name of the applicant

**SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES –
INFORMATION REQUIREMENTS**

This Section is applicable to ALL projects.

Criterion 1125.320 – Purpose of the Project

READ THE REVIEW CRITERION and provide the following required information:

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project.
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

Criterion 1125.330 – Alternatives

READ THE REVIEW CRITERION and provide the following required information:

ALTERNATIVES

1. Identify ALL of the alternatives to the proposed project:

Alternative options must include:

- a. Proposing a project of greater or lesser scope and cost;
- b. Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
- c. Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
- d. Provide the reasons why the chosen alternative was selected.

2. Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long

term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

3. The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

SECTION III – BED CAPACITY, UTILIZATION AND APPLICABLE REVIEW CRITERIA

This Section is applicable to all projects proposing establishment, expansion or modernization of LTC categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each LTC category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria and provide the required information. AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

Criterion 1125.510 – Introduction**Bed Capacity**

Applicants proposing to establish, expand and/or modernize General Long Term Care must submit the following information:

Indicate bed capacity changes by Service:

Category of Service	Total # Existing Beds*	Total # Beds After Project Completion
☒ General Long-Term Care	0	36
☐ Specialized Long-Term Care		
☐		

*Existing number of beds as authorized by IDPH and posted in the "LTC Bed Inventory" on the HFSRB website (www.hfrsb.illinois.gov). PLEASE NOTE: ANY bed capacity discrepancy from the Inventory will result in the application being deemed incomplete.

Utilization**Utilization for the most current CALENDAR YEAR: NOT APPLICABLE**

Category of Service	Year	Admissions	Patient Days
☐ General Long Term Care			
☐ Specialized Long-Term Care			

Applicable Review Criteria - Guide

The review criteria listed below must be addressed, per the LTC rules contained in 77 Ill. Adm. Code 1125. See HFSRB's website to view the subject criteria for each project type - (<http://hfsrb.illinois.gov>). To view LTC rules, click on "Board Administrative Rules" and then click on "77 Ill. Adm. Code 1125".

READ THE APPLICABLE REVIEW CRITERIA OUTLINED BELOW and submit the required documentation for the criteria, as described in SECTIONS IV and V:

GENERAL LONG TERM CARE

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
	Section	Subject
Establishment of Services or Facility	.520	Background of the Applicant
	.530(a)	Bed Need Determination
	.530(b)	Service to Planning Area Residents
	.540(a) or (b) + (c) + (d) or (e)	Service Demand – Establishment of General Long Term Care
	.570(a) & (b)	Service Accessibility
	.580(a) & (b)	Unnecessary Duplication & Maldistribution
	.580(c)	Impact of Project on Other Area Providers
	.590	Staffing Availability
	.600	Bed Capacity
	.610	Community Related Functions
	.620	Project Size
	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Expansion of Existing Services	.520	Background of the Applicant
	.530(b)	Service to Planning Area Residents
	.550(a) + (b) or (c)	Service Demand – Expansion of General Long Term Care
	.590	Staffing Availability
	.600	Bed Capacity
	.620	Project Size
	.640	Assurances
	.560(a)(1) through (3)	Continuum of Care Components
	.590	Staffing Availability
	.600	Bed Capacity
	.610	Community Related Functions

	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Continuum of Care – Establishment or Expansion	.520	Background of the Applicant
	.560(a)(1) through (3)	Continuum of Care Components
	.590	Staffing Availability
	.600	Bed Capacity
	.610	Community Related Functions
	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Defined Population Establishment or Expansion	.520	Background of the Applicant
	.560(b)(1) & (2)	Defined Population to be Served
	.590	Staffing Availability
	.600	Bed Capacity
	.610	Community Related Functions
	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Modernization	.650(a)	Deteriorated Facilities
	.650(b) & (c)	Documentation
	.650(d)	Utilization
	.600	Bed Capacity
	.610	Community Related Functions
	.620	Project Size
	.630	Zoning
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

SPECIALIZED LONG-TERM CARE

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
	Section	Subject
Establishment of LTC Developmentally Disabled – (Adult)	.720(a)	Facility Size
	.720(b)	Community Related Functions
	.720(c)	Availability of Ancillary and Support Programs
	.720(d)	Recommendations from State Departments
	.720(f)	Zoning
	.720(g)	Establishment of Beds – Developmentally Disable -Adult
	.720(j)	State Board Consideration of Public Hearing Testimony
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Establishment of LTC Developmentally Disabled – Children	.720(a)	Facility Size
	.720(b)	Community Related Functions
	.720(c)	Availability of Ancillary and Support Programs
	.720(d)	Recommendations from State Departments
	.720(f)	Zoning
	.720(g)	State Board Consideration of Public Hearing Testimony
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Establishment of Chronic Mental Illness	.720(a)	Facility Size
	.720(b)	Community Related Functions
	.720(c)	Availability of Ancillary and Support Programs
	.720(f)	Zoning
	.720(g)	Establishment of Chronic Mental Illness
	.720(j)	State Board Consideration of Public Hearing Testimony
	.800	Estimated Total Project Cost

	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Establishment of Long-Term Medical Care for Children	720(a)	Facility Size
	720(b)	Community-Related Functions
	720(c)	Availability of Ancillary and Support Organizations
	720(e)	Long-Term Medical Care for Children-Category of Service
	720(f)	Zoning
	720(g)	State Board Consideration of Public Hearing Testimony
	800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

SECTION IV - SERVICE SPECIFIC REVIEW CRITERIA**GENERAL LONG-TERM CARE****Criterion 1125.520 – Background of the Applicant****BACKGROUND OF APPLICANT**

The applicant shall provide:

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data. **NOT APPLICABLE.**

Criterion 1125.530 - Planning Area Need

1. Identify the calculated number of beds needed (excess) in the planning area. See HFSRB website (<http://hfsrb.illinois.gov>) and click on "Health Facilities Inventories & Data".
2. Attest that the primary purpose of the project is to serve residents of the planning area and that at least 50% of the patients will come from within the planning area.
3. Provide letters from referral sources (hospitals, physicians, social services and others) that attest to total number of prospective residents (by zip code of residence) who have received care at existing LTC facilities located in the area during the 12-month period prior to submission of the application. Referral sources shall verify their projections and the methodology used, as described in Section 1125.540.

Criterion 1125.540 - Service Demand – Establishment of General Long Term Care

If the applicant is an existing facility wishing to establish this category of service or a new facility, #1 – 4 must be addressed. Requirements under #5 must also be addressed if applicable.
If the applicant is not an existing facility and proposes to establish a new general LTC facility, the applicant shall submit the number of annual projected referrals.
1. Document the number of referrals to other facilities, for each proposed category of service, for each of the latest two years. Documentation of the referrals shall include: resident/patient origin by zip code; name and specialty of referring physician or identification of another referral source; and name and location of the recipient LTC facility. 2. Provide letters from referral sources (hospitals, physicians, social services and others) that attest to total number of prospective residents (by zip code of residence) who have received care at existing LTC facilities located in the area during the 12-month period prior to submission of the application. Referral sources shall verify their projections and the methodology used. 3. Estimate the number of prospective residents whom the referral sources will refer annually to the applicant's facility within a 24-month period after project completion. Please note: • The anticipated number of referrals cannot exceed the referral sources' documented historical LTC caseload. • The percentage of project referrals used to justify the proposed expansion cannot exceed the historical percentage of applicant market share, within a 24-month period after project completion • Each referral letter shall contain the referral source's Chief Executive Officer's notarized signature, the typed or printed name of the referral source, and the referral source's address 4. Provide verification by the referral sources that the prospective resident referrals have not been used to support another pending or approved Certificate of Need (CON) application for the subject services. 5. If a projected demand for service is based upon rapid population growth in the applicant facility's existing market area (as experienced annually within the latest 24-month period), the projected service demand shall be determined as follows: a. The applicant shall define the facility's market area based upon historical resident/patient origin data by zip code or census tract; b. Population projections shall be produced, using, as a base, the population census or estimate for the most recent year, for county, incorporated place, township or community area, by the U.S. Bureau of the Census or IDPH; c. Projections shall be for a maximum period of 10 years from the date the application is submitted; d. Historical data used to calculate projections shall be for a number of years no less

than the number of years projected;

- e. Projections shall contain documentation of population changes in terms of births, deaths and net migration for a period of time equal to or in excess of the projection horizon;
- f. Projections shall be for total population and specified age groups for the applicant's market area, as defined by HFSRB, for each category of service in the application (see the HFSRB Inventory); and
- g. Documentation on projection methodology, data sources, assumptions and special adjustments shall be submitted to HFSRB.

APPEND DOCUMENTATION AS ATTACHMENT 14 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM

Criterion 1125.550 - Service Demand – Expansion of General Long-Term Care: NOT APPLICABLE

The applicant shall document #1 and either #2 or #3:

- 1. **Historical Service Demand**
 - a. An average annual occupancy rate that has equaled or exceeded occupancy standards for general LTC, as specified in Section 1125.210(c), for each of the latest two years.
 - b. If prospective residents have been referred to other facilities in order to receive the subject services, the applicant shall provide documentation of the referrals, including completed applications that could not be accepted due to lack of the subject service and documentation from referral sources, with identification of those patients by initials and date.
- 2. **Projected Referrals**
The applicant shall provide documentation as described in Section 1125.540(d).
- 3. **If a projected demand for service is based upon rapid population growth in the applicant facility's existing market area** (as experienced annually within the latest 24-month period), the projected service demand shall be determined as described in Section 1125.540 (e).

APPEND DOCUMENTATION AS ATTACHMENT 15 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM

Criterion 1125.560 - Variances to Computed Bed Need: NOT APPLICABLE

Continuum of Care:

The applicant proposing a continuum of care project shall demonstrate the following:

- 1. The project will provide a continuum of care for a geriatric population that includes independent living and/or congregate housing (such as unlicensed apartments, high rises for the elderly and retirement villages) and related health and social services. The housing complex shall be on the same site as the health facility component of the project.

2. The proposal shall be for the purposes of and serve only the residents of the housing complex and shall be developed either after the housing complex has been established or as a part of a total housing construction program, provided that the entire complex is one inseparable project, that there is a documented demand for the housing, and that the licensed beds will not be built first, but will be built concurrently with or after the residential units.
3. The applicant shall demonstrate that:
 - a. The proposed number of beds is needed. Documentation shall consist of a list of available patients/residents needing the proposed project. The proposed number of beds shall not exceed one licensed LTC bed for every five apartments or independent living units;
 - b. There is a provision in the facility's written operational policies assuring that a resident of the retirement community who is transferred to the LTC facility will not lose his/her apartment unit or be transferred to another LTC facility solely because of the resident's altered financial status or medical indigency; and
 - c. Admissions to the LTC unit will be limited to current residents of the independent living units and/or congregate housing.

**Defined Population: NOT
APPLICABLE**

The applicant proposing a project for a defined population shall provide the following:

1. The applicant shall document that the proposed project will serve a defined population group of a religious, fraternal or ethnic nature from throughout the entire health service area or from a larger geographic service area (GSA) proposed to be served and that includes, at a minimum, the entire health service area in which the facility is or will be physically located.
2. The applicant shall document each of the following:
 - a. A description of the proposed religious, fraternal or ethnic group proposed to be served;
 - b. The boundaries of the GSA;
 - c. The number of individuals in the defined population who live within the proposed GSA, including the source of the figures;
 - d. That the proposed services do not exist in the GSA where the facility is or will be located;
 - e. That the services cannot be instituted at existing facilities within the GSA in sufficient numbers to accommodate the group's needs. The applicant shall specify each proposed service that is not available in the GSA's existing facilities and the basis for determining why that service could not be provided.
 - f. That at least 85% of the residents of the facility will be members of the defined population group. Documentation shall consist of a written admission policy insuring that the requirements of this subsection (b)(2)(F) will be met.
 - g. That the proposed project is either directly owned or sponsored by, or affiliated with, the religious, fraternal or ethnic group that has been defined as the population to be served by the project. The applicant shall provide legally binding documents that prove ownership, sponsorship or affiliation.

APPEND DOCUMENTATION AS ATTACHMENT 16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.570 - Service Accessibility

1. Service Restrictions

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

- The absence of the proposed service within the planning area;
- Access limitations due to payor status of patients/residents, including, but not limited to, individuals with LTC coverage through Medicare, Medicaid, managed care or charity care;
- Restrictive admission policies of existing providers; or
- The area population and existing care system exhibit indicators of medical care problems, such as an average family income level below the State average poverty level, or designation by the Secretary of Health and Human Services as a Health Professional Shortage Area, a Medically Underserved Area, or a Medically Underserved Population.

2. Additional documentation required:

The applicant shall provide the following documentation, as applicable, concerning existing restrictions to service access:

- a. The location and utilization of other planning area service providers;
- b. Patient/resident location information by zip code;
- c. Independent time-travel studies;
- d. Certification of a waiting list;
- e. Admission restrictions that exist in area providers;
- f. An assessment of area population characteristics that document that access problems exist;
- g. Most recently published IDPH Long Term Care Facilities Inventory and Data (see www.hfsrb.illinois.gov).

APPEND DOCUMENTATION AS ATTACHMENT 17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.580 - Unnecessary Duplication/Maldistribution

1. The applicant shall provide the following information:
 - a. A list of all zip code areas that are located, in total or in part, within 30 minutes normal travel time of the project's site;
 - b. The total population of the identified zip code areas (based upon the most recent population numbers available for the State of Illinois); and
 - c. The names and locations of all existing or approved LTC facilities located within 30 minutes normal travel time from the project site that provide the categories of bed service that are proposed by the project.
2. The applicant shall document that the project will not result in maldistribution of services.
3. The applicant shall document that, within 24 months after project completion, the proposed project:
 - a. Will not lower the utilization of other area providers below the occupancy standards specified in Section 1125.210(c); and
 - b. Will not lower, to a further extent, the utilization of other area facilities that are currently (during the latest 12-month period) operating below the occupancy standards.

APPEND DOCUMENTATION AS ATTACHMENT 18, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.590 - Staffing Availability

1. For each category of service, document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure and JCAHO staffing requirements can be met.
2. Provide the following documentation:
 - a. The name and qualification of the person currently filling the position, if applicable; and
 - b. Letters of interest from potential employees; and
 - c. Applications filed for each position; and
 - d. Signed contracts with the required staff, or
 - e. A narrative explanation of how the proposed staffing will be achieved.

APPEND DOCUMENTATION AS ATTACHMENT 19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.600 Bed Capacity

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

APPEND DOCUMENTATION AS ATTACHMENT 20 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM

Criterion 1125.610 - Community Related Functions

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

APPEND DOCUMENTATION AS ATTACHMENT 21 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM

Criterion 1125.620 - Project Size

The applicant shall document that the amount of physical space proposed for the project is necessary and not excessive. The proposed gross square footage (GSF) cannot exceed the GSF standards as stated in Appendix A of 77 Ill. Adm. Code 1125 (LTC rules), unless the additional GSF can be justified by documenting one of the following:

1. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
2. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix A;
3. The project involves the conversion of existing bed space that results in excess square footage.

APPEND DOCUMENTATION AS ATTACHMENT 22 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM

Criterion 1125.630 - Zoning

The applicant shall document one of the following:

1. The property to be utilized has been zoned for the type of facility to be developed;
2. Zoning approval has been received; or
3. A variance in zoning for the project is to be sought.

APPEND DOCUMENTATION AS ATTACHMENT 23 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM

Criterion 1125.640 – Assurances

1. The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in Section 1125.210(c) for each category of service involved in the proposal.
2. For beds that have been approved based upon representations for continuum of care (Section 1125.560(a)) or defined population (Section 1125.560(b)), the facility shall provide assurance that it will maintain admissions limitations as specified in those Sections for the life of the facility. To eliminate or modify the admissions limitations, prior approval of HFSRB will be required. **NOT APPLICABLE**

APPEND DOCUMENTATION AS ATTACHMENT 24 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.650 - Modernization: NOT APPLICABLE

1. If the project involves modernization of a category of LTC bed service, the applicant shall document that the bed areas to be modernized are deteriorated or functionally obsolete and need to be replaced or modernized, due to such factors as, but not limited to:
 - a. High cost of maintenance;
 - b. non-compliance with licensing or life safety codes;
 - c. Changes in standards of care (e.g., private versus multiple bed rooms); or
 - d. Additional space for diagnostic or therapeutic purposes.
2. Documentation shall include the most recent:
 - a. IDPH and CMMS inspection reports; and
 - b. Accrediting agency reports.
3. Other documentation shall include the following, as applicable to the factors cited in the application:
 - a. Copies of maintenance reports;
 - b. Copies of citations for life safety code violations; and
 - c. Other pertinent reports and data.
4. Projects involving the replacement or modernization of a category of service or facility shall meet or exceed the occupancy standards for the categories of service, as specified in Section 1125.210(c).

APPEND DOCUMENTATION AS ATTACHMENT 25 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SPECIALIZED LONG-TERM CARE**Criterion 1125.720 - Specialized Long-Term Care – Review Criteria: NOT APPLICABLE**

This section is applicable to all projects proposing specialized long-term care services or beds.

1. Community Related Functions

Read the criterion and submit the following information:

- a. a description of the process used to inform and receive input from the public including those residents living in close proximity to the proposed facility's location;
- b. letters of support from social, social service and economic groups in the community;
- c. letters of support from municipal/elected officials who represent the area where the project is located.

2. Availability of Ancillary and Support Services

Read the criterion, which applies only to ICF/DD 16 beds and fewer facilities, and submit the following:

- a. a copy of the letter, sent by certified mail return receipt requested, to each of the day programs in the area requesting their comments regarding the impact of the project upon their programs and any response letters;
- b. a description of the public transportation services available to the proposed residents;
- c. a description of the specialized services (other than day programming) available to the residents;
- d. a description of the availability of community activities available to the facility's residents.
- e. documentation of the availability of community workshops.

3. Recommendation from State Departments

Read the criterion and submit a copy of the letters sent, including the date when the letters were sent, to the Departments of Human Services and Healthcare and Family Services requesting these departments to indicate if the proposed project meets the department's planning objectives regarding the size, type, and number of beds proposed, whether the project conforms or does not conform to the department's plan, and how the project assists or hinders the department in achieving its planning objectives.

4. Long-term Medical Care for Children Category of Service

Read the criterion and submit the following information:

- a. a map outlining the target area proposed to be served;
- b. the number of individuals age 0-18 in the target area and the number of individuals in the target area that require the type of care proposed, include the source documents for this estimate;
- c. any reports/studies that show the points of origin of past patients/residents admissions to the facility;

- d. describe the special programs or services proposed and explain the relationship of these programs to the needs of the specialized population proposed to be served.
- e. indicate why the services in the area are insufficient to meet the needs of the area population;
- f. documentation that the 90% occupancy target will be achieved within the first full year of

5. Zoning

Read the criterion and provide a letter from an authorized zoning official that verifies appropriate zoning.

6. Establishment of Chronic Mental Illness

Read the criterion and provide the following:

- a. documentation of how the resident population has changed making the proposed project necessary.
- b. indicate which beds will be closed to accommodate these additional beds.
- c. the number of admissions for this type of care for each of the last two years.

7. Variance to Computed Bed Need for Establishment of Beds for Developmentally Disabled Placement of Residents from DHS State Operated Beds

Read this criterion and submit the following information:

- a. documentation that all of the residents proposed to be served are now residents of a DHS facility;
- b. documentation that each of the proposed residents has at least one interested family member who resides in the planning area or at least one interested family member that lives out of state but within 15 miles of the planning area boundary where the facility is or will be located;
- c. if the above is not the case then you must document that the proposed resident has lived in a DHS operated facility within the planning area in which the proposed facility is to be located for more than 2 years and that the consent of the legal guardian has been obtained;
- d. a letter from DHS indicating which facilities in the planning area have refused to accept referrals from the department and the dates of any refusals and the reasons cited for each refusal;
- e. a copy of the letter (sent certified--return receipt requested) to each of the underutilized facilities in the planning area asking if they accept referrals from DHS-operated facilities, listing the dates of each past refusal of a referral, and requesting an explanation of the basis for each refusal;
- f. documentation that each of the proposed relocations will save the State money;
- g. a statement that the facility will only accept future referrals from an area DHS facility if a bed is available;
- h. an explanation of how the proposed facility conforms with or deviates from the DHS comprehensive long range development plan for developmental disabilities services.

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW**Criterion 1125.800 Estimated Total Project Cost**

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Availability of Funds – Review Criteria
- Financial Viability – Review Criteria
- Economic Feasibility – Review Criteria, subsection (a)

Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: Indicate the dollar amount to be provided from the following sources:

\$445,000	a. Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b. Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c. Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
\$9,100,000	d. Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1. For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2. For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3. For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4. For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5. For any option to lease, a copy of the option, including all terms and conditions.

_____	e.	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f.	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g.	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$9,545,000	TOTAL FUNDS AVAILABLE	

Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver: NOT APPLICABLE

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT 28. IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

APPLICANT: Luther Oaks, Inc.

1. The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion. When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Classified	Category A or Category B (Actual)			Category B (Projected)
	FY 2010	FY 2011	FY 2012	FY 2017
Current Ratio	1.11	1.99	1.52	1.52
Net Margin Percentage	(65.40)	(46.12)	(20.71)	(1.19)
Percent Debt to Total Capitalization	133.13	153.14	167.99	176.86
Projected Debt Service Coverage	N/A	.48	1.38	1.36
Days Cash on Hand	55	115	221	244
Cushion Ratio				2.96

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 29, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Co-Applicant: Lutheran Life Ministries

2. The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion. When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years	FY 2010	FY 2011	FY 2012	FY 2017
Current Ratio	.99	1.02	.76	1.02
Net Margin Percentage	(2.25)	1.46	(4.90)	1.46
Percent Debt to Total Capitalization	74.21	76.77	76.94	81.06
Projected Debt Service Coverage	1.26	1.07	1.57	1.80
Days Cash on Hand	108	142	134	143
Cushion Ratio				3.0

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 29, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Economic Feasibility

This section is applicable to all projects

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1. That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
2. That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A. A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 1.5 times for LTC facilities; or
 - B. Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1. That the selected form of debt financing for the project will be at the lowest net cost available;
2. That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
3. That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

Identify each area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY SERVICE									
Area (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project

Luther Oaks
New Construction and Modernization Cost per BGSF Breakdown

April 17, 2013

CLINICAL

PROJECT SCOPE OF WORK AREA	A Cost/Square Foot		C Gross Sq. Ft.		E Gross Sq. Ft.		G Const. \$ (AxC)	H Mod. \$ (BxE)	Total cost (G+H)
	New	Mod.	New	Circ.*	Mod.	Circ.*			
Resident Units	\$205	\$0	8,048	-	-	-	\$1,649,840	\$0	\$1,649,840
Resident Baths	\$240	\$0	2,392	-	-	-	\$574,080	\$0	\$574,080
Administrative	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Laundry	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Kitchen/Food Prep/Food Storage	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Dining	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Sitting / Living / Family Room	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Rehab / Therapy	\$195	\$0	1,130	-	-	-	\$220,350	\$0	\$220,350
Spa / Restrooms	\$240	\$0	640	-	-	-	\$153,600	\$0	\$153,600
Staff Support / Maintenance	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Service / Storage / Receiving	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Mechanical	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Circulation	\$120	\$0	4,254	-	-	-	\$510,505	\$0	\$510,505
Soiled / Clean Utility	\$225	\$0	480	-	-	-	\$108,000	\$0	\$108,000
Medication	\$210	\$0	160	-	-	-	\$33,600	\$0	\$33,600
Activities	\$200	\$0	520	-	-	-	\$104,000	\$0	\$104,000
Subtotals			17,624	-	-	-	\$3,353,975	\$0	\$3,353,975

Total Beds	36	36	36
BGSF / Bed	489.6	0.0	489.6
Cost / BGSF	\$190.30	\$0.00	\$190.30

NON CLINICAL

PROJECT SCOPE OF WORK AREA	A Cost/Square Foot		C Gross Sq. Ft.		E Gross Sq. Ft.		G Const. \$ (AxC)	H Mod. \$ (BxE)	Total cost (G+H)
	New	Mod.	New	Circ.*	Mod.	Circ.*			
Resident Units	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Resident Baths	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Administrative	\$205	\$0	860	-	-	-	\$176,300	\$0	\$176,300
Laundry	\$250	\$0	240	-	-	-	\$60,000	\$0	\$60,000
Kitchen/Food Prep/Food Storage	\$385	\$344	600	-	2,401	-	\$231,000	\$824,931	\$1,055,931
Dining	\$225	\$150	3,250	-	890	-	\$731,250	\$133,500	\$864,750
Sitting / Living / Family Room	\$210	\$0	1,000	-	-	-	\$210,000	\$0	\$210,000
Rehab / Therapy	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Spa / Restrooms	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Staff Support / Maintenance	\$230	\$0	510	-	-	-	\$117,188	\$0	\$117,188
Service / Storage / Receiving	\$130	\$0	560	-	-	-	\$72,800	\$0	\$72,800
Mechanical	\$110	\$0	553	-	-	-	\$60,830	\$0	\$60,830
Circulation	\$120	\$75	3,494	-	519	-	\$419,255	\$38,925	\$458,180
Soiled / Clean Utility	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Medication	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Activities	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Subtotals			11,067	-	3,810	-	\$2,078,623	\$997,356	\$3,075,979

Total Beds	36	36	36
BGSF / Bed	307.4	105.8	413.2
Cost / BGSF	\$187.83	\$261.77	\$206.76

TOTAL PROJECT			28,691	-	3,810	-	\$5,432,598	\$997,356	\$6,429,954
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Total Beds	36	36	36
BGSF / Bed	797.0	105.8	902.8
Cost / BGSF	\$189.35	\$261.77	\$197.84

completion.

ATTACHMENT 80 IN NUMERIC SEQUENTIAL ORDER ATTACHED PAGE 28 OF 28

APPENDIX A**Project Costs and Sources of Funds**

Complete the following table listing all costs associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$ 40,194	\$ 36,806	\$ 77,000
Site Survey and Soil Investigation	\$ 9,396	\$ 8,604	\$ 18,000
Site Preparation	\$ 172,260	\$157,740	\$ 330,000
Off Site Work	n/a	n/a	n/a
New Construction Contracts	\$ 3,353,975	\$ 2,078,623	\$ 5,432,598
Modernization Contracts	-	\$ 997,356	\$ 997,356
Contingencies	\$ 300,840	\$ 275,481	\$ 576,321
Architectural/Engineering Fees	\$ 305,599	\$ 279,839	\$ 585,438
Consulting and Other Fees	\$ 119,069	\$ 109,033	\$ 228,102
Movable or Other Equipment (not in construction contracts)	\$ 233,459	\$ 213,780	\$ 447,239
Bond Issuance Expense (project related)	\$ 52,200	\$ 47,800	\$ 100,000
Net Interest Expense During Construction (project related)	\$ 284,490	\$ 260,510	\$ 545,000
Fair Market Value of Leased Space or Equipment	-	-	-
Other Costs To Be Capitalized	\$ 108,548	\$ 99,398	\$ 207,946
Acquisition of Building or Other Property (excluding land)	-	-	-
TOTAL USES OF FUNDS	\$ 4,980,029	\$ 4,564,971	\$ 9,545,000
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$ 232,175.27	\$ 212,824.73	\$ 445,000
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages	\$ 4,747,853.73	\$ 4,352,146.27	\$ 9,100,000
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$ 4,980,029	\$ 4,564,971	\$ 9,545,000

APPENDIX B**Related Project Costs**

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project ☒ Yes ☐ No
Purchase Price: \$ _____
Fair Market Value: \$ 239,993.82

The project involves the establishment of a new facility or a new category of service
☒ Yes ☐ No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is \$ 927,683.00.

APPENDIX C**Project Status and Completion Schedules**

Indicate the stage of the project's architectural drawings:

- | | |
|---|--|
| ☐ None or not applicable | ☐ Preliminary |
| ☒ Schematics | ☐ Final Working |

Anticipated project completion date (refer to Part 1130.140): January 31, 2015

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

- | |
|---|
| ☐ Purchase orders, leases or contracts pertaining to the project have been executed. |
| ☐ Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies |
| ☒ Project obligation will occur after permit issuance. |

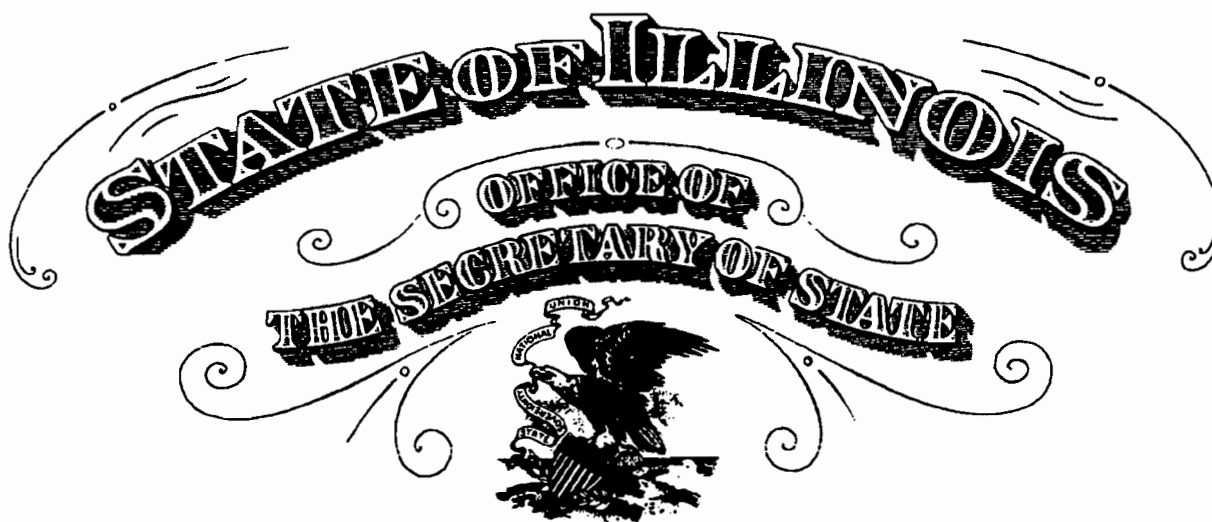
APPENDIX D**Cost/Space Requirements**

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
CLINICAL							
Total Review							
NON CLINICAL							
Total Non-clinical							
TOTAL							

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

INDEX OF ATTACHMENTS			
ATTACHMENT NO.			PAGES
1	Applicant/Co-applicant Identification including Certificate of Good Standing		0037-0038
2	Site Ownership		0039-0057
3	Operating Identity/Licensee		0058
4	Organizational Relationships		0059
5	Flood Plain Requirements		0060-0061
6	Historic Preservation Act Requirements		0062
	General Information Requirements		
10	Purpose of the Project		0063-0082
11	Alternatives to the Project		0083-0087
	Service Specific - General Long-Term Care		
12	Background of the Applicant		0088-0097
13	Planning Area Need		0098-0099
14	Establishment of General LTC Service or Facility		0100-0110
15	Expansion of General LTC Service or Facility		N/A
16	Variances		N/A
17	Accessibility		0111-0159
18	Unnecessary Duplication/Maldistribution		0160-0172
19	Staffing Availability		0173-0175
20	Bed Capacity		0176
21	Community Relations		0177-0190
22	Project Size		0191
23	Zoning		0192
24	Assurances		0193
25	Modernization		N/A
	Service Specific - Specialized Long-Term Care		
26	Specialized Long-Term Care – Review Criteria		N/A
	Financial and Economic Feasibility:		
27	Availability of Funds		0194-0235
28	Financial Waiver		N/A
29	Financial Viability		0236-0244
30	Economic Feasibility		0245-0247
	APPENDICES		
A	Project Costs and Sources of Funds		
B	Related Project Costs		0248-0249
C	Project Status and Completion Schedule		
D	Cost/Space Requirements		0250-0252



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

LUTHER OAKS, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MARCH 04, 2004, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1307901614

Authenticate at: <http://www.cyberdriveillinois.com>

*In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 20TH
day of MARCH A.D. 2013 .*

Jesse White

SECRETARY OF STATE

ATTACHMENT 1



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

LUTHERAN LIFE MINISTRIES, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JULY 21, 2005, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1310600314

Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 16TH day of APRIL A.D. 2013 .

Jesse White

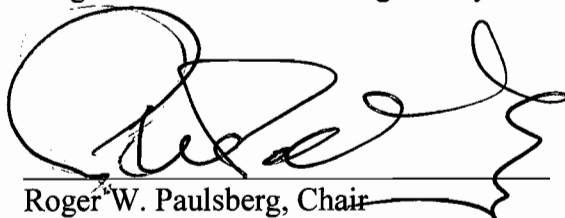
SECRETARY OF STATE

ATTACHMENT 1

**LUTHER OAKS, INC.
CON APPLICATION
NOTARIZED STATEMENT OF OWNERSHIP OR CONTROL OF SITE**

I, the undersigned, as Chair of Luther Oaks, Inc., do hereby certify that the real property located at 601 Lutz Road, Bloomington, IL 61704 is leased to Luther Oaks, Inc, by Trinity Lutheran Church of Bloomington, Illinois pursuant to the Ground Lease attached hereto at Attachment 2-A. The Ground Lease grants Luther Oaks, Inc. the right to use the land on which its existing assisted living facility and independent living units are located. Trinity Lutheran Church and Luther Oaks, Inc. are in the process of amending the Ground Lease to include granting Luther Oaks, Inc. the right to use the immediately adjoining 3 acres for purposes of constructing the new skilled nursing facility.

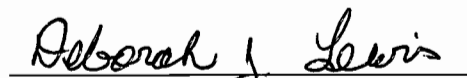
By:



Roger W. Paulsberg, Chair
Luther Oaks, Inc.

Notarization:

Subscribed and sworn to before me
this 23 day of April, 2013


Signature of Notary Public



*Vibrant, grace-filled living
across all generations*



4/19/2013

801 S. Madison St.
Bloomington, Ill 61071
Phone: 309-828-6265
Fax: 309-828-0831

Gretchen Brown
Administrator
Luther Oaks
601 Lutz Road
Bloomington, IL. 61704

Gretchen:

After my conversation with our attorney Mr. William Wetzel, I am satisfied that Trinity and Luther Oaks are in agreement of the concept that is presented in the amendment to the Amended and Restated Ground Lease, which was dated March 1, 2006. The amendment consisted of Luther Oaks leasing approximately three additional acres west of the ten acres currently leased. Lease amount would be the same amounts per acre as the existing lease.

The final approval of the agreement can not be obtained until the Annual Voters Meeting of Trinity Lutheran Church which is scheduled for late May of this year. If you have any questions, please let me know. Blessing on your continued work at Luther Oaks.

R. Scott Hoeft
Director of Finance
Trinity Lutheran Church and School
801 S. Madison St.
Bloomington, IL. 61701

ATTACHMENT 2-A

GROUND LEASE

This Ground Lease is made and entered into as of this 21st day of November, 2004 by and between TRINITY LUTHERAN CHURCH OF BLOOMINGTON, ILLINOIS ("Lessor"), as the owner of the Premises hereafter described, and LUTHERAN SENIOR LIVING OF ILLINOIS, INC., an Illinois not-for-profit corporation ("Lessee").

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor the Premises hereafter described upon the terms and conditions hereafter provided.

DESCRIPTION OF PREMISES:

1. The premises leased by Lessor to Lessee shall consist of the property, being approximately ten (10) acres of unimproved land near Hamilton Road, north of Lutz Road in Bloomington, Illinois, consisting of the land and any improvements located on the land described and depicted on Exhibit A which is attached hereto and made a part hereof, including but not limited to any rights to develop the land (the "Premises"), subject to the covenants, conditions, agreements, easements, encumbrances and restrictions affecting the land.

USE:

2. Lessee shall use the Premises for senior housing and related legal uses permitted by law. Lessee shall have the right to construct, operate, maintain, repair and replace an independent living facility for seniors and other types of senior living, such as assisted living or health care services, on the Premises. Lessee shall comply with all applicable laws concerning the Premises. The parties acknowledge that Lessee's use of the Premises will be an integral part of the Lessor's larger "campus". In the development and use of Premises, Lessee agrees to reasonably cooperate with Lessor to effectuate the Lessor's "integrated campus vision" by cooperating in providing interconnected streets, drives, walkways, landscaping amenities and architectural consistency.

RENT:

3. (a) Lessee shall pay the following sums as rent for the Premises without any abatement, deduction, set-off or

deferment for any reason to Lessor or Lessor's agent, amortized monthly in advance on the first day of each month commencing as hereafter provided until termination of this Lease and for any period thereafter that Lessee occupies the Premises, to be delivered at such address as Lessor may designate:

(I) Annual rent equal to ten (10%) percent of the appraised land value of the premises (Fair Cash Market Value of Land only if zoned for multiple family use free and clear of this Ground Lease) determined by an independent appraiser selected by both Lessor and Lessee, said yearly rent being amortized monthly, beginning with the first day of the first month the first resident shall occupy a unit for senior living on the Premises. For example, if the Premises were valued at \$250,000.00 by an appraiser, rent payments of \$25,000.00 per year should be paid by Lessee to Lessor. An appraisal of the Premises (performed on the same basis and with the same assumptions) determined by an independent appraiser selected by both Lessor and Lessee should be performed every five (5) years at Lessee's expense. As a result of such appraisals during the lease term, the rent payable under this Lease may be increased, but not decreased; however such increases may not exceed 30% for any such five (5) year appraisal.

(ii) Lessee shall pay, in addition to annual rent, all charges for general and special real estate taxes, assessments, and all charges for utilities supplied to the Premises, including but not limited to electricity, gas, and water beginning with possession and continuing for the duration of this Lease and any time thereafter that Lessee occupies the Premises. In the case said utility charges are not paid by Lessee when due, Lessor shall have the right, but not the obligation to pay the same and collect the same in addition to Lessee's next installment of rent.

(b) All amounts owed by Lessee to Lessor hereunder shall bear interest at the lesser of eight (8%) percent per annum or the highest legal rate of interest permitted by the laws of the State of Illinois from the date due until paid.

(c) This Lease is a "net net net" Lease and Lessee shall pay to Lessor absolutely net throughout the lease term rent, taxes, utilities and all other costs and expenses of

every kind and nature whatsoever, ordinary and extraordinary, with respect to the Premises hereunder, free of any charges, assessments, impositions or deductions of any kind and without abatement, deduction, setoff or deferment, and under no circumstances or conditions whether now existing or hereafter arising, or whether within or beyond the present contemplation of the parties, shall Lessor or its successors and assigns be expected or required to make any payment of any kind whatsoever or be under any other obligation or liability hereunder, except as herein otherwise specifically set forth. Any damage or destruction of all or any part of the Premises by fire, the elements or any other cause whatsoever, whether with or without the fault on the part of Lessee, shall not terminate this Lease or entitle Lessee to surrender the Premises or entitle Lessee to any abatement of, or set off to or reduction in the rent payable, or otherwise affect the respective obligations of the parties hereto.

(d) The creation of this long term ground lease may be considered by the City of Bloomington to require the "subdivision" of Lessor's property. If a subdivision is required, Lessee agrees to pay all costs in connection therewith, including without limitation all filing fees and publication costs associated with amending an existing annexation agreement encumbering the property; all "exactions" imposed and infrastructure expenses required by the City as a result of annexation, rezoning, subdivision or development, including without limitation any annexation fee(s), adjacent street improvement obligation, water tap on fee or connection charges, sewer tap on fee or connection charge, storm water detention requirement or fee in lieu thereof, park land dedication requirements or fee in lieu thereof, school land dedication requirement or fee in lieu thereof, all roadway and utility extensions to the site and roadway and utility extension along or through the site to serve other property. The obligation imposed by this paragraph shall be for both the leased property and Lessor's adjoining property if the subdivision triggers any such obligations. In negotiating an amendment to Lessor's existing annexation agreement, the parties agree to attempt to obtain a waiver (in full or in part) of such charges, fees, exactions and/or infrastructure extensions and/or a deferral of the payment of such until occupancy of the first unit in the Senior Center.

(e) If, during the plan approval process, the City of Bloomington requires park land, storm water detention, or similar exactions that prevent significant portions of the Premises from being used for Lessee's intended use, the parties agree to

negotiate in good faith and in a spirit of cooperation on the possible lease of additional land, to the end that Lessee ends up with sufficient acreage for its intended use.

FIRST RIGHT OF REFUSAL; COVENANT NOT TO COMPETE:

4. A. During the lease term, Lessor shall have a right of first refusal with regard to the sublease by Lessee of any portion of the leased premises.

B. Conversely, during the lease term if Lessor proposes to lease or sell or use on its own behalf portions of land owned by Lessor adjacent to the premises for purposes "competitive" to those offered by Lessee (for example, bringing health care services such as a small skilled nursing facility to the property, providing adult day care, providing a wellness clinic, and/or providing other services geared specifically to "seniors"), Lessee shall have a right of first refusal permitting it to lease, purchase, and/or provide services at the same price, terms and conditions and in the same manner as proposed.

C. The first rights of refusal provided in paragraphs 4 A and B above shall be exercised as follows:

1. Notice of the proposed sublease, lease, sale or use shall be provided in writing to the other party. The notice shall include the price, terms and conditions of the proposed sublease, lease, or sale and a description of the use proposed.

2. The other party shall give written notice of its election to exercise the first right of refusal within 30 days.

3. The party exercising the first right of refusal shall consummate the sublease, lease or purchase within 60 days thereafter and/or shall implement the use within one year thereafter.

D. Nothing in this first right of refusal paragraph shall limit or apply to Lessor's existing programs.

LEASE TERM:

5. The term of this Lease shall be for ninety-nine (99) years commencing November 21, 2004, and terminating November 20, 2103, unless sooner terminated as hereafter set forth.

CONDITION ON POSSESSION:

6. Possession of the Premises shall be delivered by Lessor to Lessee when the annexation agreement encumbering the property is amended to permit this long term ground lease and Lessee's intended use. Lessee has examined and knows the condition of the Premises and has received the same in good order and repair, and acknowledges that no representations as to the condition and repair thereof, and no agreements or promises to alter, repair or improve the Premises have been made by Lessor or its agents.

LESSEE'S REPAIRS AND MAINTENANCE:

7. Lessee shall keep the entire Premises, including any buildings or improvements constructed on the Premises, in good order, repair and condition. Lessee shall make any and all alterations or improvements any time during the lease term required by any governmental agency or authority. Lessee shall be responsible for paying all costs of repair, maintenance and replacement of any buildings or improvements constructed on the Premises whether external or internal, structural or nonstructural, ordinary or extraordinary. Lessor shall not be obligated to make any repairs, replacements or improvements of any kind upon the Premises, or any buildings or improvements constructed therein, which shall be the sole responsibility of Lessee.

Upon termination of this Lease, whether such termination shall occur by expiration of the lease term or in any other manner whatsoever, Lessee shall deliver possession of the Premises, including any buildings or improvements constructed on the Premises to Lessor in good order and repair, subject to ordinary wear and tear, or at Lessor's request shall demolish and remove all such improvements within 90 days from the termination of the lease, in a way that keeps Lessor's property free from all liens and encumbrances.

INSURANCE:

8. (a) So long as this Lease remains in effect, Lessee, at its expense, shall maintain or cause to be maintained (1)

insurance with respect to any buildings or improvements constructed on the Premises against loss or damage by fire, lightning, and other risks from time to time included under extended coverage endorsements, for their full replacement cost; and (2) comprehensive general liability insurance applicable to the Premises with limits of liability in amounts reasonable and customary for such property and improvements in amounts of not less than \$1,000,000.00 per person, \$3,000,000.00 per occurrence.

(b) All insurance required to be maintained pursuant to this paragraph 8 shall name Lessor, and Lessee and its Lender, if any, as insureds, as their respective interests may appear. Any insurance required to be maintained by Lessee pursuant to this paragraph 8 may be evidenced by blanket insurance policies maintained by Lessee or its affiliated entities covering the Premises and other property or assets of Lessee and/or its affiliated entities.

(c) Lessee shall promptly upon request deliver to Lessor certified copies of all insurance policies (or, in the case of blanket policies, certificates thereof) with respect to the Premises which Lessee is required to maintain pursuant to this paragraph 8.

SALE, DEBT RESTRICTIONS, SUBLETTING AND ASSIGNMENT:

9. (a) Lessor shall not sell, transfer, assign or otherwise convey legal or beneficial interest in the Premises during the lease term without the prior written consent of Lessee, which consent shall not be unreasonably withheld or delayed.

(b) Lessee shall not sublet or assign all or any part of the Premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld or delayed. Consent by Lessor to a subletting or assignment shall not relieve Lessee from the obligations under this Lease to obtain Lessor's written consent to any further subletting or assignment.

LESSEE NOT TO MISUSE:

10. Lessee shall not permit any unlawful or immoral act, practice, or nuisance, with or without its knowledge or consent, to take place in the Premises by itself or any other person.

ACCESS TO PREMISES:

11. Lessor or any person acting as Lessor's agent may have reasonable access to the Premises for the purpose of examining, exhibiting, repairing or making alterations which Lessor deems necessary. Lessor shall give Lessee reasonable advance notice, except in the case of an emergency, to the above action when possible.

LESSOR'S NON-LIABILITY:

12. To the full extent now, or hereafter, permitted by law, Lessee waives and releases all claims against Lessor, its officers, directors, members, agents and employees for any cause whatever including, but not limited to, injury to person or damage to property sustained by Lessee or by any occupant of the Premises or property, or any other person, occurring in or about the Premises resulting directly or indirectly from any existing or future legal relationship or from a condition, defect, matter or thing in the Premises, or any part of it, or from equipment or appurtenances therein, or from accident or from any occurrence, act or from negligence or omission of any other tenant or occupant of the Premises or any other person, including Lessor, its officers, directors, members, agents and employees. All property in the Premises belonging to Lessee, its agents, employees or invitees, or to any occupant of the Premises shall be there at the risk of Lessee or other person only, and Lessor shall not be liable for damage thereto or theft, misappropriation or loss thereof. Lessee agrees to hold Lessor harmless and to indemnify it against claims and liability for injuries to all persons and for the damage to, or the theft, misappropriation or loss of all property or business occurring in or about the Premises, or due to any act or omission of Lessee, its agents or employees or invitees.

SIGNS:

13. Lessee may place signs on the Premises, but all signs on the Premises shall be in good taste, at locations and with form, color, size and content approved by Lessor in advance, which approval will not be unreasonably withheld or delayed. At the end of the lease term, Lessee shall remove such signs and repair all damage caused by the installation, maintenance and/or removal of such signs to the reasonable satisfaction of Lessor.

CASUALTY:

14. (a) If, at any time during the term of this Lease, the buildings and/or improvements or any part thereof, shall be damaged or destroyed by fire or other casualty (including any casualty for which insurance coverage was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Lessee, to the extent that insurance proceeds shall be sufficient for the purpose, shall proceed with reasonable diligence to repair, alter, restore, replace or rebuild the same as nearly as possible to its value, condition and character immediately prior to such damage or destruction. Such repairs, alterations, restoration, replacement or rebuilding, including such changes and alterations as aforementioned and including temporary repairs or the protection of other property pending the completion of any thereof, are sometimes referred to in this paragraph as the "Work".

(b) The conditions under which any repairs, alterations, restoration, replacement or rebuilding Work are to be performed and the method of proceeding with and performing the same shall be governed by all of the provisions of this Lease.

(c) Any and all insurance money paid to Lessor or Lessee on account of such damage or destruction under the policies of insurance provided for in paragraph 8 hereof (herein sometimes referred to as the "insurance proceeds"), shall be applied exclusively to the payment of the cost of the Work to the extent such insurance proceeds shall be sufficient for the purpose.

(d) Under no circumstances shall Lessor be obligated to make any payment, disbursement or contribution toward the cost of the Work except to the extent of the insurance proceeds actually received by Lessor.

(e) In no event shall Lessee be entitled to any abatement, allowance, reduction or suspension of rent because part or all of the Premises shall be untenable owing to the partial or total destruction thereof, and anything herein to the contrary, no such damage or destruction shall affect in any way the obligation of Lessee to pay the rental and other charges herein reserved or required to be paid, nor release Lessee of or from any obligation imposed upon Lessee under this Lease.

CONDEMNATION:

15. If the whole or any substantial part of the Premises is taken or condemned by any competent authority for any public use or purpose, or if any adjacent property or street shall be so condemned or improved in such a manner as to require the use of any part of the Premises, the term of this lease shall, at the sole option of Lessee, be terminated upon, and not before, the date when possession of the part so taken shall be required for such purpose. Rent shall be apportioned as of the date of Lessee's vacating as the result of said termination. If any order or decree in any condemnation or similar proceedings shall fail separately to state the amount to be awarded Lessor and the amount to be awarded Lessee and the Lessor and Lessee cannot agree within thirty (30) days after the final award shall have been determined, any such dispute shall be determined in the manner provided in paragraph 23 of this Lease.

The taking of road right-of-way along the southerly edge of the property shall not be considered a substantial taking provided it takes no more than the southerly sixty (60') feet of the premises.

TERMINATION AND HOLDING OVER:

16. At the termination of the term of this Lease, by lapse of time or otherwise, Lessee shall deliver immediate possession of the Premises to Lessor, in good condition and repair, subject to ordinary wear and tear. If Lessee retains possession of the Premises or any part thereof after the termination of the term by lapse of time or otherwise, then Lessor may at its option within thirty (30) days after termination serve written notice to Lessee that said holding over constitutes either (a) renewal of this Lease for one year, and from year to year thereafter, or (b) creation of a month to month tenancy, upon the terms of this Lease except at double the monthly rental at termination for however many months Lessor chooses. Lessee shall also pay to Lessor all damages sustained by Lessor resulting from retention of possession by Lessee. The provision of this paragraph shall not constitute a waiver by Lessor of any right of re-entry as hereafter set forth, nor shall receipt of money or any other act in apparent affirmance of tenancy operate as a waiver of the right to terminate this Lease or breach any of the covenants herein. At the termination of this Lease by lapse of time or otherwise if Lessee fails to remove from the Premises any personal property by Lessee, all such personal property shall be

deemed abandoned by Lessee and title thereto shall pass to Lessor and Lessor may remove any or all of such personal property from the Premises and may, at Lessor's option and without liability to Lessee, store and/or dispose of such personal property.

LESSOR'S REMEDIES:

17. Lessee's right to possession of the Premises shall terminate with the following events which constitute a default of the terms of this Lease: (a) Lessee fails to timely pay rent or any payment due Lessor under the terms of this Lease and after thirty (30) days' written notice to cure such default, and/or (b) Lessee breaches any covenant in this Lease and after thirty (30) days' written notice to cure such default and Lessee shall not be proceeding diligently to cure such default, except in the event of an emergency.

If non-payment of rent or other charges which Lessee is obligated to pay under this Lease are stated in said notice as grounds for termination, Lessee shall have thirty (30) days from service of the notice in which to cure said default payment specified in the notice. If Lessee fails to pay rent or other charges due in the time period specified, Lessor may consider this Lease terminated and sue for possession and/or rent due under the Illinois statute in relation to forcible entry and detainer, without further notice and demand.

If the failure of Lessee to perform any other covenant of this Lease is stated in said notice as grounds for termination, Lessee shall promptly commence to cure said default and shall have thirty (30) days from service of the notice in which to cure said default, and such time shall be extended as long as Lessee shall be proceeding diligently to cure such default, except in the event of an emergency.

If Lessee fails to cure any default in the specified time, Lessor may then immediately declare this Lease forfeited and terminated or may terminate Lessee's right of possession without terminating this Lease. Mere retention of possession thereafter by Lessee shall constitute forcible detainer of the Premises and if Lessor so elects, with or without notice of said election being given, it may thereupon terminate this Lease.

Upon termination of Lessee's right of possession, whether the Lease is terminated or not, Lessee agrees to deliver possession immediately, and hereby grants Lessor full and free license to enter the Premises or any part thereof, to take

possession thereof with or without process of law, to expel Lessee or any other person who may be occupying the Premises or any part thereof and Lessor may use such reasonable force as may be necessary. Repossession of the Premises by Lessor shall not constitute a trespass, forcible entry or detainer, nor shall it cause a forfeiture of rents or other payments due Lessor or a waiver of any covenant, agreement or promise contained in this Lease to be performed by Lessee. The acceptance of rent, whether in a single instance or repeatedly, after it falls due, or after knowledge of any statutory provision or not, or any act or series of acts except an express written waiver, shall not be construed as a waiver of Lessor's rights hereby given Lessor, or as an election not to proceed under the provisions of this Lease. Any default by Lessee or any provision of this Lease shall not relieve Lessee of any obligation, financial or otherwise, under this Lease.

LESSOR'S RIGHT TO RELET:

18. If Lessee's right to possession of the Premises, or any part thereof, shall be terminated in any way, excepting the natural expiration of the lease term, Lessor shall make reasonable efforts to relet for the account and benefit of Lessee, for such rent, terms and time period and to such tenant as may seem proper to Lessor, but Lessor shall not be required to accept any tenant offered by Lessee. If a sufficient sum shall not be received from such reletting to satisfy the rent hereby reserved, after paying all expenses of reletting, including cleaning, redecorating, refurbishing and altering of the Premises if needed, Lessee agrees to pay and satisfy all deficiencies.

COSTS AND FEES:

19. Lessee shall pay upon demand all Lessor's costs, charges and expenses, including actual fees of attorneys, agents and others retained by Lessor, incurred in enforcing any obligations of Lessee under this Lease or any arbitration, litigation, negotiation or transaction in which Lessor shall, without Lessor's fault, become involved through or on account of this Lease. Lessor shall pay upon demand all Lessee's costs, charges and expenses, including actual fees of attorneys, agents and others retained by Lessee, incurred in enforcing any obligations of Lessor under this Lease or any arbitration, litigation, negotiation or transaction in which Lessee shall, without Lessee's fault, become involved through or on account of this Lease.

LESSOR'S LIEN:

20. Lessor shall have a first lien upon the leasehold interest of Lessee under this Lease to secure payment of all moneys due and all other obligations of Lessee under this Lease. Said lien may be foreclosed in equity at any time when money is overdue under this Lease or if Lessee is in default of any terms of this Lease and Lessor shall be entitled to name a receiver of leasehold interest, to be appointed in any foreclosure proceeding, who shall take possession of the Premises and who may relet same under orders from the court appointing him.

OTHER LIENS:

21. Lessee hereby covenants and agrees not to do or cause any act which shall in any way encumber the title of Lessor in and to the Premises, whether claimed by operation of law or by virtue of any express or implied contract by Lessee, except only against the leasehold estate of Lessee, and shall in all respects be subject and subordinate to the paramount title and rights of Lessor in and to the Premises and the buildings and improvements thereon. Any claim to a lien upon the Premises, arising from any act or omission of Lessee, shall accrue only against the leasehold estate of Lessor, and shall, in all respects, be subject and subordinate to the paramount title and rights of Lessor in and to the Premises and the buildings and improvements thereon.

REMEDIES NOT EXCLUSIVE:

22. The obligation of Lessee to pay rent reserved hereby or any of Lessee's other obligations during the balance of the lease term, or during any extension thereof, shall not be waived, released or terminated by the service of any notice, notice to collect, demand for possession, notice that tenancy will be terminated, the institution of any action of forcible detainer or ejection or any judgment for possession that may be rendered in such action or any other act resulting in termination of Lessee's right to possession of the Premises. Lessor may collect and receive any rent or other monies due from Lessee and payment or receipt thereof shall not waive or affect in any way the above-mentioned notices, demands and judgments, nor in any manner waive, affect or alter any rights or remedies which Lessor may have by virtue hereof.

ARBITRATION:

23. Any and all disputes arising out of this Lease which cannot be amicably resolved by Lessor and Lessee after thirty (30) days shall be resolved first by mediation and if unsuccessful, then by arbitration as herein provided. When this Lease provides for the determination of any matter by arbitration, the same shall be settled and finally determined by arbitration, including the selection of any arbitrator, conducted in the City of Bloomington, Illinois in accordance with the Rules of the American Arbitration Association, or its successor, and the judgment upon the award rendered may be entered in any court having jurisdiction. However, such award shall be final and binding notwithstanding failure of such entry.

NOTICES:

24. All notices to be given by one party to the other party under this Lease shall be given in writing, mailed or delivered as follows:

(a) To Lessor at Trinity Lutheran Church/School, 801 South Madison St., Bloomington, Illinois, with a copy to 1102 W. Hamilton Rd., Bloomington, Illinois, or such other address as designated by Lessor.

(b) To Lessee at Lutheran Senior Living of Illinois, Inc., Attn: Roger W. Paulsberg, President, 800 West Oakton Street, Arlington Heights, Illinois 60004, with a copy to Lawrence A. Manson, 1445 St. Johns Avenue, Highland Park, Illinois 60035, or such other address as designated by Lessee.

Mailed notices shall be sent by United States Certified or Registered Mail postage prepaid. Such notices shall be deemed to have been given upon posting in the United States Mails.

LESSEE'S RESPONSIBILITY REGARDING HAZARDOUS SUBSTANCES:

25. (a) The term "Hazardous Substances" as used in this Lease shall include, without limitation, the following: flammables, explosives, radioactive materials, asbestos, Freon, chlorofluorocarbons (CFS5), polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum and petroleum products, and substances declared to be hazardous or toxic under any law, ordinance, regulation, rule or order ;now or

hereafter enacted or promulgated by any federal, state, county or local governmental authority (the "Authorities").

(b) Lessee shall not cause or permit the following to occur:

(1) any violation of any federal, state, county or local law, ordinance, regulation, rule or order now or hereafter enacted, regulating the use, generation, storage, transportation, or disposal of Hazardous Substances (the "Laws"), relating to environmental conditions on, under, or about the Premises, or arising from Lessee's use or occupancy of the Premises including, but not limited to, soil and groundwater conditions.

(2) the use, generation, release, manufacture, refining, production, processing, storage, or disposal of any Hazardous Substance on, under, or about the Premises, or the transportation to or from the Premises of any Hazardous Substance.

(c) Lessee shall, at Lessee's sole expense, comply with all Laws.

Lessee shall, at Lessee's sole expense, make all submissions to, provide all information required by, and comply with all requirements of all Authorities under the Laws. Lessee shall promptly provide to Lessor copies of all submissions made to the Authorities, and shall provide to Lessor all information regarding the use, generation, storage, transportation, or disposal of Hazardous Substances that is requested by Lessor. If Lessee fails to fulfill any duty imposed under this paragraph within a reasonable time, Lessor shall have the right, but not the duty, to do so at Lessee's sole expense. In any case where Lessor elects to do so, Lessee shall cooperate with Lessor in order to prepare all such documents that Lessor deems necessary or appropriate to determine the applicability of the Laws to the Premises and Lessee's use thereof, and for compliance therewith. Lessee shall execute all documents promptly upon Lessor's request. No such action by Lessor and no attempt by Lessor to mitigate damages under any Law shall constitute a waiver by Lessor of any of Lessee's obligations under this paragraph.

Should any of the Authorities or any third party demand that a clean-up plan be prepared and that a clean-up be

undertaken because of any deposit, spill, discharge, or other release of any Hazardous Substance that occurs at or from the Premises during the term of this Lease, or which arises at any time from Lessee's use or occupancy of the Premises, then Lessee shall, at its sole expense, prepare and submit the required plans and all related bonds and other financial assurances; and Lessee shall carry out all such clean-up plans at its sole expense.

(d) Lessee shall indemnify, hold harmless, and defend Lessor, its officers, directors, members, agents, and employees, and the managing agent of the Premises, if any, from and against all fines, suits, proceedings, claims, and actions of every kind and nature, and all costs, fees and expenses associated therewith (including attorney's and consultant's fees, court costs, penalties, fines, and lost profits) arising out of or in any way connected with or relating to personal injury, property damage, or economic loss resulting from any deposit, spill, discharge, or other release of any Hazardous Substance that occurs at or from the Premises during the term of this Lease, or which arises at any time from Lessee's use or occupancy of the Premises, or from Lessee's failure to provide all information, make all submissions, and take all steps required by the Authorities under the Laws.

(e) Lessee's obligations and liabilities under this paragraph shall survive the termination of this Lease by lapse of time or otherwise.

SPECIAL LEASE TERMINATION PROVISIONS:

26. A. Lessor and Lessee agree that there are many issues to be surmounted in the development of the Premises as a senior living community and accordingly, the parties hereto agree that the following circumstances, if occurring prior to the commencement of construction of the project, may cause the cancellation of this Lease:

(1) If necessary approvals from governmental agencies cannot be obtained, Lessee may terminate the project and cancel this Lease.

(2) If the Premises are determined by Lessee to be unsuitable for the intended project, Lessee may terminate the project and cancel this Lease.

(3) If financing for the project cannot be obtained in the reasonable opinion of Lessee, Lessee may terminate the project and cancel this Lease.

(4) If Lessee determines that the project is no longer feasible for any reason, Lessee may terminate the project and cancel this Lease.

B. Until the satisfaction of the foregoing contingencies, this Lease shall be deemed an Option to Lease which shall be deemed to be exercised upon written Notice of Satisfaction of the foregoing by Lessee to Lessor.

If no such notice is given by the 31st day of December, 2006, this Lease shall terminate and be of no continuing force or effect whatsoever.

While this Lease is considered to be an Option to Lease, Lessee as Optionee shall perform the obligations of Lessee, including specifically not without limitation, the obligation to pay taxes and utilities to the leased premises, and Lessor as Optionor shall perform the obligations of Lessor.

Lessee shall pay Lessor \$20,000.00 as consideration for this Option. The consideration is intended to reimburse Trinity Lutheran for all expenses incurred to date connected with this senior housing project. Moving forward from this date, any services requested by the Lessee or initiated by the Lessor that may involve consideration or reimbursement will be defined and agreed to in writing between the parties before any such liability shall exist. This payment shall be made within 30 days from the date this Ground Lease is signed.

MISCELLANEOUS:

27. A. All covenants, promises, representations and agreements contained herein shall be binding upon and apply to the benefit of Lessor and Lessee and their respective successors and assignees.

B. The rights and remedies hereby created are cumulative and use of one shall not exclude or waive the right to use another.

C. The words "Lessor" and "Lessee" wherever used in

this Lease shall apply to Lessors or Lessees in all cases where there is more than one Lessor or Lessee and shall apply to individuals, male or female, firm or corporation and the necessary grammatical changes shall be assumed in each case as though fully expressed.

D. At the request of either party to this Lease, the other party shall execute and acknowledge a memorandum of this Lease for recording in the county office of recorder where the Premises are located.

E. Whenever the consent of either Lessor or Lessee shall be required under the terms of this Lease, such consent shall not be unreasonably withheld or delayed by such party. The parties agree to use their best efforts to make decisions requiring "consent" within 30 days.

F. This Lease contains the entire agreement between the parties, and supercedes any and all discussions, agreements, outlines or other writings between the parties relating to the subject matter hereof. No amendment or modification of the terms of this Lease shall be binding upon the parties hereto unless in writing and signed by Lessor and Lessee.

G. The laws of the State of Illinois shall govern the validity, performance and enforcement of this Lease. If any clause, phrase, provision or portion of this Lease or the application thereof to any person or circumstance shall be invalid or unenforceable under applicable law, the remainder of this Lease shall still be valid, enforceable and applicable, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

H. The persons executing and delivering this Lease on behalf of Lessor and Lessee have been duly authorized to do so on behalf of their respective boards of directors.

LESSOR
TRINITY LUTHERAN CHURCH

BY: Kirk Fuemeler
Kirk Fuemeler
Congregation President

Attest: Elizabeth Fry
Elizabeth Fry,
Secretary

LESSEE
LUTHERAN SENIOR LIVING OF
ILLINOIS, INC.

BY: Roger W. Paulsberg
Roger W. Paulsberg, its
President and duly
authorized officer

I:\NANCY\LETTER\REALEST\TrinityLuthGroundLease



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

LUTHER OAKS, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MARCH 04, 2004, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1307901614

Authenticate at: <http://www.cyberdriveillinois.com>

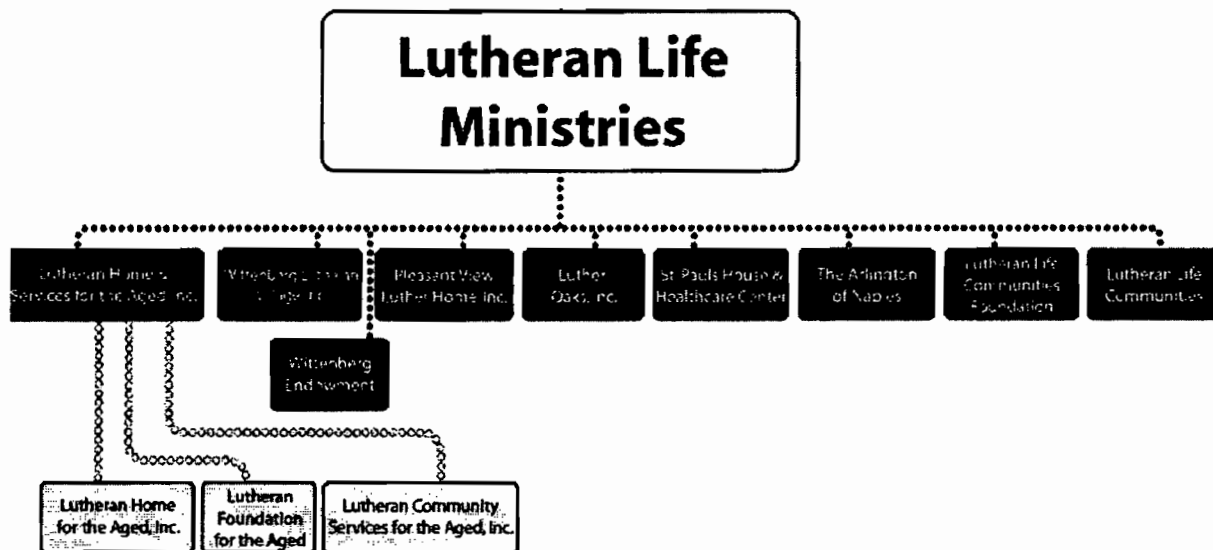
In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 20TH
day of MARCH A.D. 2013 .

Jesse White

SECRETARY OF STATE

**LUTHER OAKS, INC.
CON APPLICATION
ORGANIZATIONAL RELATIONSHIPS**

Luther Oaks, Inc. is the applicant because it will be the owner and operator of the new skilled nursing facility. Lutheran Life Ministries is the sole corporate member and parent of Luther Oaks, Inc. and therefore, it is a co-applicant. An organizational chart showing the relationships described above follows.



ATTACHMENT 4

**LUTHER OAKS, INC.
CON APPLICATION
FLOOD PLAIN REQUIREMENTS**

Appended as Attachment 5 is a map of the proposed construction of the skilled care nursing facility ("Project") location showing any identified floodplain areas. The applicant attests that the proposed Project is not located in a special flood hazard area and the proposed Project complies with the requirements of Illinois Executive Order #2005-5.



**Illinois Historic
Preservation Agency**

FAX (217) 782-8161

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • www.illinois-history.gov

**McLean County
Bloomington**

**CON - New Addition of Long-Term Care Facility, Luther Oaks, Inc.
601 Lutz Road
IHPA Log #001032713**

April 10, 2013

**Prashanthi Rao Raman
Chuhak & Tacson, P.C.
30 S. Wacker Dr., Suite 2600
Chicago, IL 60606**

Dear Ms. Raman:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no known historic, or historically significant architectural properties exist within the project area. This project area is exempt from archaeological review in accordance with Section 6 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.).

Please note that the state law is less restrictive than the federal cultural resource laws concerning archaeology. If your project will use federal loans or grants, need federal agency permits, use federal property, or involve assistance from a federal agency, then your project must be reviewed under the National Historic Preservation Act of 1966, as amended. Please notify us immediately if such is the case.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act.

If you have any further questions, please contact me at 217/785-5027.

Sincerely,

Anne E. Haaker

**Anne E. Haaker
Deputy State Historic
Preservation Officer**

**LUTHER OAKS, INC.
CON APPLICATION
CRITERION 1125.320
PURPOSE OF THE PROJECT**

- 1. The applicant shall document that the project will provide health services that improve the long term nursing care or well-being of the market area population to be served.**

According to the March 18, 2013 Update to the Illinois Department of Public Health's Inventory of Health Care Facilities and Services and Need Determination, there is an identified need for 188 additional skilled nursing care beds in McLean County. In 2012, Luther Oaks referred approximately 19 of its residents off-site to other skilled nursing facilities. The project will allow Luther Oaks to provide the full continuum of care to its existing residents on its campus, which will ease their transition from independent and assisting living to a skilled nursing environment.

The project will consist of 32 private room and 2 semi-private rooms. Twenty of the proposed skilled nursing beds will be dedicated to serving Luther Oaks' long-term care patients and of those 20 beds, there will be 16 private rooms and two semi-private rooms. Each of the rooms will have its own private bathroom with a toilet, but no shower. In the planning area, there are only approximately 161 private rooms out of the 1,493 skilled nursing beds currently in operation. With predominately private bedrooms, the project will increase the residents' comfort and privacy. In addition, private rooms will allow Luther Oaks to more effectively control infections, such as MRSA and the flu.

The remaining 16 of the 36 proposed skilled nursing beds in the project will be dedicated to caring for patients in need to short term rehabilitation services. The short term rehabilitation services provided by Luther Oaks will help to reduce the readmission of patients to the hospital. As a system, Lutheran Life Ministries has a proven track record of low readmission rates. The average system readmission rate is 12.8%, which is much lower than the average for Medicare beneficiaries nationwide. According to the Long Term Quality Alliance (as published in Improving Care Transitions from June 2012), the average readmission rate for Medicare beneficiaries is 17.6%. In addition, the Lutheran Home, which is the largest skilled nursing facility in the system with 392 beds, has an average readmission rate of 9.5%. These short term rehabilitation services will be provided in a state of the art facility with private rooms and private bathrooms, each with a private shower.

The project will also provide an enhanced resident experience because the project has been designed to promote a person-centered care model for the delivery of skilled nursing care services. The project will organize the residents into person-centered households, which includes living, dining and social spaces in order to create a home-like setting. As discussed in the article entitled Person-Centered Care for Nursing Home Residents: The Culture-Change Movement, published in Health Affairs on January 7, 2010, which is attached hereto as **ATTACHMENT 10-A**, the person-centered care model can help improve the quality of life and quality of care of residents in nursing homes.

ATTACHMENT 10

In addition to the purposes described above, the project will also allow Luther Oaks to provide quality dementia care programs for skilled nursing residents. Luther Oaks currently provides dementia care in its assisted living facility and based on a survey conducted by Luther Oaks' staff, Luther Oaks is the only provider in the McLean County area that provides dementia care programming that includes the Reality Comprehension Clock Test ("RCCT"). The RCCT is used as a tool specifically designed for the life enrichment or activity department to achieve a greater understanding of each individual's cognitive level in order to plan appropriate programming. The assessment allows for individuals with similar cognitive levels to be grouped into smaller groups for activities in which they would be successful. This tool promotes a person-centered approach that helps Luther Oaks' caregivers focus on residents' remaining skills and abilities.

2. The applicant shall define the planning area or market area, or other, per the applicant's definition.

The market area for the proposed project is the McLean County Planning Area within Health Service Area 4.

3. The applicant shall identify the issues or problems that the project is proposing to address or solve.

The project is designed to address the following problems: (1) addressing the need for 188 skilled nursing beds in McLean County; (2) establishing skilled nursing beds on the Luther Oaks existing campus, so that residents of Luther Oaks can receive the full continuum of care in their community; (3) increasing the availability of private rooms in the planning area, which will increase resident privacy and allow Luther Oaks to more effectively control infections; and (4) increasing the availability of short term rehabilitation beds to provide quality short term rehabilitation services to patients and decrease the readmission rate of such patients to hospitals.

4. The applicant shall cite the source of the information.

Attached as **ATTACHMENT 10-B** is the March 18, 2013 Update to the Illinois Department of Public Health's Inventory of Health Care Facilities and Services and Need Determination.

Attached as **ATTACHMENT 10-A** is an article entitled Person-Centered Care for Nursing Home Residents: The Culture-Change Movement, which was published in Health Affairs on January 7, 2010.

5. The applicant shall detail how the project will address or improve above mentioned issues.

The project will address or improve the above mentioned issues as follows:

- The project will increase the number of beds in McLean County by 36, which will reduce the number of beds needed to 152.
- The project will allow Luther Oaks to provide skilled nursing care to residents of its assisted living and independent living units. As of April 16, 2013, Luther Oaks had

approximately 148 residents living on its campus. In 2012, Luther Oaks referred approximately 19 of its residents off-site to other skilled nursing facilities. Luther Oaks anticipates that a similar number of its residents will be in need of skilled nursing care on an annual basis following project completion. The project will allow residents in need of skilled nursing care to transition through the entire continuum of care in their own community.

- The project will provide skilled nursing services through a person-centered care model by organizing the residents into person-centered households, which includes living, dining and social spaces in order to create a home-like setting. The goal of the person-centered care model is to increase the quality of life and quality of care for the residents of the community needing skilled nursing care services.
- The project will increase the number of private beds available for skilled nursing care services in the planning area. There are only approximately 161 private rooms out of the 1,493 skilled nursing beds currently in operation in the planning area. The project will add 32 new private rooms to the inventory of private rooms available in the planning area. Private bedrooms increase the residents' comfort and privacy. In addition, private rooms will allow Luther Oaks to more effectively control infections, such as MRSA and the flu.
- The project will increase the availability of short term rehabilitation beds in the planning area. In addition, the quality short term rehabilitation services provided to patients by Luther Oaks will decrease the readmission rate of such short term rehabilitation patients to hospitals.
- The project will allow Luther Oaks to bring its expertise in dementia care using the RCCT to residents in need of skilled nursing. In addition, residents that are currently receiving the benefit of dementia programming in the assisted living facility will be able to continue with such programming as they transition to skilled care. Of the 6 existing facilities in the area that provide memory support, only two are within a 15 minute drive time of the Luther Oaks campus. These two facilities have current occupancy of their memory support beds of 100% and 96%, as determined by Sawgrass Partners, LLC during their recent phone survey as part of their Market Assessment.

6. The applicant shall provide goals with quantified and measurable objectives with specific time frames that relate to achieving the stated goals.

The goal of the project is to provide residents of the community with quality skilled nursing care, including short term rehabilitation and dementia care, and to achieve and maintain 90% utilization by the second year after project completion.

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ATTACHMENT 10-A

By Mary Jane Koren

Person-Centered Care For Nursing Home Residents: The Culture-Change Movement

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NO. 2 (2010): -
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ABSTRACT The “culture change” movement represents a fundamental shift in thinking about nursing homes. Facilities are viewed not as health care institutions, but as person-centered homes offering long-term care services. Culture-change principles and practices have been shaped by shared concerns among consumers, policy makers, and providers regarding the value and quality of care offered in traditional nursing homes. They have shown promise in improving quality of life as well as quality of care, while alleviating such problems as high staff turnover. Policy makers can encourage culture change and capitalize on its transformational power through regulation, reimbursement, public reporting, and other mechanisms.

Mary Jane Koren (mjk@cmwf.org) is assistant vice president, Frail Elders Program, at the Commonwealth Fund in New York City.

The culture-change movement is a broad-based effort to transform nursing homes from impersonal health care institutions into true person-centered homes offering long-term care services. The movement encompasses almost three decades of consumer advocacy coupled with legal, legislative, and policy work aimed at improving both the quality of care and the quality of life in nursing homes.

Culture-Change Movement Begins

In the early 1980s, work by the National Citizens' Coalition for Nursing Home Reform, a consumer advocacy group concerned about substandard care in nursing homes, emphasized residents' rights and the importance of resident assessment. Its Consumer Statement of Principles for the Nursing Home Regulatory System,¹ released in 1983, was endorsed by more than sixty national organizations, presented to the U.S. Department of Health and Human Services, and distributed to all congressional offices.

Later, with support from the Robert Wood Johnson Foundation, the Health Care Financing Administration (HCFA, now the Centers for

Medicare and Medicaid Services, or CMS), and the American Association of Retired Persons (now AARP), the coalition conducted focus groups to learn how nursing home residents themselves defined *quality*. In 1985 it published *A Consumer Perspective on Quality Care: The Resident's Point of View*,² which became an important reference for the Institute of Medicine (IOM) committee on nursing home regulation. That same year, at a coalition symposium funded by HCFA, residents told federal officials that “quality of care” (which encompasses such considerations as the medical treatments a resident receives, and physical care routines including assistance with bathing, using the toilet, and eating) and “quality of life” (how one is treated—for instance, having one's privacy respected by others' knocking before entering a bathroom, or having one's dignity maintained by not being wheeled down a hallway scantily covered en route to the shower) are inseparably linked and, from the resident's perspective, equally important. This principle figured prominently in subsequent legislation and regulations.

In 1986 the Institute of Medicine published *Improving the Quality of Care in Nursing Homes*, which recommended changes in regulatory pol-

icies and procedures necessary to ensure that nursing home residents, a term that first appeared in this report, received satisfactory care. It also "emphasized the *home* part of the description more than the *nursing*"³ aspect of nursing home. A year after the IOM study was published, a sweeping set of nursing home reforms, known as the Nursing Home Reform Act, was incorporated into the Omnibus Budget Reconciliation Act (OBRA) of 1987. The newly enacted law required that each nursing home resident "be provided with services sufficient to attain and maintain his or her highest practicable physical, mental, and psychosocial well-being." The law made nursing homes the only sector of the entire health care industry to have an explicit statutory requirement for providing what is now called "person-centered care."

In mandating this individualized, person-centered care, these reforms helped spark the emergence of a grassroots movement. In the decade following the passage of OBRA 1987, several providers in Washington, Wisconsin, California, New York, and Minnesota began to break away from the prevailing nursing home model. They created smaller "households" out of large units, sought input from residents about routines and schedules, and tried to overcome the endemic boredom and learned helplessness that was common in nursing homes. In 1997 these leaders, along with consumer advocates, researchers, and regulators, met to articulate the common principles embodied in their separate models and to found an organization called the Pioneer Network. The network partners with the CMS to explore ways to overcome regulatory barriers to culture change⁴ and to provide information to congressional staff on the importance of supporting innovation in long-term care.

The Pioneer Network eventually took the lead in fostering the culture-change movement within nursing homes. Today the movement's overarching goals are to individualize care for residents, making facilities more homelike and less "institutional." It promotes person-centered care through reorientation of the facility's culture—its values, attitudes, and norms—along with its supporting core systems (such as breaking down departmental hierarchies, creating flexible job descriptions, and giving front-line workers more control over work environments). It strives to honor residents' individual rights, offering them quality of life and quality of care in equal measure. Culture change also recognizes the importance of all staff members' contributions to the pursuit of excellence.

The culture-change movement espouses a set of principles,⁵ instead of offering a prescriptive set of practices or dictating conformance to a

model. These principles encompass not only resident care practices, such as elimination of physical restraints, but also organizational and human resource practices and design of the physical environment. At the facility level, culture change is often described as a journey, with facilities progressing through different stages of change.⁶ They typically move further or more quickly in one area than in another—such as the use of self-managed work teams and environmental modifications. As with continuous quality improvement, there is always room to do more, and to do it better.

Early in the culture-change movement, there was a lack of agreement as to precisely how all of these changes would manifest themselves in a nursing home transformed by culture change. A gathering of stakeholders⁷—including consumer advocates, CMS representatives, and large trade associations—reached consensus that the "ideal" facility⁸ would feature the following.

RESIDENT DIRECTION Care and all resident-related activities should be directed as much as possible by the resident. For example, residents would be offered choices and encouraged to make their own decisions about things personally affecting them, such as what to wear or when to go to bed.

HOMELIKE ATMOSPHERE Practices and structures should be designed to be less institutional and more homelike. Small "households" of ten to fifteen residents would be the organizational unit. Meals would be prepared on the units, and residents would have access to refrigerators for snacks. Such institutional features as overhead public address systems would be eliminated.

CLOSE RELATIONSHIPS Relationships between residents, family members, staff, and the community should be close. For example, the same nurse aides would always care for a resident (a practice known as "consistent assignment"), because this appears to increase mutual familiarity and caring.

STAFF EMPOWERMENT Work should be organized to support and empower all staff to respond to residents' needs and desires. For example, teamwork would be encouraged, and additional staff training provided to enhance efficiency and effectiveness.

COLLABORATIVE DECISION MAKING Management should enable collaborative and decentralized decision making. Flattening of the typical nursing home hierarchy and participatory management systems would be encouraged. Aides would be given decision-making authority. These strategies appear to have positive effects on staff turnover and performance.⁹

QUALITY-IMPROVEMENT PROCESSES Systematic

processes would be established for continuous quality improvements that would be comprehensive and measurement-based. Culture change would be recognized as far more than offering amenities or making superficial changes. Rather, it would be treated as an ongoing process affecting overall performance and leading to specific, measurable outcomes.

Awareness Of Culture Change Grows

Awareness of the culture-change movement grew slowly at first. As late as 2005, a Commonwealth Fund survey of health care opinion leaders showed that 73 percent of respondents were unfamiliar with culture change.¹⁰ But in 2008, when the survey was repeated, only about 34 percent reported unfamiliarity with the movement.¹¹ Providers in particular became very aware of culture change, in part because of the CMS's "Eighth Scope of Work" contract with the nation's quality improvement organizations. That contract specifically used the term "culture change" and required that quality improvement organizations work with nursing homes in each state "to collect information on resident and staff experience/satisfaction with care and staff turnover by engaging in activity that is likely to improve organizational culture."¹² These acts of recognition and promotion have given the movement considerable legitimacy and made it virtually impossible for providers to ignore.

STATE INITIATIVES State initiatives have also helped encourage the adoption of culture change. Efforts to "rebalance" the mix of long-term care services and supports offered in institutional and community settings, coupled with Medicaid coverage for assisted living, are giving consumers alternatives to nursing homes—thereby forcing traditional nursing homes to reassess what they must offer to stay competitive.

RESEARCH DEMONSTRATES RESULTS Research has now begun to demonstrate results—specifically, that the application of culture-change principles and practices can make life better for residents and improve working conditions for staff. Relatively simple interventions can produce measurable results—for example, keeping shower rooms warm can make bathing a more pleasurable experience for residents, reduce staff stress, and save time.^{13,14} Several management studies support the link between strategic human resource management and organizational performance,^{15,16} lending support for the organizational redesign called for by culture-change proponents. Similarly, research on facility design is providing evidence of the advantages of more homelike surroundings, such as single rooms, and the financial feasibility of these

designs over the long term.¹⁷

In addition, measures now exist to describe objectively what, if anything, has changed when a home claims to have adopted culture change. Tools such as the CMS's Artifacts of Culture Change enable providers to assess readiness for, implementation of, and sustainability of person-centered care. Defined measures, such as those for staff turnover and consistent assignment, can be used for practice improvement, incorporated into reimbursement methodologies,¹⁸ or made publicly available for consumers.

INITIATIVES EVALUATED Several culture-change initiatives have now been carefully evaluated. Wellspring¹⁹ uses ongoing learning collaboratives among groups of eight to ten facilities to share expertise among management and empower staff. Another, the Eden Alternative,²⁰ one of the earliest culture-change models, uses environmental and social enrichment to overcome boredom, feelings of helplessness, and loneliness among residents. Beverly Enterprises, the first publicly traded, for-profit nursing home chain to introduce deep system change, transformed a group of its facilities through its Resident-Centered Care Initiative.²¹

Lastly, Green Houses^{22,23} use free-standing small group homes, not large facilities, where residents are cared for by a consistent group of direct care staff with much expanded work responsibilities, such as activities, light housekeeping, and meal preparation, in addition to personal care. Studies of Green Houses, probably the most rigorous to date, found that residents' quality of life surpassed that of residents at control facilities, which were owned by the same operator as Green Houses but which were very typical large non-culture-change facilities, while clinical outcomes were equal or better. Green House staff were more satisfied, turnover rates dropped, and the homes did well on their annual federal inspections. With support from the Robert Wood Johnson Foundation, NCB Capital Impact, and Green House developer Bill Thomas, the model is spreading.²⁴ This is despite the fact that its model—a somewhat higher ratio of staff to residents and better pay for staff than is the norm in nursing homes—faces difficulties in states with low Medicaid reimbursement rates.²⁵

To be sure, the number of pertinent studies is still limited, many are only descriptive or represent single case studies, and it is sometimes necessary to extrapolate findings from research performed outside the long-term care field. A large information gap still exists on the costs of culture change and the strength of the "business case" for it. Researchers are working to provide answers to these and other questions, to enlarge the empirical base to support culture change.

Adoption Lags Behind Awareness

Despite widespread recognition of the movement, deep culture change is relatively rare. The Commonwealth Fund's 2007 National Survey of Nursing Homes²⁶ found that only 5 percent of nursing directors said that their facilities completely met the description of a nursing home transformed through culture change. Only 10 percent reported that they had initiated at least seven or more culture-change practices. All told, about one-third reported adoption of some culture-change practices, and another third said that they were planning to follow suit. But the rest of the respondents said that they were neither practicing nor planning to commence culture change.

Several aspects of the nursing home industry, including its workforce, regulation, and reimbursement, have conspired to limit the initiation of culture-change practices. Culture change requires dedicated leadership over a period of years, a stable workforce, the buy-in of nursing, and funds for environmental improvements. These features represent substantial investments in time, effort, and often money. The industry comes up short on a number of these parameters. Nationally, the annual turnover rate, for example, is more than 50 percent for licensed administrators.²⁷ For directors of nursing and nurse aides, annual turnover rates average about 40 percent and 65 percent, respectively.²⁸ The nursing profession is largely unprepared for the new roles expected of nurses,²⁹ and funds for capital improvements are in short supply. Incompatible state regulations³⁰—such as requiring that beds must project into the room, making it impossible for residents to arrange their furniture as they wish, or forbidding open kitchens, so residents are unable to fix a snack—can hamper innovation unless providers are able to obtain waivers from state agencies from existing regulations.

Despite federal requirements,³¹ moreover, most nursing homes remain far from the idealized visions of nursing home reformers. Quality continues to be criticized.^{32,33} Research suggests an association between poor outcomes for nursing home residents, such as decline in functional levels, and inadequate preparation for nurses,³⁴ minimal training for nurse aides,³⁵ and too few hours of nursing per resident per day relative to care needs.^{36,37} What's more, most nursing homes are "homes" in name only and retain a distinctly clinical orientation. Most are built to resemble hospitals, and most of the care is provided by aides and nurses, which skews priorities toward clinical care. The current regulatory process, which exerts enormous influence over nursing home behavior, further rein-

forces the clinical model. Nursing home surveyors frequently cite quality-of-care problems (such as weight loss and falls), instead of focusing on such areas as whether nursing home personnel honor residents' rights. A recent study³⁸ in Rhode Island found that almost 90 percent of providers thought that the surveyor's highest-priority area was detecting and eliminating deficiencies in the quality of care. In addition, various quality "report cards," including the one used by the CMS Nursing Home Compare program, tend to emphasize clinical data.

Many of the circumstances that direct attention toward physical care and organizational needs at the expense of residents' overall well-being can, at least in part, be addressed through such policy interventions as payment incentives tied to lower personnel turnover rates, credentialing of nurses practicing in nursing homes, code revisions, and tax credits or interest rate reductions to encourage upgrading of physical plants. Still other areas remain amenable to policy interventions.

DIRECT ENGAGEMENT Some states are actively fostering organizational and environmental change, workforce improvement, and resident-centered practices. They are encouraging state officials to participate in culture-change coalitions, workgroups, and taskforces.³⁹ Many states are using Civil Monetary Penalty funds, legislative funding, Medicaid dollars, or grants, or some combination, to help groups spearheading culture-change activities. A set of state culture-change case studies is in preparation, and a culture-change toolkit for policy makers is posted on the Web site of the American Association of Homes and Services for the Aging.⁴⁰

PAYMENT INCENTIVES States can incorporate culture-change criteria into payment models to provide incentives for the adoption of person-centered care. Or they can earmark rate adjustments to increase staffing levels.

FACILITY REPLACEMENT Many nursing home structures are becoming obsolete. Policy makers can revise construction codes to remove barriers to person-centered environments and further encourage design innovations by creating tax credits, targeted grants, or interest rate reductions to make capital costs more manageable.

REGULATORY APPROACHES Rhode Island's survey agency familiarized surveyors with culture change and tested a way to assess quality of life, residents' rights, and quality of care with equal rigor.⁴¹ It also piloted a process of collaboration with quality improvement organizations that bears further examination by state and federal regulators.

PUBLIC REPORTING AND RECOGNITION PROGRAMS Although few currently do it, states can gather

and report information on such important quality indicators as resident satisfaction, staffing levels, staff turnover rates, tenure of facility administrators, and use of per diem workers. Award programs for innovation, such as the Promoting Excellent Alternatives in Kansas (PEAK) program, also appear to motivate providers.

WORKFORCE ENHANCEMENTS The number-one challenge in long-term care today is securing a large enough and adequately trained workforce.⁴² Labor departments, local Workforce Investment Boards, and state departments of education can help policy makers improve entry-level training; lead job redesign, a critical necessity for culture change; revise licensing requirements to permit more flexible use of staff; and extend credentialing to nurses working in nursing homes.⁴³ States can likewise mandate increased training for nurse aides.

RESEARCH Although there is a growing body of evidence on the impact of culture change, many questions remain. Policy makers can facilitate access of researchers to data sets; participate in or conduct surveys; sponsor research; and use the results of research to change statutes,

regulations, and policies to promote person-centered nursing home care.

Conclusions

The outgrowth of many years of work on the part of consumers, policy makers, and providers, culture change has brought a diverse group of stakeholders together around the principle of person-centered care in nursing homes. Although awareness of the movement has grown, the difficulties of operationalizing and maintaining culture change remain daunting. Yet they are not insurmountable. With a policy environment conducive to innovation, and supportive of both initial and sustained adoption of new models, it is possible that—before the baby-boom generation needs long-term care—nursing homes will have become a better value proposition. The culture-change movement has shown that provision of high-quality nursing home care, individualized to meet each resident's needs in a setting that maximizes self-determination and well-being, can be a vision made real. ■

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LONG-TERM CARE FACILITY UPDATES
9/16/2011 - 3/18/2013
CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION
Health Service Area 1				
Boone	CHOW	1/10/2012	Maple Crest Care Centre, Belvidere	Change of Ownership occurred.
	CHOW	1/10/2012	Northwoods Care Centre, Belvidere	Change of Ownership occurred.
Carroll	Bed Change	7/10/2012	Big Meadows, Savanna	Discontinued 22 Nursing Care beds; facility now has 76 Nursing Care beds.
	CHOW	12/1/2012	Shabbona Healthcare Center, Shabbona	Change of Ownership occurred.
	Name Change	12/5/2012	Prairie Crossing Living & Rehabilitation, Shabbona	Formerly Shabbona Healthcare Center.
Lee	CHOW	1/9/2012	Dixon Healthcare & Rehabilitation Center, Dixon	Change of Ownership occurred.
Stephenson	11-064	10/13/2011	Freeport Memorial Hospital Skilled Nursing, Freeport	Project completed.
	11-064	10/13/2011	Freeport Memorial Hospital Skilled Nursing, Freeport	Permit issued to discontinue entire 26 bed Long-Term Nursing care category of service.
	12-014	6/5/2012	Manor Court Of Freeport, Freeport	Received permit to add 27 Nursing Care beds to existing facility; facility will have 117 Nursing Care beds upon project completion.
	Bed Change	12/12/2012	Stephenson Nursing Center, Freeport	Discontinued 12 Nursing care beds; facility now has 150 nursing care beds.
Whiteside	12-022	7/23/2012	Resthave Home, Morrison	Permit to add 21 Nursing Care beds; facility will have 70 Nursing Care beds upon project completion.
Winnebago	Closure	11/4/2011	Rockford Nursing & Rehabilitation Center, Rockford	Facility closed. 97 nursing beds removed from inventory.
	Bed Change	3/21/2012	Fairhaven Christian Retirement, Rockford	Discontinued 2 sheltered care beds; facility now has 96 Nursing Care and 125 Sheltered Care beds.
Health Service Area 2				
Bureau/Putnam	Closure	10/13/2011	Orchard View Healthcare, Princeton	Facility deemed closed; 123 Nursing care beds removed from inventory by Board order.
	11-065	10/13/2011	Manor Court Of Princeton , Princeton	Permit issued for modernization of 76 bed Nursing care facility and the addition of 49 additional Nursing care beds. Facility will have 125 beds upon project completion.
	Licensure	11/16/2011	Manor Court Of Princeton, Princeton	Facility added 22 Nursing care beds and discontinued 22 Sheltered care bed category of service. Under permit 11-065, facility can add an additional 27 Nursing care beds.
Fulton	Closure	10/13/2011	Astoria Garden & Rehab. Ctr., Astoria	Facility deemed closed; 57 Nursing care beds removed from inventory by Board order.
Henderson/Warren	Bed Change	4/23/2012	Henderson County Retirement Center, Stronghurst	Added 1 bed to existing facility; facility now has 60 Nursing Care beds.
Knox	Closure	3/27/2012	Good Samaritan Knoxville, Knoxville	Facility ceased operation. 30 Nursing Care beds removed from Inventory.
	Revision	4/27/2012	Good Samaritan Knoxville, Knoxville	Effective Date of Closure changed to 4/27/2012.
LaSalle	12-035	7/24/2012	St. Mary's Hospital, Streator	Received permit to discontinue 30 bed LTC (Skilled Care) category of service.
	09-048	6/6/2012	Ottawa Pavilion, Ottawa	Facility abandoned project for modernization and addition of 10 Nursing Care beds.
	12-063	12/10/2012	Ottawa Pavilion, Ottawa	Received permit for facility modernization and addition of 10 Nursing Care beds.
Peoria	11-063	10/12/2011	Proctor Memorial Hospital, Peoria	Permit issued to discontinue 15 Nursing care beds; facility now has 15 Nursing care beds.
	11-063	12/31/2011	Proctor Memorial Hospital, Peoria	Project completed.
	11-063	1/10/2012	Proctor Memorial Hospital, Peoria	Alteration approved to add 10 Nursing Care beds; facility now authorized for 25 Nursing Care beds.
	CHOW	2/1/2013	Saint Clare Home, Peoria Heights	Change of Ownership occurred.
	Name Change	2/1/2013	Cornerstone Rehabilitation and Healthcare, Peoria Heights	Formerly Saint Clare Home.
Tazewell	12-018	4/17/2012	Pekin Memorial Hospital (Permit), Pekin	Permit issued for discontinuation of 27 bed Long-Term Care (Skilled Care unit.

New
New

ATTACHMENT 10-B

LONG TERM CARE FACILITY UPDATES
9/16/2011 - 3/18/2013
CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION	
Woodford	Bed Change	7/24/2012	Hopedale Nursing Home, Hopedale	Facility discontinued 20 Nursing Care beds; facility now has 54 Nursing Care beds.	
	Bed Change	10/18/2011	Snyder Village, Metamora	Discontinued 1 nursing care bed; facility now has 104 nursing care beds.	
Health Service Area					
Adams	Bed Change	10/1/2011	Good Samaritan Home, Quincy	Discontinued 26 Sheltered Care beds. Facility now has 203 Nursing Care beds and 28 Sheltered Care beds.	
	CHOW	6/27/2012	Sycamore, Quincy	Change of Ownership occurred.	
Brown/Schuyler	Name Change	6/27/2012	Sycamore Healthcare Center, Quincy	Formerly Sycamore.	
	Name Change	10/1/2011	Heritage Health - Mt. Sterling, Mount Sterling	Formerly Heritage Manor - Mt. Sterling.	
	11-056	10/11/2011	Sarah Culbertson Mem Hosp, Rushville	Permit issued to discontinue entire 29 bed Long-Term Nursing care category of service.	
	11-056	10/11/2011	Sarah Culbertson Mem Hosp, Rushville	Project completed.	
Christian Hancock	Name Change	10/1/2011	Heritage Health - Pana, Pana	Formerly Heritage Manor - Pana.	
	Closure	10/13/2011	Hancock County Nursing Home, Carthage	Facility deemed closed; 57 Nursing care beds removed from inventory by Board order.	
Logan	CHOW	1/13/2012	Maple Ridge Care Centre, Lincoln	Change of Ownership occurred.	
	Name Change	8/2/2012	Symphony of Lincoln, Lincoln	Formerly Maple Ridge Care Centre.	
Macoupin	Name Change	10/1/2011	Heritage Health - Staunton, Staunton	Formerly Heritage Manor - Staunton.	
	Name Change	10/1/2011	Heritage Health - Gillespie, Gillespie	Formerly Heritage Manor - Gillespie.	
	Name Change	10/1/2011	Heritage Health - Carlinville, Carlinville	Formerly Heritage Manor - Carlinville.	
Menard	Closure	10/13/2011	Menard Convalescent Center, Petersburg	Facility deemed closed; 86 Nursing care beds removed from inventory by Board order.	
Montgomery	Name Change	10/1/2011	Heritage Health - Litchfield, Litchfield	Formerly Heritage Manor - Litchfield.	
Morgan/Scott	Name Change	10/1/2011	Heritage Health - Jacksonville, Jacksonville	Formerly Barton W. Stone Home.	
	Closure	10/13/2011	Care Center Of Jacksonville, Jacksonville	Facility deemed closed; 93 Nursing care beds removed from inventory by Board order.	
Sangamon	Name Change	10/1/2011	Heritage Health - Springfield, Springfield	Formerly Heritage Manor - Springfield.	
	08-080	12/16/2011	Concordia Village, Springfield	Facility licensed for operation with 64 Nursing Care beds.	
	Bed Change	12/19/2011	St. Joseph'S Home For Aged, Springfield	Facility discontinued 6 Sheltered Care beds; facility now has 72 Nursing Care and 35 Sheltered Care beds.	
	08-086	12/10/2012	Springfield Nursing and Rehabilitation Center, Springfield	Abandoned permit to establish 75-bed Nursing Care facility.	
	12-083	12/10/2012	Springfield Nursing and Rehabilitation Center, Springfield	Received permit to establish a facility with 75 Nursing Care beds.	
	CHOW	1/1/2013	Capitol Care Center, Springfield	Change of Ownership occurred.	New
	Name Change	1/29/2013	Capitol Healthcare & Rehabilitation Center, Springfield	Formerly Capitol Care Center.	New
Health Service Area 4					
Coles/Cumberland	CHOW	1/13/2012	Mattoon Healthcare & Rehabilitation Center, Mattoon	Change of Ownership occurred.	
	Name Change	12/11/2012	Douglas Nursing & Rehabilitation Center, Mattoon	Formerly Douglas Rehabilitation & Care Center.	
Ford	Name Change	10/1/2011	Heritage Health - Gibson City, Gibson City	Formerly Heritage Manor - Gibson City.	
	Bed Change	2/26/2013	Asta Care Center - Ford County, Paxton	Added 7 Nursing Care beds; facility now has 76 Nursing Care beds	New
Livingston	Name Change	10/1/2011	Heritage Health - Dwight, Dwight	Formerly Heritage Manor - Dwight.	
	12-027	7/23/2012	Good Samaritan-Pontiac, Pontiac	Permit to build replacement facility; beds will remain 122 Nursing Care, no change.	
Macon	Name Change	10/1/2011	Heritage Health - Mount Zion, Mount Zion	Formerly Heritage Manor - Mount Zion	

ATTACHMENT 10-B

LONG_TERM CARE FACILITY UPDATES

9/16/2011 - 3/18/2013

CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION
McLean	CHOW	1/10/2012	McKinley Court, Decatur	Change of Ownership occurred.
	CHOW	1/10/2012	Aspen Ridge Care Center, Decatur	Change of Ownership occurred.
	Bed Change	1/15/2012	Heartland Of Decatur, Decatur	Facility added 5 Nursing Care beds; facility now has a total of 117 Nursing Care beds.
	12-005	4/17/2012	Hickory Point Christian Village (Permit), Forsyth	Permit issued to add 17 Nursing Care beds to existing facility; facility now authorized for 64 beds.
	Name Change	8/2/2012	Symphony of Decatur	Formerly Aspen Ridge Care Centre.
	Name Change	10/1/2011	Heritage Health - Bloomington, Bloomington	Formerly Heritage Manor - Bloomington
	Name Change	10/1/2011	Heritage Health - Normal, Normal	Formerly Heritage Manor - Normal.
	Bed Change	7/17/2012	The Arthur Home, Arthur	Discontinued 8 Nursing Care beds; facility now has 53 Nursing Care beds.
	Bed Change	1/9/2012	Hawthorne Inn Of Danville, Danville	Facility added 6 Nursing Care beds and discontinued 6 Sheltered Care beds; facility now has 76 Nursing Care and 64 Sheltered Care beds.
	CHOW	11/1/2012	Hoopeston Community Memorial Nursing Home, Hoopeston	Change of Ownership occurred.
Moultrie	Name Change	11/1/2012	Heritage Health - Hoopeston, Hoopeston	Formerly Hoopeston Community Memorial Nursing Home.
Health Service Area 5				
Crawford	CHOW	1/1/2012	Ridgeview Care Center, Oblong	Change of ownership occurred.
Franklin	CHOW	1/18/2012	Stonebridge Senior Living Center, Benton	Change of Ownership occurred.
Gallatin/Hamilton/ Saline	Closure	6/4/2012	Finnie Good Shepherd Nursing Home, Galatia	Facility closed. 73 Nursing Care beds removed from inventory.
Jackson	12-050	9/11/2012	Rehab & Care Center of Jackson County, Murphysboro	Permit issued for discontinuation of 178 bed Long-Term Care (Nursing Care) facility.
	12-049	9/11/2012	Manor Court of Carbondale, Carbondale	Permit issued to establish 120 bed Long-Term Care (Nursing Care) facility
Jasper	Bed Change	7/1/2012	Newton Rest Haven, Newton	Facility discontinued 25 Nursing Care beds; facility now has 57 Nursing Care beds.
Johnson/Massac	Bed Change	12/11/2012	Hillview Health Care Center, Vienna	Discontinued 11 Nursing Care beds; facility now has 58 Nursing Care beds.
Lawrence	Bed Change	3/22/2012	United Methodist Village, Lawrenceville	Discontinued 20 Nursing Care beds; facility now has 143 Nursing Care beds.
Marion	CHOW	1/18/2012	Friendship House Of Centralia, Centralia	Change of Ownership occurred.
	CHOW	1/18/2012	Fireside House Of Centralia, Centralia	Change of Ownership occurred.
	Bed Change	1/9/2013	Twin Willows Nursing Center, Salem	Discontinued 2 Nursing Care beds; facility now has 72 Nursing Care beds. New
Randolph	Name Change	1/26/2012	Red Bud Regional Care, Red Bud	Name changed from Red Bud Nursing Home.
	Bed Change	11/28/2012	Chester Rehabilitation and Nursing Center, Chester	Reduced Nursing Care beds from 119 to 117.
White	Bed Change	1/24/2012	Enfield Rehab & Hlthcare Ctr, Enfield	Facility discontinued 2 Nursing Care beds; facility now has 47 Nursing Care beds.
Health Service Area 6				
Planning Area 6-A	CHOW	10/1/2011	Chalet Nursing & Rehab Center, Chicago	Change of Ownership occurred.
	Name Change	10/1/2011	Chalet Nursing & Rehab Center, Chicago	Formerly Sherwin Manor Nursing Center.
	Closure	10/13/2011	Wincrest Nursing Center, Chicago	Facility deemed closed; 82 Nursing care beds removed from inventory by Board order.
	Bed Change	11/10/2011	Heritage Healthcare Center, Chicago	Discontinued 1 Nursing Care bed; facility now has 127 Nursing Care beds.
	CHOW	7/1/2012	Alshore House, Chicago	Change of Ownership occurred.
	Name Change	7/1/2012	Foster Health & Rehabilitation Center, Chicago	Formerly Alshore House.
	12-057	9/11/2012	Methodist Hospital of Chicago, Chicago	Permit issued for discontinuation of 23 bed Long-Term Care (Skilled Care) category of service.
	CHOW	12/1/2012	Heritage Nursing Home, Chicago	Change of Ownership occurred.
	Name Change	12/4/2012	Park View Rehabilitation Center, Chicago	Formerly Heritage Nursing Home.
	Name Change	12/12/2012	Wesley Place, Chicago	Formerly Methodist Home..

ATTACHMENT 10-B

LONG TERM CARE FACILITY UPDATES
9/16/2011 - 3/18/2013
CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION
Planning Area 6-B	CHOW	4/12/2012	The Clare at Water Tower, Chicago	Change of Ownership occurred.
Planning Area 6-C	Name Change	6/30/2012	Terraces at the Clare, Chicago	Formerly The Clare at Water Tower.
	Bed Change	9/26/2011	Washington & Jane Smith Comm., Chicago	Discontinued 2 Nursing care beds; facility now has 101 Nursing care beds.
	CHOW	6/27/2012	Community Care, Chicago	Change of Ownership occurred.
	Name Change	6/27/2012	Community Care Center, Chicago	Formerly Community Care.
	CHOW	6/27/2012	Southview Manor, Chicago	Change of Ownership occurred.
	Name Change	6/27/2012	Southview Manor Nursing Center, Chicago	Formerly Southview Manor
	CHOW	11/1/2012	Presidential Pavilion, Chicago	Change of Ownership occurred.
	Name Change	11/1/2012	Forest Edge Healthcare Rehabilitation Center, Chicago	Formerly Presidential Pavilion.
	Bed Change	12/28/2012	Washington & Jane Smith Comm., Chicago	Discontinued 1 Nursing care bed; facility now has 100 Nursing care beds.
	Closure	5/15/2012	All Faith Pavillon, Chicago	Facility closed; 245 Nursing Care beds removed from inventory effective February 5, 2013.
Health Service Area 7				
Planning Area 7-A	05-002	12/6/2011	Assisi Healthcare Center At Clare Oaks, Bartlett	Permit renewal through June 30, 2012.
Planning Area 7-B	Bed Change	3/16/2012	St. Joseph'S Home For Elderly, Palatine	Discontinued 1 Nursing Care bed; facility now has 59 Nursing Care and 7 Sheltered Care beds.
	CHOW	11/1/2012	Church Creek, Arlington Heights	Change of Ownership occurred.
	Closure	10/17/2011	Holy Family Nursing & Rehab Ctr., Des Plaines	Facility closed effective October 17, 2011; 251 Nursing Care beds removed from inventory.
	Discontinue Beds	9/5/2012	King Home, Evanston	Facility discontinued 18 bed Nursing Care category of service; facility now has 90 Sheltered Care beds.
	12-070	10/30/2012	Vi at the Glen, Glenview	Received permit to add 9 Nursing Care beds to existing facility. Facility will have 47 Nursing Care beds upon completion.
	CHOW	11/1/2012	Lake Cook Terrace Nursing Center, Northbrook	Change of Ownership occurred.
	Name Change	11/1/2012	Grove of Northbrook Living & Rehabilitation Center, Northbrook	Formerly Lake Cook Terrace Nursing Center.
Planning Area 7-C	Name Change	11/15/2012	Grove of Skokie Living & Rehabilitation, Skokie	Formerly Grove North Living & Rehabilitation Center.
	11-055	10/13/2011	Transitional Care Center Of Naperville, Naperville	Permit issued to establish a 120 bed Nursing care facility at Arbiter Court and East Diehl Road in Naperville.
	Bed Change	10/13/2011	Beacon Hill, Lombard	Added 2 nursing care beds; facility now has 110 nursing care beds.
	CHOW	1/3/2012	Burgess Square, Westmont	Change of ownership occurred.
	Bed Change	2/9/2012	Dupage Convalescent Home, Wheaton	Discontinued 140 Nursing Care beds. Facility now has 368 Nursing Care beds.
	12-006	4/17/2012	Elmhurst Memorial Hospital , Elmhurst	Permit issued to discontinue 38 bed Skilled Care (Long-Term Care) category of service.
	07-071	4/17/2012	Park Place Christian Village, Elmhurst	Permit abandoned.
	Name Change	4/17/2012	Park Place Christian Village, Elmhurst	Formerly Park Place Christian Community.
	12-007	4/17/2012	Park Place Christian Village, Elmhurst	Permit issued to establish a facility with 37 Nursing Care beds.
	07-042	6/1/5400	Marianjoy Rehab Hospital Wheaton	Completed project to establish 20 bed skilled nursing (long-term care) category of service.
	CHOW	6/27/2012	West Chicago Terrace, West Chicago	Change of ownership occurred.
	Name Change	6/27/2012	West Chicago Terrace Nursing Home, West Chicago	Formerly West Chicago Terrace.
	Licensure	8/1/2012	Park Place Cnristian Community, Elmhurst	Facility licensed for operation with 37 Nursing Care beds.
	12-036	10/31/2012	Healthcare Center at Monarch Landing, Naperville	Received permit to establish a facility with 96 Nursing Care beds.

ATTACHMENT 10-B

LONG TERM CARE FACILITY UPDATES
9/16/2011 - 3/18/2013
CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION
Planning Area 7-D	Name Change	11/30/2012	Winfield Woods Healthcare Center, Winfield	Formerly Winfield Woods.
	Name Change	1/3/2012	Oakridge Healthcare Center, Hillside	Name changed from Oakridge Nursing & Rehab. Center.
	CHOW	1/3/2012	Oakridge Healthcare Center, Hillside	Change of ownership occurred.
Planning Area 7-E	Correction	1/6/2012	Pershing Gardens Healthcare Center, Stickney	City location corrected from Berwyn to Stickney.
	Correction	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Record corrected to indicate facility location in Stickney, not Berwyn as previously indicated.
	CHOW	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Change of ownership occurred.
	Name Change	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Name changed from Pershing Convalescent Center.
	CHOW	1/13/2012	Crestwood Care Centre, Crestwood	Change of Ownership occurred.
	Bed Change	2/29/2012	Manorcare Of South Holland, South Holland	Added 16 Nursing Care beds to existing facility; facility now has 216 Nursing Care beds.
	11-104	4/17/2012	Mcallister Nursing & Rehab(Permit), Tinley Park	Permit issued to add 89 Nursing Care beds to existing facility; facility now authorized for 200 beds.
	12-003	4/17/2012	Holy Family Villa(Permit), Palos Park	Permit issued to add 30 Nursing Care beds to existing facility; facility now authorized for 129 beds.
	Bed Change	5/17/2012	Manorcare Of Homewood, Homewood	Added 12 Nursing Care beds to existing facility; facility now has 132 Nursing Care beds.
	CHOW	6/27/2012	Crestwood Terrace, Crestwood	Change of Ownership occurred.
	Name Change	6/27/2012	Crestwood Terrace Nursing Center, Crestwood	Name changed from Crestwood Terrace.
	Name Change	8/2/2012	Symphony of Crestwood, Crestwood	Formerly Crestwood Care Centre.
Kane	CHOW	11/1/2012	Burnham Healthcare, Burnham	Change of Ownership occurred.
	Name Change	11/1/2012	River Oaks Healthcare Rehabilitation Center, Burnham	Formerly Burnham Healthcare.
	Health Service Area 8			
	Name Change	10/1/2011	Heritage Health - Elgin, Elgin	Formerly Heritage Manor - Elgin.
	Closure	10/13/2011	Fox River Pavilion, Aurora	Facility deemed closed; 99 Nursing care beds removed from inventory by Board order.
	09-030	12/6/2011	Addison Rehabilitation & Living Center (Permit), Elgin	Permit renewal granted through December 31, 2014.
	CHOW	1/10/2012	Countryside Care Center, Aurora	Change of Ownership occurred.
	08-083	6/21/2012	Greenfields of Geneva, Geneva	Permit to establish 43 bed Nursing Care facility revoked.
	12-086	2/5/2013	Greenfields of Geneva, Geneva	Received permit to establish a 43 bed Nursing Care facility at ON801 Friendship Way in Geneva.
	Licensure	1/15/2013	Greenfields of Geneva, Geneva	Received license for operation.
	Bed Change	10/1/2011	Rolling Hills Manor Nursing Home, Zion	Discontinued 12 Nursing care beds; facility now has 115 nursing care beds.
	Closure	10/13/2011	Helia Healthcare Of Zion, Zion	Facility deemed closed; 116 Nursing care beds removed from inventory by Board order.
	Bed Change	11/4/2011	Hillcrest Retirement Village, Rnd Lake Beach	Added 2 Nursing care beds; facility now has 144 Nursing care beds.
	11-009	11/29/2011	Radford Green, Lincolnshire	Project completed to add 44 Nursing Care beds; facility now has 88 Nursing Care beds.
	11/6/2009	Bed Change	The Wealshire, Lincolnshire	Facility added 2 Nursing Care beds and discontinued 2 Sheltered Care beds. Facility now has 144 Nursing Care beds and 0 Sheltered Care beds.
	CHOW	6/27/2012	The Terrace Nursing Home, Waukegan	Change of ownership occurred.
	12-062	10/30/2012	Wauconda Healthcare & Rehabilitation Center, Wauconda	Received permit to add 40 Nursing Care beds to existing facility. Facility will have 175 Nursing Care beds upon completion.
	Board Action	7/23/2012	Northwestern Lake Forest Hospital, Lake Forest	Board reduced long-term care beds from 88 to 84.

New

ATTACHMENT 10-B

LONG TERM CARE FACILITY UPDATES
9/16/2011 - 3/18/2013
CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION	
McHenry	Bed Change	1/17/2013	Radford Green, Lincolnshire	Facility discontinued 4 Nursing Care beds; facility now has 84 Nursing Care beds.	New
	CHOW	1/1/2012	Woodstock Residence, Woodstock	Change of ownership occurred.	
	Name Change	6/1/2012	Crossroads Care Center Woodstock, Woodstock	Name changed from Woodstock Residence.	
Health Service Area 9					
Kankakee	CHOW	6/27/2012	Kankakee Terrace, Kankakee	Change of ownership occurred.	
	Name Change	6/27/2012	Kankakee Terrace Nursing Center, Kankakee	Formerly Kankakee Terrace	
	CHOW	6/27/2012	Bourbonnais Terrace, Bourbonnais	Change of ownership occurred.	
Will	Name Change	6/27/2012	Bourbonnais Terrace Nursing Home, Bourbonnais	Formerly Bourbonnais Terrace	
	10-005	11/17/2011	Smith Crossing, Orland Park	Facility licensed 16 Nursing Care beds under permit 10-005; facility now has a total of 46 Nursing Care beds.	
	Bed Change	12/7/2011	Sunny Hill Nursing Home Will County, Joliet	Facility discontinued 20 Nursing Care beds; facility now has 280 Nursing Care beds.	
	CHOW	1/10/2012	Deerbrook Care Centre, Joliet	Change of Ownership occurred.	
	07-102	3/9/2012	Alden Estates Of Shorewood, Shorewood	Facility licensed for operation with 100 Nursing Care beds.	
	CHOW	6/27/2012	Joliet Terrace, Joliet	Change of ownership occurred.	
	Name Change	6/27/2012	Joliet Terrace Nursing Center, Joliet	Formerly Joliet Terrace	
	CHOW	6/27/2012	Frankfort Terrace, Frankfort	Change of ownership occurred.	
	Name Change	6/27/2012	Frankfort Terrace Nursing Center, Frankfort	Formerly Frankfort Terrace	
	Name Change	8/2/2012	Symphony of Joliet	Formerly Deerbrook Care Centre.	
Health Service Area 10					
Henry	Bed Change	7/12/2011	Hammond-Henry District Hospital, Geneseo	Discontinued 18 nursing care beds, total now 38 nursing care beds.	
Mercer	12-044	10/30/2012	Mercer County Hospital, Aledo	Received permit to discontinue 14 bed Long-Term Care facility.	
	CHOW	2/1/2013	Mercer County Nursing Home, Aledo	Change of Ownership occurred.	New
Rock Island	Name Change	2/1/2013	Genesis Senior Living, Aledo	Formerly Mercer County Nursing Home.	New
	Bed Change	8/21/2012	Illini Restorative Care, Silvis	Converted 8 beds from Sheltered Care to Nursing Care. Facility now has 83 Nursing Care beds and 37 Sheltered Care beds.	
Health Service Area 11					
Clinton	Closure	9/25/2012	Brookside Manor, Centralia	Facility ceased operation. 49 Nursing Care beds removed from Facility Inventory.	
Madison	Bed Change	10/28/2011	St. Clare's Hospital, Alton	Facility discontinued 4 Nursing Care beds; facility now has 26 Nursing Care beds.	
	Bed Change	1/17/2012	Collinsville Rehab & Health Care Ctr., Collinsville	Facility discontinued 2 Nursing Care beds; facility now has 98 Nursing Care beds.	
Monroe	Closure	6/22/2012	Canterbury Manor Nursing Center, Waterloo	Facility ceased operation. 74 Nursing Care beds removed from Facility Inventory.	
CHANGES TO SPECIALIZED LONG-TERM CARE					
Health Service Area 2					
LaSalle	Closure	3/28/2012	Knox Estates, Streator	Facility ceased operations; 16 ICF/DD beds removed from inventory.	
Health Service Area					
Morgan	12-074	10/30/2012	Jacksonville Development Center, Jacksonville	Received permit for complete discontinuation of facility.	
Health Service Area 5					

ATTACHMENT 10-B

LONG TERM CARE FACILITY UPDATES
9/16/2011 - 3/18/2013
CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION	
Clay	Closure	2/10/2013	Prairie Estates, Flora	Facility discontinued 16 bed ICF/DD Category of Service; facility converted to CILA	New
Edwards/Wabash	Closure	4/1/2012	River Oaks, Mount Carmel	Facility ceased operations; 16 ICF/DD beds removed from inventory.	
Gallatin/Hamilton/Saline	Closure	5/1/2012	Brooke Hill, Eldorado	Facility ceased operation; 16 ICF/DD beds removed from inventory.	
	Closure	2/1/2013	Shawnee House, Harrisburg	Facility discontinued 16 bed ICF/DD Category of Service; facility converted to CILA	New
Lawrence	Closure	10/17/2011	Hickory Estates, Sumner	Facility closed; 16 ICF/DD beds removed from inventory.	
Union	Closure	12/28/2011	Village Inn - Cobden, Cobden	Facility closed 12/28/2011; 16 ICF/DD beds removed from inventory.	
	Closure	4/2/2012	Holly Hill, Anna	Facility ceased operations; 16 ICF/DD beds removed from inventory.	
Washington	Closure	9/17/2012	Colonial Plaza, Nashville	Facility ceased operations; 16 ICF/DD beds removed from inventory.	
Williamson	Closure	10/13/2011	Independence Place, Herrin	Facility deemed closed; 16 ICF/DD Adult beds removed from inventory by Board order.	
	Closure	8/31/2012	Chestnut Manor, Herrin	Facility discontinued 16 bed ICF/DD Category of Service; facility converted to CILA	
Health Service Area 6, 7, 8, 9					
Kankakee	Closure	3/31/2012	Gravlin Square, Bradley	Facility ceased operations; 16 ICF/DD beds removed from inventory.	
Planning Area 7-D	CHOW	3/1/2012	Bellwood Nursing Center, Bellwood	Change of Ownership occurred.	
	Name Change	3/2/2012	Bellwood Nursing Center, Bellwood	Formerly Aspire on Eastern.	
Planning Area 7-E	Closure	4/10/2012	Bethshan li, Palos Heights	Facility ceased operation; 16 ICF/DD beds removed from inventory.	

CHANGES TO CHRONIC MENTAL ILLNESS

Health Service Area 1					
Winnebago	12-060	9/12/2012	H. Douglas Singer Mental Health Center, Rockford	Permit issued for discontinuation of 76 bed Mental Health Center.	
Health Service Area 1					

LONG TERM CARE FACILITY UPDATES

9/16/2011 - 3/18/2013

CALCULATED BED NEEDS

Planning Area	Calculated Beds Needed	Approved Beds	Additional Beds Needed or Excess Beds ()
LONG-TERM CARE NURSING CARE BED NEED			
HEALTH SERVICE AREA 1			
Boone	305	279	26
Carroll	187	148	39
DeKalb	757	742	15
Jo Daviess	231	155	76
Lee	299	342	(43)
Ogle	599	535	64
Stephenson	665	652	13
Whiteside	717	843	(126)
Winnebago	2399	2366	33
HEALTH SERVICE AREA 2			
Bureau/Putnam	429	373	56
Fulton	523	615	(92)
Henderson/Warren	245	218	27
Knox	823	950	(127)
LaSalle	1364	1389	(25)
McDonough	379	376	3
Marshall/Stark	346	427	(81)
Peoria	1760	1731	29
Tazewell	1516	1246	270
Woodford	655	592	63
HEALTH SERVICE AREA 3			
Adams	1188	1495	(307)
Brown/Schuyler	183	186	(3)
Calhoun/Pike	301	337	(36)
Cass	186	150	36
Christian	412	472	(60)
Greene	154	119	35
Hancock	190	184	6
Jersey	411	369	42
Logan	502	468	34
Macoupin	686	744	(58)
Mason	143	164	(21)
Menard	230	106	124
Montgomery	567	490	77
Morgan/Scott	573	561	12
Sangamon	1344	1254	90
HEALTH SERVICE AREA 4			
Champaign	1037	908	129
Clark	290	255	35
Coles/Cumberland	759	939	(180)
DeWitt	219	190	29
Douglas	238	233	5
Edgar	260	299	(39)
Ford	240	434	(194)
Iroquois	461	486	(25)
Livingston	494	550	(56)
McLean	1306	1118	188
Macon	1331	1253	78
Moultrie	318	361	(43)
Piatt	160	160	0
Shelby	264	265	(1)
Vermilion	692	779	(87)

ATTACHMENT 10-B

LONG TERM CARE FACILITY UPDATES

9/16/2011 - 3/18/2013

CALCULATED BED NEEDS

Planning Area	Calculated Beds Needed	Approved Beds	Additional Beds Needed or Excess Beds ()
HEALTH SERVICE AREA 5			
Alexander/Pulaski	124	83	41
Bond	172	198	(26)
Clay	133	209	(76)
Crawford	246	220	26
Edwards/Wabash	175	139	36
Effingham	490	432	58
Fayette	255	261	(6)
Franklin	442	390	52
Gallatin/Hamilton/Saline	684	590	94
Hardin/Pope	95	113	(18)
Jackson	376	369	7
Jasper	82	57	25
Jefferson	424	346	78
Johnson/Massac	338	301	37
Lawrence	325	340	(15)
Marion	862	603	259
Perry	207	210	(3)
Randolph	580	490	90
Richland	360	309	51
Union	351	293	58
Washington	172	263	(91)
Wayne	133	169	(36)
White	354	353	1
Williamson	600	543	57
HEALTH SERVICE AREA 6			
Planning Area 6-A	5963	7194	(1231)
Planning Area 6-B	4252	4178	74
Planning Area 6-C	5209	4791	418
HEALTH SERVICE AREA 7			
Planning Area 7-A	4482	3323	1159
Planning Area 7-B	7180	6839	341
Planning Area 7-C	6867	6026	841
Planning Area 7-D	2519	2904	(385)
Planning Area 7-E	9328	9136	192
HEALTH SERVICE AREA 8			
Kane	3322	2894	428
Lake	5275	4733	542
McHenry	1501	1032	469
HEALTH SERVICE AREA 9			
Grundy	260	265	(5)
Kankakee	1290	1368	(78)
Kendall	219	185	34
Will	3479	2840	639
HEALTH SERVICE AREA 10			
Henry	452	500	(48)
Mercer	222	172	50
Rock Island	1243	1334	(91)
HEALTH SERVICE AREA 11			
Clinton	432	357	75
Madison	2048	2193	(145)
Monroe	435	250	185
St. Clair	2102	2294	(192)

ATTACHMENT 10-B

LONG TERM CARE FACILITY UPDATES

9/16/2011 - 3/18/2013

CALCULATED BED NEEDS

Planning Area	Calculated Beds Needed	Approved Beds	Additional Beds Needed or Excess Beds ()
LONG-TERM CARE ICF/DD 16 BED NEED			
HSA 1	268	360	(92)
HSA 2	268	317	(49)
HSA 3	230	383	(153)
HSA 4	322	334	(12)
HSA 5	255	527	(272)
HSA 6, 7, 8, 9	3429	1101	2328
HSA 10	82	40	42
HSA 11	220	384	(164)

**LUTHER OAKS, INC.
CON APPLICATION
CRITERION 1125.330
ALTERNATIVES TO THE PROPOSED PROJECT**

1. Identify ALL of the alternatives to the proposed project:

Alternative options must include:

- a. Proposing a project of greater or lesser scope and cost;**
- b. Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;**
- c. Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and**
- d. Provide the reasons why the chosen alternative was selected.**

2. Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short-term (within one to three years after project completion) and long term.

Alternative 1: Propose a project of greater or lesser scope and cost.

In evaluating the alternatives for the project, Luther Oaks reviewed the possibility of proposing a project of lesser scope and cost and determined that this was not a viable alternative.

Patient Access:

According to the March 18, 2013 Update to the Illinois Department of Public Health's Inventory of Health Care Facilities and Services and Need Determination, there is an identified need for 188 additional skilled nursing care beds in McLean County. In addition, as of April 16, 2013, Luther Oaks had approximately 148 residents living on its campus. In 2012, Luther Oaks referred approximately 19 of its residents off-site to other skilled nursing facilities. Luther Oaks anticipates that a similar number of its residents will be in need of skilled nursing care on an annual basis following project completion. Proposing a project consisting of less than 36 beds would not permit Luther Oaks to serve both the existing need in the community and the existing need on its campus for skilled nursing beds.

Total Costs/Financial Benefits:

Based on Luther Oaks' internal finance department's review and calculation, a project consisting of at least 36 beds is needed to support the overall costs of the project. Proposing a project of lesser cost would not be feasible given some of the high cost areas that the project will address.

For example, as part of the project, the existing kitchen area will be expanded and renovated. As part of that process, the plumbing and electrical will need to be entirely removed and relocated which increases the cost of the project.

Luther Oaks also reviewed the possibility of proposing a project of greater scope and cost and determined that this was not a viable alternative.

Patient Access:

While a project of greater scope and cost may provide greater access to residents in the planning area because more skilled nursing beds would be available, Luther Oaks rejected this alternative due to its review of the financial cost of a project of increased scope.

Total Costs/Financial Benefits:

As a not-for-profit organization, Luther Oaks carefully reviews financial expenditures to ensure that in making such expenditures Luther Oaks is acting as a good steward of charitable assets. In addition, the goal of the project is for Luther Oaks to achieve target utilization of 90% within twenty-four (24) months following the project completion. Luther Oaks' internal finance department felt that the risk of a project of greater scope was not viable. In addition, Luther Oaks engaged Sawgrass Partners, LLC to perform a market assessment to review the viability of the proposed project. As part of the market assessment, Sawgrass Partners, LLC recommended that Luther Oaks pursue a project consisting of between thirty-two (32) and forty (40) skilled nursing care beds. Based on the results of such market assessment, Luther Oaks determined that pursuing a project of greater scope and cost was not a viable alternative.

Alternative 2: Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes.

Luther Oaks also evaluated the viability of pursuing a joint venture to meet all or a portion of the project's intended purposes and concluded that this was not a viable alternative.

Patient Access:

One of the primary purposes of the project is to provide a continuum of care for the residents on Luther Oaks existing campus. As of April 16, 2013, Luther Oaks had approximately 148 residents living on its campus. In 2012, Luther Oaks referred approximately 19 of its residents off-site to other skilled nursing facilities. Luther Oaks anticipates that a similar number of its residents will be in need of skilled nursing care on an annual basis following project completion. This will give existing residents the ability to transition from independent and assisted living to a skilled nursing environment in their own community. In addition, the design of the project is unique in the community and is purposefully designed to ease this transition for residents. Skilled nursing care services will be provided through a person-centered care model by organizing the residents into person-centered households, which includes living, dining and social spaces in order to create a home-like setting. The goal of Luther Oaks in utilizing the person-centered care model is to increase the quality of life and quality of care for the residents of the community needing skilled nursing care services. Pursuing a joint venture would not

permit Luther Oaks to achieve these goals of providing person-centered skilled care on its campus.

Quality:

In addition to providing skilled care for its existing residents, Luther Oaks has identified a need in the community for additional short-term rehabilitation beds. No other provider in the planning area is providing short-term rehabilitation care in a state of the art facility, with both private rooms and private bathrooms with showers. Private bedrooms increase the residents' comfort and privacy. In addition, private rooms will allow Luther Oaks to more effectively control infections, such as MRSA and the flu. In addition, the Lutheran Life Ministries system has a successful track record of reducing readmissions to hospitals. The average system readmission rate is 12.8%, which is much lower than the average for Medicare beneficiaries nationwide. According to the Long Term Quality Alliance (as published in Improving Care Transitions from June 2012), the average readmission rate for Medicare beneficiaries is 17.6%. In addition, the Lutheran Home, which is the largest skilled nursing facility in the system with 392 beds, has an average readmission rate of 9.5%. As part of the project, Luther Oaks will bring the system's expertise in keeping readmission rates low to the planning area, which will benefit both the residents of the planning area and also the planning area's hospitals. Pursuing a joint venture would not permit Luther Oaks to achieve these goals because no other provider in the planning area is offering the same short-term rehabilitation services with all private rooms and private bathrooms with showers.

Alternative 3: Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project.

Luther Oaks evaluated the possibility of utilizing other health care resources in the community, but concluded that this was not a viable alternative.

Patient Access:

Utilizing other health care resources in the area was not a viable alternative because there is a need for additional skilled nursing beds, including short-term rehabilitation beds, in the planning area. In addition, utilizing other health care resources does not address the issue of Luther Oaks providing the full continuum of care to its existing residents on its campus. As of April 16, 2013, Luther Oaks had approximately 148 residents living on its campus. In 2012, Luther Oaks referred approximately 19 of its residents off-site to other skilled nursing facilities. Luther Oaks anticipates that a similar number of its residents will be in need of skilled nursing care on an annual basis following project completion.

Quality:

One of the goals of the project is to increase the quality of care provided to residents in the area by focusing on a person-centered care model for the provision of skilled nursing services. While there are other skilled nursing care providers in the area, these providers do not have facilities designed to deliver person-centered care in the same way that Luther Oaks will be able to deliver person-centered care as a result of the project. The project is purposefully designed to organize the residents into person-centered households, which includes living, dining and social spaces in

order to create a home-like setting. The goal of the person-centered care model is to increase the quality of life and quality of care for the residents of the community needing skilled nursing care services. In addition, there are no other skilled nursing providers in the planning area that offer the same short-term rehabilitation services with all private rooms and private bathrooms with showers. Since the foregoing is not available in the planning area, Luther Oaks would not be able to accomplish the goals of the project by utilizing existing health care resources.

Alternative 4: Proceed with the project as proposed.

Based on its evaluation of the alternatives, Luther Oaks made the decision that the project, as proposed, is the best alternative.

Total Costs:

As described above, the project as proposed is the most cost efficient way to provide skilled nursing services, including short-term rehabilitation services to Luther Oaks' existing residents and residents of the community. The cost of the project as proposed is \$9,545,000 and is the only alternative that addresses patient access, quality and potential financial benefits.

Patient Access:

The project will increase patient access because it will create an additional 36 beds in an area that is in need of 188 additional beds. In addition, the project will allow Luther Oaks to provide skilled nursing care to residents of its assisted living and independent living units. As of April 16, 2013, Luther Oaks had approximately 148 residents living on its campus. In 2012, Luther Oaks referred approximately 19 of its residents off-site to other skilled nursing facilities. Luther Oaks anticipates that a similar number of its residents will be in need of skilled nursing care on an annual basis following project completion. The project will allow residents in need of skilled nursing care to transition through the entire continuum of care in their own community. In addition, the project will increase the number of short-term rehabilitation beds in the planning area. These short-term rehabilitation services will be provided in a state of the art facility with private rooms and private bathrooms, each with a private shower. There are no other providers in the planning area that provide short-term rehabilitation services in a setting with private rooms and private bathrooms with showers.

In addition, the project will give skilled nursing patients access to dementia care programming that includes use of the RCCT. This tool promotes a person-centered approach and helps Luther Oaks' caregivers focus on residents' remaining skills and abilities so that the quality of programming for such residents will be increased.

Quality:

The short-term rehabilitation services provided by Luther Oaks will help to reduce the readmission of patients to the hospital. As a system, Lutheran Life Ministries has a proven track record of low readmission rates. The average system readmission rate is 12.8%, which is much lower than the average for Medicare beneficiaries nationwide. According to the Long Term Quality Alliance (as published in Improving Care Transitions from June 2012), the average readmission rate for Medicare beneficiaries is 17.6%. In addition, the Lutheran Home, which is

the largest skilled nursing facility in the system with 392 beds, has an average readmission rate of 9.5%. The project will also address a need for more private beds in the planning area as there are only approximately 161 private rooms out of the 1,493 skilled nursing beds currently in operation. In addition to having predominately private rooms, the project will provide an enhanced resident experience because the project has been designed to promote a person-centered care model for the delivery of skilled nursing care services. The project will organize the residents into person-centered households, which includes living, dining and social spaces in order to create a home-like setting. The goal of the person-centered care model is to increase the quality of life and quality of care for the residents of the community needing skilled nursing care services.

3. The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

As discussed above, Lutheran Life Ministries has a proven track record of low readmission rates. The average system readmission rate is 12.8%, which is lower than the average readmission rate for Medicare beneficiaries of 17.6%. In addition, the Lutheran Home, which is the largest skilled nursing facility in the system with 392 beds, has an average readmission rate of 9.5%. As part of the project, Luther Oaks will utilize the expertise of the Lutheran Life Ministries system in reducing hospital readmissions. In addition, Luther Oaks anticipates that the quality of care of its residents will be improved through its use of the person-centered care model (See ATTACHMENT 10-A).

**LUTHER OAKS, INC.
CON APPLICATION
CRITERION 1125.520
BACKGROUND OF THE APPLICANT
HEALTH CARE FACILITIES OWNED AND OPERATED
BY APPLICANT AND CO-APPLICANTS**

Luther Oaks, Inc. is the owner and operator of an existing assisted living facility and will be the owner and the operator of the new proposed skilled nursing facility. A copy of the current license for the assisted living facility listed below is included as part of this Attachment 12.

1. Luther Oaks, Inc.
601 Lutz Road
Bloomington, Illinois 61704

Lutheran Life Ministries is the ultimate parent company of and exercises ultimate control over Luther Oaks, Inc. Lutheran Life Ministries is also the sole corporate member of and exercises control over the other health care facilities set forth below. Copies of the current licenses for each health care facility listed below are included as part of this Attachment 12.

1. Lutheran Home for the Aged, Inc.
800 West Oakton Street
Arlington Heights, Illinois 60004
2. Wittenberg Lutheran Village, Inc.
1200 East Luther Drive
Crown Point, Indiana 46307
3. Pleasant View Luther Home, Inc.
505 College Avenue
Ottawa, Illinois 61350
4. Luther Oaks, Inc.
601 Lutz Road
Bloomington, Illinois 61704
5. St. Pauls House & Healthcare Center
3800 North California Avenue
Chicago, Illinois 60618



State of Illinois 2100007

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes, orders, rules and regulations and is hereby authorized to engage in the activity as indicated below.

LA MAR HASBROUCK, MD, MPH
DIRECTOR

Issued under the authority of
The State of Illinois
Department of Public Health

EXPIRATION DATE	CATEGORY	IDENTIFICATION NUMBER
10/31/2014	268E	0005165
LONG TERM CARE LICENSE		
SKILLED	110	
SHELTERED	068	
UNRESTRICTED 178 TOTAL BEDS		

BUSINESS ADDRESS

LICENSEE

ST. PAULS HOUSE & HEALTH CARE CENTER

ST PAUL'S HOUSE & HLTH CR CTR
3800 NORTH CALIFORNIA AVENUE
CHICAGO IL 60618

EFFECTIVE DATE: 11/01/12

The face of this license has a colored background. Printed by Authority of the State of Illinois • 4/97 •

A5-A6

A5-A6

State of Illinois 2126286
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

THIS TYPE OF CERTIFICATION, WHICH APPEARS ON THE CERTIFICATE, HAS COMPLIED WITH THE
 REQUIREMENTS OF THE ILLINOIS STATUTES AND REGULATIONS AND IS HEREBY AUTHORIZED TO
 BE USED IN ANY MANNER AS INDICATED ABOVE.

LA MAR HASBROUCK, MD, MPH
DIRECTOR

Business and Industry
 Fee: \$100.00
 Department: 1000000000

04/05/2014 8695 0005090

LONG TERM CARE LICENSE
 SKILLED 274
 INTERMEDIATE 060
 SHELTERED 058

UNRESTRICTED 392 TOTAL BEDS

BUSINESS ADDRESS
 LICENSEE

LUTHERAN HOME FOR THE AGED, INC.

LUTHERAN HOME FOR THE AGED
 500 WEST OAKTON STREET
 ARLINGTON HEIGHTS IL 60004

EFFECTIVE DATE: 04/09/13

The use of this license has a colored background. Printed by Authority of the State of Illinois • 4/97 •

DISPLAY THIS PART IN A
 CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN
 IDENTIFICATION

7

State of Illinois
 Department of Public Health
 LICENSE, PERMIT, CERTIFICATION, REGISTRATION

04/05/2014 8695 0005090

LONG TERM CARE LICENSE
 SKILLED 274
 INTERMEDIATE 060
 SHELTERED 058

UNRESTRICTED 392 TOTAL BEDS

LICENSOR

03/20/13

LUTHERAN HOME FOR THE AGED
 500 WEST OAKTON STREET
 ARLINGTON HEIGHTS IL 60004

FEE RECEIPT NO

State of Illinois 2125292
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

Any person who is a corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to practice the activity as indicated below.

LA MAR HASBROUCK, MD, MPH
DIRECTOR

Issued under the authority of
The State of Illinois
Department of Public Health

EXPIRATION DATE	CATEGORY	TE NUMBER
02/27/2014	A-5	5102642
ASSISTED LIVING LICENSE		
ISSUED: 02/27/13		
18 ALZHEIMER UNITS		
40 REGULAR UNITS		
58 TOTAL UNITS		

BUSINESS ADDRESS
STATUS: UNRESTRICTED
LICENSEE BUSINESS ADDRESS

LUTHER OAKS, INC.
601 LUTZ ROAD
BLOOMINGTON IL 61704

The face of this license has a colored background. Printed by Authority of the State of Illinois • 447 •

Indiana State Department of Health

Comprehensive Care License

This is to certify that:

WITTENBERG LUTHERAN VILLAGE INC d/b/a

WITTENBERG LUTHERAN VILLAGE

1200 E LUTHER DR

CROWN POINT, IN

a 155 bed Comprehensive Care Facility, has fulfilled the requirements for licensure and is subject to provisions of IC 16-28 and the rules of the Indiana State Department of Health issued thereunder.

This license shall not be assignable or transferable, and shall be subject to revocation, replacement, or reduction at any time by the Indiana State Department of Health for failure to comply with the laws of the State of Indiana or the rules of the Indiana State Department of Health issued thereunder.

License number 13-000515-1 is effective January 1, 2013 and expires December 31, 2013.



Kim Rhoades

KIM RHOADES
DIRECTOR, LONG TERM CARE DIVISION
PH 317/233-7289 FAX: 317/233-7322

SDH 23-028
State Form 44876 (R3/5-05)
HEA FAC/CERT



State of Illinois 2109786
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

LA MAR HASLORD, MD, MPH Issued under the authority of
 The State of Illinois
 Department of Public Health

EXPIRATION DATE	CATEGORY	ID NUMBER
12/29/2013	A-1	5103661
ASSISTED LIVING LICENSE		
ISSUED: 12/29/12		
24 REGULAR UNITS		
24 TOTAL UNITS		

BUSINESS ADDRESS
STATE UNRESTRICTED
LICENSEE BUSINESS ADDRESS

PLEASANT VIEW HEARTHSTONE AL
505 COLLEGE AVENUE
CHICAGO IL 61350

The face of this license has a colored background. Printed by Authority of the State of Illinois • 4/07 •

DISPLAY THIS PART IN A
 CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN
 IDENTIFICATION

State of Illinois 2109786
Department of Public Health
LICENSE, PERMIT, CERTIFICATION, REGISTRATION

EXPIRATION DATE	CATEGORY	ID NUMBER
12/29/2013	A-1	5103661

ASSISTED LIVING LICENSE
24 REGULAR UNITS
24 TOTAL UNITS

11/27/12
PLEASANT VIEW HEARTHSTONE AL
505 COLLEGE AVENUE
CHICAGO IL 61350

FEE RECEIPT NO.

ATTACHMENT 12



State of Illinois 2126269
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

LA MAR HASBROUCK, MD, MPH
DIRECTOR

Issued under the authority of
The State of Illinois
Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
04/05/2014	BGBE	0012864
LONG TERM CARE LICENSE SKILLED 090		
UNRESTRICTED 090 TOTAL BEDS		

BUSINESS ADDRESS

LICENSEE

PLEASANT VIEW LUTHER HOME, INC.

PLEASANT VIEW LUTHER HOME
505 COLLEGE AVENUE
OTTAWA IL 61350
EFFECTIVE DATES: 04/06/13

The Seal of this License is Valid and Authenticity of the State of Illinois • 497 •

DISPLAY THIS PART IN A
CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN
IDENTIFICATION

State of Illinois 2126269
Department of Public Health
LICENSE, PERMIT, CERTIFICATION, REGISTRATION

EXPIRATION DATE	CATEGORY	I.D. NUMBER
04/05/2014	BGBE	0012864

LONG TERM CARE LICENSE
SKILLED 090

UNRESTRICTED 090 TOTAL BEDS

REGION 2

03/20/13

PLEASANT VIEW LUTHER HOME
505 COLLEGE AVENUE
OTTAWA IL 61350

FEE RECEIPT NO.

Dale Galassie
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Luther Oaks, Inc. CON Application

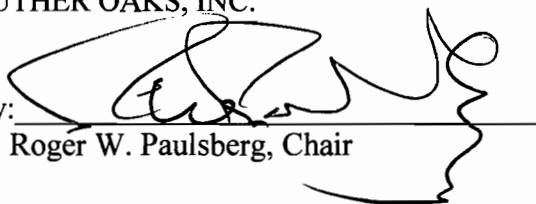
Dear Chairman Galassie:

Please be advised that no adverse action as defined under Sections 1125.140 and 1130.140 of the Health Facilities and Services Review Board ("HFSRB") Rules has been taken within three (3) years preceding the filing of the permit application against Luther Oaks, Inc. or against any health care facility controlled, owned or operated by it, directly or indirectly.

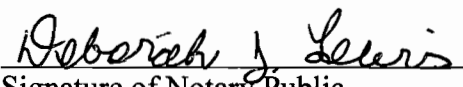
Furthermore, pursuant to 77 Ill. Admin. Code § 1125.520(c)(3), I hereby authorize the HFSRB and the Illinois Department of Public Health ("IDPH") to access any documents necessary to verify the information submitted as part of this permit application. I further authorize HFSRB and IDPH to obtain any additional documentation or information that HFSRB or IDPH deems necessary for the review or processing of this application.

Sincerely,

LUTHER OAKS, INC.

By: 
Roger W. Paulsberg, Chair

Notarization:
Subscribed and sworn to before me
this 23 day of April, 2013

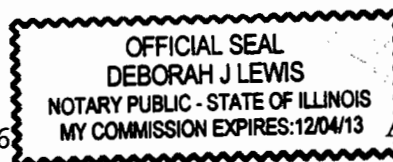

Signature of Notary Public

Seal

*Vibrant, grace-filled living
across all generations*

601 Lutz Road · Bloomington, IL 61704
(309) 664-5940 · fax (309) 664-5999
2052660317364148763
www.LutherOaks.org

0096



ATTACHMENT 12

Lutheran Life Ministries

3150 Salt Creek Lane · Arlington Heights, IL 60005
(847) 368-7551 · fax (847) 368-7320

Dale Galassie
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Luther Oaks, Inc. CON Application

Dear Chairman Galassie:

Please be advised that in the three (3) years preceding the filing of the permit application, one (1) adverse action as defined under Sections 1125.140 and 1130.140 of the Health Facilities and Services Review Board ("HFSRB") Rules has been taken against Pleasant View Luther Home, Inc. ("PVLH"), of which co-applicant Lutheran Life Ministries is the parent corporation.

On September 1, 2010, the Center for Medicare and Medicaid Services ("CMS") issued a final Disposition of Remedies to PVLH denying payment for new Medicare and Medicaid admissions from July 14, 2010 through July 19, 2010. This remedy was imposed in relation to non-compliance with Life Safety Code Standard NFPA 101 following a Life Safety Code revisit which occurred on June 7, 2010. However, it should be noted that after a second revisit on July 20, 2010, CMS concluded that PVLH was found to be in substantial compliance with Medicare/Medicaid participation requirements.

I hereby certify that the above is a complete listing of all adverse actions taken against all entities that Lutheran Life Ministries is the sole corporate member of and exercises control over in the (3) years preceding the filing of the permit application.

Furthermore, pursuant to 77 Ill. Admin. Code § 1125.520(c)(3), I hereby authorize the HFSRB and the Illinois Department of Public Health ("IDPH") to access any documents necessary to verify the information submitted as part of this permit application. I further authorize HFSRB and IDPH to obtain any additional documentation or information that HFSRB or IDPH deems necessary for the review or processing of this application.

Sincerely,

LUTHERAN LIFE MINISTRIES

By:

Roger W. Paulsberg, President/CEO

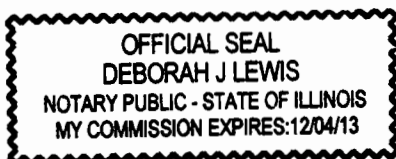
Notarization:

Subscribed and sworn to before me
this 23 day of April, 2013

Deborah J. Lewis
Signature of Notary Public

Seal

2074632\2\17364\48763



empowering vibrant, grace-filled living
across all generations

ATTACHMENT 12

**LUTHER OAKS, INC.
CON APPLICATION
CRITERION 1125.530
PLANNING AREA NEED**

1. Identify the calculated number of beds needed (excess) in the planning area. See HFSRB website (<http://hfsrb.illinois.gov>) and click on "Health Facilities Inventories & Data".

According to the March 18, 2013 Update to the Illinois Department of Public Health's Inventory of Health Care Facilities and Services and Need Determination, there is an identified need for 188 additional skilled nursing care beds in McLean County (See ATTACHMENT 10-B).

2. Attest that the primary purpose of the project is to serve residents of the planning area and that at least 50% of the patients will come from within the planning area.

Please see ATTACHMENT 13-B, which contains an attestation from Luther Oaks that the primary purpose of the project is to serve the residents of the planning area and that at least 50% of the residents will come from within the planning area. Luther Oaks currently derives over 80% of the residents in its independent living and assisted living units from within the planning area. Specifically, the residents in Luther Oaks' independent living and assisted living units are from the following zip codes within the planning area: 61701, 61704, 61705, 61761, 61743, 61764, 61725 and 61739. 83% of Luther Oaks' current independent living residents are from within the foregoing zip codes within the planning area, 80% of Luther Oaks' current assisted living residents are from within the foregoing zip codes within the planning area, and 81% of Luther Oaks' current memory support residents are from within the foregoing zip codes within the planning area. The overall percentage of residents of Luther Oaks' from within the foregoing zip codes within the planning area is 81.3%.

3. Provide letters from referral sources (hospitals, physicians, social services and others) that attest to total number of prospective residents (by zip code of residence) who have received care at existing LTC facilities located in the area during the 12-month period prior to submission of the application. Referral sources shall verify their projections and the methodology used, as described in Section 1125.540.

Appended as ATTACHMENT 14-B are copies of letters from hospitals and physicians in the planning area supporting the project through potential referrals.

April 23 2013

Mr. Dale Galassie
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Luther Oaks, Inc. CON Application – Section 1125.530 Attestation

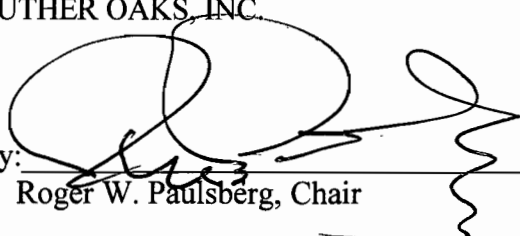
Dear Chairman Galassie:

In compliance with Section 1125.530 of the Illinois Health Facilities and Services Review Board (“HFSRB”) Rules, we hereby certify that the primary purpose of constructing a new skilled nursing facility is to serve residents of our planning area.

We further certify that at least fifty percent (50%) of patients who will utilize our skilled nursing facility will come from within our planning area.

Sincerely,

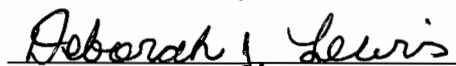
LUTHER OAKS, INC.

By: 

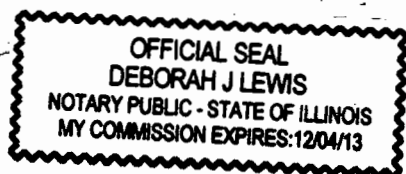
Roger W. Paulsberg, Chair

Notarization:

Subscribed and sworn to before me
this 23 day of April, 2013


Signature of Notary Public

Seal



**LUTHER OAKS, INC.
CON APPLICATION
CRITERION 1125.540
SERVICE DEMAND – ESTABLISHMENT OF GENERAL LONG TERM CARE**

1. Document the number of referrals to other facilities, for each proposed category of service, for each of the latest two years. Documentation of the referrals shall include: resident/patient origin by zip code; name and specialty of referring physician or identification of another referral source; and name and location of the recipient LTC facility.

Appended as ATTACHMENT 14-A is documentation of the number of referrals made by Luther Oaks to other LTC facilities for each of the latest two years.

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

Appended as ATTACHMENT 14-B are copies of letters from referral sources attesting to the total number of prospective residents that have received care at existing LTC facilities in the area during the 12-month period prior to submission of this application.

3. Estimate the number of prospective residents whom the referral sources will refer annually to the applicant's facility within a 24-month period after project completion. Please note:

- The anticipated number of referrals cannot exceed the referral sources' documented historical LTC caseload.
- The percentage of project referrals used to justify the proposed expansion cannot exceed the historical percentage of applicant market share, within a 24-month period after project completion
- Each referral letter shall contain the referral source's Chief Executive Officer's notarized signature, the typed or printed name of the referral source, and the referral source's address

ATTACHMENT 14

The letters appended as **ATTACHMENT 14-B** also contain the number of prospective residents whom the referral sources will refer annual to Luther Oaks' proposed skilled nursing facility. The following table summarizes the contents of the attached referral letters:

PROVIDER REFERRAL LETTERS				
	Historical Patients referred each month		Proposed Patients to be referred per month	
Name of Provider	Minimum	Maximum	Minimum	Maximum
Dr. Uday Deoskar	0	64	0	10
Dr. Artur Djagarian	0	10	5	10
Dr. Sumit Ranjan	0	15	2	5
Dr. James Vales	60	70	10	20
OSF St. Joseph Medical Center	0	872	100	200
Amy Golden, APN	0	20	0	6
Dr. Gustavo Galue	0	15	0	15
Dr. Larry Kneezel	0	30	0	10

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

The required verification is included in each of the letters appended hereto as **ATTACHMENT 14-B**.

5. This item is not germane because the projected demand for service is not based on rapid population growth.

ATTACHMENT 14

YELLOW	HERITAGE NORMAL	10	
GREEN	MEADOWS	6	
ORANGE	HERITAGE BLOOMINGTON	5	
		6	
		2	
		1	
		1	
2/26/2011	Heritage Normal	61704	
7/7/2011	MEADOWS	46383	
7/21/2011	Heritage Bloomington	61761	
7/24/2011			Jacksonville, FL
8/27/2011	SNF by dgtr. Out of state	61704	
8/31/2011		61704	
9/15/2011	MEADOWS	61704	
10/6/2011	SNF by dgtr. Out of state	61704	
10/10/2011	SNF by dgtr. Out of state	77450	
11/7/2011	MEADOWS	61704	
11/12/2011	MEADOWS	61704	
12/3/2011	Heritage Normal		Atlanta, GA
1/27/2012	Heritage Normal	61761	
2/20/2012	Heritage Normal		Atlanta, GA to IL
2/29/2012	Heritage Normal	61704	
3/31/2012	Heritage Normal	61701	
4/21/2012		61761	
5/26/2012	Heritage Bloomington	61761	
5/31/2012		61701	
6/1/2012	MEADOWS	61774	
6/9/2012	Heritage Bloomington	61761	
6/14/2012		61704	
6/30/2012	Sugar Creek - Springfield	61704	
7/8/2012		61704	
7/29/2012		61704	
8/3/2012		61761	
10/3/2012	Heritage Bloomington	61748	
10/9/2012	MEADOWS	60137	
10/31/2012	Home w/ 24 hr. care from family	61704	
12/22/2012	Heritage Bloomington	61704	
12/29/2012		61704	
1/7/2013	Sugar Creek - Normal	61761	
2/15/2013	Heritage Normal	61761	
2/15/2013	Evergreen AL d/t wife needing SNF	61761	
2/28/2013		61704	
3/2/2013	Heritage Normal	61761	
4/1/2013	Heritage Normal	60143	
4/13/2012	Heritage Normal	61761	

ATTACHMENT 14-A

DE SKAR

Chairman Dale Galassic
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Re: Referrals for Luther Oaks, Inc. – New Skilled Nursing Facility

As a physician serving the Bloomington area and its surrounding communities, I intend to refer patients to the proposed skilled care nursing facility at Luther Oaks, Inc., located at 601 Lutz Rd, Bloomington, Illinois.

It is my understanding that the proposed new skilled care nursing facility will add thirty-six (36) beds to serve the communities' skilled nursing needs. I estimate that I will refer approximately ten (10) patients annually to Luther Oaks, Inc. in the twenty-four (24), month period following the date on which the new skilled nursing facility is completed.

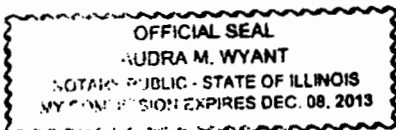
In the past twelve (12) months, I have referred approximately sixty-four (64) patients to other skilled nursing facilities in the health service area in which Luther Oaks is located. The zip codes of residence for such patients are as follows: 61701, 61704, 61761, & surrounding areas.

The aforementioned information is true and accurate to the best of my knowledge. Further, I verify that I have not used the above-mentioned referrals to support another pending or approved Certificate of Need application for a skilled nursing facility.

Sincerely,



Uday L. Deoskar M.D.; Chief Executive Officer



Notarization:

Subscribed and sworn to before me

This 2nd day of April, 2013

Signature of Notary Public

Seal



Advocate Medical Group

1010 Genoa Avenue Suite 1000 Normal, IL 61751-1100 309.266.7777 Fax 309.266.2777 www.advocatehealth.com

Chairman Dale Galassie
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Re: Referrals for Luther Oaks, Inc. – New Skilled Nursing Facility

As a PCP, Dr. D. J. HARRIS serving the Bloomington area and its surrounding communities, I intend to refer patients to the proposed skilled care nursing facility at Luther Oaks, Inc., located at 601 Lutz Rd, Bloomington, Illinois.

It is my understand that the proposed new skilled care nursing facility will add thirty-six (36) beds to serve the community's skilled nursing needs. I estimate that I will refer approximately 5-10 patients annually to Luther Oaks, Inc. in the twenty-four (24) month period following the date on which the new skilled nursing facility is completed.

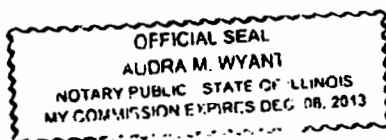
In the past twelve (12) months, I have referred approximately 10 patients to other skilled nursing facilities in the health service area in which Luther Oaks is located. The zip codes of residence for such patients are as follows: 61761, 61704.

The aforementioned information is true and accurate to the best of my knowledge. Further, I verify that I have not used the above-mentioned referrals to support another pending Certificate of Need application for a skilled nursing facility.

Sincerely,

[Signature] 4/22/13
Per approved

[Chief Executive Officer Signature]



Notarization:
Subscribed and sworn to before me
this 22 day of April, 2013

[Signature]
Signature of Notary Public

Seal

Advocate Medical Group

1002 Franklin Avenue, Suite 1100 • Normal, IL 61701 • P 309.266.5777 • F 309.268.2777 • advocatehealth.com

Chairman Dale Galassie
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Re: Referrals for Luther Oaks, Inc. – New Skilled Nursing Facility

As a Physician (FM) serving the Bloomington area and its surrounding communities, I intend to refer patients to the proposed skilled care nursing facility at Luther Oaks, Inc., located at 601 Lutz Rd, Bloomington, Illinois.

It is my understand that the proposed new skilled care nursing facility will add thirty-six (36) beds to serve the community's skilled nursing needs. I estimate that I will refer approximately 2-5 patients annually to Luther Oaks, Inc. in the twenty-four (24) month period following the date on which the new skilled nursing facility is completed.

In the past twelve (12) months, I have referred approximately 15 patients to other skilled nursing facilities in the health service area in which Luther Oaks is located. The zip codes of residence for such patients are as follows: 61761, 61709.

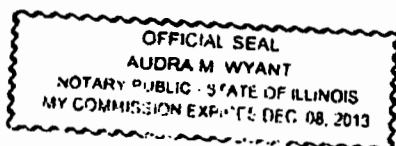
The aforementioned information is true and accurate to the best of my knowledge. Further, I verify that I have not used the above-mentioned referrals to support another pending Certificate of Need application for a skilled nursing facility.

Signature approved

Sincerely,

Sumit Ranjan

[Chief Executive Officer Signature]



Notarization:

Subscribed and sworn to before me
this 12 day of April, 2013

Audra Wyant
Signature of Notary Public

Seal

Advocate Medical Group

2040 Lincoln Avenue, Suite 1000, Normal, IL 61751 | T 309.268.7707 F 309.268.1779 | www.ama-medical.com

Chairman Dale Galassie
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Re: Referrals for Luther Oaks, Inc. – New Skilled Nursing Facility

As a physician serving the Bloomington area and its surrounding communities, I intend to refer patients to the proposed skilled care nursing facility at Luther Oaks, Inc., located at 601 Lutz Rd, Bloomington, Illinois.

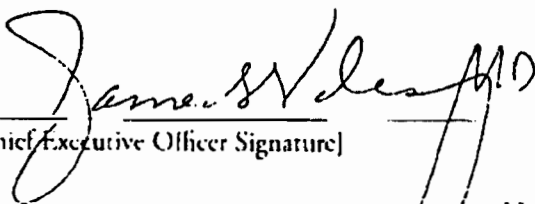
It is my understand that the proposed new skilled care nursing facility will add thirty-six (36) beds to serve the community's skilled nursing needs. I estimate that I will refer approximately 10-20 patients annually to Luther Oaks, Inc. in the twenty-four (24) month period following the date on which the new skilled nursing facility is completed.

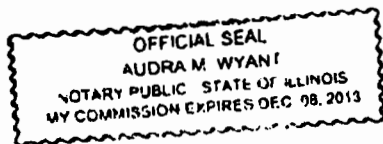
In the past twelve (12) months, I have referred approximately 60-70 patients to other skilled nursing facilities in the health service area in which Luther Oaks is located. The zip codes of residence for such patients are as follows: 61761.

The aforementioned information is true and accurate to the best of my knowledge. Further, I verify that I have not used the above-mentioned referrals to support another pending Certificate of Need application for a skilled nursing facility.

or approved

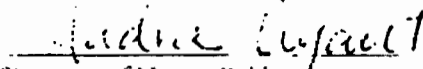
Sincerely,


[Chief Executive Officer Signature]



Notarization:

Subscribed and sworn to before me
this 11 day of April, 2013


Signature of Notary Public

Seal



ST. JOSEPH MEDICAL CENTER

Illinois Health Facilities and Services Review Board
Attention: Chair
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Re: Referrals for Luther Oaks, Inc. - New Skilled Nursing Facility

As a hospital serving the Bloomington area and its surrounding communities, OSF St. Joseph Medical Center intends to refer patients to the proposed skilled care nursing facility at Luther Oaks, Inc., located at 601 Lutz Rd, Bloomington, Illinois.

It is my understand that the proposed new skilled care nursing facility will add thirty-six (36) beds to serve the community's skilled nursing needs. I estimate that OSF St. Joseph Medical Center will refer approximately 100- 200 patients annually to Luther Oaks, Inc. in the twenty-four (24) month period following the date on which the new skilled nursing facility is completed.

In order to continue receiving patient referrals, Luther Oaks will be required to achieve and maintain a FOUR STAR OVERALL RATING per CMS Nursing Home Compare.

In the past twelve (12) months, OSF St. Joseph Medical Center has referred approximately 872 patients to other skilled nursing facilities in the health service area in which Luther Oaks is located. The zip codes of residence for such patients are as follows: 61701, 61704, 61705, 61727, 61728, 61738, 61739, 61740, 61741, 61745, 61752, 61753, 61761, 61764.

The aforementioned information is true and accurate to the best of my knowledge. Further, I verify that OSF St. Joseph Medical Center has not used the above-mentioned referrals to support another pending or approved Certificate of Need application for a skilled nursing facility.

Sincerely,

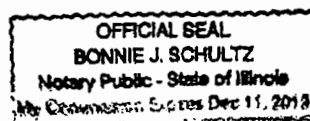
Kenneth J. Matzke
President and CEO

Notarization:

Subscribed and sworn to before me

this 19th day of April, 2013

Signature of Notary Public



SEAL



Chairman Dale Galassie
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Re: Referrals for Luther Oaks, Inc. – New Skilled Nursing Facility

As a ACN serving the Bloomington area and its surrounding communities, I intend to refer patients to the proposed skilled care nursing facility at Luther Oaks, Inc., located at 601 Lutz Rd, Bloomington, Illinois.

It is my understand that the proposed new skilled care nursing facility will add thirty-six (36) beds to serve the community's skilled nursing needs. I estimate that I will refer approximately 60 patients annually to Luther Oaks, Inc. in the twenty-four (24) month period following the date on which the new skilled nursing facility is completed.

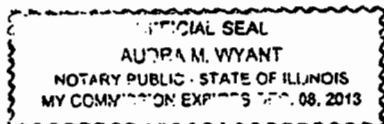
In the past twelve (12) months, I have referred approximately 20 patients to other skilled nursing facilities in the health service area in which Luther Oaks is located. The zip codes of residence for such patients are as follows: 62701, 62702.

The aforementioned information is true and accurate to the best of my knowledge. Further, I verify that I have not used the above-mentioned referrals to support another pending Certificate of Need application for a skilled nursing facility.

Sincerely,

AG

[Chief Executive Officer Signature]



Notarization:

Subscribed and sworn to before me
this 20th day of April, 2013

Signature of Notary Public

Seal



Chairman Dale Galassie
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Re: Referrals for Luther Oaks, Inc. – New Skilled Nursing Facility

As a Gustavo Galie serving the Bloomington area and its surrounding communities, I intend to refer patients to the proposed skilled care nursing facility at Luther Oaks, Inc., located at 601 Lutz Rd, Bloomington, Illinois.

It is my understand that the proposed new skilled care nursing facility will add thirty-six (36) beds to serve the community's skilled nursing needs. I estimate that I will refer approximately 15 patients annually to Luther Oaks, Inc. in the twenty-four (24) month period following the date on which the new skilled nursing facility is completed.

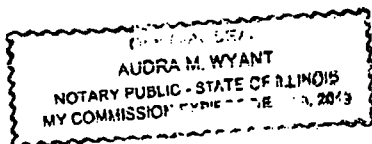
In the past twelve (12) months, I have referred approximately 15 patients to other skilled nursing facilities in the health service area in which Luther Oaks is located. The zip codes of residence for such patients are as follows: 61704, 61701.

The aforementioned information is true and accurate to the best of my knowledge. Further, I verify that I have not used the above-mentioned referrals to support another pending Certificate of Need application for a skilled nursing facility. GG

Sincerely,

[Handwritten Signature]
Eusebio Galie, MD

[Chief Executive Officer Signature]



Notarization:

Subscribed and sworn to before me
this _____ day of _____, 2013

Signature of Notary Public

Seal



Chairman Dale Galassie
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Re: Referrals for Luther Oaks, Inc. - New Skilled Nursing Facility

As a PHYSICIAN serving the Bloomington area and its surrounding communities, I intend to refer patients to the proposed skilled care nursing facility at Luther Oaks, Inc., located at 601 Lutz Rd, Bloomington, Illinois.

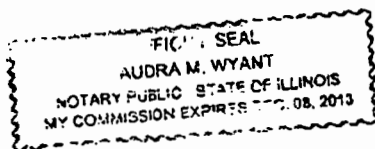
It is my understand that the proposed new skilled care nursing facility will add thirty-six (36) beds to serve the community's skilled nursing needs. I estimate that I will refer approximately 10 patients annually to Luther Oaks, Inc. in the twenty-four (24) month period following the date on which the new skilled nursing facility is completed.

In the past twelve (12) months, I have referred approximately 30 patients to other skilled nursing facilities in the health service area in which Luther Oaks is located. The zip codes of residence for such patients are as follows: 61702, 61701.

The aforementioned information is true and accurate to the best of my knowledge. Further, I verify that I have not used the above-mentioned referrals to support another pending Certificate of Need application for a skilled nursing facility.

Sincerely,

[Chief Executive Officer Signature]



Notarization:

Subscribed and sworn to before me
this 10th day of April, 2013

Signature of Notary Public

Seal

**LUTHER OAKS, INC.
CON APPLICATION
CRITERION 1125.570
SERVICE ACCESSIBILITY**

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

- o The absence of the proposed service within the planning area;**
- o Access limitations due to payor status of patients/residents, including, but not limited to, individuals with LTC coverage through Medicare, Medicaid, managed care or charity care;**
- o Restrictive admission policies of existing providers; or**
- o The area population and existing care system exhibit indicators of medical care problems, such as an average family income level below the State average poverty level, or designation by the Secretary of Health and Human Services as a Health Professional Shortage Area, a Medically Underserved Area, or a Medically Underserved Population.**

According to the March 18, 2013 Update to the Illinois Department of Public Health's Inventory of Health Care Facilities and Services and Need Determination, there is an identified need for 188 additional skilled nursing care beds in McLean County. This project will help reduce the shortage of beds by adding 36 long-term care beds.

There is also a shortage of private skilled nursing care beds with a focus on a person-centered care delivery model. In the planning area, there are only approximately 161 private rooms out of the 1,493 skilled nursing beds currently in operation. The project will add 32 private skilled nursing care beds to the McLean County Planning Area and all of the residents (including the two semi-private rooms) will be organized into person-centered households. None of the other skilled nursing facilities in the McLean County Planning Area have a facility designed to provide this level of person-centered care. The design of the project is intended to create as home-like of a setting as possible for the residents in order to assist the residents in their transition process from independent and/or assisted living into a skilled care environment. The goal of the person-centered care model is to improve the quality of life and quality of care provided to the residents. The architectural design of the Luther Oaks facility will give patients the option of eating in an intimate dining area or in their rooms, and there are common areas where patients can choose to socialize with their friends, family members and other patients. All of these factors help the resident recover more quickly. Please see the article attached as **ATTACHMENT 10-A** which more fully describes the clinical benefits of person-centered care. With predominately private rooms, the project will increase the residents' comfort and privacy. In addition, private rooms will allow Luther Oaks to more effectively control infections, such as MRSA and the flu.

As part of health care reform, hospitals will be penalized in their reimbursement if a resident discharged to a skilled nursing facility is readmitted to the hospital within the thirty (30) day

ATTACHMENT 17

period following such resident's discharge from the hospital. The commitment of OSF St. Joseph Medical Center to refer up to 200 patients per year to Luther Oaks is evidence of the demand for a high quality skilled nursing facility which provides person-centered rehabilitation care in private rooms. Luther Oaks has also been informed by Advocate BroMenn Hospital that BroMenn will provide a letter committing referrals to Luther Oaks. It is critical that hospitals and other health care providers in the McLean County Planning Area have access to skilled nursing facilities with a proven track record of maintaining low readmission rates. As a system, Lutheran Life Ministries has a proven track record of low readmission rates. The average system readmission rate is 12.8%, which is much lower than the average for Medicare beneficiaries nationwide. According to the Long Term Quality Alliance (as published in Improving Care Transitions from June 2012), the average readmission rate for Medicare beneficiaries is 17.6%. In addition, the Lutheran Home, which is the largest skilled nursing facility in the system with 392 beds, has an average readmission rate of 9.5%. One important factor in keeping readmission rates low is the implementation of a comprehensive short-term rehabilitation program. Lutheran Life Ministries has successfully implemented this type of program at all of its other campuses and will bring this expertise to the Luther Oaks campus as well.

Luther Oaks currently provides dementia care in its assisted living facility and based on a survey conducted by Luther Oaks' staff, Luther Oaks is the only provider in the McLean County area that provides dementia care programming that includes the Reality Comprehension Clock Test ("RCCT"). The RCCT is used as a tool specifically designed for the life enrichment or activity department to achieve a greater understanding of each individual's cognitive level in order to plan appropriate programming. The assessment allows for individuals with similar cognitive levels to be grouped into smaller groups for activities in which they would be successful. This tool promotes a person-centered approach that helps Luther Oaks' caregivers focus on residents' remaining skills and abilities. Of the 6 existing facilities in the area that provide memory support, only two are within a 15 minute drive time of the Luther Oaks campus. These two facilities have current occupancy of their memory support beds of 100% and 96%, as determined by Sawgrass Partners, LLC during their recent phone survey as part of their Market Assessment (See ATTACHMENT 17-C).

2. The applicant shall provide the following documentation, as applicable, concerning existing restrictions to service access:

a. The location and utilization of other planning area service providers;

Based on the Inventory of Long-Term Care Services dated October 14, 2011, the weighted average occupancy of facilities within the 30 minute drive time of Luther Oaks was 77%. However, the occupancy at the existing facilities with the 30 minute drive time of Luther Oaks has improved dramatically over the past two years. As part of the Market Assessment conducted by Sawgrass Partners, LLC, Sawgrass obtained current occupancy information on the facilities located within a 30 minute drive time of Luther Oaks. The average weighted occupancy for such facilities as of April 12, 2013 was 86% (when measured using beds in operation as opposed to licensed beds), which is close to the State standard of 90% (See ATTACHMENT 17-D).

ATTACHMENT 17

Some of the reasons for lower occupancy in some of the skilled nursing facilities within a 30 minute drive time are as follows:

- Bloomington Rehab and Health Care Center, Asta Care Center of Bloomington, Leroy Manor, Symphony of Lincoln and Manor Care of Clinton all have a two-star or less rating from the Centers for Medicare and Medicaid Services;
- Westminster does not have any Medicaid beds, and Luther Oaks will have six (6) beds certified for Medicaid;
- Hopedale Nursing Home does not have beds certified for Medicare or Medicaid;
- OSF St. Joseph Medical Center has committed to refer up to 200 patients to Luther Oaks, which indicates that OSF St. Joseph Medical Center finds such referrals will not cause problems for its own skilled nursing beds;
- Heritage Health Normal is reported by Sawgrass to have more than 30% of its patients characterized as having a mental illness (See ATTACHMENT 17-D); and
- Maple Lawn is reported by Sawgrass to have more than 40% of its patients characterized as having a mental illness (See ATTACHMENT 17-D).

The remaining 4 skilled nursing facilities which had reported occupancy rates of less than 90% in the most recent Illinois Department of Public Health statistics were all over 80% based on their licensed beds: McLean County Nursing Home, 88%; Heartland Normal, 81%; Heritage El Paso, 82%; El Paso Health Care, 86% (See ATTACHMENT 17-D). The Sawgrass phone survey conducted in early 2013 asked those same facilities what their occupancy rate for the number of beds currently in operation and the following information was provided: McLean County Nursing Home, 96%; Heartland Normal, 87%; Heritage El Paso, 91%; El Paso Health Care, 98% (See ATTACHMENT 17-D).

While the overall occupancy in the area is below 90%, Luther Oaks has identified a need within the planning area for skilled nursing beds in private rooms which are in a facility designed to provide person-centered care and which are dedicated to short-term rehabilitation care. This need is also evidenced by the letters from local hospitals committing to support the project through referrals. There is no other provider in the area that is providing person-centered short-term rehabilitation care in a wing with all private rooms and full private bathrooms with showers. With predominately private bedrooms, the project will increase the residents' comfort and privacy. In addition, private rooms will allow Luther Oaks to more effectively control infections, such as MRSA and the flu. In addition, the short-term rehabilitation services provided by Luther Oaks will help to reduce the readmission of patients to hospitals. Lutheran Life Ministries has a proven track record of low readmission rates and will help to keep readmission rates low in the planning area. In addition, there is a demand in the planning area for private long term care beds as there are only approximately 161 private rooms out of the 1,493 skilled nursing beds currently in operation. The project will add an additional 32 private skilled care beds to the planning area in a state of the art facility.

ATTACHMENT 17

As of April 16, 2013, Luther Oaks had 148 residents residing on its campus. The new 36-bed skilled nursing facility will be able to serve these residents' needs as they transition through the continuum of care. In addition, the project will allow Luther Oaks to bring its expertise in dementia care utilizing the RCCT to residents of the community in need of skilled nursing care with dementia programming, since such programming is not available at other area facilities. The use of the RCCT tool promotes a person-centered approach that will help Luther Oaks' caregivers focus on residents' remaining skills and abilities and enable Luther Oaks' caregivers to provide the residents with innovative dementia care programming.

b. Patient/resident location information by zip code;

Not applicable.

c. Independent time-travel studies;

Not applicable.

d. Certification of a waiting list;

Not applicable.

e. Admission restrictions that exist in area providers;

Not applicable.

f. An assessment of area population characteristics that document that access problems exist;

Not applicable.

g. Most recently published IDPH Long Term Care Facilities Inventory and Data (see www.hfsrb.illinois.gov).

The McLean County nursing facilities' profiles are attached hereto as ATTACHMENT 17-A. The Health Service Area 4 profile is attached hereto as ATTACHMENT 17-B.

ATTACHMENT 17

BLOOMINGTON REHABILITATION AND HEALTH C
 1925 SOUTH MAIN STREET
 BLOOMINGTON, IL. 61704
Reference Numbers Facility ID 6000996
 Health Service Area 004 Planning Service Area 113

Administrator
 JANICE KINDRED

Contact Person and Telephone
 Marikay Snyder
 309-691-8113

Registered Agent Information
 Marikay Snyder
 830 W Trailcreek Dr
 Peoria, IL 61614

FACILITY OWNERSHIP
 LIMITED LIABILITY CO

CONTINUING CARE COMMUNITY No
LIFE CARE FACILITY No

ADMISSION RESTRICTIONS
 Aggressive/Anti-Social 0
 Chronic Alcoholism 0
 Developmentally Disabled 0
 Drug Addiction 0
 Medicaid Recipient 0
 Medicare Recipient 0
 Mental Illness 0
 Non-Ambulatory 0
 Non-Mobile 0
 Public Aid Recipient 0
 Under 65 Years Old 0
 Unable to Self-Medicate 0
 Ventilator Dependent 1
 Infectious Disease w/ Isolation 0
 Other Restrictions 1
 No Restrictions 0

Note: Reported restrictions denoted by 'I'

RESIDENTS BY PRIMARY DIAGNOSIS
DIAGNOSIS
 Neoplasms 2
 Endocrine/Metabolic 2
 Blood Disorders 0
 *Nervous System Non Alzheimer 3
 Alzheimer Disease 3
 Mental Illness 8
 Developmental Disability 4
 Circulatory System 6
 Respiratory System 3
 Digestive System 0
 Genitourinary System Disorders 2
 Skin Disorders 0
 Musculo-skeletal Disorders 6
 Injuries and Poisonings 1
 Other Medical Conditions 3
 Non-Medical Conditions 0
TOTALS 43
Total Residents Diagnosed as Mentally Ill 19

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS		BESDS SET-UP	BESDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED	ADMISSIONS AND DISCHARGES - 2011	
		SET-UP	USED						Residents on 1/1/2011	
Nursing Care	78	68	55	68	43	35	26	78	45	
Skilled Under 22	0	0	0	0	0	0		0	87	
Intermediate DD	0	0	0	0	0	0		0	89	
Sheltered Care	0	0	0	0	0	0		0	43	
TOTAL BEDS	78	68	55	68	43	35	26	78		Identified Offenders 3

FACILITY UTILIZATION - 2011

BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds
	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days		Occ. Pct.	Set Up
Nursing Care	1193	12.6%	12528	44.0%	1335	117	1927	0	17100	60.1%	68.9%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	1193	12.6%	12528	44.0%	1335	117	1927	0	17100	60.1%	68.9%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	4	1	0	0	0	0	0	0	4	1	5
60 to 64	1	1	0	0	0	0	0	0	1	1	2
65 to 74	7	6	0	0	0	0	0	0	7	6	13
75 to 84	5	6	0	0	0	0	0	0	5	6	11
85+	7	5	0	0	0	0	0	0	7	5	12
TOTALS	24	19	0	0	0	0	0	0	24	19	43

BLOOMINGTON REHABILITATION AND HEALTH C

1925 SOUTH MAIN STREET

BLOOMINGTON, IL. 61704

Reference Numbers Facility ID 6000996

Health Service Area 004 Planning Service Area 113

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	0	38	0	0	5	0	43
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	0	38	0	0	5	0	43

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	140	130
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SkilUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	4	0	0	0	4
Hawaiian/Pac. Isl.	0	0	0	0	0
White	39	0	0	0	39
Race Unknown	0	0	0	0	0
Total	43	0	0	0	43

ETHNICITY	Nursing	SkilUnd22	ICF/DD	Shelter	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	43	0	0	0	43
Ethnicity Unknown	0	0	0	0	0
Total	43	0	0	0	43

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	4.00
LPN's	7.00
Certified Aides	16.00
Other Health Staff	0.00
Non-Health Staff	17.00
Totals	46.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
30.4%	58.0%	0.0%	1.9%	9.7%	100.0%		0.3%
775,059	1,477,959	0	49,358	247,976	2,550,352	6,898	

*Charity Expense does not include expenses which may be considered a community benefit.

WESTMINSTER VILLAGE			ADMISSION RESTRICTIONS		RESIDENTS BY PRIMARY DIAGNOSIS		
2025 EAST LINCOLN STREET			Aggressive/Anti-Social	1	DIAGNOSIS		
BLOOMINGTON, IL 61701			Chronic Alcoholism	1	Neoplasms	2	
Reference Numbers	Facility ID	6009922	Developmentally Disabled	1	Endocrine/Metabolic	0	
Health Service Area	004	Planning Service Area	113	Drug Addiction	Blood Disorders	0	
Administrator			Medicaid Recipient	1	*Nervous System Non Alzheimer	10	
RHONDA POLZIN			Medicare Recipient	0	Alzheimer Disease	2	
			Mental Illness	1	Mental Illness	0	
Contact Person and Telephone			Non-Ambulatory	0	Developmental Disability	0	
RHONDA POLZIN			Non-Mobile	0	Circulatory System	14	
309-663-8474			Public Aid Recipient	0	Respiratory System	1	
Registered Agent Information	Date Completed		Under 65 Years Old	0	Digestive System	1	
		2/28/2012	Unable to Self-Medicate	0	Genitourinary System Disorders	0	
			Ventilator Dependent	1	Skin Disorders	1	
			Infectious Disease w/ Isolation	0	Musculo-skeletal Disorders	9	
			Other Restrictions	0	Injuries and Poisonings	3	
FACILITY OWNERSHIP			No Restrictions	0	Other Medical Conditions	8	
NON-PROF CORPORATION			Note: Reported restrictions denoted by 'I'			Non-Medical Conditions	0
CONTINUING CARE COMMUNITY	Yes					TOTALS	51
LIFE CARE FACILITY	Yes					Total Residents Diagnosed as Mentally Ill	14

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS									ADMISSIONS AND DISCHARGES - 2011	
LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED	Residents on 1/1/2011	32
Nursing Care	78	78	60	78	51	27	8	0	Total Admissions 2011	110
Skilled Under 22	0	0	0	0	0	0		0	Total Discharges 2011	91
Intermediate DD	0	0	0	0	0	0		0	Residents on 12/31/2011	51
Sheltered Care	0	0	0	0	0	0		0	Identified Offenders	0
TOTAL BEDS	78	78	60	78	51	27	8	0		

FACILITY UTILIZATION - 2011 BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE											
LEVEL OF CARE	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds Set Up
	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Occ. Pct.
Nursing Care	1704	58.4%	0	0.0%	0	0	13085	0	14789	51.9%	51.9%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	1704	58.4%	0	0.0%	0	0	13085	0	14789	51.9%	51.9%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011											
AGE GROUPS	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0
65 to 74	0	0	0	0	0	0	0	0	0	0	0
75 to 84	1	9	0	0	0	0	0	0	1	9	10
85+	7	34	0	0	0	0	0	0	7	34	41
TOTALS	8	43	0	0	0	0	0	0	8	43	51

WESTMINSTER VILLAGE
2025 EAST LINCOLN STREET
BLOOMINGTON, IL 61701

Reference Numbers Facility ID 6009922
Health Service Area 004 Planning Service Area 113

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	1	0	0	0	50	0	51
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	1	0	0	0	50	0	51

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	253	193
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SkUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pac. Isl.	0	0	0	0	0
White	51	0	0	0	51
Race Unknown	0	0	0	0	0
Total	51	0	0	0	51
ETHNICITY	Nursing	SkUnd22	ICF/DD	Shelter	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	51	0	0	0	51
Ethnicity Unknown	0	0	0	0	0
Total	51	0	0	0	51

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	6.00
LPN's	7.00
Certified Aides	24.00
Other Health Staff	1.00
Non-Health Staff	4.00
Totals	44.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
14.4%	0.0%	0.0%	0.0%	85.6%	100.0%		0.0%
443,567	0	0	0	2,643,604	3,087,171	0	

*Charity Expense does not include expenses which may be considered a community benefit.

OSF ST. JOSEPH MEDICAL CENTER			ADMISSION RESTRICTIONS		RESIDENTS BY PRIMARY DIAGNOSIS	
2200 EAST WASHINGTON STREET			Aggressive/Anti-Social	0	DIAGNOSIS	
BLOOMINGTON, IL. 61701			Chronic Alcoholism	0	Neoplasms	0
Reference Numbers Facility ID 6011407			Developmentally Disabled	0	Endocrine/Metabolic	0
Health Service Area 004 Planning Service Area 113			Drug Addiction	0	Blood Disorders	0
Administrator			Medicaid Recipient	0	*Nervous System Non Alzheimer	0
DEBORAH S SMITH			Medicare Recipient	0	Alzheimer Disease	0
Contact Person and Telephone			Mental Illness	0	Mental Illness	0
Kyle Scheuer			Non-Ambulatory	0	Developmental Disability	0
309-862-3311 ext 3070			Non-Mobile	0	Circulatory System	1
Registered Agent Information			Public Aid Recipient	0	Respiratory System	1
St. Joseph Medical Center			Under 65 Years Old	0	Digestive System	1
2200 E. Washington St.			Unable to Self-Medicate	0	Genitourinary System Disorders	0
Bloomington, IL 61701			Ventilator Dependent	1	Skin Disorders	0
FACILITY OWNERSHIP			Infectious Disease w/ Isolation	0	Musculo-skeletal Disorders	0
FOR-PROF CORPORATION			Other Restrictions	0	Injuries and Poisonings	0
CONTINUING CARE COMMUNITY			No Restrictions	0	Other Medical Conditions	1
LIFE CARE FACILITY			Note: Reported restrictions denoted by 'I'		Non-Medical Conditions	0
					TOTALS	4
					Total Residents Diagnosed as Mentally Ill	0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS									ADMISSIONS AND DISCHARGES - 2011	
LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED	Residents on 1/1/2011	3
Nursing Care	12	12	10	12	4	8	12	12	Total Admissions 2011	227
Skilled Under 22	0	0	0	0	0	0		0	Total Discharges 2011	226
Intermediate DD	0	0	0	0	0	0		0	Residents on 12/31/2011	4
Sheltered Care	0	0	0	0	0	0			Identified Offenders	0
TOTAL BEDS	12	12	10	12	4	8	12	12		

FACILITY UTILIZATION - 2011											
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE											
LEVEL OF CARE	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds Set Up
	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Occ. Pct.
Nursing Care	1341	30.6%	47	1.1%	0	171	0	25	1584	36.2%	36.2%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	1341	30.6%	47	1.1%	0	171	0	25	1584	36.2%	36.2%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011											
AGE GROUPS	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	0	2	0	0	0	0	0	0	0	2	2
60 to 64	0	1	0	0	0	0	0	0	0	1	1
65 to 74	1	0	0	0	0	0	0	0	1	0	1
75 to 84	0	0	0	0	0	0	0	0	0	0	0
85+	0	0	0	0	0	0	0	0	0	0	0
TOTALS	1	3	0	0	0	0	0	0	1	3	4

OSF ST. JOSEPH MEDICAL CENTER

2200 EAST WASHINGTON STREET

BLOOMINGTON, IL. 61701

Reference Numbers Facility ID 6011407

Health Service Area 004 Planning Service Area 113

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	1	0	0	2	0	1	4
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	1	0	0	2	0	1	4

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	453	453
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SkUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pac. Isl.	0	0	0	0	0
White	4	0	0	0	4
Race Unknown	0	0	0	0	0
Total	4	0	0	0	4

ETHNICITY	Nursing	SkUnd22	ICF/DD	Shelter	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	4	0	0	0	4
Ethnicity Unknown	0	0	0	0	0
Total	4	0	0	0	4

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	0.25
Physicians	0.05
Director of Nursing	0.50
Registered Nurses	4.50
LPN's	0.60
Certified Aides	3.30
Other Health Staff	0.60
Non-Health Staff	0.40
Totals	10.20

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
0	0	0	0	0	0	0	

*Charity Expense does not include expenses which may be considered a community benefit.

HERITAGE HEALTH - BLOOMINGTON			ADMISSION RESTRICTIONS		RESIDENTS BY PRIMARY DIAGNOSIS	
700 EAST WALNUT			Aggressive/Anti-Social	1	DIAGNOSIS	
BLOOMINGTON, IL. 61701			Chronic Alcoholism	1	Neoplasms	4
Reference Numbers Facility ID 6004261			Developmentally Disabled	1	Endocrine/Metabolic	5
Health Service Area 004 Planning Service Area 113			Drug Addiction	1	Blood Disorders	2
Administrator			Medicaid Recipient	0	*Nervous System Non Alzheimer	3
Susan Holfield			Medicare Recipient	0	Alzheimer Disease	6
Contact Person and Telephone			Mental Illness	1	Mental Illness	0
Rebecca Howard			Non-Ambulatory	0	Developmental Disability	1
309-828-4381			Non-Mobile	0	Circulatory System	25
Registered Agent Information			Public Aid Recipient	0	Respiratory System	8
Steve Wannemacher			Under 65 Years Old	0	Digestive System	1
115 W. Jefferson St.			Unable to Self-Medicate	0	Genitourinary System Disorders	3
Bloomington, IL 61701			Ventilator Dependent	1	Skin Disorders	0
FACILITY OWNERSHIP			Infectious Disease w/ Isolation	0	Musculo-skeletal Disorders	8
LIMITED LIABILITY CO			Other Restrictions	0	Injuries and Poisonings	0
CONTINUING CARE COMMUNITY			No Restrictions	0	Other Medical Conditions	20
LIFE CARE FACILITY			Note: Reported restrictions denoted by 'I'		Non-Medical Conditions	0
					TOTALS	86
					Total Residents Diagnosed as Mentally Ill	0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS									ADMISSIONS AND DISCHARGES - 2011	
LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED	Residents on 1/1/2011	
Nursing Care	111	111	89	89	86	25	111	59	Total Admissions 2011	87
Skilled Under 22	0	0	0	0	0	0		0	Total Discharges 2011	96
Intermediate DD	0	0	0	0	0	0		0	Residents on 12/31/2011	97
Sheltered Care	0	0	0	0	0	0			Identified Offenders	86
TOTAL BEDS	111	111	89	89	86	25	111	59		0

FACILITY UTILIZATION - 2011 BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE											
LEVEL OF CARE	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds Set Up
	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Occ. Pct.
Nursing Care	3937	9.7%	20484	95.1%	0	0	5498	0	29919	73.8%	73.8%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	3937	9.7%	20484	95.1%	0	0	5498	0	29919	73.8%	73.8%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011											
AGE GROUPS	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	1	1	0	0	0	0	0	0	1	1	2
60 to 64	3	0	0	0	0	0	0	0	3	0	3
65 to 74	2	4	0	0	0	0	0	0	2	4	6
75 to 84	7	20	0	0	0	0	0	0	7	20	27
85+	9	39	0	0	0	0	0	0	9	39	48
TOTALS	22	64	0	0	0	0	0	0	22	64	86

HERITAGE HEALTH - BLOOMINGTON

700 EAST WALNUT

BLOOMINGTON, IL 61701

Reference Numbers Facility ID 6004261

Health Service Area 004 Planning Service Area 113

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	16	46	0	0	24	86
Skilled Under 22	0	0	0	0	0	0
ICF/DD		0	0	0	0	0
Sheltered Care			0	0	0	0
TOTALS	16	46	0	0	24	86

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	227	182
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SkUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	1	0	0	0	1
Black	8	0	0	0	8
Hawaiian/Pac. Isl.	0	0	0	0	0
White	77	0	0	0	77
Race Unknown	0	0	0	0	0
Total	86	0	0	0	86

ETHNICITY	Nursing	SkUnd22	ICF/DD	Shelter	Totals
Hispanic	2	0	0	0	2
Non-Hispanic	84	0	0	0	84
Ethnicity Unknown	0	0	0	0	0
Total	86	0	0	0	86

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	6.00
LPN's	11.00
Certified Aides	31.00
Other Health Staff	0.00
Non-Health Staff	22.00
Totals	72.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
38.7%	38.2%	0.0%	0.0%	23.1%	100.0%		0.0%
2,348,394	2,316,981	0	0	1,398,036	6,063,411	0	

*Charity Expense does not include expenses which may be considered a community benefit.

ASTA CARE CENTER - BLOOMINGTON			ADMISSION RESTRICTIONS		RESIDENTS BY PRIMARY DIAGNOSIS	
1509 NORTH CALHOUN STREET			Aggressive/Anti-Social	1	DIAGNOSIS	
BLOOMINGTON, IL. 61701			Chronic Alcoholism	1	Neoplasms	0
Reference Numbers	Facility ID	6001010	Developmentally Disabled	0	Endocrine/Metabolic	6
Health Service Area	004	Planning Service Area	Drug Addiction	1	Blood Disorders	1
Administrator			Medicaid Recipient	0	*Nervous System Non Alzheimer	6
JOSEPH AGNELLO			Medicare Recipient	0	Alzheimer Disease	3
Contact Person and Telephone			Mental Illness	0	Mental Illness	0
JOE AGNELLO			Non-Ambulatory	0	Developmental Disability	0
309-827-6046			Non-Mobile	0	Circulatory System	21
Registered Agent Information	Date Completed		Public Aid Recipient	0	Respiratory System	7
Seth Gillman	3/5/2012		Under 65 Years Old	0	Digestive System	3
134 McLean Boulevard			Unable to Self-Medicate	0	Genitourinary System Disorders	6
Elgin, IL 60123			Ventilator Dependent	1	Skin Disorders	4
FACILITY OWNERSHIP			Infectious Disease w/ Isolation	0	Musculo-skeletal Disorders	10
LIMITED LIABILITY CO			Other Restrictions	0	Injuries and Poisonings	5
CONTINUING CARE COMMUNITY	No		No Restrictions	0	Other Medical Conditions	11
LIFE CARE FACILITY	No		Note: Reported restrictions denoted by 'I'		Non-Medical Conditions	0
					TOTALS	83
					Total Residents Diagnosed as Mentally Ill	31

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS									ADMISSIONS AND DISCHARGES - 2011	
LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED	Residents on 1/1/2011	
Nursing Care	117	109	92	107	83	34	79	115	Total Admissions 2011	82
Skilled Under 22	0	0	0	0	0	0		0	Total Discharges 2011	124
Intermediate DD	0	0	0	0	0	0		0	Residents on 12/31/2011	123
Sheltered Care	0	0	0	0	0	0			Identified Offenders	83
TOTAL BEDS	117	109	92	107	83	34	79	115		9

FACILITY UTILIZATION - 2011 BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE											
LEVEL OF CARE	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds Set Up
	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Occ. Pct.
Nursing Care	2497	8.7%	23512	56.0%	198	498	3296	0	30001	70.3%	75.4%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	2497	8.7%	23512	56.0%	198	498	3296	0	30001	70.3%	75.4%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011												
AGE GROUPS	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND TOTAL	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female		
Under 18	0	0	0	0	0	0	0	0	0	0	0	0
18 to 44	1	1	0	0	0	0	0	0	1	1	2	
45 to 59	8	7	0	0	0	0	0	0	8	7	15	
60 to 64	6	8	0	0	0	0	0	0	6	8	14	
65 to 74	10	9	0	0	0	0	0	0	10	9	19	
75 to 84	13	10	0	0	0	0	0	0	13	10	23	
85+	2	8	0	0	0	0	0	0	2	8	10	
TOTALS	40	43	0	0	0	0	0	0	40	43	83	

ASTA CARE CENTER - BLOOMINGTON

1509 NORTH CALHOUN STREET

BLOOMINGTON, IL 61701

Reference Numbers Facility ID 6001010

Health Service Area 004 Planning Service Area 113

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	9	59	0	3	12	0	83
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	9	59	0	3	12	0	83

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	200	170
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SkUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	13	0	0	0	13
Hawaiian/Pac. Isl.	0	0	0	0	0
White	70	0	0	0	70
Race Unknown	0	0	0	0	0
Total	83	0	0	0	83

ETHNICITY	Nursing	SkUnd22	ICF/DD	Shelter	Totals
Hispanic	1	0	0	0	1
Non-Hispanic	82	0	0	0	82
Ethnicity Unknown	0	0	0	0	0
Total	83	0	0	0	83

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	3.00
LPN's	10.00
Certified Aides	27.00
Other Health Staff	8.00
Non-Health Staff	25.00
Totals	75.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
26.3%	59.9%	0.5%	3.0%	10.4%	100.0%		0.0%
1,450,824	3,300,891	25,034	162,924	574,754	5,514,427	0	

*Charity Expense does not include expenses which may be considered a community benefit.

MCLEAN COUNTY NURSING HOME			ADMISSION RESTRICTIONS		RESIDENTS BY PRIMARY DIAGNOSIS	
901 NORTH MAIN			Aggressive/Anti-Social	0	DIAGNOSIS	
NORMAL, IL. 61761			Chronic Alcoholism	0	Neoplasms	0
Reference Numbers	Facility ID	6005946	Developmentally Disabled	0	Endocrine/Metabolic	10
Health Service Area	004	Planning Service Area	Drug Addiction	0	Blood Disorders	0
113			Medicaid Recipient	0	*Nervous System Non Alzheimer	7
Administrator			Medicare Recipient	0	Alzheimer Disease	25
MATT RIEHLE			Mental Illness	1	Mental Illness	0
Contact Person and Telephone			Non-Ambulatory	0	Developmental Disability	0
SANDY WILES			Non-Mobile	0	Circulatory System	31
309-888-5380			Public Aid Recipient	0	Respiratory System	11
Registered Agent Information	Date Completed	2/21/2012	Under 65 Years Old	0	Digestive System	2
			Unable to Self-Medicate	0	Genitourinary System Disorders	6
			Ventilator Dependent	1	Skin Disorders	2
			Infectious Disease w/ Isolation	0	Musculo-skeletal Disorders	9
			Other Restrictions	0	Injuries and Poisonings	22
FACILITY OWNERSHIP			No Restrictions	0	Other Medical Conditions	12
COUNTY			<i>Note: Reported restrictions denoted by 'I'</i>		Non-Medical Conditions	0
CONTINUING CARE COMMUNITY	No				TOTALS	137
LIFE CARE FACILITY	No				Total Residents Diagnosed as Mentally Ill	0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS									ADMISSIONS AND DISCHARGES - 2011	
LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED	Residents on 1/1/2011	122
Nursing Care	150	150	140	150	137	13	18	150	Total Admissions 2011	166
Skilled Under 22	0	0	0	0	0	0		0	Total Discharges 2011	151
Intermediate DD	0	0	0	0	0	0		0	Residents on 12/31/2011	137
Sheltered Care	0	0	0	0	0	0		0	Identified Offenders	0
TOTAL BEDS	150	150	140	150	137	13	18	150		

FACILITY UTILIZATION - 2011 BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE												
LEVEL OF CARE	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Set Up	
	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Occ. Pct.	
Nursing Care	1619	24.6%	34510	63.0%	0	0	11955	0	48084	87.8%	87.8%	
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%	
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%	
Sheltered Care					0	0	0	0	0	0.0%	0.0%	
TOTALS	1619	24.6%	34510	63.0%	0	0	11955	0	48084	87.8%	87.8%	

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011												
AGE GROUPS	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	TOTAL	
Under 18	0	0	0	0	0	0	0	0	0	0	0	
18 to 44	0	1	0	0	0	0	0	0	0	1	1	
45 to 59	1	0	0	0	0	0	0	0	1	0	1	
60 to 64	0	1	0	0	0	0	0	0	0	1	1	
65 to 74	4	6	0	0	0	0	0	0	4	6	10	
75 to 84	7	35	0	0	0	0	0	0	7	35	42	
85+	17	65	0	0	0	0	0	0	17	65	82	
TOTALS	29	108	0	0	0	0	0	0	29	108	137	

MCLEAN COUNTY NURSING HOME

901 NORTH MAIN

NORMAL, IL. 61761

Reference Numbers Facility ID 6005946

Health Service Area 004 Planning Service Area 113

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	4	95	0	0	38	0	137
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	4	95	0	0	38	0	137

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	155	155
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SkdUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	3	0	0	0	3
Hawaiian/Pac. Isl.	0	0	0	0	0
White	134	0	0	0	134
Race Unknown	0	0	0	0	0
Total	137	0	0	0	137

ETHNICITY	Nursing	SkdUnd22	ICF/DD	Shelter	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	137	0	0	0	137
Ethnicity Unknown	0	0	0	0	0
Total	137	0	0	0	137

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	9.00
LPN's	8.00
Certified Aides	46.00
Other Health Staff	9.00
Non-Health Staff	62.00
Totals	136.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
9.2%	67.5%	0.0%	0.0%	23.3%	100.0%		0.0%
728,321	5,369,219	0	0	1,856,869	7,954,409	0	

*Charity Expense does not include expenses which may be considered a community benefit.

HEARTLAND OF NORMAL			ADMISSION RESTRICTIONS		RESIDENTS BY PRIMARY DIAGNOSIS	
510 BROADWAY			Aggressive/Anti-Social	1	DIAGNOSIS	
NORMAL, IL. 61761			Chronic Alcoholism	0	Neoplasms	4
Reference Numbers	Facility ID	6000244	Developmentally Disabled	0	Endocrine/Metabolic	3
Health Service Area	004	Planning Service Area	Drug Addiction	0	Blood Disorders	0
		113	Medicaid Recipient	0	*Nervous System Non Alzheimer	3
Administrator			Medicare Recipient	0	Alzheimer Disease	3
Dave Sneddon			Mental Illness	0	Mental Illness	2
Contact Person and Telephone			Non-Ambulatory	0	Developmental Disability	0
Eric Talbert			Non-Mobile	0	Circulatory System	19
419-252-5951			Public Aid Recipient	0	Respiratory System	14
Registered Agent Information	Date Completed		Under 65 Years Old	0	Digestive System	4
	3/8/2012		Unable to Self-Medicate	0	Genitourinary System Disorders	5
			Ventilator Dependent	1	Skin Disorders	2
			Infectious Disease w/ Isolation	0	Musculo-skeletal Disorders	12
			Other Restrictions	0	Injuries and Poisonings	17
			No Restrictions	0	Other Medical Conditions	3
FACILITY OWNERSHIP					Non-Medical Conditions	0
LIMITED LIABILITY CO					TOTALS	91
CONTINUING CARE COMMUNITY	No		Note: Reported restrictions denoted by 'I'			
LIFE CARE FACILITY	No					
					Total Residents Diagnosed as Mentally Ill	29

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS									ADMISSIONS AND DISCHARGES - 2011	
LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED	Residents on 1/1/2011	90
Nursing Care	116	112	112	106	91	25	116	26	Total Admissions 2011	543
Skilled Under 22	0	0	0	0	0	0		0	Total Discharges 2011	542
Intermediate DD	0	0	0	0	0	0		0	Residents on 12/31/2011	91
Sheltered Care	0	0	0	0	0	0			Identified Offenders	0
TOTAL BEDS	116	112	112	106	91	25	116	26		

FACILITY UTILIZATION - 2011 BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE											
LEVEL OF CARE	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds Set Up
	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Occ. Pct.
Nursing Care	14180	33.5%	7395	77.9%	186	2932	9773	0	34466	81.4%	84.3%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	14180	33.5%	7395	77.9%	186	2932	9773	0	34466	81.4%	84.3%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011											
AGE GROUPS	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	1	0	0	0	0	0	0	0	1	0	1
45 to 59	2	4	0	0	0	0	0	0	2	4	6
60 to 64	0	0	0	0	0	0	0	0	0	0	0
65 to 74	5	12	0	0	0	0	0	0	5	12	17
75 to 84	15	16	0	0	0	0	0	0	15	16	31
85+	6	30	0	0	0	0	0	0	6	30	36
TOTALS	29	62	0	0	0	0	0	0	29	62	91

HEARTLAND OF NORMAL

510 BROADWAY

NORMAL, IL 61761

Reference Numbers Facility ID 6000244

Health Service Area 004 Planning Service Area 113

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public Insurance	Private Pay	Charity Care	TOTALS	
Nursing Care	40	20	0	6	25	0	91
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	40	20	0	6	25	0	91

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	264	230
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Asian	1	0	0	0	1
Amer. Indian	0	0	0	0	0
Black	7	0	0	0	7
Hawaiian/Pac. Isl.	0	0	0	0	0
White	83	0	0	0	83
Race Unknown	0	0	0	0	0
Total	91	0	0	0	91

ETHNICITY	Nursing	SklUnd22	ICF/DD	Shelter	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	0	0	0	0	0
Ethnicity Unknown	91	0	0	0	91
Total	91	0	0	0	91

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	10.00
LPN's	14.50
Certified Aides	35.00
Other Health Staff	18.00
Non-Health Staff	33.00
Totals	112.50

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
62.6%	6.3%	0.4%	10.7%	20.1%	100.0%		0.0%
7,768,487	777,250	54,442	1,322,513	2,490,766	12,413,458	0	

*Charity Expense does not include expenses which may be considered a community benefit.

HERITAGE HEALTH - NORMAL			ADMISSION RESTRICTIONS		RESIDENTS BY PRIMARY DIAGNOSIS		
509 NORTH ADELAIDE			Aggressive/Anti-Social	1	DIAGNOSIS		
NORMAL, IL. 61761			Chronic Alcoholism	1	Neoplasms	0	
Reference Numbers	Facility ID	6008510	Developmentally Disabled	0	Endocrine/Metabolic	5	
Health Service Area	004	Planning Service Area	113	Drug Addiction	1	Blood Disorders	1
Administrator			Medicaid Recipient	0	*Nervous System Non Alzheimer	11	
Cindy Wegner			Medicare Recipient	0	Alzheimer Disease	27	
			Mental Illness	0	Mental Illness	39	
Contact Person and Telephone			Non-Ambulatory	0	Developmental Disability	0	
Sharon Bounds			Non-Mobile	0	Circulatory System	24	
309-452-7468		Date Completed	Public Aid Recipient	0	Respiratory System	3	
			Under 65 Years Old	0	Digestive System	1	
Registered Agent Information		2/29/2012	Unable to Self-Medicate	0	Genitourinary System Disorders	4	
Steve Wannamacher			Ventilator Dependent	0	Skin Disorders	1	
115 E. Jefferson			Infectious Disease w/ Isolation	0	Musculo-skeletal Disorders	4	
Bloomington, IL 61701			Other Restrictions	0	Injuries and Poisonings	2	
FACILITY OWNERSHIP			No Restrictions	0	Other Medical Conditions	10	
LIMITED LIABILITY CO			Note: Reported restrictions denoted by 'I'			Non-Medical Conditions	0
CONTINUING CARE COMMUNITY	Yes					TOTALS	132
LIFE CARE FACILITY	No					Total Residents Diagnosed as Mentally Ill	39

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS									ADMISSIONS AND DISCHARGES - 2011	
LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED	Residents on 1/1/2011	143
Nursing Care	164	164	148	164	132	32	141	164	Total Admissions 2011	128
Skilled Under 22	0	0	0	0	0	0		0	Total Discharges 2011	139
Intermediate DD	0	0	0	0	0	0		0	Residents on 12/31/2011	132
Sheltered Care	0	0	0	0	0	0			Identified Offenders	0
TOTAL BEDS	164	164	148	164	132	32	141	164		

FACILITY UTILIZATION - 2011 BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE											
LEVEL OF CARE	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds Set Up
	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Occ. Pct.
Nursing Care	2464	4.8%	24257	40.5%	0	0	24558	0	51279	85.7%	85.7%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	2464	4.8%	24257	40.5%	0	0	24558	0	51279	85.7%	85.7%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011											
AGE GROUPS	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	1	0	0	0	0	0	0	0	1	0	1
60 to 64	3	1	0	0	0	0	0	0	3	1	4
65 to 74	1	2	0	0	0	0	0	0	1	2	3
75 to 84	8	26	0	0	0	0	0	0	8	26	34
85+	21	69	0	0	0	0	0	0	21	69	90
TOTALS	34	98	0	0	0	0	0	0	34	98	132

HERITAGE HEALTH - NORMAL

509 NORTH ADELAIDE

NORMAL, IL. 61761

Reference Numbers Facility ID 6008510

Health Service Area 004 Planning Service Area 113

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	8	68	0	0	56	0	132
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	8	68	0	0	56	0	132

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	227	182
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SkUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	2	0	0	0	2
Hawaiian/Pac. Isl.	0	0	0	0	0
White	130	0	0	0	130
Race Unknown	0	0	0	0	0
Total	132	0	0	0	132
ETHNICITY	Nursing	SkUnd22	ICF/DD	Shelter	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	132	0	0	0	132
Ethnicity Unknown	0	0	0	0	0
Total	132	0	0	0	132

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	14.00
LPN's	11.00
Certified Aides	57.00
Other Health Staff	0.00
Non-Health Staff	59.00
Totals	143.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
17.5%	28.2%	0.0%	0.0%	54.4%	100.0%		0.0%
1,693,845	2,731,823	0	0	5,273,212	9,698,880	0	

*Charity Expense does not include expenses which may be considered a community benefit.

LEROY MANOR

509 S BUCK ROAD P.O. BOX 149
LEROY, IL. 61752

Reference Numbers Facility ID 6012157
Health Service Area 004 Planning Service Area 113

Administrator

Reginald Jordan

Contact Person and Telephone

Cindy Scharp and Reginald Jordan
309-962-5000

Registered Agent Information

J Michael Bibb
285 S Farnham St
Galesburg, IL 61401

FACILITY OWNERSHIP

LIMITED LIABILITY CO

CONTINUING CARE COMMUNITY

LIFE CARE FACILITY

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	0
Developmentally Disabled	0
Drug Addiction	0
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	0
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restrictions denoted by 'I'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	1
Endocrine/Metabolic	4
Blood Disorders	0
*Nervous System Non Alzheimer	4
Alzheimer Disease	18
Mental Illness	0
Developmental Disability	0
Circulatory System	12
Respiratory System	7
Digestive System	3
Genitourinary System Disorders	2
Skin Disorders	0
Musculo-skeletal Disorders	5
Injuries and Poisonings	7
Other Medical Conditions	7
Non-Medical Conditions	0
TOTALS	70
Total Residents Diagnosed as Mentally Ill	10

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS		BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED	ADMISSIONS AND DISCHARGES - 2011	
		SET-UP	USED					Residents on 1/1/2011	
Nursing Care	102	96	74	96	70	32	102	102	58
Skilled Under 22	0	0	0	0	0	0	0	0	128
Intermediate DD	0	0	0	0	0	0	0	0	118
Sheltered Care	0	0	0	0	0	0	0	0	70
TOTAL BEDS	102	96	74	96	70	32	102	102	Identified Offenders 0

FACILITY UTILIZATION - 2011

BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds
	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.		Pat. days	Pat. days	Pat. days		Pat. days	Occ. Pct.
Nursing Care	2872	7.7%	12255	32.9%	0	15	7147	0	22289	59.9%	63.6%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	2872	7.7%	12255	32.9%	0	15	7147	0	22289	59.9%	63.6%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	3	1	0	0	0	0	0	0	3	1	4
60 to 64	1	3	0	0	0	0	0	0	1	3	4
65 to 74	6	6	0	0	0	0	0	0	6	6	12
75 to 84	4	16	0	0	0	0	0	0	4	16	20
85+	6	24	0	0	0	0	0	0	6	24	30
TOTALS	20	50	0	0	0	0	0	0	20	50	70

LEROY MANOR

509 S BUCK ROAD P.O. BOX 149

LEROY, IL. 61752

Reference Numbers Facility ID 6012157

Health Service Area 004 Planning Service Area 113

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	12	34	1	0	23	70
Skilled Under 22	0	0	0	0	0	0
ICF/DD		0	0	0	0	0
Sheltered Care			0	0	0	0
TOTALS	12	34	1	0	23	70

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	195	165
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SkdUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	1	0	0	0	1
Hawaiian/Pac. Isl.	0	0	0	0	0
White	69	0	0	0	69
Race Unknown	0	0	0	0	0
Total	70	0	0	0	70

ETHNICITY	Nursing	SkdUnd22	ICF/DD	Shelter	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	70	0	0	0	70
Ethnicity Unknown	0	0	0	0	0
Total	70	0	0	0	70

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	3.00
LPN's	8.00
Certified Aides	27.00
Other Health Staff	1.00
Non-Health Staff	19.00
Totals	60.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
25.5%	36.8%	1.6%	2.3%	33.8%	100.0%		0.0%
928,657	1,341,640	57,720	82,645	1,231,694	3,642,356	0	

*Charity Expense does not include expenses which may be considered a community benefit.

HAWTHORNE INN OF CLINTON			ADMISSION RESTRICTIONS		RESIDENTS BY PRIMARY DIAGNOSIS		
1PARK LANE WEST			Aggressive/Anti-Social	1	DIAGNOSIS		
CLINTON, IL. 61727			Chronic Alcoholism	1	Neoplasms	6	
Reference Numbers	Facility ID	6015879	Developmentally Disabled	1	Endocrine/Metabolic	9	
Health Service Area 004		Planning Service Area 039	Drug Addiction	0	Blood Disorders	3	
Administrator			Medicaid Recipient	0	*Nervous System Non Alzheimer	24	
CINDY SCHARP			Medicare Recipient	0	Alzheimer Disease	9	
			Mental Illness	0	Mental Illness	2	
Contact Person and Telephone			Non-Ambulatory	0	Developmental Disability	3	
CINDY SCHARP			Non-Mobile	0	Circulatory System	33	
217-722-5271			Public Aid Recipient	0	Respiratory System	23	
		Date Completed	Under 65 Years Old	0	Digestive System	10	
Registered Agent Information		3/11/2012	Unable to Self-Medicate	0	Genitourinary System Disorders	18	
J. Michael Bibo			Ventilator Dependent	1	Skin Disorders	4	
285 S. Farnham St.			Infectious Disease w/ Isolation	0	Musculo-skeletal Disorders	7	
Galesburg, IL 61401			Other Restrictions	0	Injuries and Poisonings	52	
FACILITY OWNERSHIP			No Restrictions	0	Other Medical Conditions	8	
LIMITED LIABILITY CO					Non-Medical Conditions	0	
CONTINUING CARE COMMUNITY		Yes	Note: Reported restrictions denoted by 'Y'			TOTALS	211
LIFE CARE FACILITY		No					
			Total Residents Diagnosed as Mentally Ill			2	

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS									ADMISSIONS AND DISCHARGES - 2011	
LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED	Residents on 1/1/2011	94
Nursing Care	134	134	105	134	101	33	134	134	Total Admissions 2011	211
Skilled Under 22	0	0	0	0	0	0		0	Total Discharges 2011	204
Intermediate DD	0	0	0	0	0	0		0	Residents on 12/31/2011	101
Sheltered Care	0	0	0	0	0	0			Identified Offenders	0
TOTAL BEDS	134	134	105	134	101	33	134	134		

FACILITY UTILIZATION - 2011 BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE												
LEVEL OF CARE	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds Set Up	
	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Occ. Pct.	
Nursing Care	5355	10.9%	17090	34.9%	920	178	9904	0	33447	68.4%	68.4%	
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%	
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%	
Sheltered Care					0	0	0	0	0	0.0%	0.0%	
TOTALS	5355	10.9%	17090	34.9%	920	178	9904	0	33447	68.4%	68.4%	

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011												
AGE GROUPS	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND TOTAL	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female		
Under 18	0	0	0	0	0	0	0	0	0	0	0	
18 to 44	0	0	0	0	0	0	0	0	0	0	0	
45 to 59	0	2	0	0	0	0	0	0	0	2	2	
60 to 64	3	2	0	0	0	0	0	0	3	2	5	
65 to 74	5	7	0	0	0	0	0	0	5	7	12	
75 to 84	10	21	0	0	0	0	0	0	10	21	31	
85+	13	38	0	0	0	0	0	0	13	38	51	
TOTALS	31	70	0	0	0	0	0	0	31	70	101	

HAWTHORNE INN OF CLINTON

1 PARK LANE WEST

CLINTON, IL 61727

Reference Numbers Facility ID 6015879

Health Service Area 004 Planning Service Area 039

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	21	48	1	1	30	0	101
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	21	48	1	1	30	0	101

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	195	165
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	Skilled Under 22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	2	0	0	0	2
Hawaiian/Pac. Isl.	0	0	0	0	0
White	99	0	0	0	99
Race Unknown	0	0	0	0	0
Total	101	0	0	0	101

ETHNICITY	Nursing	Skilled Under 22	ICF/DD	Shelter	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	101	0	0	0	101
Ethnicity Unknown	0	0	0	0	0
Total	101	0	0	0	101

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	7.00
LPN's	11.00
Certified Aides	39.00
Other Health Staff	0.00
Non-Health Staff	42.00
Totals	101.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
29.7%	7.9%	0.5%	3.2%	58.7%	100.0%		0.0%
2,251,066	599,553	35,781	244,595	4,442,760	7,573,755	0	

*Charity Expense does not include expenses which may be considered a community benefit.

HERITAGE HEALTH - EL PASO

555 EAST CLAY

EL PASO, IL. 61738

Reference Numbers Facility ID 6005920

Health Service Area 002 Planning Service Area 203

Administrator

Diane R. Greene

Contact Person and Telephone

Rebecca Howard

309-828-4361

Registered Agent Information

Date
Completed
3/9/2012

FACILITY OWNERSHIP

LIMITED LIABILITY CO

CONTINUING CARE COMMUNITY

No

LIFE CARE FACILITY

No

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	1
Drug Addiction	1
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	1
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	0
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restrictions denoted by 'I'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	1
Endocrine/Metabolic	0
Blood Disorders	0
*Nervous System Non Alzheimer	9
Alzheimer Disease	15
Mental Illness	0
Developmental Disability	0
Circulatory System	13
Respiratory System	7
Digestive System	1
Genitourinary System Disorders	0
Skin Disorders	0
Musculo-skeletal Disorders	7
Injuries and Poisonings	0
Other Medical Conditions	0
Non-Medical Conditions	0
TOTALS	53

Total Residents Diagnosed as Mentally Ill

0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

ADMISSIONS AND DISCHARGES - 2011

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED	Residents on 1/1/2011	
Nursing Care	65	65	65	65	53	12	65	65	58
Skilled Under 22	0	0	0	0	0	0	0	0	43
Intermediate DD	0	0	0	0	0	0	0	0	48
Sheltered Care	0	0	0	0	0	0	0	0	53
TOTAL BEDS	65	65	65	65	53	12	65	65	Identified Offenders 0

FACILITY UTILIZATION - 2011

BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	1260	5.3%	9728	41.0%	0	0	8410	0	19398	81.8%	81.8%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	1260	5.3%	9728	41.0%	0	0	8410	0	19398	81.8%	81.8%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	1	0	0	0	0	0	0	0	1	0	1
45 to 59	1	0	0	0	0	0	0	0	1	0	1
60 to 64	0	0	0	0	0	0	0	0	0	0	0
65 to 74	1	1	0	0	0	0	0	0	1	1	2
75 to 84	3	14	0	0	0	0	0	0	3	14	17
85+	8	24	0	0	0	0	0	0	8	24	32
TOTALS	14	39	0	0	0	0	0	0	14	39	53

HERITAGE HEALTH - EL PASO

555 EAST CLAY

EL PASO, IL 61738

Reference Numbers Facility ID 6005920

Health Service Area 002 Planning Service Area 203

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	6	24	0	0	23	0	53
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	6	24	0	0	23	0	53

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	199	182
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SkUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pac. Isl.	0	0	0	0	0
White	53	0	0	0	53
Race Unknown	0	0	0	0	0
Total	53	0	0	0	53

ETHNICITY	Nursing	SkUnd22	ICF/DD	Shelter	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	53	0	0	0	53
Ethnicity Unknown	0	0	0	0	0
Total	53	0	0	0	53

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	7.00
LPN's	5.00
Certified Aides	27.00
Other Health Staff	2.00
Non-Health Staff	12.00
Totals	55.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
19.1%	32.3%	0.0%	0.0%	48.6%	100.0%		0.0%
691,012	1,167,651	0	0	1,755,739	3,614,403	0	

*Charity Expense does not include expenses which may be considered a community benefit.

EL PASO HEALTHCARE CENTER			ADMISSION RESTRICTIONS		RESIDENTS BY PRIMARY DIAGNOSIS	
850 EAST SECOND STREET			Aggressive/Anti-Social	0	DIAGNOSIS	
EL PASO, IL 61738			Chronic Alcoholism	0	Neoplasms	0
Reference Numbers Facility ID 6002745			Developmentally Disabled	0	Endocrine/Metabolic	0
Health Service Area 002 Planning Service Area 203			Drug Addiction	0	Blood Disorders	0
Administrator			Medicaid Recipient	0	*Nervous System Non Alzheimer	1
Lance Tossell			Medicare Recipient	0	Alzheimer Disease	1
Contact Person and Telephone			Mental Illness	0	Mental Illness	100
Marikay Snyder			Non-Ambulatory	0	Developmental Disability	1
309-691-8113			Non-Mobile	0	Circulatory System	0
Registered Agent Information			Public Aid Recipient	0	Respiratory System	1
Marikay L Snyder			Under 65 Years Old	0	Digestive System	0
830 W Trailcreek Dr			Unable to Self-Medicate	0	Genitourinary System Disorders	1
Peoria, IL 61614			Ventilator Dependent	1	Skin Disorders	0
FACILITY OWNERSHIP			Infectious Disease w/ Isolation	0	Musculo-skeletal Disorders	2
LIMITED LIABILITY CO			Other Restrictions	1	Injuries and Poisonings	1
CONTINUING CARE COMMUNITY			No Restrictions	0	Other Medical Conditions	5
LIFE CARE FACILITY			Note: Reported restrictions denoted by 'I'		Non-Medical Conditions	1
					TOTALS	114
					Total Residents Diagnosed as Mentally Ill	107

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS									ADMISSIONS AND DISCHARGES - 2011	
LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED	Residents on 1/1/2011	
Nursing Care	123	123	114	123	114	9	0	123	Total Admissions 2011	97
Skilled Under 22	0	0	0	0	0	0		0	Total Discharges 2011	77
Intermediate DD	0	0	0	0	0	0		0	Residents on 12/31/2011	114
Sheltered Care	0	0	0	0	0	0			Identified Offenders	16
TOTAL BEDS	123	123	114	123	114	9	0	123		

FACILITY UTILIZATION - 2011 BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE											
LEVEL OF CARE	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds Set Up
	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Occ. Pct.
Nursing Care	901	0.0%	32522	72.4%	4292	0	662	0	38377	85.5%	85.5%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	901	0.0%	32522	72.4%	4292	0	662	0	38377	85.5%	85.5%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011											
AGE GROUPS	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	10	7	0	0	0	0	0	0	10	7	17
45 to 59	24	25	0	0	0	0	0	0	24	25	49
60 to 64	11	7	0	0	0	0	0	0	11	7	18
65 to 74	9	7	0	0	0	0	0	0	9	7	16
75 to 84	9	5	0	0	0	0	0	0	9	5	14
85+	0	0	0	0	0	0	0	0	0	0	0
TOTALS	63	51	0	0	0	0	0	0	63	51	114

EL PASO HEALTHCARE CENTER

850 EAST SECOND STREET

EL PASO, IL. 61738

Reference Numbers Facility ID 6002745

Health Service Area 002 Planning Service Area 203

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	8	98	6	0	2	0	114
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	8	98	6	0	2	0	114

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	144	134
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SkUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	6	0	0	0	6
Hawaiian/Pac. Isl.	0	0	0	0	0
White	108	0	0	0	108
Race Unknown	0	0	0	0	0
Total	114	0	0	0	114

ETHNICITY	Nursing	SkUnd22	ICF/DD	Shelter	Totals
Hispanic	3	0	0	0	3
Non-Hispanic	111	0	0	0	111
Ethnicity Unknown	0	0	0	0	0
Total	114	0	0	0	114

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	2.00
LPN's	7.00
Certified Aides	18.00
Other Health Staff	1.00
Non-Health Staff	35.00
Totals	65.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
10.8%	77.8%	9.1%	0.0%	2.4%	100.0%		0.1%
458,507	3,307,536	385,251	0	101,664	4,252,958	6,280	

*Charity Expense does not include expenses which may be considered a community benefit.

FACILITY NOTES

CHOW

4/20/2010 Change of Ownership occurred.

MAPLE RIDGE CARE CENTRE			ADMISSION RESTRICTIONS		RESIDENTS BY PRIMARY DIAGNOSIS		
2202 NORTH KICKAPOO STREET			Aggressive/Anti-Social	1	DIAGNOSIS		
LINCOLN, IL. 62656			Chronic Alcoholism	0	Neoplasms	2	
Reference Numbers	Facility ID	6005490	Developmentally Disabled	0	Endocrine/Metabolic	13	
Health Service Area	003	Planning Service Area	107	Drug Addiction	1	Blood Disorders	2
Administrator			Medicaid Recipient	0	*Nervous System Non Alzheimer	13	
MICHELLE EYRSE			Medicare Recipient	0	Alzheimer Disease	4	
			Mental Illness	0	Mental Illness	0	
Contact Person and Telephone			Non-Ambulatory	0	Developmental Disability	2	
MICHELLE EYRSE			Non-Mobile	0	Circulatory System	20	
217-735-1538			Public Aid Recipient	0	Respiratory System	23	
Registered Agent Information	Date Completed		Under 65 Years Old	0	Digestive System	2	
	3/6/2012		Unable to Self-Medicate	0	Genitourinary System Disorders	5	
			Ventilator Dependent	0	Skin Disorders	2	
			Infectious Disease w/ Isolation	0	Musculo-skeletal Disorders	11	
			Other Restrictions	0	Injuries and Poisonings	0	
FACILITY OWNERSHIP			No Restrictions	0	Other Medical Conditions	6	
LIMITED LIABILITY CO						Non-Medical Conditions	0
CONTINUING CARE COMMUNITY	No		Note: Reported restrictions denoted by 'I'			TOTALS	105
LIFE CARE FACILITY	No					Total Residents Diagnosed as Mentally Ill	0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS										ADMISSIONS AND DISCHARGES - 2011	
LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED		Residents on 1/1/2011	99
Nursing Care	126	126	111	21	105	21	42	126		Total Admissions 2011	240
Skilled Under 22	0	0	0	0	0	0		0		Total Discharges 2011	234
Intermediate DD	0	0	0	0	0	0		0		Residents on 12/31/2011	105
Sheltered Care	0	0	0	0	0	0				Identified Offenders	10
TOTAL BEDS	126	126	111	21	105	21	42	126			

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds
	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Set Up Occ. Pct.
Nursing Care	3085	20.1%	25034	54.4%	1843	1878	5149	0	36989	80.4%	80.4%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	3085	20.1%	25034	54.4%	1843	1878	5149	0	36989	80.4%	80.4%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	4	2	0	0	0	0	0	0	4	2	6
45 to 59	13	15	0	0	0	0	0	0	13	15	28
60 to 64	5	4	0	0	0	0	0	0	5	4	9
65 to 74	10	8	0	0	0	0	0	0	10	8	18
75 to 84	10	9	0	0	0	0	0	0	10	9	19
85+	7	18	0	0	0	0	0	0	7	18	25
TOTALS	49	56	0	0	0	0	0	0	49	56	105

MAPLE RIDGE CARE CENTRE
2202 NORTH KICKAPOO STREET
LINCOLN, IL. 62656

Reference Numbers Facility ID 6005490

Health Service Area 003 Planning Service Area 107

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	11	70	3	5	16	0	105
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	11	70	3	5	16	0	105

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	155	135
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SkilUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	8	0	0	0	8
Hawaiian/Pac. Isl.	0	0	0	0	0
White	97	0	0	0	97
Race Unknown	0	0	0	0	0
Total	105	0	0	0	105

ETHNICITY	Nursing	SkilUnd22	ICF/DD	Shelter	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	105	0	0	0	105
Ethnicity Unknown	0	0	0	0	0
Total	105	0	0	0	105

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	13.00
Director of Nursing	1.00
Registered Nurses	4.00
LPN's	18.00
Certified Aides	31.00
Other Health Staff	5.00
Non-Health Staff	23.00
Totals	96.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
26.1%	61.3%	0.0%	1.7%	10.8%	100.0%		0.0%
1,807,911	4,244,269	0	120,560	748,690	6,921,430	0	

*Charity Expense does not include expenses which may be considered a community benefit.

FARMER CITY REHAB AND HEALTH CARE

10 BROOKVIEW DRIVE
FARMER CITY, IL. 61842

Reference Numbers Facility ID 6004824

Health Service Area 004 Planning Service Area 039

Administrator

MARY KAY HIRSBURNER

Contact Person and Telephone

Marikay Snyder

309-691-8113

Registered Agent Information

Marikay L Snyder

830 W Trailcreek Dr

Peoria, IL 61614

FACILITY OWNERSHIP

LIMITED LIABILITY CO

CONTINUING CARE COMMUNITY

LIFE CARE FACILITY

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	0
Developmentally Disabled	0
Drug Addiction	0
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	0
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	1
No Restrictions	0

Date
Completed
3/19/2012

Note: Reported restrictions denoted by 'I'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	1
Endocrine/Metabolic	1
Blood Disorders	1
*Nervous System Non Alzheimer	6
Alzheimer Disease	7
Mental Illness	1
Developmental Disability	0
Circulatory System	8
Respiratory System	3
Digestive System	2
Genitourinary System Disorders	4
Skin Disorders	1
Musculo-skeletal Disorders	10
Injuries and Poisonings	0
Other Medical Conditions	6
Non-Medical Conditions	0
TOTALS	51

Total Residents Diagnosed as Mentally Ill 1

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

ADMISSIONS AND
DISCHARGES - 2011

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED	Residents on 1/1/2011	51
Nursing Care	56	53	53	53	51	5	0	51	Total Admissions 2011	49
Skilled Under 22	0	0	0	0	0	0		0	Total Discharges 2011	49
Intermediate DD	0	0	0	0	0	0		0	Residents on 12/31/2011	51
Sheltered Care	0	0	0	0	0	0			Identified Offenders	0
TOTAL BEDS	56	53	53	53	51	5	0	51		

FACILITY UTILIZATION - 2011

BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds Set Up
	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Occ. Pct.
Nursing Care	1154	0.0%	9503	51.1%	176	344	7325	0	18502	90.5%	95.6%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	1154	0.0%	9503	51.1%	176	344	7325	0	18502	90.5%	95.6%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	1	0	0	0	0	0	0	0	1	0	1
45 to 59	0	1	0	0	0	0	0	0	0	1	1
60 to 64	1	0	0	0	0	0	0	0	1	0	1
65 to 74	1	4	0	0	0	0	0	0	1	4	5
75 to 84	5	8	0	0	0	0	0	0	5	8	13
85+	8	22	0	0	0	0	0	0	8	22	30
TOTALS	16	35	0	0	0	0	0	0	16	35	51

FARMER CITY REHAB AND HEALTH CARE

10 BROOKVIEW DRIVE

FARMER CITY, IL. 61842

Reference Numbers Facility ID 8004824

Health Service Area 004 Planning Service Area 039

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	9	24	1	0	17	0	51
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	9	24	1	0	17	0	51

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	150	115
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SkUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pac. Isl.	0	0	0	0	0
White	51	0	0	0	51
Race Unknown	0	0	0	0	0
Total	51	0	0	0	51

ETHNICITY	Nursing	SkUnd22	ICF/DD	Shelter	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	51	0	0	0	51
Ethnicity Unknown	0	0	0	0	0
Total	51	0	0	0	51

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	3.00
LPN's	4.00
Certified Aides	21.00
Other Health Staff	2.00
Non-Health Staff	16.00
Totals	48.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
22.5%	40.4%	0.0%	5.0%	32.1%	100.0%		0.0%
587,846	1,056,714	0	130,011	839,091	2,613,662	0	

*Charity Expense does not include expenses which may be considered a community benefit.

MAPLE LAWN HEALTH CENTER			ADMISSION RESTRICTIONS		RESIDENTS BY PRIMARY DIAGNOSIS	
700 NORTH MAIN			Aggressive/Anti-Social	1	DIAGNOSIS	
EUREKA, IL. 61530			Chronic Alcoholism	1	Neoplasms	
Reference Numbers	Facility ID	6005722	Developmentally Disabled	1	Endocrine/Metabolic	
Health Service Area	002	Planning Service Area	203	Drug Addiction	1	Blood Disorders
Administrator			Medicaid Recipient	0	*Nervous System Non Alzheimer	
NYLA KRABBENHOFT			Medicare Recipient	0	Alzheimer Disease	
Contact Person and Telephone			Mental Illness	1	Mental Illness	
NYLA KRABBENHOFT			Non-Ambulatory	0	Developmental Disability	
309-467-9001			Non-Mobile	0	Circulatory System	
	Date		Public Aid Recipient	0	Respiratory System	
Registered Agent Information	Completed		Under 65 Years Old	0	Digestive System	
Jeff Corron	3/2/2012		Unable to Self-Medicate	0	Genitourinary System Disorders	
700 North Main			Ventilator Dependent	1	Skin Disorders	
Eureka, IL 61530			Infectious Disease w/ Isolation	0	Musculo-skeletal Disorders	
FACILITY OWNERSHIP			Other Restrictions	0	Injuries and Poisonings	
NON-PROF CORPORATION			No Restrictions	0	Other Medical Conditions	
CONTINUING CARE COMMUNITY	Yes		Note: Reported restrictions denoted by 'I'			Non-Medical Conditions
LIFE CARE FACILITY	No					TOTALS
					Total Residents Diagnosed as Mentally Ill	39

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS									ADMISSIONS AND DISCHARGES - 2011	
LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED	Residents on 1/1/2011	94
Nursing Care	89	88	80	88	78	11	89	89	Total Admissions 2011	70
Skilled Under 22	0	0	0	0	0	0		0	Total Discharges 2011	77
Intermediate DD	0	0	0	0	0	0		0	Residents on 12/31/2011	87
Sheltered Care	18	18	12	18	9	9			Identified Offenders	0
TOTAL BEDS	107	106	92	106	87	20	89	89		

FACILITY UTILIZATION - 2011
BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare		Medicaid		Other Public		Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds
	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Set Up Occ. Pct.
Nursing Care	2139	6.6%	14552	44.8%	0	0	0	12262	108	29061	89.5%	90.5%
Skilled Under 22			0	0.0%	0	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	4099	0	4099	62.4%	62.4%
TOTALS	2139	6.6%	14552	44.8%	0	0	0	16361	108	33160	84.9%	85.7%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	1	0	1	1
65 to 74	0	1	0	0	0	0	0	0	0	1	1
75 to 84	4	12	0	0	0	0	0	1	4	13	17
85+	14	47	0	0	0	0	2	5	16	52	68
TOTALS	18	60	0	0	0	0	2	7	20	67	87

MAPLE LAWN HEALTH CENTER

700 NORTH MAIN
EUREKA, IL. 61530

Reference Numbers Facility ID 6005722

Health Service Area 002 Planning Service Area 203

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public Insurance	Private Pay	Charity Care	TOTALS	
Nursing Care	4	38	0	1	35	0	78
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	9	0	9
TOTALS	4	38	0	1	44	0	87

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	230	215
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	138	128

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	Sk/Und22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	1	0	0	0	1
Hawaiian/Pac. Isl.	0	0	0	0	0
White	77	0	0	9	86
Race Unknown	0	0	0	0	0
Total	78	0	0	9	87

ETHNICITY	Nursing	Sk/Und22	ICF/DD	Shelter	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	78	0	0	9	87
Ethnicity Unknown	0	0	0	0	0
Total	78	0	0	9	87

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	5.00
LPN's	8.00
Certified Aides	28.00
Other Health Staff	4.00
Non-Health Staff	30.00
Totals	78.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
6.9%	30.2%	0.0%	0.2%	62.7%	100.0%		0.4%
362,884	1,588,579	0	8,092	3,298,898	5,258,453	23,232	

*Charity Expense does not include expenses which may be considered a community benefit.

FACILITY NOTES

Bed Change 8/10/2010 Facility discontinued 11 sheltered care beds; facility now has 89 nursing care and 18 sheltered care beds.

HOPEDALE NURSING HOME			ADMISSION RESTRICTIONS		RESIDENTS BY PRIMARY DIAGNOSIS		
107 TREMONT STR. P.O. BOX 267			Aggressive/Anti-Social	1	DIAGNOSIS		
HOPEDALE, IL. 61747			Chronic Alcoholism	0	Neoplasms	1	
Reference Numbers	Facility ID	6004626	Developmentally Disabled	0	Endocrine/Metabolic	0	
Health Service Area	002	Planning Service Area	Drug Addiction	0	Blood Disorders	0	
179			Medicaid Recipient	1	*Nervous System Non Alzheimer	1	
Administrator			Medicare Recipient	1	Alzheimer Disease	33	
LARRY NOREUIL			Mental Illness	0	Mental Illness	0	
Contact Person and Telephone			Non-Ambulatory	0	Developmental Disability	0	
TIMOTHY W. SONDAG			Non-Mobile	0	Circulatory System	3	
309-449-4145			Public Aid Recipient	0	Respiratory System	0	
Registered Agent Information	Date		Under 65 Years Old	0	Digestive System	1	
	Completed		Unable to Self-Medicate	0	Genitourinary System Disorders	0	
		2/9/2012	Ventilator Dependent	1	Skin Disorders	0	
			Infectious Disease w/ Isolation	0	Musculo-skeletal Disorders	4	
			Other Restrictions	0	Injuries and Poisonings	1	
			No Restrictions	0	Other Medical Conditions	0	
FACILITY OWNERSHIP			Note: Reported restrictions denoted by 'I'		Non-Medical Conditions	0	
NON-PROF CORPORATION					TOTALS	44	
CONTINUING CARE COMMUNITY			No	Total Residents Diagnosed as Mentally Ill			0
LIFE CARE FACILITY			No				

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS									ADMISSIONS AND DISCHARGES - 2011	
LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED	MEDICAID CERTIFIED	Residents on 1/1/2011	
Nursing Care	74	52	50	52	44	30	0	0	Total Admissions 2011	47
Skilled Under 22	0	0	0	0	0	0		0	Total Discharges 2011	48
Intermediate DD	0	0	0	0	0	0		0	Residents on 12/31/2011	51
Sheltered Care	0	0	0	0	0	0			Identified Offenders	44
TOTAL BEDS	74	52	50	52	44	30	0	0		0

FACILITY UTILIZATION - 2011 BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE											
LEVEL OF CARE	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds Set Up
	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Occ. Pct.
Nursing Care	0	0.0%	0	0.0%	0	335	16136	301	16772	62.1%	88.4%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	0	0.0%	0	0.0%	0	335	16136	301	16772	62.1%	88.4%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011											
AGE GROUPS	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0
65 to 74	0	1	0	0	0	0	0	0	0	1	1
75 to 84	4	7	0	0	0	0	0	0	4	7	11
85+	3	29	0	0	0	0	0	0	3	29	32
TOTALS	7	37	0	0	0	0	0	0	7	37	44

HOPEDALE NURSING HOME

107 TREMONT STR. P.O. BOX 267

HOPEDALE, IL. 61747

Reference Numbers Facility ID 6004626

Health Service Area 002 Planning Service Area 179

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	0	0	0	2	37	5	44
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	0	0	0	2	37	5	44

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	180	150
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	SkdUnd22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pac. Isl.	0	0	0	0	0
White	44	0	0	0	44
Race Unknown	0	0	0	0	0
Total	44	0	0	0	44

ETHNICITY	Nursing	SkdUnd22	ICF/DD	Shelter	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	44	0	0	0	44
Ethnicity Unknown	0	0	0	0	0
Total	44	0	0	0	44

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	2.00
LPN's	9.00
Certified Aides	22.00
Other Health Staff	1.00
Non-Health Staff	2.00
Totals	38.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
0.0%	0.0%	0.0%	2.0%	98.0%	100.0%		11.8%
0	0	0	46,761	2,291,295	2,338,056	274,965	

*Charity Expense does not include expenses which may be considered a community benefit.

LONG TERM CARE FACILITY UPDATES

9/16/2011 - 3/18/2013

CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION
Health Service Area 1				
Boone	CHOW	1/10/2012	Maple Crest Care Centre, Belvidere	Change of Ownership occurred.
	CHOW	1/10/2012	Northwoods Care Centre, Belvidere	Change of Ownership occurred.
Carroll	Bed Change	7/10/2012	Big Meadows, Savanna	Discontinued 22 Nursing Care beds; facility now has 76 Nursing Care beds.
	CHOW	12/1/2012	Shabbona Healthcare Center, Shabbona	Change of Ownership occurred.
	Name Change	12/5/2012	Prairie Crossing Living & Rehabilitation, Shabbona	Formerly Shabbona Healthcare Center.
Lee	CHOW	1/9/2012	Dixon Healthcare & Rehabilitation Center, Dixon	Change of Ownership occurred.
Stephenson	11-064	10/13/2011	Freeport Memorial Hospital Skilled Nursing, Freeport	Project completed.
	11-064	10/13/2011	Freeport Memorial Hospital Skilled Nursing, Freeport	Permit issued to discontinue entire 26 bed Long-Term Nursing care category of service.
	12-014	6/5/2012	Manor Court Of Freeport, Freeport	Received permit to add 27 Nursing Care beds to existing facility; facility will have 117 Nursing Care beds upon project completion.
	Bed Change	12/12/2012	Stephenson Nursing Center, Freeport	Discontinued 12 Nursing care beds; facility now has 150 nursing care beds.
Whiteside	12-022	7/23/2012	Resthave Home, Morrison	Permit to add 21 Nursing Care beds; facility will have 70 Nursing Care beds upon project completion.
Winnebago	Closure	11/4/2011	Rockford Nursing & Rehabilitation Center, Rockford	Facility closed. 97 nursing beds removed from Inventory.
	Bed Change	3/21/2012	Fairhaven Christian Retirement, Rockford	Discontinued 2 sheltered care beds; facility now has 96 Nursing Care and 125 Sheltered Care beds.
Health Service Area 2				
Bureau/Putnam	Closure	10/13/2011	Orchard View Healthcare, Princeton	Facility deemed closed; 123 Nursing care beds removed from inventory by Board order.
	11-065	10/13/2011	Manor Court Of Princeton , Princeton	Permit issued for modernization of 76 bed Nursing care facility and the addition of 49 additional Nursing care beds. Facility will have 125 beds upon project completion.
	Licensure	11/16/2011	Manor Court Of Princeton, Princeton	Facility added 22 Nursing care beds and discontinued 22 Sheltered care bed category of service. Under permit 11-065, facility can add an additional 27 Nursing care beds.
Fulton	Closure	10/13/2011	Astoria Garden & Rehab. Ctr., Astoria	Facility deemed closed; 57 Nursing care beds removed from inventory by Board order.
Henderson/Warren	Bed Change	4/23/2012	Henderson County Retirement Center, Stronghurst	Added 1 bed to existing facility; facility now has 60 Nursing Care beds.
Knox	Closure	3/27/2012	Good Samaritan Knoxville, Knoxville	Facility ceased operation. 30 Nursing Care beds removed from Inventory.
	Revision	4/27/2012	Good Samaritan Knoxville, Knoxville	Effective Date of Closure changed to 4/27/2012.
LaSalle	12-035	7/24/2012	St. Mary's Hospital, Streator	Received permit to discontinue 30 bed LTC (Skilled Care) category of service.
	09-048	6/6/2012	Ottawa Pavilion, Ottawa	Facility abandoned project for modernization and addition of 10 Nursing Care beds.
	12-063	12/10/2012	Ottawa Pavilion, Ottawa	Received permit for facility modernization and addition of 10 Nursing Care beds.
Peoria	11-063	10/12/2011	Proctor Memorial Hospital, Peoria	Permit issued to discontinue 15 Nursing care beds; facility now has 15 Nursing care beds.
	11-063	12/31/2011	Proctor Memorial Hospital, Peoria	Project completed.
	11-063	1/10/2012	Proctor Memorial Hospital, Peoria	Alteration approved to add 10 Nursing Care beds; facility now authorized for 25 Nursing Care beds.
	CHOW	2/1/2013	Saint Clare Home, Peoria Heights	Change of Ownership occurred.
	Name Change	2/1/2013	Cornerstone Rehabilitation and Healthcare, Peoria Heights	Formerly Saint Clare Home.
Tazewell	12-018	4/17/2012	Pekin Memorial Hospital (Permit), Pekin	Permit issued for discontinuation of 27 bed Long-Term Care (Skilled Care unit).

New
New

ATTACHMENT 17-B

LONG TERM CARE FACILITY UPDATES
9/16/2011 - 3/18/2013

CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION	
Woodford	Bed Change	7/24/2012	Hopedale Nursing Home, Hopedale	Facility discontinued 20 Nursing Care beds; facility now has 54 Nursing Care beds.	
	Bed Change	10/18/2011	Snyder Village, Metamora	Discontinued 1 nursing care bed; facility now has 104 nursing care beds.	
Health Service Area					
Adams	Bed Change	10/1/2011	Good Samaritan Home, Quincy	Discontinued 26 Sheltered Care beds. Facility now has 203 Nursing Care beds and 28 Sheltered Care beds.	
	CHOW	6/27/2012	Sycamore, Quincy	Change of Ownership occurred.	
Brown/Schuyler	Name Change	6/27/2012	Sycamore Healthcare Center, Quincy	Formerly Sycamore.	
	Name Change	10/1/2011	Heritage Health - Mt. Sterling, Mount Sterling	Formerly Heriatge Manor - Mt. Sterling.	
	11-056	10/11/2011	Sarah Culbertson Mem Hosp, Rushville	Permit issued to discontinue entire 29 bed Long-Term Nursing care category of service.	
Christian Hancock	11-056	10/11/2011	Sarah Culbertson Mem Hosp, Rushville	Project completed.	
	Name Change	10/1/2011	Heritage Health - Pana, Pana	Formerly Heritage Manor - Pana.	
Logan	Closure	10/13/2011	Hancock County Nursing Home, Carthage	Facility deemed closed; 57 Nursing care beds removed from inventory by Board order.	
	CHOW	1/13/2012	Maple Ridge Care Centre, Lincoln	Change of Ownership occurred.	
Macoupin	Name Change	8/2/2012	Symphony of Lincoln, Lincoln	Formerly Maple Ridge Care Centre.	
	Name Change	10/1/2011	Heritage Health - Staunton, Staunton	Formerly Heritage Manor - Staunton.	
Menard	Name Change	10/1/2011	Heritage Health - Gillespie, Gillespie	Formerly Heritage Manor - Gillespie.	
	Name Change	10/1/2011	Heritage Health - Carlinville, Carlinville	Formerly Heritage Manor - Carlinville.	
	Closure	10/13/2011	Menard Convalescent Center, Petersburg	Facility deemed closed; 86 Nursing care beds removed from inventory by Board order.	
Montgomery	Name Change	10/1/2011	Heritage Health - Litchfield, Litchfield	Formerly Heritage Manor - Litchfield.	
Morgan/Scott	Name Change	10/1/2011	Heritage Health - Jacksonville, Jacksonville	Formerly Barton W. Stone Home.	
	Closure	10/13/2011	Care Center Of Jacksonville, Jacksonville	Facility deemed closed; 93 Nursing care beds removed from inventory by Board order.	
Sangamon	Name Change	10/1/2011	Heritage Health - Springfield, Springfield	Formerly Heritage Manor - Springfield.	
	08-080	12/16/2011	Concordia Village, Springfield	Facility licensed for operaiton with 64 Nursing Care beds.	
	Bed Change	12/19/2011	St. Joseph'S Home For Aged, Springfield	Facility discontinued 6 Sheltered Care beds; facility now has 72 Nursing Care and 35 Sheltered Care beds.	
	08-086	12/10/2012	Springfield Nursing and Rehabilitation Center, Springfield	Abandoned permit to establish 75-bed Nursing Care facility.	
	12-083	12/10/2012	Springfield Nursing and Rehabilitation Center, Springfield	Received permit to establish a facility with 75 Nursing Care beds.	
	CHOW	1/1/2013	Capitol Care Center, Springfield	Change of Ownership occurred.	New
	Name Change	1/29/2013	Capitol Healthcare & Rehabilitation Center, Springfield	Formerly Capitol Care Center.	New
Health Service Area 4					
Coles/Cumberland	CHOW	1/13/2012	Mattoon Healthcare & Rehabilitation Center, Mattoon	Change of Ownership occurred.	
	Name Change	12/11/2012	Douglas Nursing & Rehabilitation Center, Mattoon	Formerly Douglas Rehabilitation & Care Center.	
Ford	Name Change	10/1/2011	Heritage Health - Gibson City, Gibson City	Formerly Heritage Manor - Gibson City.	
	Bed Change	2/26/2013	Asta Care Center - Ford County, Paxton	Added 7 Nursing Care beds; facility now has 76 Nursing Care beds	New
Livingston	Name Change	10/1/2011	Heritage Health - Dwight, Dwight	Formerly Heritage Manor - Dwight.	
	12-027	7/23/2012	Good Samaritan-Pontiac, Pontiac	Permit to build replacement facility; beds will reamin 122 Nursing Care, no change.	
Macon	Name Change	10/1/2011	Heritage Health - Mount Zion, Mount Zion	Formerly Heritage Manor - Mount Zion	

LONG TERM CARE FACILITY UPDATES

9/16/2011 - 3/18/2013

CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION
McLean	CHOW	1/10/2012	McKinley Court, Decatur	Change of Ownership occurred.
	CHOW	1/10/2012	Aspen Ridge Care Center, Decatur	Change of Ownership occurred.
	Bed Change	1/15/2012	Heartland Of Decatur, Decatur	Facility added 5 Nursing Care beds; facility now has a total of 117 Nursing Care beds.
	12-005	4/17/2012	Hickory Point Christian Village (Permit), Forsyth	Permit issued to add 17 Nursing Care beds to existing facility; facility now authorized for 64 beds.
	Name Change	8/2/2012	Symphony of Decatur	Formerly Aspen Ridge Care Centre.
Moultrie	Name Change	10/1/2011	Heritage Health - Bloomington, Bloomington	Formerly Heritage Manor - Bloomington
	Name Change	10/1/2011	Heritage Health - Normal, Normal	Formerly Heritage Manor - Normal.
Vermilion	Bed Change	7/17/2012	The Arthur Home, Arthur	Discontinued 8 Nursing Care beds; facility now has 53 Nursing Care beds.
	Bed Change	1/9/2012	Hawthorne Inn Of Danville, Danville	Facility added 6 Nursing Care beds and discontinued 6 Sheltered Care beds; facility now has 76 Nursing Care and 64 Sheltered Care beds.
	CHOW	11/1/2012	Hoopeston Community Memorial Nursing Home, Hoopeston	Change of Ownership occurred.
	Name Change	11/1/2012	Heritage Health - Hoopeston, Hoopeston	Formerly Hoopeston Community Memorial Nursing Home.
Health Service Area 5				
Crawford	CHOW	1/1/2012	Ridgeview Care Center, Oblong	Change of ownership occurred.
Franklin	CHOW	1/18/2012	Stonebridge Senior Living Center, Benton	Change of Ownership occurred.
Gallatin/Hamilton/Saline	Closure	6/4/2012	Finnie Good Shepherd Nursing Home, Galatia	Facility closed. 73 Nursing Care beds removed from inventory.
Jackson	12-050	9/11/2012	Rehab & Care Center of Jackson County, Murphysboro	Permit issued for discontinuation of 178 bed Long-Term Care (Nursing Care) facility.
	12-049	9/11/2012	Manor Court of Carbondale, Carbondale	Permit issued to establish 120 bed Long-Term Care (Nursing Care) facility
Jasper	Bed Change	7/1/2012	Newton Rest Haven, Newton	Facility discontinued 25 Nursing Care beds; facility now has 57 Nursing Care beds.
Johnson/Massac	Bed Change	12/11/2012	Hillview Health Care Center, Vienna	Discontinued 11 Nursing Care beds; facility now has 58 Nursing Care beds.
Lawrence	Bed Change	3/22/2012	United Methodist Village, Lawrenceville	Discontinued 20 Nursing Care beds; facility now has 143 Nursing Care beds.
Marion	CHOW	1/18/2012	Friendship House Of Centralia, Centralia	Change of Ownership occurred.
	CHOW	1/18/2012	Fireside House Of Centralia, Centralia	Change of Ownership occurred.
Randolph	Bed Change	1/9/2013	Twin Willows Nursing Center, Salem	Discontinued 2 Nursing Care beds; facility now has 72 Nursing Care beds.
	Name Change	1/26/2012	Red Bud Regional Care, Red Bud	Name changed from Red Bud Nursing Home.
	Bed Change	11/28/2012	Chester Rehabilitation and Nursing Center, Chester	Reduced Nursing Care beds from 119 to 117.
White	Bed Change	1/24/2012	Enfield Rehab & Hlthcare Ctr, Enfield	Facility discontinued 2 Nursing Care beds; facility now has 47 Nursing Care beds.
Health Service Area 6				
Planning Area 6-A	CHOW	10/1/2011	Chalet Nursing & Rehab Center, Chicago	Change of Ownership occurred.
	Name Change	10/1/2011	Chalet Nursing & Rehab Center, Chicago	Formerly Sherwin Manor Nursing Center.
	Closure	10/13/2011	Wincrest Nursing Center, Chicago	Facility deemed closed; 82 Nursing care beds removed from inventory by Board order.
	Bed Change	11/10/2011	Heritage Healthcare Center, Chicago	Discontinued 1 Nursing Care bed; facility now has 127 Nursing Care beds.
	CHOW	7/1/2012	Alshore House, Chicago	Change of Ownership occurred.
	Name Change	7/1/2012	Foster Health & Rehabilitation Center, Chicago	Formerly Alshore House.
	12-057	9/11/2012	Methodist Hospital of Chicago, Chicago	Permit issued for discontinuation of 23 bed Long-Term Care (Skilled Care) category of service.
	CHOW	12/1/2012	Heritage Nursing Home, Chicago	Change of Ownership occurred.
	Name Change	12/4/2012	Park View Rehabilitation Center, Chicago	Formerly Heritage Nursing Home.
	Name Change	12/12/2012	Wesley Place, Chicago	Formerly Methodist Home..

LONG TERM CARE FACILITY UPDATES
9/16/2011 - 3/18/2013
CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION
Planning Area 6-B	CHOW	4/12/2012	The Clare at Water Tower, Chicago	Change of Ownership occurred.
Planning Area 6-C	Name Change	6/30/2012	Terraces at the Clare, Chicago	Formerly The Clare at Water Tower.
	Bed Change	9/26/2011	Washington & Jane Smith Comm., Chicago	Discontinued 2 Nursing care beds; facility now has 101 Nursing care beds.
	CHOW	6/27/2012	Community Care, Chicago	Change of Ownership occurred.
	Name Change	6/27/2012	Community Care Center, Chicago	Formerly Community Care.
	CHOW	6/27/2012	Southview Manor, Chicago	Change of Ownership occurred.
	Name Change	6/27/2012	Southview Manor Nursing Center, Chicago	Formerly Southview Manor
	CHOW	11/1/2012	Presidential Pavilion, Chicago	Change of Ownership occurred.
	Name Change	11/1/2012	Forest Edge Healthcare Rehabilitation Center, Chicago	Formerly Presidential Pavilion.
	Bed Change	12/28/2012	Washington & Jane Smith Comm., Chicago	Discontinued 1 Nursing care bed; facility now has 100 Nursing care beds.
	Closure	5/15/2012	All Faith Pavilion, Chicago	Facility closed; 245 Nursing Care beds removed from inventory effective February 5, 2013.
Health Service Area 7				
Planning Area 7-A	05-002	12/6/2011	Assisi Healthcare Center At Clare Oaks, Bartlett	Permit renewal through June 30, 2012.
Planning Area 7-B	Bed Change	3/16/2012	St. Joseph'S Home For Elderly, Palatine	Discontinued 1 Nursing Care bed; facility now has 59 Nursing Care and 7 Sheltered Care beds.
	CHOW	11/1/2012	Church Creek, Arlington Heights	Change of Ownership occurred.
	Closure	10/17/2011	Holy Family Nursing & Rehab Ctr., Des Plaines	Facility closed effective October 17, 2011; 251 Nursing Care beds removed from inventory.
	Discontinue Beds	9/5/2012	King Home, Evanston	Facility discontinued 18 bed Nursing Care category of service; facility now has 90 Sheltered Care beds.
	12-070	10/30/2012	Vi at the Glen, Glenview	Received permit to add 9 Nursing Care beds to existing facility. Facility will have 47 Nursing Care beds upon completion.
	CHOW	11/1/2012	Lake Cook Terrace Nursing Center, Northbrook	Change of Ownership occurred.
	Name Change	11/1/2012	Grove of Northbrook Living & Rehabilitation Center, Northbrook	Formerly Lake Cook Terrace Nursing Center.
	Name Change	11/15/2012	Grove of Skokie Living & Rehabilitation, Skokie	Formerly Grove North Living & Rehabilitation Center.
Planning Area 7-C	11-055	10/13/2011	Transitional Care Center Of Naperville, Naperville	Permit issued to establish a 120 bed Nursing care facility at Arbiter Court and East Diehl Road in Naperville.
	Bed Change	10/13/2011	Beacon Hill, Lombard	Added 2 nursing care beds; facility now has 110 nursing care beds.
	CHOW	1/3/2012	Burgess Square, Westmont	Change of ownership occurred.
	Bed Change	2/9/2012	Dupage Convalescent Home, Wheaton	Discontinued 140 Nursing Care beds. Facility now has 368 Nursing Care beds.
	12-006	4/17/2012	Elmhurst Memorial Hospital , Elmhurst	Permit issued to discontinue 38 bed Skilled Care (Long-Term Care) category of service.
	07-071	4/17/2012	Park Place Christian Village, Elmhurst	Permit abandoned.
	Name Change	4/17/2012	Park Place Christian Village, Elmhurst	Formerly Park Place Christian Community.
	12-007	4/17/2012	Park Place Christian Village, Elmhurst	Permit issued to establish a facility with 37 Nursing Care beds.
	07-042	6/1/5400	Marianjoy Rehab Hospital Wheaton	Completed project to establish 20 bed skilled nursing (long-term care) category of service.
	CHOW	6/27/2012	West Chicago Terrace, West Chicago	Change of ownership occurred.
	Name Change	6/27/2012	West Chicago Terrace Nursing Home, West Chicago	Formerly West Chicago Terrace.
	Licensure	8/1/2012	Park Place Christian Community, Elmhurst	Facility licensed for operation with 37 Nursing Care beds.
	12-036	10/31/2012	Healthcare Center at Monarch Landing, Naperville	Received permit to establish a facility with 96 Nursing Care beds.

LONG TERM CARE FACILITY UPDATES
9/16/2011 - 3/18/2013
CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION
Planning Area 7-D	Name Change	11/30/2012	Winfield Woods Healthcare Center, Winfield	Formerly Winfield Woods.
	Name Change	1/3/2012	Oakridge Healthcare Center, Hillside	Name changed from Oakridge Nursing & Rehab. Center.
	CHOW	1/3/2012	Oakridge Healthcare Center, Hillside	Change of ownership occurred.
Planning Area 7-E	Correction	1/6/2012	Pershing Gardens Healthcare Center, Stickney	City location corrected from Berwyn to Stickney.
	Correction	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Record corrected to indicate facility location in Stickney, not Berwyn as previously indicated.
	CHOW	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Change of ownership occurred.
	Name Change	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Name changed from Pershing Convalescent Center.
	CHOW	1/13/2012	Crestwood Care Centre, Crestwood	Change of Ownership occurred.
	Bed Change	2/29/2012	Manorcare Of South Holland, South Holland	Added 16 Nursing Care beds to existing facility; facility now has 216 Nursing Care beds.
	11-104	4/17/2012	Mcallister Nursing & Rehab(Permit), Tinley Park	Permit issued to add 89 Nursing Care beds to existing facility; facility now authorized for 200 beds.
	12-003	4/17/2012	Holy Family Villa(Permit), Palos Park	Permit issued to add 30 Nursing Care beds to existing facility; facility now authorized for 129 beds.
	Bed Change	5/17/2012	Manorcare Of Homewood, Homewood	Added 12 Nursing Care beds to existing facility; facility now has 132 Nursing Care beds.
	CHOW	6/27/2012	Crestwood Terrace, Crestwood	Change of Ownership occurred.
	Name Change	6/27/2012	Crestwood Terrace Nursing Center, Crestwood	Name changed from Crestwood Terrace.
	Name Change	8/2/2012	Symphony of Crestwood, Crestwood	Formerly Crestwood Care Centre.
Kane	CHOW	11/1/2012	Burnham Healthcare, Burnham	Change of Ownership occurred.
	Name Change	11/1/2012	River Oaks Healthcare Rehabilitation Center, Burnham	Formerly Burnham Healthcare.
	Health Service Area 8			
	Name Change	10/1/2011	Heritage Health - Elgin, Elgin	Formerly Heritage Manor - Elgin.
	Closure	10/13/2011	Fox River Pavilion, Aurora	Facility deemed closed; 99 Nursing care beds removed from inventory by Board order.
	09-030	12/6/2011	Addison Rehabilitation & Living Center (Permit), Elgin	Permit renewal granted through December 31, 2014.
	CHOW	1/10/2012	Countryside Care Center, Aurora	Change of Ownership occurred.
	08-083	6/21/2012	Greenfields of Geneva, Geneva	Permit to establish 43 bed Nursing Care facility revoked.
	12-086	2/5/2013	Greenfields of Geneva, Geneva	Received permit to establish a 43 bed Nursing Care facility at ON801 Friendship Way in Geneva.
	Licensure	1/15/2013	Greenfields of Geneva, Geneva	Received license for operation. New
	Bed Change	10/1/2011	Rolling Hills Manor Nursing Home, Zion	Discontinued 12 Nursing care beds; facility now has 115 nursing care beds.
	Closure	10/13/2011	Helia Healthcare Of Zion, Zion	Facility deemed closed; 116 Nursing care beds removed from inventory by Board order.
Lake	Bed Change	11/4/2011	Hillcrest Retirement Village, Rnd Lake Beach	Added 2 Nursing care beds; facility now has 144 Nursing care beds.
	11-009	11/29/2011	Radford Green, Lincolnshire	Project completed to add 44 Nursing Care beds; facility now has 88 Nursing Care beds.
	11/6/2009	Bed Change	The Wealshire, Lincolnshire	Facility added 2 Nursing Care beds and discontinued 2 Sheltered Care beds. Facility now has 144 Nursing Care beds and 0 Sheltered Care beds.
	CHOW	6/27/2012	The Terrace Nursing Home, Waukegan	Change of ownership occurred.
	12-062	10/30/2012	Wauconda Healthcare & Rehabilitation Center, Wauconda	Received permit to add 40 Nursing Care beds to existing facility. Facility will have 175 Nursing Care beds upon completion.
	Board Action	7/23/2012	Northwestern Lake Forest Hospital, Lake Forest	Board reduced long-term care beds from 88 to 84.

LONG TERM CARE FACILITY UPDATES
9/16/2011 - 3/18/2013
CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION	
McHenry	Bed Change	1/17/2013	Radford Green, Lincolnshire	Facility discontinued 4 Nursing Care beds; facility now has 84 Nursing Care beds.	New
	CHOW	1/1/2012	Woodstock Residence, Woodstock	Change of ownership occurred.	
	Name Change	6/1/2012	Crossroads Care Center Woodstock, Woodstock	Name changed from Woodstock Residence.	
Health Service Area 9					
Kankakee	CHOW	6/27/2012	Kankakee Terrace, Kankakee	Change of ownership occurred.	
	Name Change	6/27/2012	Kankakee Terrace Nursing Center, Kankakee	Formerly Kankakee Terrace	
	CHOW	6/27/2012	Bourbonnais Terrace, Bourbonnais	Change of ownership occurred.	
Will	Name Change	6/27/2012	Bourbonnais Terrace Nursing Home, Bourbonnais	Formerly Bourbonnais Terrace	
	10-005	11/17/2011	Smith Crossing, Orland Park	Facility licensed 16 Nursing Care beds under permit 10-005; facility now has a total of 46 Nursing Care beds.	
	Bed Change	12/7/2011	Sunny Hill Nursing Home Will County, Joliet	Facility discontinued 20 Nursing Care beds; facility now has 280 Nursing Care beds.	
	CHOW	1/10/2012	Deerbrook Care Centre, Joliet	Change of Ownership occurred.	
	07-102	3/9/2012	Alden Estates Of Shorewood, Shorewood	Facility licensed for operation with 100 Nursing Care beds.	
	CHOW	6/27/2012	Joliet Terrace, Joliet	Change of ownership occurred.	
	Name Change	6/27/2012	Joliet Terrace Nursing Center, Joliet	Formerly Joliet Terrace	
	CHOW	6/27/2012	Frankfort Terrace, Frankfort	Change of ownership occurred.	
	Name Change	6/27/2012	Frankfort Terrace Nursing Center, Frankfort	Formerly Frankfort Terrace	
	Name Change	8/2/2012	Symphony of Joliet	Formerly Deerbrook Care Centre.	
	12-032	10/31/2012	Alden Estates Of Shorewood, Shorewood	Received permit to add 50 Nursing Care beds (to be known as Alden Courts of Shorewood) to existing facility; facility will have 150 Nursing Care beds upon completion.	
Health Service Area 10					
Henry	Bed Change	7/12/2011	Hammond-Henry District Hospital, Geneseo	Discontinued 18 nursing care beds, total now 38 nursing care beds.	
Mercer	12-044	10/30/2012	Mercer County Hospital, Aledo	Received permit to discontinue 14 bed Long-Term Care facility.	
	CHOW	2/1/2013	Mercer County Nursing Home, Aledo	Change of Ownership occurred.	New
Rock Island	Name Change	2/1/2013	Genesis Senior Living, Aledo	Formerly Mercer County Nursing Home.	New
	Bed Change	8/21/2012	Illini Restorative Care, Silvis	Converted 8 beds from Sheltered Care to Nursing Care. Facility now has 83 Nursing Care beds and 37 Sheltered Care beds	
Health Service Area 11					
Clinton	Closure	9/25/2012	Brookside Manor, Centralia	Facility ceased operation. 49 Nursing Care beds removed from Facility Inventory.	
Madison	Bed Change	10/28/2011	St. Clare'S Hospital, Alton	Facility discontinued 4 Nursing Care beds; facility now has 26 Nursing Care beds.	
	Bed Change	1/17/2012	Collinsville Rehab & Health Care Ctr., Collinsville	Facility discontinued 2 Nursing Care beds; facility now has 98 Nursing Care beds.	
Monroe	Closure	6/22/2012	Canterbury Manor Nursing Center, Waterloo	Facility ceased operation. 74 Nursing Care beds removed from Facility Inventory.	
CHANGES TO SPECIALIZED LONG-TERM CARE					
Health Service Area 2					
LaSalle	Closure	3/28/2012	Knox Estates, Streator	Facility ceased operations; 16 ICF/DD beds removed from inventory.	
Health Service Area					
Morgan	12-074	10/30/2012	Jacksonville Development Center, Jacksonville	Received permit for complete discontinuation of facility.	

Health Service Area 5

LONG_TERM CARE FACILITY UPDATES
9/16/2011 - 3/18/2013
CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION	
Clay	Closure	2/10/2013	Prairie Estates, Flora	Facility discontinued 16 bed ICF/DD Category of Service; facility converted to CILA	New
Edwards/Wabash	Closure	4/1/2012	River Oaks, Mount Carmel	Facility ceased operations; 16 ICF/DD beds removed from inventory.	
Gallatin/Hamilton/Saline	Closure	5/1/2012	Brooke Hill, Eldorado	Facility ceased operation; 16 ICF/DD beds removed from inventory.	
	Closure	2/1/2013	Shawnee House, Harrisburg	Facility discontinued 16 bed ICF/DD Category of Service; facility converted to CILA	New
Lawrence	Closure	10/17/2011	Hickory Estates, Sumner	Facility closed; 16 ICF/DD beds removed from inventory.	
Union	Closure	12/28/2011	Village Inn - Cobden, Cobden	Facility closed 12/28/2011; 16 ICF/DD beds removed from inventory.	
	Closure	4/2/2012	Holly Hill, Anna	Facility ceased operations; 16 ICF/DD beds removed from inventory.	
Washington	Closure	9/17/2012	Colonial Plaza, Nashville	Facility ceased operations; 16 ICF/DD beds removed from inventory.	
Williamson	Closure	10/13/2011	Independence Place, Herrin	Facility deemed closed; 16 ICF/DD Adult beds removed from inventory by Board order.	
	Closure	8/31/2012	Chestnut Manor, Herrin	Facility discontinued 16 bed ICF/DD Category of Service; facility converted to CILA	
Health Service Area 6, 7, 8, 9					
Kankakee	Closure	3/31/2012	Gravlin Square, Bradley	Facility ceased operations; 16 ICF/DD beds removed from inventory.	
Planning Area 7-D	CHOW	3/1/2012	Bellwood Nursing Center, Bellwood	Change of Ownership occurred.	
	Name Change	3/2/2012	Bellwood Nursing Center, Bellwood	Formerly Aspire on Eastern.	
Planning Area 7-E	Closure	4/10/2012	Bethshan II, Palos Heights	Facility ceased operation; 16 ICF/DD beds removed from inventory.	

CHANGES TO CHRONIC MENTAL ILLNESS

Health Service Area 1					
Winnebago Health Service Area 1	12-060	9/12/2012	H. Douglas Singer Mental Health Center, Rockford	Permit issued for discontinuation of 76 bed Mental Health Center.	

LONG_TERM CARE FACILITY UPDATES

9/16/2011 - 3/18/2013

CALCULATED BED NEEDS

Planning Area	Calculated Beds Needed	Approved Beds	Additional Beds Needed or Excess Beds ()
LONG-TERM CARE NURSING CARE BED NEED			
HEALTH SERVICE AREA 1			
Boone	305	279	26
Carroll	187	148	39
DeKalb	757	742	15
Jo Daviess	231	155	76
Lee	299	342	(43)
Ogle	599	535	64
Stephenson	665	652	13
Whiteside	717	843	(126)
Winnebago	2399	2366	33
HEALTH SERVICE AREA 2			
Bureau/Putnam	429	373	56
Fulton	523	615	(92)
Henderson/Warren	245	218	27
Knox	823	950	(127)
LaSalle	1364	1389	(25)
McDonough	379	376	3
Marshall/Stark	346	427	(81)
Peoria	1760	1731	29
Tazewell	1516	1246	270
Woodford	655	592	63
HEALTH SERVICE AREA 3			
Adams	1188	1495	(307)
Brown/Schuyler	183	186	(3)
Calhoun/Pike	301	337	(36)
Cass	186	150	36
Christian	412	472	(60)
Greene	154	119	35
Hancock	190	184	6
Jersey	411	369	42
Logan	502	468	34
Macoupin	686	744	(58)
Mason	143	164	(21)
Menard	230	106	124
Montgomery	567	490	77
Morgan/Scott	573	561	12
Sangamon	1344	1254	90
HEALTH SERVICE AREA 4			
Champaign	1037	908	129
Clark	290	255	35
Coles/Cumberland	759	939	(180)
DeWitt	219	190	29
Douglas	238	233	5
Edgar	260	299	(39)
Ford	240	434	(194)
Iroquois	461	486	(25)
Livingston	494	550	(56)
McLean	1306	1118	188
Macon	1331	1253	78
Moultrie	318	361	(43)
Piatt	160	160	0
Shelby	264	265	(1)
Vermilion	692	779	(87)

LONG TERM CARE FACILITY UPDATES

9/16/2011 - 3/18/2013

CALCULATED BED NEEDS

Planning Area	Calculated Beds Needed	Approved Beds	Additional Beds Needed or Excess Beds ()
HEALTH SERVICE AREA 5			
Alexander/Pulaski	124	83	41
Bond	172	198	(26)
Clay	133	209	(76)
Crawford	246	220	26
Edwards/Wabash	175	139	36
Effingham	490	432	58
Fayette	255	261	(6)
Franklin	442	390	52
Gallatin/Hamilton/Saline	684	590	94
Hardin/Pope	95	113	(18)
Jackson	376	369	7
Jasper	82	57	25
Jefferson	424	346	78
Johnson/Massac	338	301	37
Lawrence	325	340	(15)
Marion	862	603	259
Perry	207	210	(3)
Randolph	580	490	90
Richland	360	309	51
Union	351	293	58
Washington	172	263	(91)
Wayne	133	169	(36)
White	354	353	1
Williamson	600	543	57
HEALTH SERVICE AREA 6			
Planning Area 6-A	5963	7194	(1231)
Planning Area 6-B	4252	4178	74
Planning Area 6-C	5209	4791	418
HEALTH SERVICE AREA 7			
Planning Area 7-A	4482	3323	1159
Planning Area 7-B	7180	6839	341
Planning Area 7-C	6867	6026	841
Planning Area 7-D	2519	2904	(385)
Planning Area 7-E	9328	9136	192
HEALTH SERVICE AREA 8			
Kane	3322	2894	428
Lake	5275	4733	542
McHenry	1501	1032	469
HEALTH SERVICE AREA 9			
Grundy	260	265	(5)
Kankakee	1290	1368	(78)
Kendall	219	185	34
Will	3479	2840	639
HEALTH SERVICE AREA 10			
Henry	452	500	(48)
Mercer	222	172	50
Rock Island	1243	1334	(91)
HEALTH SERVICE AREA 11			
Clinton	432	357	75
Madison	2048	2193	(145)
Monroe	435	250	185
St. Clair	2102	2294	(192)

LONG_TERM CARE FACILITY UPDATES

9/16/2011 - 3/18/2013

CALCULATED BED NEEDS

Planning Area	Calculated Beds Needed	Approved Beds	Additional Beds Needed or Excess Beds ()
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LONG-TERM CARE ICF/DD 16 BED NEED

HSA 1	268	360	(92)
HSA 2	268	317	(49)
HSA 3	230	383	(153)
HSA 4	322	334	(12)
HSA 5	255	527	(272)
HSA 6, 7, 8, 9	3429	1101	2328
HSA 10	82	40	42
HSA 11	220	384	(164)

Factors for a successful memory support program include providing a secure and calm environment with dedicated staff and specialized programming tailored to those with dementia. Staff focus on truly understanding each resident, their interests, daily routines, concerns and passions, in order to best support the residents' natural rhythm and reduce anxieties. In addition, best practice providers have created household environments that look and feel like home, enabling residents to participate in daily life activities, such as meal preparation, gardening or doing the laundry.

The nursing facilities profiled below are those in the Nursing PMA offering specialized memory support units within their nursing facilities.

	Asta Care Center - Bloomington	Heritage Health - Normal	Leroy Manor	Manor Court of Clinton	Maple Lawn Health Center	Meadows Mennonite
Memory Support Unit	20	23	24	26	10	Intermediate: 22 Advanced: 47
Census	100%	96%	71%	73%	100%	Intermediate: 95%, Advanced: 96%
Environment	Unit not secure; traditional floor plan	Household configurations; shadow boxes; shows nicely	Traditional floor plan	Traditional floor plan	Unit not secure; traditional floor plan	The Intermediate unit is in a household configuration, whereas the advanced unit has a traditional floor plan.
Special Care Unit License	No	Yes	Application under review	No	No	Yes
Special Programming	Extended programming in shorter increments (compared to traditional SNF), sensory stimulation	Customized and activity-based; some one-on-one programming	Customized and activity-based	Customized and activity- based; one-on-one programming	Extended programming in shorter increments	Customized and activity-based; some one-on-one programming
Staffing Levels (in addition to RN or "floating" RN)	3 CNAs (day); 2 CNAs (night)	3 CNAs (day); 2 CNAs (night)	Manager plus 3 CNAs (day); 2 CNAs (night)	3 CNAs (day); 2 CNAs (night)	CNA, PT Activity Director (day); CNA (night)	5-6 residents; 1 CNA
Private rooms	2	1	-	-	4	Intermediate: 6, Advanced: 13
Semi-private rooms	9	11	12	13	3	Intermediate: 8, Advanced: 17
Secured Courtyard	Yes	Yes	Yes	Yes	Yes	Yes

COMPETITIVE ANALYSIS

COMPETITIVE ANALYSIS

ATTACHMENT 17-D

Provider Name	Driving Minutes from the Community	Total Number of Licensed Nursing Beds	Number of Beds in Operation	Number of Private Rooms	Current Licensed Bed Occupancy Percentage	Current Operating Bed Occupancy Percentage	2011 Licensed Bed Occupancy Percentage	Number of Designated Memory Support Beds	Number of Certified Medical Beds	Payor Mix ⁽¹⁾	Current Medicaid Census
Bloomington Rehab & HCC ⁽⁴⁾ For Profit Corporation	5	78	68	4	71%	81%	60%	-	78	P: 6% M: 9% MD: 85%	47
Westminster Village* ⁽⁵⁾ Non Profit Corporation	8	78	78	12	76%	76%	52%	-	-	P: 90% M: 10%	-
OSF St. Joseph Medical Center ⁽⁶⁾ For Profit Corporation	8	12	12	2	50%	50%	36%	-	12	M: 100%:	-
Heritage Health - Bloomington ⁽⁷⁾ For Profit Corporation	10	111	89	21	70%	88%	74%	-	59	P: 41% M: 24% MD: 35%	27
Asta Care Center - Bloomington For Profit Corporation	11	117	115	9	87%	89%	70%	20	115	P: 10% M: 12% MD: 78%	80
McLean County Nursing Home ⁽⁸⁾ Government	12	150	150	6	96%	96%	88%	-	150	P: 10% M: 15% MD: 75%	108
Heartland of Normal ⁽⁹⁾ For Profit Corporation	14	116	116	10	87%	87%	81%	-	26	P: 17% M: 57% MD: 26%	26
Heritage Health - Normal ⁽¹⁰⁾ For Profit Corporation	15	164	132	24	67%	83%	86%	23	164	P: 40% M: 8% MD: 52%	57
Leroy Manor For Profit Corporation	21	101	101	5	83%	83%	60%	24	101	P: 24% M: 15% MD: 61%	51
Manor Court of Clinton* Non Profit Corporation	24	134	134	4	80%	80%	68%	26	134	P: 25% M: 20% MD: 55%	59

COMPETITIVE ANALYSIS

Provider Name	Driving Minutes from the Community	Total Number of Licensed Beds	Number of Beds in Operation	Number of Private Rooms	Current Licensed Bed Occupancy Percentage	Current Operating Bed Occupancy Percentage	2011 Licensed Bed Occupancy Percentage	Number of Designated Memory Support Beds	Number of Certified Medicaid Beds	Payor Mix ⁽¹⁾	Current Medicaid Census
Heritage Health - El Paso <i>For Profit Corporation</i>	26	65	65	9	91%	91%	82%	-	65	P: 35% M: 20% M/D: 45%	25
El Paso Health Care Center ⁽¹⁾ <i>For Profit Corporation</i>	27	123	123	3	98%	98%	86%	-	123	P: 10% M: 10% M/D: 80%	96
Symphony of Lincoln <i>For Profit Corporation</i>	27	126	126	4	75%	75%	80%	-	126	P: 12% M: 18% M/D: 70%	67
Farmer City Rehab & Health Center <i>For Profit Corporation</i>	30	56	53	1	95%	100%	91%	-	51	P: 34% M: 6% M/D: 60%	32
Maple Lawn Health Center <i>Non Profit - Church Related</i>	30	89	89	11	79%	79%	89%	10	89	P: 30% M: 10% M/D: 60%	42
Hopedale Nursing Home <i>Non Profit Corporation</i>	30	54	54	38	89%	89%	81%	-	-	P: 85% Charity: 15%	-
Total Beds in the Nursing PMA / Weighted Average Occupancy	1,574	1,505	163	82%	86%	77%	103	1,293	717		

**LUTHER OAKS, INC.
CON APPLICATION
CRITERION 1125.580**

UNNECESSARY DUPLICATION/MALDISTRIBUTION OF SERVICES

1. The applicant shall provide the following information:

- a. A list of all zip code areas that are located, in total or in part, within 30 minutes normal travel time of the project's site;**

Attached as ATTACHMENT 18-A is a list of all zip codes that are located within thirty minutes normal travel time of the project's site at 601 Lutz Road, Bloomington, Illinois 61704.

- b. The total population of the identified zip code areas (based upon the most recent population numbers available for the State of Illinois);**

As reflected in the appended ATTACHMENT 18-B, the total population of the identified zip code areas based upon the most recent population numbers available for the State of Illinois is 245,135.

- c. The names and locations of all existing or approved LTC facilities located within 30 minutes normal travel time from the project site that provide the categories of bed service that are proposed by the project.**

Attached as ATTACHMENT 18-C is list of the names and locations of all existing and approved LTC facilities located within 30 minutes normal travel time from the project's site at 601 Lutz Road, Bloomington, Illinois 61704.

2. The applicant shall document that the project will not result in maldistribution of services.

The project will not result in the maldistribution of services in the planning area. Typical indicators of maldistribution include the State's bed need determination, the ratio of beds to population and the historical utilization of existing providers in the planning area.

Bed Need Determination:

According to the March 18, 2013 Update to the Illinois Department of Public Health's Inventory of Health Care Facilities and Services and Need Determination, there is an identified need for 188 additional skilled nursing care beds in McLean County. The need for 188 additional beds in McLean County supports that the addition of 36 new skilled nursing beds in the planning area will not result in the maldistribution of services.

Historical Utilization:

Based on the Inventory of Long-Term Care Services dated October 14, 2011, the weighted average occupancy of facilities within the 30 minute drive time of Luther Oaks was 77%. However, the occupancy at the existing facilities with the 30 minute drive time of Luther

Oaks has improved dramatically over the past two years. As part of the Market Assessment conducted by Sawgrass Partners, LLC, Sawgrass obtained current occupancy information on the facilities located within a 30 minute drive time of Luther Oaks. The average weighted occupancy for such facilities as of April 12, 2013 was 86% (when measured using beds in operation as opposed to licensed beds), which is close to the State standard of 90%(See ATTACHMENT 17-D).

Some of the reasons for lower occupancy in some of the skilled nursing facilities within a 30 minute drive time are as follows:

- Bloomington Rehab and Health Care Center, Asta Care Center of Bloomington, Leroy Manor, Symphony of Lincoln and Manor Care of Clinton all have a two-star or less rating from the Centers for Medicare and Medicaid Services;
- Westminster does not have any Medicaid beds, and Luther Oaks will have six (6) beds certified for Medicaid;
- Hopedale Nursing Home does not have beds certified for Medicare or Medicaid;
- OSF St. Joseph Medical Center has committed to refer up to 200 patients to Luther Oaks, which indicates that OSF St. Joseph Medical Center finds such referrals will not cause problems for its own skilled nursing beds;
- Heritage Health Normal is reported by Sawgrass to have more than 30% of its patients characterized as having a mental illness (See ATTACHMENT 17-D); and
- Maple Lawn is reported by Sawgrass to have more than 40% of its patients characterized as having a mental illness (See ATTACHMENT 17-D).

The remaining 4 skilled nursing facilities which had reported occupancy rates of less than 90% in the most recent Illinois Department of Public Health statistics were all over 80% based on their licensed beds: McLean County Nursing Home, 88%; Heartland Normal, 81%; Heritage El Paso, 82%; El Paso Health Care, 86% (See ATTACHMENT 17-D). The Sawgrass phone survey conducted in early 2013 asked those same facilities what their occupancy rate for the number of beds currently in operation and the following information was provided: : McLean County Nursing Home, 96%; Heartland Normal, 87%; Heritage El Paso, 91%; El Paso Health Care, 98% (See ATTACHMENT 17-D).

While the overall occupancy in the area is below 90%, Luther Oaks has identified a need within the planning area for skilled nursing beds in private rooms which are in a facility designed to provide person-centered care and which are dedicated to short-term rehabilitation care. This need is also evidenced by the letters from local hospitals committing to support the project through referrals. There is no other provider in the area that is providing person-centered short-term rehabilitation care in a wing with all private rooms and full private bathrooms with showers. With predominately private bedrooms, the project will increase the residents' comfort and privacy. In addition, private rooms will allow Luther Oaks to more effectively control

infections, such as MRSA and the flu. In addition, the short-term rehabilitation services provided by Luther Oaks will help to reduce the readmission of patients to hospitals. Lutheran Life Ministries has a proven track record of low readmission rates and will help to keep readmission rates low in the planning area. In addition, there is a demand in the planning area for private long term care beds as there are only approximately 161 private rooms out of the 1,493 skilled nursing beds currently in operation. The project will add an additional 32 private skilled care beds to the planning area in a state of the art facility.

As of April 16, 2013, Luther Oaks had 148 residents residing on its campus. In 2012, Luther Oaks referred approximately 19 of its residents off-site to other skilled nursing facilities. Luther Oaks anticipates that a similar number of its residents will be in need of skilled nursing care on an annual basis following project completion. The new 36-bed skilled nursing facility will be able to serve these residents' needs as they transition through the continuum of care. Based on the foregoing, the addition of a 36-bed skilled nursing facility will not result in the maldistribution of services because: (1) the new skilled nursing beds will provide skilled nursing care for residents of Luther Oaks' existing campus; (2) the utilization of other LTC providers in the area has increased to close to 90% as reported by Sawgrass Partners, LLC (when measured using beds in operation as opposed to licensed beds); and (3) there is a need for additional skilled nursing beds in private rooms in a facility designed to provide person-centered care dedicated to short-term rehabilitation care in the planning area.

Ratio of Beds to Population:

Maldistribution may exist where a ratio of beds to population in an area exceeds one and one-half times the State average. A ratio of beds to population in an area of less than one and one-half times the State average supports that a maldistribution of beds does not exist. Based on the calculation set forth below, the McLean County Planning Area (including the proposed 36 new skilled nursing beds) has a ratio of beds to population that is less than one and one-half times the State average, which supports that the project will not result in a maldistribution of services in the McLean County Planning Area.

The population information for McLean County from the U.S. Census Bureau 2010 is attached as **ATTACHMENT 18-D**. The inventory of nursing beds within the McLean County Planning Area is attached as **ATTACHMENT 18-E**. The total State population from the 2010 U.S. Census Bureau is attached as **ATTACHMENT 18-F**. The total inventory of nursing beds in the State is attached hereto as **ATTACHMENT 18-G**. The McLean County Planning Area ratio is calculated by dividing its nursing bed inventory by its population. Likewise, the State's ratio is computed by dividing the State's total nursing bed inventory by the State's total population.

Total Nursing Beds (McLean County) (as of 3/18/2013)	1,154 (1,118 existing beds + 36 proposed beds)	=	1 N.C. Bed
Population (2010) (McLean County)	169,572		146.9 People
Total of Nursing Beds (Illinois) (2011 IDPH Profile)	102,914	1	1 N.C. Bed
Population (2010) (Illinois)	12,830,632	= $\frac{1}{124.7} * 1.5 =$	83.1 People

Since 1/146.9 is less than 1/83.1, the ratio of beds to population in the McLean County Planning Area is less than one and one-half times the State average, which supports the conclusion that the project will not result in the maldistribution of services.

3. The applicant shall document that, within 24 months after project completion, the proposed project:

- a. Will not lower the utilization of other area providers below the occupancy standards specified in Section 1125.210(c); and**
- b. Will not lower, to a further extent, the utilization of other area facilities that are currently (during the latest 12-month period) operating below the occupancy standards.**

As described above, based on the documented need for an additional 188 skilled nursing beds in the planning area, the project will not lower the utilization of other area facilities. Further, an increase in the available inventory of skilled nursing beds in the planning area by only 36 beds will not lower the utilization of other area facilities as it represents only a 2.5% increase in total beds. In addition, Luther Oaks has identified a need for additional skilled nursing beds dedicated to short-term rehabilitation and the project will address this issue by meeting a portion of the demand for such short-term rehabilitation beds in the area. The project will also provide a place for Luther Oaks' current residents to transition through the continuum of care.

**LUTHER OAKS, INC.
CON APPLICATION
ZIP CODES**

The following is a list of the 49 zip codes that are located in total or in part within a 30 minute normal drive time of the project's site at 601 Lutz Road, Bloomington, Illinois:

61530	61745	61742
61568	61747	62656
61701	61748	61738
61704	61749	62643
61705	61752	61744
61720	61753	61737
61721	61754	62635
61722	61755	
61723	61759	
61724	61761	
61725	61770	
61726	61771	
61727	61772	
61728	61774	
61729	61776	
61730	61777	
61732	61778	
61733	61790	
61734	61842	
61735	61854	
61736	62512	

ATTACHMENT 18-A

Population and Growth

All demographic data was obtained from Nielsen Claritas, Inc. (Claritas) and reflects their population estimates for 2013 and projections for 2018 based on the 2010 Census and demographic and economic trends.

As the following table indicates, the percentage of seniors to the total population is slightly lower in the Nursing PMA than in the state of Illinois and the United States.

	Nursing PMA		State of Illinois		United States	
	2013 (Estimated)	2018 (Projected)	2013 (Estimated)	2018 (Projected)	2013 (Estimated)	2018 (Projected)
Total Population	245,135	248,130	12,909,647	13,026,119	314,861,807	325,322,277
Population Aged 65-74	16,730	20,569	955,333	1,150,593	24,703,850	30,124,562
Population Aged 75-84	9,262	9,861	522,687	556,858	13,281,401	14,594,994
Population Aged 85+	4,707	4,821	246,168	252,412	5,876,669	6,278,130
Total Age 65+	30,699	35,251	1,724,188	1,959,863	43,861,920	50,997,686
Total Age 75+	13,969	14,682	768,855	809,270	19,158,070	20,873,124
Percent 65-74	6.8%	8.3%	7.4%	8.8%	7.8%	9.3%
Percent 75-84	3.8%	4.0%	4.1%	4.3%	4.2%	4.5%
Percent 85+	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%
Percent 65+	12.5%	14.2%	13.4%	15.0%	13.9%	15.7%
Percent 75+	5.7%	5.9%	6.0%	6.2%	6.1%	6.4%

Source: Nielsen Claritas, Inc.

DEMOGRAPHIC & ECONOMIC ANALYSIS

**LUTHER OAKS, INC.
CON APPLICATION
CRITERION 1125.580
UNNECESSARY DUPLICATION/MALDISTRIBUTION**

The following are the names and locations of all existing and approved long-term care facilities located within thirty (30) minutes normal travel time from the Project, which provide skilled care nursing services:

Name of Facility	Location of Facility
Bloomington Rehabilitation and Health Care Center	1925 South Main Street Bloomington, IL 61704
Westminster Village	2025 East Lincoln Street Bloomington, IL 61701
OSF St. Joseph Medical Center	2200 East Washington Street Bloomington, IL 61701
Heritage Health – Bloomington	700 East Walnut Bloomington, IL 61701
Asta Care Center – Bloomington	1509 North Calhoun Street Bloomington, IL 61701
McLean County Nursing Home	901 North Main Normal, IL 61761
Heartland of Normal	510 Broadway Normal, IL 61761
Heritage Health - Normal	509 North Adelaide Normal, IL 61761
Leroy Manor	509 S Buck Road Le Roy, IL 61752
Manor Court of Clinton	1 Park Lane West Clinton, IL 61727
Heritage Health – El Paso	555 East Clay El Paso, IL 61738
El Paso HealthCare Center	850 East Second Street El Paso, IL 61738
Symphony of Lincoln	2202 North Kickapoo Street Lincoln, IL 62656
Farmer City Rehab & Health Center	10 Brookview Drive Farmer City, IL 61842
Maple Lawn Health Center	700 North Main Eureka, IL 61530
Hopedale Nursing Home	107 Tremont Street Hopedale, IL 61747

ATTACHMENT 18-C

U.S. Department of Commerce

Home Steps About Us Subjects A to Z FAQs Help

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State & County QuickFacts

McLean County, Illinois

People QuickFacts	McLean County	Illinois
Population, 2012 estimate	172,281	12,875,255
Population, 2010 (April 1) estimates base	169,572	12,830,632
Population, percent change, April 1, 2010 to July 1, 2012	1.6%	0.3%
Population, 2010	169,572	12,830,632
Persons under 5 years, percent, 2011	6.2%	6.4%
Persons under 18 years, percent, 2011	22.3%	24.1%
Persons 65 years and over, percent, 2011	10.4%	12.7%
Female persons, percent, 2011	51.4%	50.9%
White persons, percent, 2011 (a)	85.5%	78.0%
Black persons, percent, 2011 (a)	7.8%	14.8%
American Indian and Alaska Native persons, percent, 2011 (a)	0.3%	0.6%
Asian persons, percent, 2011 (a)	4.5%	4.8%
Native Hawaiian and Other Pacific Islander persons, percent, 2011 (a)	Z	0.1%
Persons reporting two or more races, percent, 2011	2.1%	1.7%
Persons of Hispanic or Latino Origin, percent, 2011 (b)	4.6%	16.2%
White persons not Hispanic, percent, 2011	81.5%	63.3%
Living in same house 1 year & over, percent, 2007-2011	79.4%	86.7%
Foreign born persons, percent, 2007-2011	5.8%	13.7%
Language other than English spoken at home, percent age 5+, 2007-2011	7.5%	22.0%
High school graduate or higher, percent of persons age 25+, 2007-2011	93.4%	86.6%
Bachelor's degree or higher, percent of persons age 25+, 2007-2011	41.1%	30.7%
Veterans, 2007-2011	10,129	770,388
Mean travel time to work (minutes), workers age 18+, 2007-2011	17.3	28.1
Housing units, 2011	70,183	5,297,318
Homeownership rate, 2007-2011	87.8%	68.7%
Housing units in multi-unit structures, percent, 2007-2011	28.6%	32.9%
Median value of owner-occupied housing units, 2007-2011	\$154,800	\$198,500
Households, 2007-2011	63,431	4,773,002
Persons per household, 2007-2011	2.50	2.62
Per capita money income in the past 12 months (2011 dollars), 2007-2011	\$29,425	\$29,378
Median household income, 2007-2011	\$59,410	\$56,576
Persons below poverty level, percent, 2007-2011	13.4%	13.1%
Business QuickFacts	McLean County	Illinois
Private nonfarm establishments, 2010	3,702	314,171 ¹
Private nonfarm employment, 2010	78,070	4,980,011 ¹
Private nonfarm employment, percent change, 2000-2010	-8.0	-9.5 ¹
Nonemployer establishments, 2010	9,241	903,025
Total number of firms, 2007	12,693	1,123,817
Black-owned firms, percent, 2007	5.4%	9.5%
American Indian- and Alaska Native-owned firms, percent, 2007	F	0.5%
Asian-owned firms, percent, 2007	3.9%	5.3%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	0.1%
Hispanic-owned firms, percent, 2007	1.4%	5.0%
Women-owned firms, percent, 2007	29.8%	30.5%
Manufacturers shipments, 2007 (\$1000)	2,578,827	257,760,713

Merchant wholesaler sales, 2007 (\$1000)	5,309,346	231,082,768
Retail sales, 2007 (\$1000)	2,231,369	165,450,520
Retail sales per capita, 2007	\$13,507	\$12,947
Accommodation and food services sales, 2007 (\$1000)	308,104	25,469,028
Building permits, 2011	620	11,809
Geography QuickFacts	McLean County	Illinois
Land area in square miles, 2010	1,183.38	55,518.93
Persons per square mile, 2010	143.3	231.1
FIPS Code	113	17
Metropolitan or Micropolitan Statistical Area	Bloomington -Normal, IL Metro Area	

f: Includes data not distributed by county.

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information

F: Fewer than 100 firms

FM: Footnote on this item for this area in place of data

NA: Not available

S: Suppressed; does not meet publication standards

X: Not applicable

Z: Value greater than zero but less than half unit of measure shown

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report
Last Revised: Monday, 11-Nov-2013 14:11:38 EDT

INVENTORY OF HEALTH CARE FACILITIES AND SERVICES AND NEED DETERMINATIONS

Planning Area: McLean		City		County/Area		General Nursing Care	
Facility Name						Beds	2008 Patient Days
ASTA CARE CENTER - BLOOMINGTON		BLOOMINGTON		McLean County		117	30,409
BLOOMINGTON REHAB HLTHCARE CTR		BLOOMINGTON		McLean County		78	14,648
HEARTLAND OF NORMAL		NORMAL		McLean County		116	31,734
HERITAGE MANOR - BLOOMINGTON		BLOOMINGTON		McLean County		111	32,833
HERITAGE MANOR - COLFAX		COLFAX		McLean County		6C	16,308
HERITAGE MANOR - NORMAL		NORMAL		McLean County		164	50,450
LEROY MANOR		LEROY		McLean County		102	26,337
1/13/2011 Bed Change Added 6 Nursing Care beds to existing facility; facility now authorized for 102 Nursing Care beds.							
MCLEAN COUNTY NURSING HOME		NORMAL		McLean County		150	47,860
MEADOWS MENNONITE HOME		CHENOA		McLean County		130	38,233
ST. JOSEPH'S MEDICAL CENTER		BLOOMINGTON		McLean County		12	1,761
WESTMINSTER VILLAGE		BLOOMINGTON		McLean County		78	22,131
Planning Area Totals						1,118	312,704
HEALTH SERVICE AREA	AGE GROUPS	2008 Patient Days	2008 Population	2008 Use Rates (Per 1,000)	2008 Minimum Use Rates	2008 Maximum Use Rates	
	0-64 Years Old	248,782	701,100	354.9	212.9	567.8	
	65-74 Years Old	262,777	55,700	4,717.7	2,830.6	7,548.4	
	75+ Years Old	1,818,565	55,800	32,808.7	19,565.2	52,173.9	
	2008 PSA Patient Days	2008 PSA Estimated Populations	2008 PSA Use Rates (Per 1,000)	2008 PSA Minimum Use Rates	2008 PSA Maximum Use Rates	2018 PSA Projected Populations	2018 PSA Planned Patient Days
0-64 Years Old	17,606	149,400	117.8	212.9	567.8	159,800	33,981
65-74 Years Old	26,027	8,300	3,135.8	2,830.6	7,548.4	13,900	43,587
75+ Years Old	269,071	7,500	35,876.1	19,565.2	52,173.9	9,800	351,586
Planning Area Totals						429,165	1,175.8
						1,306	168

1. The subject of the document

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People Business Geography Data Research Newsroom Search

State & County QuickFacts

Illinois

People QuickFacts	Illinois	USA
Population, 2012 estimate	12,875,255	313,914,040
Population, 2010 (April 1) estimates base	12,830,632	308,747,508
Population, percent change, April 1, 2010 to July 1, 2012	0.3%	1.7%
Population, 2010	12,830,632	308,745,538
Persons under 5 years, percent, 2011	6.4%	6.5%
Persons under 18 years, percent, 2011	24.1%	23.7%
Persons 65 years and over, percent, 2011	12.7%	13.3%
Female persons, percent, 2011	50.9%	50.8%
White persons, percent, 2011 (a)	78.0%	78.1%
Black persons, percent, 2011 (a)	14.8%	13.1%
American Indian and Alaska Native persons, percent, 2011 (a)	0.6%	1.2%
Asian persons, percent, 2011 (a)	4.8%	5.0%
Native Hawaiian and Other Pacific Islander persons, percent, 2011 (a)	0.1%	0.2%
Persons reporting two or more races, percent, 2011	1.7%	2.3%
Persons of Hispanic or Latino Origin, percent, 2011 (b)	16.2%	16.7%
White persons not Hispanic, percent, 2011	63.3%	63.4%
Living in same house 1 year & over, percent, 2007-2011	86.7%	84.6%
Foreign born persons, percent, 2007-2011	13.7%	12.8%
Language other than English spoken at home, percent age 5+, 2007-2011	22.0%	20.3%
High school graduate or higher, percent of persons age 25+, 2007-2011	86.6%	85.4%
Bachelor's degree or higher, percent of persons age 25+, 2007-2011	30.7%	28.2%
Veterans, 2007-2011	770,368	22,215,303
Mean travel time to work (minutes), workers age 16+, 2007-2011	28.1	25.4
Housing units, 2011	5,297,318	132,312,404
Homeownership rate, 2007-2011	68.7%	66.1%
Housing units in multi-unit structures, percent, 2007-2011	32.9%	25.9%
Median value of owner-occupied housing units, 2007-2011	\$198,500	\$186,200
Households, 2007-2011	4,773,002	114,761,359
Persons per household, 2007-2011	2.62	2.60
Per capita money income in the past 12 months (2011 dollars), 2007-2011	\$29,376	\$27,915
Median household income, 2007-2011	\$56,576	\$52,762
Persons below poverty level, percent, 2007-2011	13.1%	14.3%
Business QuickFacts	Illinois	USA
Private nonfarm establishments, 2010	314,171 ¹	7,396,628
Private nonfarm employment, 2010	4,980,011 ¹	111,970,095
Private nonfarm employment, percent change, 2000-2010	-9.5 ¹	-1.8
Nonemployer establishments, 2010	903,025	22,110,628
Total number of firms, 2007	1,123,817	27,092,908
Black-owned firms, percent, 2007	9.5%	7.1%
American Indian- and Alaska Native-owned firms, percent, 2007	0.5%	0.9%
Asian-owned firms, percent, 2007	5.3%	5.7%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	0.1%	0.1%
Hispanic-owned firms, percent, 2007	5.0%	8.3%
Women-owned firms, percent, 2007	30.5%	28.8%

Manufacturers shipments, 2007 (\$1000)	257,760,713	5,319,456,312
Merchant wholesaler sales, 2007 (\$1000)	231,082,768	4,174,288,518
Retail sales, 2007 (\$1000)	165,450,520	3,917,663,456
Retail sales per capita, 2007	\$12,947	\$12,990
Accommodation and food services sales, 2007 (\$1000)	25,469,026	613,795,732
Building permits, 2011	11,809	624,061

Geography QuickFacts	Illinois	USA
Land area in square miles, 2010	55,518.93	3,531,905.43
Persons per square mile, 2010	231.1	87.4
FIPS Code	17	

1. Includes data not distributed by county.

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information

F: Fewer than 100 firms

FN: Footnote on this item for this area in place of data

NA: Not available

S: Suppressed; does not meet publication standards

X: Not applicable

Z: Value greater than zero but less than half unit of measure shown

Source: U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report
Last Revised: Thursday, 14-Mar-2013 11:17:50 EDT

INVENTORY OF HEALTH CARE FACILITIES AND SERVICES AND NEED DETERMINATIONS

Illinois Department of Public Health
Illinois Health Facilities and Services Review Board

14-Oct-11
Page A- 4

Summary of General Long-Term Nursing Care Beds and Need by Health Service Area				
HEALTH SERVICE AREA	EXISTING BEDS	PROJECTED BEDS NEEDED - 2018	ADDITIONAL BEDS NEEDED	EXCESS BEDS
Health Service Area 1	6171	6159	200	212
Health Service Area 2	8146	8040	339	445
Health Service Area 3	7364	7070	352	646
Health Service Area 4	8203	8069	486	620
Health Service Area 5	7474	7980	849	343
Health Service Area 6	16517	15424	244	1337
Health Service Area 7	28308	30376	2453	385
Health Service Area 8	8850	10098	1248	0
Health Service Area 9	4628	5248	703	83
Health Service Area 10	2030	1917	36	149
Health Service Area 11	5223	5017	137	343
STATE TOTALS	102914	105398	7047	4563

ATTACHMENT 18-G

**LUTHER OAKS, INC.
CON APPLICATION
CRITERION 1125.590
STAFFING AVAILABILITY**

1. For each category of service, document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure and JCAHO staffing requirements can be met.

Appended as ATTACHMENT 19-A is a list of the relevant clinical and professional staffing needs for the project.

2. Provide the following documentation:

- a. The name and qualification of the person currently filling the position, if applicable; and**
- b. Letters of interest from potential employees; and**
- c. Applications filed for each position; and**
- d. Signed contracts with the required staff; or**
- e. A narrative explanation of how the proposed staffing will be achieved.**

Luther Oaks has a history and reputation of being a quality employer of clinical and professional staff in the area. Luther Oaks already employs nurses and other professional staff to provide care to the residents of its assisted living facility. Luther Oaks does not anticipate any issues with achieving the proposed staffing set forth on ATTACHMENT 19-A. Luther Oaks will recruit new staff in the same manner it recruits staff today, which is primarily through use of CareerBuilder. In addition, Luther Oaks will recruit new employees at job fairs. Finally, if employees within the Lutheran Life Ministries system express an interest in transferring to Luther Oaks, Lutheran Life Ministries would allow such employees to transfer to Luther Oaks so long as they are qualified for the available position.

ATTACHMENT 19

Luther Oaks, Inc.
Clinical and Professional Staffing Needs

Nursing Direct Care Hours:

Incremental based on projected monthly occupancy

- Month 7 reflects total hours for occupancy of 18
- Month 14 reflects total hours for occupancy of 31-36

Month 1 and 2

- CNA – 308 hours per pay period @ 11.00/hr
- RN – 322 hours per pay period @ 27.00/hr

Month 3 thru 7

- CNA – 462 hours per pay period @ 11.00/hr
- RN – 322 hours per pay period @ 27.00/hr

Month 8 thru 11

- CNA – 616 hours per pay period @ 11.00/hr
- RN – 322 hours per pay period @ 27.00/hr

Month 12 and 13

- CNA – 770 hours per pay period @ 11.00/hr
- RN – 427 hours per pay period @ 27.00/hr
- Restorative Aide – 75 hours per pay period @ 12.00/hr

Month 14 and after

- CNA – 840 hours per pay period @ 11.00/hr
- RN – 427 hours per pay period @ 27.00/hr
- Restorative Aide – 75 hours per pay period @ 12.00/hr

Training Hours to be added

- 40 hours training for all additional FTE's in Housekeeping, Dining and Business Office
- 80 hours training for all additional FTE's in Life Enrichment, Social Services and Nursing

ATTACHMENT 19-A

Housekeeping/EVS

- 1.4 FTE / 105 hrs per pay period @ 10.50/hr.
- 1.4 FTE/ 105 hrs per pay period, laundry @ 10.00/hr
- .6 FTE / 45 hrs per pay period ,POM @ 15.50/hr

Business Office

- .5 FTE /37.5 hrs per pay period, @ 17.00/hr

Life Enrichment

- 1.0 FTE/75 hrs per pay period, Volunteer/IL Program Coordinator @ 15.00/hr
- 1.0 FTE / 75 hrs per pay period, Lifestyle Aide @ 10.00/hr (*hired in month #4)
- .5 FTE / 37.5 hrs per pay period, Stylist @ 12/hr (* hired in month #4)
- 2.16 FTE/ 162 hrs per pay period, concierge @ 11.00/hr

Social Services

- 1.0 FTE/ 75 hrs per pay period, @ 15.00/hr

Dining Services

- 1.6 FTE /126 hrs per pay period, servers for expanded IL dining room @ 9.00/hr
- 1.4 FTE /105 hrs per pay period, General store/Bistro @ 9.00/hr
- 2.05 FTE / 154 hrs per pay period, Cook/Server 18 bed household @ 12.00/hr

Nursing Administration

- .5 FTE / 37.5 hrs per pay period, Scheduler/med records/med supplies @ 11.00/hr
- .5 FTE / 37.5 hrs per pay period, Resource RN @ 25.00/hr
- .5 FTE / 37.5 hrs per pay period, MDS coordinator/Medicare admits @ 25.00/hr

Additional staffing for occupancy of 25 - 36

- 2.05 FTE / 154 hrs per pay period, Cook/Server @ 12.00/hr
- 1.4 FTE / 105 hrs per pay period, housekeeper @ 10.50/hr.
- 1.4 FTE / 105 hrs per pay period, floor tech @ 11.00/hr
- .5 FT.5 FTE / 37.5 hrs per pay period, Scheduler/med records/med supplies @ 11.00/hr
- .5 FTE / 37.5 hrs per pay period, Resource RN @ 25.00/hr
- .5 FTE / 37.5 hrs per pay period, MDS coordinator/Medicare admits @ 25.00/hr
- .5 FTE / 37.5 hrs per pay period, Stylist @ 12/hr

**LUTHER OAKS, INC.
CON APPLICATION
CRITERION 1125.600
BED CAPACITY**

The project consists of the construction of a new 36-bed skilled nursing facility. The total of 36 beds is below the 250 maximum bed capacity of a general long-term care facility provided by the state.

**LUTHER OAKS, INC.
CON APPLICATION
CRITERION 1125.610
COMMUNITY RELATED FUNCTIONS**

Luther Oaks, Inc. has cooperated and continues to cooperate with community groups within its primary service area. Please see attached letters of support and endorsement from various community organizations regarding the proposed project.

April 2013

Illinois Health Facilities and Services Review Board
Attention: Chair
525 West Jefferson Street 2nd Floor
Springfield, IL 62761

Members of City Council and Zoning Board of Appeals
115 E. Washington St.
P.O. Box 3157
Bloomington, IL 61702

To Whom It May Concern:

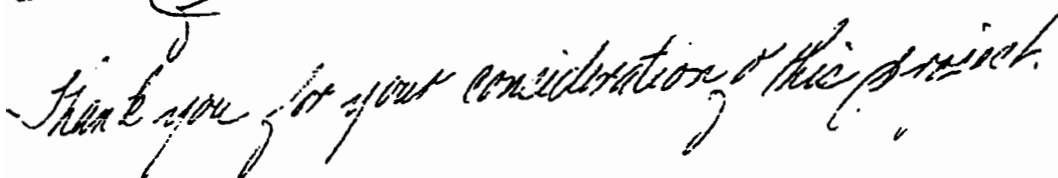
I am writing to express my support of the planned skilled nursing facility at Luther Oaks. Luther Oaks has a history of providing quality and compassionate care in its assisted living facility and is excited about expanding its range of care to include skilled nursing.

Luther Oaks' employees are a vital part of the local business community. The new skilled nursing facility will bring more jobs to the Bloomington-Normal area and will assure the continued economic viability of Luther Oaks.

A skilled nursing facility with predominately private rooms and private bathrooms is an asset to the community.

Completion of the skilled nursing facility allows existing Luther Oaks residents and the Bloomington-Normal community a full continuum of care.

Sincerely,



ROBERT G. DENEEN (1926—1999)

DENEEN AND DENEEN
DANIEL G. DENEEN
Attorney and Counselor at Law
202 S. ELDORADO ROAD
BLOOMINGTON, ILLINOIS 61704-4471

Telephone 309-663-0555
Facsimile 309-663-0556
e-mail: dendenas@ilaw202.com

April 10, 2013

Illinois Health Facilities & Services Review Board
Attn.: Chair
525 W. Jefferson St., 2nd Floor
Springfield, IL 62761

Members of City Council & Zoning Board of Appeals
115 E. Washington St.
P.O. Box 3157
Bloomington, IL 61702-3157

Re: Luther Oaks - Planned Skilled Nursing Facility

Dear Sir or Madam:

I am in full support of the planned skilled nursing facility at Luther Oaks in Bloomington. The new nursing facility would be especially appropriate since it would complete the continuum of care available at the Luther Oaks complex. The location would also be great since there are only two small facilities in Bloomington South of "Route 9" as it winds its way through town. The location would be especially convenient for families in Southwest McLean County.

Ideally, in coming years there will be several options in Bloomington-Normal that would offer the full continuum of care from independent or semi-independent apartments to full nursing home facilities. When I look towards placement of wards that I assist (or that my clients assist) my first option is a facility that offers a continuum of care, if financially available.

The need for "planned nursing facilities", in Bloomington and around the state, will continue to increase over the next several decades. At the present time it is occasionally difficult to find a room for elderly persons. It is also my impression that adding another high-quality facility in Bloomington will continue to raise the bar for care standards in the community.

Sincerely yours,



Daniel G. Deneen
Public Guardian of McLean County

DGD/jkd

*Public Administrator and Public Guardian
of McLean County, Illinois*

ATTACHMENT 21

April 2013

Illinois Health Facilities and Services Review Board
Attention: Chair
525 West Jefferson Street 2nd Floor
Springfield, IL 62761

Members of City Council and Zoning Board of Appeals
115 E. Washington St.
P.O. Box 3157
Bloomington, IL 61702

To Whom It May Concern:

I am writing to express my support of the planned skilled nursing facility at Luther Oaks. Luther Oaks has a history of providing quality and compassionate care in its assisted living facility and is excited about expanding its range of care to include skilled nursing.

Luther Oaks' employees are a vital part of the local business community. The new skilled nursing facility will bring more jobs to the Bloomington-Normal area and will assure the continued economic viability of Luther Oaks.

A skilled nursing facility with predominately private rooms and private bathrooms is an asset to the community.

Completion of the skilled nursing facility allows existing Luther Oaks residents and the Bloomington-Normal community a full continuum of care.

Sincerely,

Fred D Brewer
Fred D Brewer

As a resident of Independent Living at Luther Oaks, the planned addition of skilled nursing facilities is especially important to me. If I should ever need skilled nursing or rehabilitative services, it will be great to have them available on site.
FDB

ATTACHMENT 21

April 2013

Illinois Health Facilities and Services Review Board

Attention: Chair

525 West Jefferson Street 2nd Floor
Springfield, IL 62761

Members of City Council and Zoning Board of Appeals

115 E. Washington St.

P.O. Box 3157

Bloomington, IL 61702

To Whom It May Concern:

I am writing to express my support of the planned skilled nursing facility at Luther Oaks. Luther Oaks has a history of providing quality and compassionate care in its assisted living facility and is excited about expanding its range of care to include skilled nursing.

Luther Oaks' employees are a vital part of the local business community. The new skilled nursing facility will bring more jobs to the Bloomington-Normal area and will assure the continued economic viability of Luther Oaks.

A skilled nursing facility with predominately private rooms and private bathrooms is an asset to the community.

Completion of the skilled nursing facility allows existing Luther Oaks residents and the Bloomington-Normal community a full continuum of care.

Sincerely,

Pat Bonnell

To have this additional facility will mean many current residents won't have to move to an unfamiliar facility for care. It's terribly stressful when we have to move my Mom to another place for special care. Her mental health takes a big hit. Keeping her "at home" will be so beneficial!

ATTACHMENT 21

April 2013

Illinois Health Facilities and Services Review Board
Attention: Chair
525 West Jefferson Street 2nd Floor
Springfield, IL 62761

Members of City Council and Zoning Board of Appeals
115 E. Washington St.
P.O. Box 3157
Bloomington, IL 61702

To Whom It May Concern:

I am writing to express my support of the planned skilled nursing facility at Luther Oaks. Luther Oaks has a history of providing quality and compassionate care in its assisted living facility and is excited about expanding its range of care to include skilled nursing.

Luther Oaks' employees are a vital part of the local business community. The new skilled nursing facility will bring more jobs to the Bloomington-Normal area and will assure the continued economic viability of Luther Oaks.

A skilled nursing facility with predominately private rooms and private bathrooms is an asset to the community.

Completion of the skilled nursing facility allows existing Luther Oaks residents and the Bloomington-Normal community a full continuum of care.

Sincerely,

Claude E. Miller - Lic. Funeral Director
Marta L. Miller - Registered Nurse

This B/N community needs addition high quality skilled nursing home beds. The baby boomers are going to need them in the near future. CEM

ATTACHMENT 21

April 2013

Illinois Health Facilities and Services Review Board
Attention: Chair
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Members of City Council and Zoning Board of Appeals
115 E. Washington Street
P. O. Box 3157
Bloomington, IL 61702

To Whom It May Concern:

I fully support the planned Luther Oaks skilled nursing facility. Luther Oaks assisted living facility provides quality and compassionate care to the residents of our community and I am confident this same care would be offered with the expansion of skilled nursing.

With this proposed expansion, the new skilled nursing facility will bring more jobs to our Bloomington-Normal community and will assure the continued economic viability of Luther Oaks.

I respectfully request that you support this proposed facility, as it will enhance the economic health and value of our community and its residents.

Sincerely,

A handwritten signature in black ink that reads "Barb Quick". The signature is written in a cursive, flowing style.

Barb Quick

Calvert Metzler *memorial homes*

1115 East Washington Street • Bloomington, Illinois 61701
(309) 828-2415 • Fax (309) 827-8913

Larry L. Calvert
Alex A. Calvert
Directors

April 8, 2013

Illinois Health Facilities and Services Review Board
Attention: Chair
525 West Jefferson Street 2nd Floor
Springfield, IL 62761

Members of City Council and Zoning Board of Appeals
115 E. Washington St.
P.O. Box 3157
Bloomington, IL 61702

To Whom it may Concern:

I am writing to express my support of the planned skilled nursing facility at Luther Oaks. Luther Oaks has a history of providing quality and compassionate care in its assisted living facility and is excited about expanding its range of care to include skilled nursing.

Luther Oaks' employees are vital of the local business community. The new skilled nursing facility will bring more jobs to the Bloomington-Normal area and will assure the continued economic viability of Luther Oaks.

A Skilled nursing facility with predominately private rooms and private bathrooms is an asset to the community.

Completion of the skilled nursing facility allows existing Luther Oaks residents and the Bloomington-Normal community a full continuum of care.

Sincerely,



Alex A. Calvert

COMMUNITY CANCER CENTER

407 East Vernon Avenue, Normal, Illinois 61761 • 309-451-8500 • FAX 309-451-2200
www.cancercenter.org

April 8, 2013

Illinois Health Facilities and Services Review Board
Attention: Chair
525 West Jefferson Street 2nd Floor
Springfield, IL 62761

Members of City Council and Zoning Board of Appeals
115 E. Washington St.
P.O. Box 3157
Bloomington, IL 61702

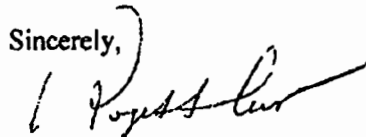
To Whom It My Concern:

I am writing to express my support of the planned skilled nursing facility a Luther Oaks. Luther Oaks has a history of providing quality, compassionate care in its assisted living facility and is excited about expanding its range of care to include skilled nursing.

Luther Oaks' employees are a vital part of the local business community. The new skilled nursing facility will bring more jobs to the Bloomington-Normal area and will assure the continued economic viability of Luther Oaks.

A skilled nursing facility with predominantly private rooms and private bathrooms is an asset to the community. Completion of the skilled nursing facility allows existing Luther Oaks residents and the Bloomington-Normal community a full continuum of care.

Sincerely,



Roger S. Hunt
Interim Executive Director

JSH:jiv

A Collaboration of



ATTACHMENT 21

April 2013

Illinois Health Facilities and Services Review Board
Attention: Chair
525 West Jefferson Street 2nd Floor
Springfield, IL 62761

Members of City Council and Zoning Board of Appeals
115 E. Washington St.
P.O. Box 3157
Bloomington, IL 61702

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Completion of the skilled nursing facility allows existing Luther Oaks residents and the Bloomington-Normal community a full continuum of care.

Sincerely,

Kristine M Newcomb RN, BSN

Kristine M Newcomb
RN-Patient Navigator McLean County Area EMS Systems
705 N. East Street
Bloomington, IL 61704
309- 827-4348
knewcomb@mcLeancountyems.org

ATTACHMENT 21

April 2013

Illinois Health Facilities and Services Review Board
Attention: Chair
525 West Jefferson Street 2nd Floor
Springfield, IL 62761

Members of City Council and Zoning Board of Appeals
115 E. Washington St.
P.O. Box 3157
Bloomington, IL 61702

To Whom It May Concern:

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Sincerely,

*Margaret Whipple, Resident of Luther Oaks
almost 5 yrs. What a wonderful asset it is not
only to me but the entire Bloomington area!*

April 2013

Illinois Health Facilities and Services Review Board
Attention: Chair
525 West Jefferson Street 2nd Floor
Springfield, IL 62761

Members of City Council and Zoning Board of Appeals
115 E. Washington St.
P.O. Box 3157
Bloomington, IL 61702

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Completion of the skilled nursing facility allows existing Luther Oaks residents and the Bloomington-Normal community a full continuum of care.

Sincerely,

City Hamilton

P.S. To have a facility that would allow for people to remain in their home environment would be a wonderful thing for our elderly population. In addition it would reduce the stress for their families as well.

ATTACHMENT 21

April 2013

Illinois Health Facilities and Services Review Board

Attention: Chair

525 West Jefferson Street 2nd Floor

Springfield, IL 62761

Members of City Council and Zoning Board of Appeals

115 E. Washington St.

P.O. Box 3157

Bloomington, IL 61702

To Whom It May Concern:

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Completion of the skilled nursing facility allows existing Luther Oaks residents and the Bloomington-Normal community a full continuum of care.

Sincerely,

William R. Linneman
My wife and I have contributed to the
capital fund to build this facility.



Bloomington-Normal

April 9, 2013

Illinois Health Facilities and Services Review Board
Attn: Chairman
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Members of City Council and Zoning Board of Appeals
115 East Washington Street
PO Box 3157
Bloomington, Illinois 61702

To Whom It May Concern:

I am writing to express my support of the planned skilled nursing facility at Luther Oaks. Luther Oaks has a history of providing quality and compassionate care in its assisted living facility and is excited about expanding its range of care to include skilled nursing. Luther Oaks' employees are a vital part of the local business community. The new skilled nursing facility will bring more jobs to the Bloomington-Normal area and will assure the continued economic viability of Luther Oaks.

A skilled nursing facility with predominately private rooms and private bathrooms is an asset to the community.

Completion of the skilled nursing facility allows existing Luther Oaks residents and the Bloomington-Normal community a full continuum of care. In economic development we are always looking for employment opportunities and quality of life in our community. This facility will provide both.

Sincerely,

Mike O'Grady, Interim CEO
Economic Development Council

**LUTHER OAKS, INC.
CON APPLICATION
CRITERION 1125.620
SIZE OF PROJECT**

The amount of physical space proposed for the Project is necessary and not excessive. As set forth in the Review Board Rules, the project size standard applicable to the new construction of general long term care facilities is 435-713 BGSF/Bed. The BGSF for the proposed Project is 489.6 BGSF/Bed, which is less than the State standard for general long-term care new construction projects. Accordingly, the amount of physical space proposed for the Project meets the State standard and is not excessive.

**LUTHER OAKS, INC.
CON APPLICATION
CRITERION 1125.630
ZONING**

Luther Oaks is seeking a zoning variance for the project. Luther Oaks will be required to seek and obtain a special use permit to construct the proposed new skilled nursing facility. Luther Oaks was previously successful in obtaining a special use permit from the City of Bloomington to construct its assisted living and independent living facilities on its current site. Luther Oaks does not anticipate any issues in obtaining a new special use permit for this project.

April 23 2013

Mr. Dale Galassie
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

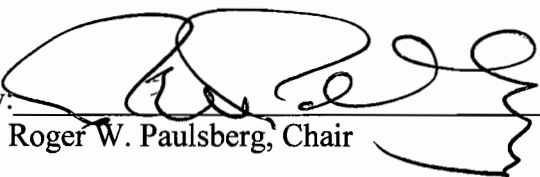
Re: Luther Oaks, Inc. CON Application – Assurances

Dear Chairman Galassie,

In compliance with section 1125.640 of the Illinois Health Facilities and Services Review Board Rules (“Review Board Rules”), Luther Oaks, Inc., as operator of the Project, attests that, to our understanding, by the second year of operation after the completion of the Project, Luther Oaks, Inc. will achieve and maintain the occupancy standards for the general long-term care category of service specified in section 1125.210(c) of the Review Board Rules.

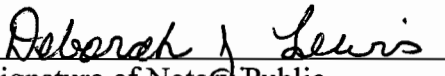
Sincerely,

LUTHER OAKS, INC.

By: 
Roger W. Paulsberg, Chair

Notarization:

Subscribed and sworn to before me
this 23 day of April, 2013


Signature of Notary Public

Seal





LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Consolidated Financial Statements and Schedules

June 30, 2012 and 2011

(With Independent Auditors' Report Thereon)

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Table of Contents

	Page
Independent Auditors' Report	1
Consolidated Balance Sheets	2
Consolidated Statements of Operations	4
Consolidated Statements of Changes in Net Assets	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7
Schedules	
1 Consolidating Balance Sheet Information – June 30, 2012	32
2 Consolidating Statement of Operations Information – Year ended June 30, 2012	34
3 Consolidating Balance Sheet Information – June 30, 2011	35
4 Consolidating Statement of Operations Information – Year ended June 30, 2011	37
5 Consolidated Statements of Operations Information by Development – Years ended June 30, 2012 and 2011	38



KPMG LLP
Aon Center
Suite 5500
200 East Randolph Drive
Chicago, IL 60601-6436

Independent Auditors' Report

The Boards of Directors
Lutheran Life Communities and Subsidiaries:

We have audited the accompanying consolidated balance sheets of Lutheran Life Communities and Subsidiaries (the Corporations) as of June 30, 2012 and 2011, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporations' management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporations' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Corporations as of June 30, 2012 and 2011, and the results of their operations, changes in net assets, and cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information, except for schedule 5 marked "unaudited" and on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

October 31, 2012

KPMG LLP is a Delaware limited liability partnership,
the U.S. member firm of KPMG International Cooperative
("KPMG International"), a Swiss entity.

ATTACHMENT 27

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2012 and 2011

Assets	2012	2011
Current assets:		
Cash and cash equivalents	\$ 12,413,288	9,285,551
Assets whose use is limited or restricted	2,182,946	1,992,919
Resident accounts receivable, net of allowance for doubtful accounts of \$1,072,713 and \$1,014,033 in 2012 and 2011, respectively	12,538,937	11,427,913
Other receivables	751,139	2,553,772
Inventory of supplies and other	1,205,089	834,647
Total current assets	29,091,399	26,094,802
Assets whose use is limited or restricted, net of amounts required for current liabilities:		
Board designated	6,486,693	6,683,832
Resident deposits for future funeral, occupancy, and care costs	6,437,871	5,710,438
Held by trustee under bond indenture agreement	15,281,466	26,830,798
Donor-restricted investments	5,702,527	5,490,878
Total noncurrent assets whose use is limited or restricted	33,908,557	44,715,946
Land, buildings, and equipment, net of accumulated depreciation and amortization	159,706,615	147,633,071
Costs to acquire initial continuing care contracts	7,578,233	5,643,940
Investments	4,541,467	9,332,786
Agency funds	52,330	50,311
Deferred financing costs, net	3,748,009	3,832,517
Investments in joint ventures	2,235,963	2,304,568
Total assets	\$ 240,862,573	239,607,941

See accompanying notes to consolidated financial statements.

Liabilities and Net Assets	2012	2011
Current liabilities:		
Current installments of long-term debt	\$ 1,987,619	1,445,217
Long-term debt subject to short-term remarketing agreements	3,865,001	1,666,667
Lines of credit	9,634,712	5,808,471
Current portion of obligations under capital leases	628,044	318,545
Accounts payable	9,028,229	6,568,888
Accrued interest payable	6,799,207	4,342,447
Accrued compensation and other liabilities	6,380,176	5,458,949
Total current liabilities	38,322,988	25,609,184
Long-term debt, excluding current installments and unamortized bond discount and premium	125,046,262	137,705,476
Obligations under capital leases, net of current portion	808,993	419,143
Deferred revenue from nonrefundable entrance fees	1,854,433	1,563,659
Residents' custodial assets	381,354	387,210
Resident entrance fees	33,643,840	28,888,103
Reserve for funeral expenses	12,800	12,800
Resident deposits	2,241,120	2,074,038
Charitable gift annuity contracts	517,858	450,250
Agency funds	52,330	50,311
Other long-term liabilities	495,170	783,022
Total liabilities	203,377,148	197,943,196
Net assets:		
Unrestricted	24,511,212	29,168,021
Temporarily restricted	7,271,936	7,006,096
Permanently restricted	5,702,277	5,490,628
Total net assets	37,485,425	41,664,745
Total liabilities and net assets	\$ 240,862,573	239,607,941

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Consolidated Statements of Operations

Years ended June 30, 2012 and 2011

	2012	2011
Operating revenue and other support:		
Net resident service revenue:		
Resident service revenue, net of contractual allowances	\$ 81,624,245	80,734,930
Provision for bad debts	(739,232)	(659,602)
Net resident service revenue	80,885,013	80,075,328
Other revenue	10,727,381	10,936,671
Net assets released from restrictions used for operations	3,373,546	674,040
Total operating revenue and other support	94,985,940	91,686,039
Operating expenses:		
Salaries and wages	46,734,546	44,809,664
Employee benefits	10,163,587	12,242,761
Support services	11,631,727	10,684,891
Dietary services	4,368,732	3,912,613
Program services	6,134,411	6,069,114
Administrative services	7,422,184	6,471,485
Community services	1,845,914	2,343,250
Fund-raising	545,678	420,006
Interest	4,494,646	3,559,448
Depreciation and amortization	6,837,653	6,076,779
Total operating expenses	100,179,078	96,590,011
Loss from operations	(5,193,138)	(4,903,972)
Nonoperating gains and losses:		
Investment income	1,182,121	946,908
Unrestricted contributions	439,856	477,633
Bequests and legacies	—	74,460
Change in net unrealized gains and losses on trading securities	(918,445)	2,917,062
Change in fair value of derivative instruments	291,404	192,381
Other, net	(458,607)	(181,508)
Total nonoperating gains, net	536,329	4,426,936
Revenue and gains deficient of expenses and losses	(4,656,809)	(477,036)
Other changes in unrestricted net assets:		
Net assets released from restriction for land, building, and equipment acquisitions	—	1,819,296
Change in unrestricted net assets	\$ (4,656,809)	1,342,260

See accompanying notes to consolidated financial statements.

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Consolidated Statements of Changes in Net Assets

Years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Change in unrestricted net assets	\$ (4,656,809)	1,342,260
Temporarily restricted net assets:		
Net contributions for specific purposes	3,639,386	1,666,489
Release of restricted net assets	<u>(3,373,546)</u>	<u>(2,493,336)</u>
Change in temporarily restricted net assets	<u>265,840</u>	<u>(826,847)</u>
Permanently restricted net assets:		
Contributions	<u>211,649</u>	<u>1,232,982</u>
Change in net assets	<u>(4,179,320)</u>	<u>1,748,395</u>
Net assets at beginning of year	<u>41,664,745</u>	<u>39,916,350</u>
Net assets at end of year	<u><u>\$ 37,485,425</u></u>	<u><u>41,664,745</u></u>

See accompanying notes to consolidated financial statements.

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended June 30, 2012 and 2011

	2012	2011
Cash flows from operating activities and gains:		
Change in net assets	\$ (4,179,320)	1,748,395
Adjustments to reconcile change in net assets to net cash provided by operating activities and gains:		
Depreciation and amortization	6,837,653	6,076,779
Amortization of entrance fees and refundable deposits	(241,033)	(478,157)
Amortization of deferred finance costs	84,508	155,709
Provision for bad debts	739,232	659,602
Change in fair value of derivative instruments	(291,404)	(192,381)
Change in net unrealized gains and losses	918,445	(2,917,062)
Net realized gains on sale of investments	(147,611)	(121,962)
Change in actuarial value of gift annuity obligations	201,940	98,442
Net assets released from restrictions and used for operations	3,373,546	674,040
Restricted contributions	(3,851,035)	(2,899,471)
Changes in assets and liabilities:		
Resident accounts receivable	(1,850,256)	(863,904)
Other receivables	1,802,633	(959,620)
Inventory of supplies and other	(370,442)	611,208
Investment in joint ventures and agency funds	66,586	(164,881)
Accounts payable	2,459,341	1,490,675
Accrued interest payable	2,456,760	1,167,319
Accrued compensation and other liabilities	920,942	939,593
Deferred occupancy and care revenue and refundable deposits	(31,894)	1,149,137
Net cash provided by operating activities and gains	<u>8,898,591</u>	<u>6,173,461</u>
Cash flows from investing activities:		
Net sales (purchases) of assets whose use is limited or restricted	10,617,362	(2,095,934)
Net sales of investments	4,020,485	173,251
Acquisition of land, buildings, and equipment	(18,911,197)	(35,869,202)
Costs to acquire initial continuing care contracts	(1,934,293)	(1,100,993)
Increase in resident deposits	167,082	139,041
Net cash used in investing activities	<u>(6,040,561)</u>	<u>(38,753,837)</u>
Cash flows from financing activities:		
Proceeds from issuance of long-term debt, net of discounts	—	27,715,040
Repayments of long-term debt	(9,918,478)	(3,723,523)
Repayments of obligations under capital leases	699,349	453,862
Proceeds from entrance fees and refundable deposits	7,810,480	13,461,161
Refunds paid on entrance fees and refundable deposits	(2,491,042)	(1,812,038)
Payments for deferred financing costs	—	(1,107,081)
Proceeds from draws on lines of credit	5,169,241	1,138,124
Repayment of line of credit	(1,343,000)	(1,600,000)
Net assets released from restrictions and used for operations	(3,373,546)	(674,040)
Restricted contributions	3,851,035	2,899,471
Net repayments of charitable gift annuity contracts	(134,332)	(126,004)
Net cash provided by financing activities	<u>269,707</u>	<u>36,624,972</u>
Net increase in cash and cash equivalents	3,127,737	4,044,596
Cash and cash equivalents at beginning of year	9,285,551	5,240,955
Cash and cash equivalents at end of year	<u>\$ 12,413,288</u>	<u>9,285,551</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest, net of amounts capitalized	\$ 2,037,886	2,392,129
Supplemental disclosure of noncash transactions:		
Assets acquired under capital lease	\$ 1,106,556	696,360

See accompanying notes to consolidated financial statements.

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(1) Organization and Purpose

Lutheran Life Communities (the Parent) and its subsidiaries were established through a common religious heritage with the Lutheran Church-Missouri Synod and the Evangelical Lutheran Church in America to provide nursing and residential living arrangements for the aged. The Parent and its subsidiaries also sponsor programs and activities that provide hospice services, counseling, education, outreach, home care, day care, and other support services to the community. The affiliated organizations (collectively with the Parent to be referred to as the Corporations) are under the common control of the Parent, and include the following entities:

- Lutheran Life Communities (LLC) is an Illinois not-for-profit corporation formed in 2005 for the purpose of developing new and innovative services for seniors, establishing a senior living system, and providing supervision and management to the facilities.
- Lutheran Life Communities Foundation (LLC Foundation) coordinates fund-raising activities that support the benevolent care and other programs at LLC and all of its subsidiaries. The LLC Foundation was formerly known as St. Pauls House Foundation.
- Lutheran Home and Services for the Aged, Inc. (LHSA) provides management services to its consolidated affiliates and other affiliated entities in Illinois and also operates a 100-unit assisted living facility.
- Lutheran Home for the Aged, Inc. (the Home), located in Arlington Heights, Illinois, comprises 274 skilled and 60 intermediate licensed nursing care beds, as well as 58 licensed sheltered care units, providing nursing and other services associated with daily living to residents of the Home.
- Lutheran Community Services for the Aged, Inc. (LCSA) offers family support services, child care services, home health services, and counseling to residents of the Home, their families, staff, and the surrounding community.
- Lutheran Foundation for the Aged, Inc. (the LFA Foundation) coordinates fund-raising activities that support the benevolent care and other programs at the Home.
- Wittenberg Lutheran Village, Inc. (WLV), located in Crown Point, Indiana, comprises 155 skilled nursing care beds providing nursing and other services to its residents.
- Wittenberg Lutheran Village Endowment Corporation (WLVEC), located in Crown Point, Indiana, is a continuing care retirement community (CCRC) comprising 20 new Villas, 57 new independent living units, a 32 cottage retirement community, and a 32-unit assisted living facility providing senior living and community-based services to its residents.
- Pleasant View Luther Home, Inc. (Pleasant View) became affiliated with LLC in 2005 and operates a CCRC in Ottawa, Illinois, comprising 36 independent living units, 24 assisted living units, and a 90-bed skilled nursing facility.
- Luther Oaks, Inc. (Luther Oaks) located in Bloomington, Illinois, is a CCRC comprising 90 independent living units and 58 assisted living units.

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

- St Pauls House and Health Care Center (St Pauls) became affiliated with LLC in 2006 and operates a retirement facility in Chicago, Illinois, comprising 68 assisted living beds and a 103-bed skilled nursing facility.
- The Arlington of Naples was incorporated in 2008. Effective July 18, 2008, this corporation purchased a parcel of land to develop a new facility in Naples, Florida, for \$17,800,000. The debt to purchase the land is funded by the Lutheran Church Extension Fund, an unrelated party, and amounts to \$19,489,579 as of June 30, 2012 and 2011.

All significant intercompany transactions and balances have been eliminated in the accompanying consolidated financial statements.

(2) Summary of Significant Accounting Policies

The following significant accounting policies of the Corporations are utilized in presenting the consolidated financial statements:

(a) *Revenue and Gains Deficient of Expenses and Losses*

The consolidated statements of operations include revenue and gains deficient of expenses and losses. Transactions deemed by management to be ongoing, major, or central to the provision of resident care and community support services are reported as revenue and expenses. Transactions incidental to the provision of resident care and community support services are reported as nonoperating gains and losses. Changes in unrestricted net assets excluded from revenue and gains deficient of expenses and losses, consistent with industry practice, include transfers of assets among affiliated not-for-profit entities for other than goods or services and contributions of long-lived assets (including assets acquired using contributions, which by donor restrictions were to be used for the purpose of acquiring such assets).

(b) *Donor Restrictions*

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Unrestricted contributions, bequests, and legacies are recorded as other revenue of the Home and LCSA and as nonoperating gains of the LFA Foundation, LLC Foundation, and WLVEC. Contributions are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as net assets released from restriction. The receipt of gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted net assets. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

(c) *Restricted Net Assets*

Temporarily restricted net assets are those whose use has been limited by donors for a specific time period or purpose. Permanently restricted net assets are those whose use has been restricted by donors in perpetuity. Temporarily restricted net assets at June 30, 2012 and 2011 principally

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

represent amounts restricted for a specific affiliated organization based on the donor's intent. Permanently restricted net assets represent investments to be held in perpetuity, the income from which is unrestricted and is primarily expendable to support operations.

The Corporations record donor-restricted net assets under Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*, which codified an earlier Financial Accounting Standards Board (FASB) Staff Position FAS 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA)*, and *Enhanced Disclosures for All Endowment Funds*. ASC Topic 958 provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization and requires additional disclosure about endowment funds (both donor-restricted and board-designated).

The Corporations classify as permanently restricted net assets the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment, and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Investment returns in excess of spending are classified as increases in temporarily restricted net assets until appropriated for expenditure by the Corporations.

Endowment funds are commingled with the pooled investment fund administered by the Corporations. The Corporations rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Corporations target a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

(d) Charity Care

The Corporations provide charity care to residents who meet certain criteria under their benevolent care policies without charge or at amounts less than their established rates. Because the Corporations do not pursue collection of amounts determined to qualify as charity care, they are not reported as revenues. The Corporations have not changed their charity care or uninsured discount policies during fiscal year 2012 or 2011.

(e) Cash and Cash Equivalents

For purposes of presentation in the consolidated statements of cash flows, cash and cash equivalents include cash on hand, demand deposits, and money market accounts excluding amounts held as investments and assets whose use is limited or restricted.

(f) Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include assets assigned to the Corporations by residents to cover the cost of their future care and services, including assets held by a trustee under bond indenture agreements and all donor-restricted assets. Assets whose use is limited or restricted are classified as current assets to the extent they are required to satisfy obligations classified as current liabilities in the accompanying consolidated balance sheets or if the assets are held in cash and cash equivalents for any current or long-term liability.

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(g) Resident Accounts Receivable

In July 2011, the FASB issued Accounting Standards Update (ASU) 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*. ASU 2011-07 requires that entities that recognize significant amounts of resident service revenue at the time the services are rendered even though they do not assess the resident's ability to pay, must present the provision for bad debts related to resident service revenue as a deduction from resident service revenue (net of contractual allowances and discounts) on the statement of operations. All other entities would continue to present the provision for bad debts as an operating expense. In addition, there are enhanced disclosures about the entities' policies for recognizing revenue and assessing bad debts. The ASU also requires disclosures of resident service revenue as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. The Corporations adopted ASU 2011-07 in 2011 retroactive to July 1, 2009.

Resident accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of resident accounts receivable, the Corporations analyze their past history and identify trends for each of their major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to residents who have third-party coverage, the Corporations analyze contractually due amounts and provide an allowance for doubtful accounts and a provision for bad debts, if necessary (e.g., for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with private-pay residents (which includes both residents without insurance and residents with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Corporations record a provision for bad debts in the period of service on the basis of their past experience. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

(h) Inventory

Inventory of supplies is reported at the lower of cost (first-in, first-out) or market.

(i) Land, Buildings, and Equipment

Land, buildings, and equipment are stated at cost, or if donated, at fair value at date of donation, less accumulated depreciation. Assets acquired under capital lease are recorded at the net present value of minimum lease payments. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method. Amortization of assets under capital lease is provided over the lesser of the estimated useful life of the asset or the respective lease term.

Land, buildings, and equipment are periodically assessed for recoverability based on the occurrence of a significant adverse event or change in the environment in which the Corporations operate or if the expected future cash flows (undiscounted and without interest) would become less than the

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

carrying amount of the asset. An impairment loss would be recorded in the period such determination is made based on the fair value of the related entity. No impairments were recorded for the years ended June 30, 2012 and 2011.

(j) Investments

Investment income, realized gains (losses), and unrealized gains and losses on trading securities classified as unrestricted investments are recorded as nonoperating gains (losses) of the Corporations. Investment income and realized gains (losses) from temporarily restricted investments are recorded as other revenue of the Corporations. Investment income and realized gains (losses) from permanently restricted investments are recorded as nonoperating gains (losses) since such income (loss) is unrestricted by the donors. All of the Corporations' investments are classified as trading securities.

(k) Costs to Acquire Initial Continuing Care Contracts

Costs to acquire initial continuing care contracts (the Costs) consist principally of marketing and advertising costs incurred directly in relation to the initial acquisition of continuing care contracts related to the new CCRC being developed through The Arlington of Naples, Luther Oaks, and the CCRC expansions at WLV and Pleasant View. These entities capitalize costs incurred in connection with direct response advertising whose primary purpose is to secure deposits from residents who are shown to have responded specifically to the advertising. Such advertising costs include newspaper, magazine, television, radio, brochures, and other costs. The Costs are amortized using the straight-line method over the expected stay at the CCRC of the first resident group, beginning in the first period in which revenues associated with the Costs are earned. Upon occupancy of the first resident group, additional Costs are expensed as incurred.

(l) Entrance Fees

Entrance fees, which are nonrefundable, are reported as deferred revenue from nonrefundable entrance fees and included in long-term liabilities. These fees are amortized over the life expectancy of the residents. Entrance fees received by WLV, Pleasant View, and Luther Oaks under residency contracts are refundable at various amounts in accordance with the terms of the individual contracts. WLV, Pleasant View, and Luther Oaks are required to repay the refundable entrance fee less amounts owed by the resident following the termination of occupancy under the resident contract. The timing of the refund is based either upon the reoccupancy of the unit or upon a certain length of time after the termination of occupancy depending on the resident's contract.

(m) Deferred Financing Costs

Deferred financing costs represent issuance costs for outstanding long-term debt. Deferred financing costs and bond discounts and premiums are amortized on the straight-line basis over the life of the respective bonds, which approximates the effective interest method. Deferred financing costs and bond discounts and premiums for the Corporations' variable rate demand revenue bonds with put options are amortized over the terms of the letter-of-credit agreement for each respective bond series.

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(n) Derivatives and Hedging Activities

The Corporations account for derivatives and hedging activities in accordance with ASC Topic 815, *Derivatives and Hedging*, which requires that all derivative instruments be recorded on the consolidated balance sheets at fair values. The Corporations are involved in an interest rate swap program. The fair value of the interest rate swap program is included as a component of other long-term liabilities in the accompanying consolidated balance sheets. For the Corporations, the derivative is not designated as a hedge instrument, and therefore, the change in fair value of the interest rate swap program is recognized in the consolidated statements of operations as a component of change in fair value of derivative instruments in the period of change.

(o) Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(p) Fair Value of Financial Instruments

The Corporations have adopted the provisions of ASC Topic 820, *Fair Value Measurement*, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

In conjunction with the adoption of ASC Topic 820, the Corporations adopted the measurement provisions of ASU No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, to certain investments in funds that do not have readily determinable fair values including private investments, hedge funds, real estate, and other funds. This guidance amends ASC Topic 820 and allows for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value per share or its equivalent. The Corporations adopted the disclosure provisions of ASU No. 2009-12 as of July 1, 2010.

(q) Tax Status

The Corporations qualify as not-for-profit organizations as described in Section 501(c)(3) of the Internal Revenue Code (Code) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code, except the LLC, which is exempt from taxes under Section 509(a)(2) of the Code.

The Corporations have adopted ASC Subtopic 740-10, *Income Taxes – overall*. ASC Subtopic 740-10 addresses the determination of how tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

ASC Subtopic 740-10, the Corporations must recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. ASC Subtopic 740-10 also provides guidance on derecognition, classification, interest, and penalties on income taxes, accounting in interim periods and requires increased disclosures. As of June 30, 2012 and 2011, the Corporations do not have an asset or liability for unrecognized tax benefits.

(r) Reclassification

Certain 2011 amounts have been reclassified to conform to the 2012 consolidated financial statement presentation

(3) Investment Composition and Fair Value Measurements

(a) Overall Investment Objective

The overall investment objective of the Corporations is to invest their assets in a prudent manner that will achieve an expected rate of return, manage risk exposure, and focus on downside sensitivities. The Corporations' invested assets will maintain sufficient liquidity to fund a portion of the Corporations' annual operating activities and structure the invested assets to maintain a high percentage of available liquidity. The Corporations diversify their investments among various asset classes incorporating multiple strategies and managers. Major investment decisions are ratified by the Board's Investment Subcommittee, which oversees the investment program in accordance with established guidelines.

(b) Allocation of Investment Strategies

The Corporations maintain a percentage of assets in domestic and international stocks and mutual funds as well as fixed income corporate bonds and notes and U.S. government agency securities. Because of the inherent uncertainties for valuation of some holdings, the estimated fair values may differ from values that would have been used had a ready market existed.

(c) Basis of Reporting

Assets whose use is limited or restricted and investment assets are reported at estimated fair value. If an investment is held directly by the Corporations and an active market with quoted prices exists, the market price of an identical security is used as reported fair value. Reported fair values for shares in common stock and mutual funds, corporate bonds and notes, and U.S. government agency securities are based on share prices reported by the funds as of the last business day of the fiscal year. As of June 30, 2012 and 2011, the Corporations had no plans or intentions to sell investments at amounts different from net asset value.

(d) Fair Value Hierarchy

The Corporations have adopted ASC Topic 820 for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC Topic 820 establishes a

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporations have the ability to access at the measurement date.
- Level 2 inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 inputs are unobservable inputs for the asset or liability.

The following tables summarize the Corporations' cash and cash equivalents, assets whose use is limited or restricted, and investments portfolio by major category in the fair value hierarchy as of June 30, 2012 and 2011, as well as related strategy, liquidity, and funding commitments.

	June 30, 2012			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 12,413,288	—	—	12,413,288
Investments excluding cash surrender value of life insurance policies of \$6,000:				
Cash and cash equivalents	11,020,691	—	—	11,020,691
Common stocks and mutual funds	16,023,189	—	—	16,023,189
Fixed income:				
Corporate bonds and notes	—	9,157,677	—	9,157,677

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

		June 30, 2012			
		Level 1	Level 2	Level 3	Total
U.S. government agency securities	\$	—	4,477,743	—	4,477,743
Total fixed income		—	13,635,420	—	13,635,420
Total investments		27,043,880	13,635,420	—	40,679,300
Total assets	\$	39,457,168	13,635,420	—	53,092,588
Liabilities:					
Interest rate swap	\$	—	466,157	—	466,157
		June 30, 2011			
		Level 1	Level 2	Level 3	Total
Assets:					
Cash and cash equivalents	\$	9,285,551	—	—	9,285,551
Investments excluding cash surrender value of life insurance policies of \$6,000:					
Cash and cash equivalents		22,924,759	—	—	22,924,759
Common stocks and mutual funds		21,282,487	—	—	21,282,487
Fixed income:					
Corporate bonds and notes		—	6,520,899	—	6,520,899
U.S. government agency securities		—	5,357,817	—	5,357,817
Total fixed income		—	11,878,716	—	11,878,716
Total investments		44,207,246	11,878,716	—	56,085,962
Total assets	\$	53,492,797	11,878,716	—	65,371,513
Liabilities:					
Interest rate swap	\$	—	757,561	—	757,561

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

Investments are reported in the accompanying consolidated balance sheets as follows:

	June 30	
	2012	2011
Assets whose use is limited or restricted – current assets or held for current liabilities	\$ 2,182,946	1,992,919
Assets whose use is limited or restricted, net of amounts in current assets	33,908,557	44,715,946
Investments	4,541,467	9,332,786
Agency funds	52,330	50,311
	<u>\$ 40,685,300</u>	<u>56,091,962</u>

The composition of investment return on the Corporations' investment portfolio for the years ended June 30, 2012 and 2011 is as follows:

	2012	2011
Interest and dividend income	\$ 1,113,689	943,222
Net realized gains on sale of investments	147,611	121,962
Realized gains on redemption of insurance policies	—	12,822
Changes in net unrealized gains and losses on trading securities	(918,445)	2,917,062
	<u>\$ 342,855</u>	<u>3,995,068</u>

Investment returns are included in the accompanying consolidated statements of operations for the years ended June 30, 2012 and 2011 as follows:

	2012	2011
Other revenue	\$ (4,741)	(5,674)
Investment income	1,182,121	946,908
Change in unrealized gains and losses on trading securities	(918,445)	2,917,062
Interest income offset against capitalized interest expense	83,920	136,772
	<u>\$ 342,855</u>	<u>3,995,068</u>

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(e) *Fair Value of Financial Instruments*

The following methods and assumptions were used by the Corporations in estimating the fair value of its financial instruments:

- The carrying amount reported in the consolidated balance sheets approximates fair value because of the short maturities of these instruments for the following: cash and cash equivalents, resident accounts receivable, other receivables, inventory of supply and others, accounts payable, and accrued compensation and other liabilities.
- Fair values of the Corporations' investments held as assets limited as to use or restricted assets, investments, and agency funds are estimated based on prices provided by its investment managers and its custodian bank. Fair value for cash equivalents included in investments, common stock and mutual funds, quoted corporate bonds and notes, and the U.S. government agency securities is measured using quoted market prices at the reporting date multiplied by the quantity held.
- Fair value of fixed rate long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Corporations for debt of the same remaining maturities. For variable rate debt, carrying amounts approximate fair value. Fair value was estimated using quoted market prices based upon the Corporations' current borrowing rates for similar types of long-term debt securities.
- Fair value of interest rate swaps is determined using pricing models developed based on the LIBOR swap rate and other observable market data. The value was determined after considering the potential impact of collateralization and netting agreements, adjusted to reflect nonperformance risk of both the counterparty and the Corporations.

The following table presents the carrying amounts and estimated fair values of the Corporations' financial instruments not carried at fair value at June 30, 2012 and 2011.

	2012		2011	
	Carrying amount	Fair value	Carrying amount	Fair value
Fixed rate long-term debt	\$ 84,147,034	88,154,873	93,295,696	87,158,992

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(4) Concentration of Credit Risk

The Corporations grant credit to their private-pay residents as well as those that are insured under third-party payor agreements. The mix of receivables from residents and third-party payors as of June 30, 2012 and 2011 is as follows:

	2012	2011
Medicare	9%	11%
Medicaid	26	18
Self-pay and commercial insurance	65	71
	<u>100%</u>	<u>100%</u>

(5) Land, Buildings, and Equipment

A summary of land, buildings, and equipment at June 30, 2012 and 2011 is as follows:

	2012		2011	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation
Land and land improvements	\$ 23,673,887	1,434,695	23,407,976	1,438,193
Buildings	134,257,621	55,640,402	117,433,664	51,592,202
Furniture, fixtures, and equipment	30,708,692	21,824,202	30,251,238	22,510,366
Construction in progress	49,965,714	—	52,080,954	—
	<u>\$ 238,605,914</u>	<u>78,899,299</u>	<u>223,173,832</u>	<u>75,540,761</u>

Construction in progress primarily consists of costs incurred by The Arlington of Naples, Pleasant View, and WLVEC as each is in some phase of expansion and renovation. At June 30, 2012, there were no additional contractual amounts associated with the completion of the Pleasant View, WLVEC, and Arlington of Naples projects. Interest cost is capitalized as a component cost of significant capital projects to the extent that such interest expense exceeds interest income earned on any project specific borrowed funds. The Corporations' capitalized interest cost of \$4,298,774 offset by capitalized interest income of \$83,920 at June 30, 2012 and capitalized interest cost of \$4,901,666 offset by capitalized interest income of \$136,772 at June 30, 2011.

(6) Refundable Deposits, Entrance Fees, and Deferred Revenue

Residents moving into certain facilities of the Corporations in the past were able to elect to assign their assets to an irrevocable trust maintained by an independent third party. The Corporations may draw against the assets of the trust to pay for the cost of care provided to the residents. When a resident expires, the remaining assets in the trust, if any, are distributed in accordance with the resident's agreement. These assets are not reflected in the accompanying consolidated financial statements, as they are not under the control of the Corporations.

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

Refundable deposits represent amounts that residents place with the Corporations to secure services and a living arrangement in one of the Corporations' facilities. Entrance fees are deposited with subsidiaries, which provide independent living units to residents. Entrance fee contracts provide for various refundable and nonrefundable amounts. Deferred revenue includes both nonrefundable entrance fees and amounts billed in advance of the service being provided or performed.

(7) Net Resident Service Revenue

The Corporations have agreements with third-party payors that provide for reimbursement at amounts different from their established rates. Estimated contractual adjustments arising under third-party reimbursement programs represent the differences between the Corporations' billings at established rates and the amounts reimbursed by third-party payors, principally Medicaid and Medicare. They also include any differences between estimated retroactive third-party reimbursement settlements for prior years and subsequent final settlements.

The Corporations have obtained Medicaid certification for a portion of their nursing beds and receive all-inclusive per diem rates for Medicaid-eligible residents. To the extent that charges or related costs incurred for services rendered to Medicaid beneficiaries exceed the per diem rates, they are not recoverable from the Medicaid program or its beneficiaries. Medicaid reimbursement methodologies and payment rates are subject to change based on the amount of funding available to the States of Illinois and Indiana Medicaid programs, and any such changes could have a significant effect on the Corporations' revenues.

The Corporations have also obtained Medicare certification for a portion of their nursing beds. The Corporations are reimbursed by Medicare under a prospective payment system based primarily upon a clinical classification system for Medicare residents. To the extent that charges or related costs incurred for services rendered to Medicare beneficiaries exceed the per diem rates, they are not recoverable from the Medicare program or its beneficiaries.

A summary of gross and net resident service revenue for the years ended June 30, 2012 and 2011 is as follows:

	<u>2012</u>	<u>2011</u>
Gross resident service revenue	\$ 108,392,275	99,879,904
Less provisions for:		
Estimated contractual adjustments arising under third-party reimbursement programs	23,703,443	16,949,589
Charity care charges forgone	<u>3,064,587</u>	<u>2,195,385</u>
Resident service revenue net of contractual allowances	81,624,245	80,734,930
Less provision for bad debts	<u>739,232</u>	<u>659,602</u>
Net resident service revenue	<u>\$ 80,885,013</u>	<u>80,075,328</u>

The Corporations recognize resident service revenue associated with services provided to residents who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

residents that do not qualify for charity care, the Corporations recognize revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a portion of the Corporations' private pay residents will be unable or unwilling to pay for the services provided. Thus, the Corporations record a provision for bad debts related to private pay residents in the period the services are provided. Resident service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, is as follows as of June 30, 2012:

	<u>Third-party payors</u>	<u>Private-pay payors</u>	<u>Total all payors</u>
Resident service revenue, net of contractual allowances	\$ 35,076,546	46,547,699	81,624,245

Resident service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, is as follows as of June 30, 2011:

	<u>Third-party payors</u>	<u>Private-pay payors</u>	<u>Total all payors</u>
Resident service revenue, net of contractual allowances	\$ 36,706,027	44,028,903	80,734,930

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(8) Long-Term Debt

A summary of long-term debt at June 30, 2012 and 2011 is as follows:

Bond series	June 30, 2012 balance	June 30, 2011 balance	Interest type	Due dates	2012 effective interest rate	2011 effective interest rate
Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 1995	\$ 4,095,000	4,315,000	Variable interest rate	February 1, 2025	0.30%	0.33%
Illinois Health Facilities Authority Weekly Adjustable Rate Revenue Bonds, Series 2001	12,070,000	12,220,000	Interest at the lesser of 15% or a tax-exempt variable rate determined weekly	Maturing through August 15, 2031	3.15%	3.15%
Illinois Health Facilities Authority Variable Rate Demand Revenue Refunding Bonds, Series 2003	11,440,000	11,855,000	Interest at the lesser of 15% or a tax-exempt variable rate determined weekly	Maturing through November 1, 2033	0.33%	0.49%
Illinois Finance Authority Revenue Bonds, Series 2006A	23,460,000	23,460,000	Fixed interest rate	Maturing through 2040	5.20% - 5.75%	5.20% - 5.75%
Illinois Finance Authority Extendable Rate Adjustable Securities Revenue Bonds, Series 2006B	500,000	500,000	Fixed interest rate	August 15, 2039	4.80%	4.80%
Economic Development Commission Bonds, Series 2009	26,765,000	35,240,000	Fixed interest rate	Maturing through November 15, 2039	6.5% - 8.0%	6.5% - 8.0%
Upper Illinois River Valley Development Authority Fixed Rate Revenue Bonds, Series 2010	16,695,000	16,695,000	Fixed interest rate	November 15, 2045	4.50% - 5.90%	4.50% - 5.90%
Collier County Industrial Development Authority Fixed Rate Revenue Bond Anticipation Notes	10,900,000	10,900,000	Fixed interest rate	May 15, 2015	14.00%	14.00%
Construction Loan, SPH	425,833	571,833	Variable interest rate	August, 2012	5.75%	5.75%
Mortgage note, LLC	170,338	613,045	Fixed interest rate	May 30, 2013	7.48%	7.48%
Mortgage loan, PVLH	2,116,308	2,221,053	Fixed interest rate	September 1, 2026	4.625%	5.875%
Mortgage loan, AON Land	19,489,579	19,489,579	Variable interest rate	July 18, 2013	4.74%	6.375%
Mortgage loan, AON Office Bldg	786,233	833,829	Fixed interest rate	April 5, 2024	6.125%	6.125%
Mortgage loan, Parent	2,754,155	2,832,769	Fixed interest rate	December 31, 2031	5.24%	6.250%
	<u>131,667,446</u>	<u>141,747,108</u>				
Less current installments of long-term debt	1,987,619	1,445,217				
Less long-term debt subject to short-term remarketing arrangements	3,865,001	1,666,667				
Unamortized bond discount and premium	<u>(768,564)</u>	<u>(929,748)</u>				
Long-term debt net of current installments and unamortized bond discount and premium	<u>\$ 125,046,262</u>	<u>137,705,476</u>				

In March 1995, St Pauls issued \$6,500,000 of Variable Rate Demand Revenue Bonds (the 1995 Bonds) under the provisions of a Bond Trust Indenture (St Pauls Indenture). Interest is set at a weekly rate as defined by the agreement. The 1995 Bonds are secured by a transferable irrevocable direct pay letter of credit, which expires in February 2013 and is required to be replaced with another letter of credit upon expiration. Accordingly, the entire amount outstanding under the 1995 Bonds of \$4,095,000 have been shown as a current obligation in the June 30, 2012 consolidated balance sheet. The letter of credit is

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

secured by the real and personal property of St Pauls. St Pauls is required to be in compliance with specified debt covenants and financial ratios based on the 1995 bond agreement.

On September 12, 2001, Series 2001 bonds were issued in the amount of \$13,200,000 on behalf of LHSA, the Home, LCSA, and the LFA Foundation (collectively, the LHSA Obligated Group) pursuant to a Master Trust Indenture. As of December 1, 2007, LCSA withdrew from the LHSA Obligated Group in accordance with the provisions of the Master Trust Indenture. The LHSA Obligated Group has obtained a letter of credit, which expires on August 15, 2013 as collateral for the Series 2001 bonds. The Series 2001 bonds were advance refunded in October 2012 with proceeds from the issuance of the Series 2012 bonds (note 17).

On November 10, 2003, the Illinois Health Facilities Authority issued variable rate demand revenue refunding bonds, Series 2003, in the amount of \$14,350,000 on behalf of the LHSA Obligated Group. The Series 2003 bonds were issued pursuant to the Master Trust Indenture. Principal payments are due each November 1, and interest is payable monthly. The Series 2003 bonds were issued principally to advance refund the then-outstanding Series 1996A bonds. The LHSA Obligated Group has obtained a letter of credit, which expires on November 15, 2012 as collateral for the Series 2003 bonds. The Series 2003 bonds were advance refunded in October 2012 with proceeds from the issuance of the Series 2012 bonds (note 17).

Certain assets of the LHSA Obligated Group are pledged as collateral for the bonds and the letter of credit. Holders of the Series 2001 and Series 2003 bonds have a put option that allows them to redeem the bonds prior to maturity. The LHSA Obligated Group has an agreement with an underwriter to remarket any bonds redeemed through the exercise of put options. The Series 2001 and Series 2003 bonds are accelerable in the event the LHSA Obligated Group is unable to extend or replace the letter of credit securitizing the bonds.

For bonds issued under the Master Trust Indenture, the LHSA Obligated Group is required to maintain certain reserves and sinking funds with its bond trustee. The LHSA Obligated Group is also required to be in compliance with specified debt covenants and financial ratios. Bonds issued under the Master Trust Indenture are also secured by the unrestricted receivables of the LHSA Obligated Group as well as certain real property of the Home. Management believes the LHSA Obligated Group is compliant with the specified debt covenants and financial ratios.

On April 19, 2006, Luther Oaks entered into a Master Trust Indenture under which Luther Oaks is the only Obligated Group member (the Luther Oaks Obligated Group). The purpose of the Master Trust Indenture is to provide a mechanism for the efficient and economical issuance of notes by the Luther Oaks Obligated Group member. The Master Trust Indenture requires the member of the Luther Oaks Obligated Group to make principal and interest payments on notes issued for its benefit and to pay such amounts as are otherwise necessary to enable the Luther Oaks Obligated Group to satisfy all obligations issued under the Master Trust Indenture.

The Series 2006A Fixed Rate Revenue Bonds, Series 2006B Extendable Rate Adjustable Securities Revenue Bonds, and Series 2006C Variable Rate Demand Revenue Bonds (collectively referred to as the Series 2006 bonds) were issued pursuant to the Master Trust Indenture in the aggregate amount of \$30,460,000 on behalf of the Luther Oaks Obligated Group. The Series 2006 bonds are secured by a

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

leasehold mortgage in the property, the new CCRC building and equipment, and future revenue streams to be provided by the CCRC. Holders of the Series 2006 bonds have a put option that allows them to redeem the bonds prior to maturity. The Luther Oaks Obligated Group member has an agreement with an underwriter to remarket any bonds redeemed through the exercise of put options. The loan agreements currently contain quarterly covenants related to the number of presales and occupied units. The loan agreements also contain financial covenants, which are initially effective the earlier of the first full year after stabilized occupancy is obtained for the new CCRC or 2012. The Luther Oaks Obligated Group was not in compliance with the historical debt service coverage ratio, as defined, at June 30, 2011. In accordance with requirements under the master trust indenture, management of Luther Oaks Obligated Group retained a consultant to make recommendations to achieve the required ratio in fiscal 2012, which was achieved. The Luther Oaks Obligated Group was not in compliance with the cash to indebtedness ratio, as defined, at June 30, 2011. Management of Luther Oaks Obligated Group provided to the master trustee an officer's certificate setting forth a plan to be taken to achieve the required ratio for future periods, which was achieved. Luther Oaks redeemed the final amount of the 2006C Bonds in February 2010.

On December 30, 2009, Series 2009A, 2009B, and 2009C Fixed Rate Revenue Bonds were issued pursuant to a Master Trust Indenture in the aggregate amount of \$37,710,000 on behalf of WLV and WLVEC, together the WLV Obligated Group. The Series 2009 bonds are secured by a mortgage in a majority of the real property owned by the WLV Obligated Group. The Master Indenture allows the WLV Obligated Group to incur additional indebtedness to construct up to 26 additional independent living units in the future. The WLV Obligated Group is required to maintain certain reserves and sinking funds with its bond trustee. The loan agreements currently contain quarterly covenants related to the number of presales and occupied units. The loan agreements also contain financial covenants, which are initially effective the earlier of the first full year after stabilized occupancy is obtained for the project or as of June 30, 2015. The Parent has entered into a Liquidity Support Agreement with the WLV Obligated Group and the bond trustee and has funded a Liquidity Support Fund of \$1,000,000 with the bond trustee.

In September 2010, Pleasant View issued \$16,695,000 of Fixed Rate Revenue Bonds (the 2010 Bonds) under the provisions of a Master Trust Indenture (Pleasant View Indenture). The Series 2010 Bonds are secured by a mortgage in the real property. Pleasant View is required to maintain certain reserves and sinking funds with its bond trustee. The loan agreement contains quarterly covenants related to the number of occupied units. The loan agreement also contains financial covenants following the achievement of stabilized occupancy in the new Assisted Living units, which were constructed with a portion of the 2010 bonds. Stabilized occupancy is defined in the Pleasant View Indenture as the occupancy of 22 out of the 24 new Assisted Living Units. Stabilized occupancy was achieved at the end of June 2011. The Parent has entered into a Liquidity Support Agreement with Pleasant View and the bond trustee and has funded a Liquidity Support Fund of \$500,000 with the bond trustee.

In June 2011, The Arlington of Naples issued \$10,900,000 of Fixed Rate Revenue Bond Anticipation Notes (the 2011 BANS) under the provisions of Trust Indenture. The 2011 BANS are secured by a second mortgage on the property. The loan agreement contains monthly project and sales milestones. The loan matures on May 15, 2015 when permanent bond financing is anticipated.

In August 2009, St Pauls entered into a \$730,000 Construction Loan Agreement with the Bank of America. The loan was drawn upon as needed to renovate a 24-unit wing of St Pauls House for short-term stay

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

Medicare residents. Interest is set at a certain LIBOR plus 2.75% and can be reset every one to three months at St Pauls' option. The interest rate is subject to a floor rate of 5.75%. The loan must be repaid in equal monthly installments beginning June 1, 2010, at 1/60th of the total amount outstanding as of that date. The loan was paid in full on August 1, 2012.

In July 2006, Pleasant View entered into a 20-year promissory note agreement for \$2,600,000 with the Mission Investment Fund of The Evangelical Lutheran Church in America. The promissory note is secured by certain property and real estate related to the nursing facility on the Pleasant View campus. The Evangelical Lutheran Church in America has the right to review and adjust the interest rate every five years beginning on July 1, 2011 and ending on July 1, 2021.

In November 2006, LLC entered into a 25-year promissory note agreement for \$3,100,000 with the Mission Investment Fund of The Evangelical Lutheran Church in America. The Evangelical Lutheran Church in America has the right to review and adjust the interest rate every five years beginning on December 1, 2011 and ending on December 1, 2026. The note is guaranteed by LHSA.

In July 2008, The Arlington of Naples, Inc. entered into a five-year promissory note agreement for \$19,500,000 with the Lutheran Church Extension Fund (LCEF). The promissory note is secured by approximately 39 acres of land in Naples, Florida. The LCEF has the right to review and adjust the interest rate each month. Two million dollars of the note is guaranteed by LLC.

In March 2009, The Arlington of Naples, Inc. entered into a 15-year promissory note agreement for \$920,000 with MainSource Bank. The note is secured by an office building in Naples, Florida. MainSource Bank has the right to review and adjust the interest rate on March 10, 2014 and every 60 months thereafter. The note is guaranteed by LLC.

The Corporations have variable rate demand notes that have put options available to the creditor. The Series 2001 and Series 2003 bonds had letters of credit backing such debt, and were refunded with the issuance of the 2012 Bonds in October 2012 (note 17). The accelerated payments associated with the expiring letters of credit from the Series 2001 and 2003 Bonds is not reflected in the accompanying five-year schedule of principal repayments on long-term debt based on variable rate demand bonds being put back to the Corporations, as such notes can no longer be put back to the Corporations. If the put option is exercised on the remaining variable rate demand bonds outstanding, the bonds are presented to the bank, which in turn draws on the underlying letter of credit. The corresponding series and the applicable underlying credit facility terms are described as follows:

Series	Letter-of-Credit Reimbursement Terms
Illinois Finance Authority Bonds, Series 1995	Payment is due on the expiration date stated on the letter-of-credit agreement of February 2013

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

Scheduled principal repayments on long-term debt based on the variable rate demand notes being put back to the Corporations and a corresponding draw being made on the underlying letter-of-credit facility are as follows:

Year ending June 30:	
2013	\$ 5,852,620
2014	20,757,187
2015	13,310,604
2016	1,678,638
2017	1,768,603
Thereafter	88,299,794
	<u>\$ 131,667,446</u>

Scheduled principal repayments on the long-term debt based on the scheduled redemptions according to the underlying Master Trust Indentures are as follows:

Year:	
2013	\$ 1,987,619
2014	21,002,187
2015	13,565,604
2016	1,948,638
2017	2,048,602
Thereafter	91,114,796
	<u>\$ 131,667,446</u>

The LHSA Obligated Group has an interest rate-related derivative instrument to manage its exposure on its variable rate Series 2003 bonds. By using a derivative financial instrument to hedge exposures to changes in interest rates, the LHSA Obligated Group exposes itself to credit risk and market risk. Credit risk is the failure of the counterparties to perform under the terms of the derivative contracts. When the fair value of a derivative contract is positive, the counterparties owe the LHSA Obligated Group, which creates credit risk for the LHSA Obligated Group. When the fair value of a derivative contract is negative, the LHSA Obligated Group owes the counterparty, and therefore, it does not possess credit risk. The LHSA Obligated Group minimizes the credit risk in derivative instruments by entering into transactions with high-quality counterparties. Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates.

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

The LHSA Obligated Group entered into interest rate swap agreements in November 2003 to manage fluctuations in cash flows resulting from interest rate risk on its variable rate Series 2003. The swap agreement changes the variable rate cash flow exposure on the Series 2003 debt to fixed cash flows. Under the terms of the interest rate swap agreement, the Corporations receive variable interest rate payments and makes fixed interest rate payments, thereby creating the equivalent of fixed-rate debt. The swap was repaid in October 2012 with proceeds from the issuance of the Series 2012 Bonds (note 17). A summary of outstanding positions under the floating to fixed rate swap agreement for the Corporations at June 30, 2012 is as follows:

	<u>Notional amount</u>	<u>Maturity date</u>	<u>Rate received</u>	<u>Rate paid</u>
\$	11,440,000	November 2013	BMA Index, reset monthly	3.385%

A summary of outstanding positions under the floating to fixed rate swap agreement for the Corporations at June 30, 2011 is as follows:

	<u>Notional amount</u>	<u>Maturity date</u>	<u>Rate received</u>	<u>Rate paid</u>
\$	11,855,000	November 2013	BMA Index, reset monthly	3.385%

The fair value of the Series 2003 Bonds interest rate swap agreement of \$(466,157) and \$(757,561) is included in other long-term liabilities at June 30, 2012 and 2011, respectively. The change in fair value of the interest rate swap agreement of \$291,404 and \$192,381 is recorded in nonoperating gains and losses at June 30, 2012 and 2011, respectively.

(9) Lines of Credit

St Pauls has access to a line of credit through a revolving note with Bank of America in the amount of \$500,000. The balance outstanding at June 30, 2012 was \$500,000. Interest is payable at prime plus 2% or the LIBOR. The line of credit matures in February 2013 and is secured by the same assets as the 1995 Bonds.

In January 2008, the LHSA Obligated Group entered into an agreement for a line of credit through a revolving note with Fifth Third Bank in the amount of \$2,000,000. In December 2009, this line of credit was increased to \$4,000,000. In December 2011, this line of credit was increased to \$5,000,000. The balance outstanding at June 30, 2012 was \$4,550,000. Interest is set at either a Base Rate or a LIBOR Rate depending on the advance taken by the LHSA Obligated Group. The Base Rate is the lender's prime rate less 1.50%. The LIBOR Rate is set at LIBOR. The line of credit matures in November 2014.

In January 2009, the Foundation entered into an agreement for a margin loan through Landmark Capital. The outstanding balance at June 30, 2012 and 2011, respectively, is \$4,584,712 and \$2,155,471. Interest is set on a formula based on the rate of brokers' call money and was 4.25% at June 30, 2012.

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(10) Capital Leases

The Corporations lease certain equipment under capital leases. Included with land, buildings, and equipment are \$1,802,916 and \$1,537,117 at June 30, 2012 and 2011, respectively, of assets held under capital leases and \$163,261 and \$458,007 of related accumulated amortization at June 30, 2012 and 2011, respectively. A summary of future minimum lease payments and the present value of future minimum lease payments related to capital leases at June 30, 2012 is as follows:

	<u>Amount</u>
Year:	
2013	\$ 687,401
2014	538,475
2015	301,964
2016	<u>1,000</u>
Total future minimum lease payments	1,528,840
Less amount representing interest at rates ranging from 0% to 7.47%	<u>91,803</u>
Present value of future minimum lease payments	1,437,037
Less current portion of obligations under capital leases	<u>628,044</u>
Obligations under capital leases, excluding current portion	<u><u>\$ 808,993</u></u>

(11) Employees' Pension Plans

St Pauls sponsored a contributory profit sharing plan (money purchase plan) covering substantially all full time employees. St Pauls froze this plan as of December 31, 2007, and it will be terminated once all participant balances are paid out. As of January 1, 2008, LLC began sponsoring a contributory profit sharing plan (the LLC Plan). The LLC Plan is designated as a church plan (403(b)(9)) under ERISA, which provides specific reporting and tax advantages and covers substantially all full time employees of all subsidiaries of LLC. Employer contributions to the LLC Plan are discretionary. In addition, each participant can elect salary reduction under the 403(b)(9) plan. LLC can elect each year to match a portion of these salary deferrals. Expense recognized under the terms of the LLC Plan at all entities amounted to \$341,359 and \$813,236 for the years ended June 30, 2012 and 2011, respectively.

(12) Luther Village Limited Partnership

The Corporations are the lessor of a land lease agreement with Luther Village Limited Partnership (the Partnership), an unrelated party, for a term of 99 years with an option to renew for a second term of 99 years. The Partnership has constructed a number of cooperative apartment and townhome units that may be purchased by individuals at least 55 years of age. Owners pay a monthly ground rent to the Partnership in addition to the initial cost of their unit. A new land lease rate for rent to be paid is renegotiated between the Corporations and the Partnership every 10 years. On November 8, 2009, the Corporations agreed to a new land lease rate of \$1,090,000 per year to be received from the Partnership for the next 10 years. The land lease amount is based on a formula, which is calculated every 10 years. The land lease amount will be recalculated as of November 8, 2019, and in each succeeding 10-year period through November 8, 2079.

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

In exchange for the land lease and in addition to the annual lease payments, the Partnership makes the following payments to the Corporations:

- 0.5% of the sales price of units purchased by initial buyers; and
- The entire amount of the monthly ground rent submitted by the Owners to the Partnership.

The fees earned by the Corporations related to the land lease totaled \$1,090,000 for both years ended June 30, 2012 and 2011, and are included with other nonoperating gains and losses in the accompanying consolidated statements of operations.

In addition, the Home performs certain medical and other support services for the Partnership in exchange for service fees. The service fees earned related to the provision of such services amounted to \$137,152 and \$145,525 for the years ended June 30, 2012 and 2011, respectively, and have been reflected as other revenue in the accompanying consolidated statements of operations.

(13) Equity Investments

Investments in joint ventures are accounted for using the equity method of accounting and represented \$2,235,963 and \$2,304,568 of other assets in the accompanying consolidated balance sheets at June 30, 2012 and 2011, respectively. The most significant of these investments is described below.

Health Resources Alliance, Inc. is the parent company of Midwest Senior Care Network (MSCN), for which the Home has provided a \$190,000 letter of credit, draws on which are guaranteed by LHSA. No amounts have been accrued or paid pursuant to this agreement as of June 30, 2012.

The Home and St Pauls each have a 1/15th equity interest in MSCN. The investment in MSCN is being accounted for using the equity method because of the significant influence the Corporations have over MSCN. The Corporations have included their proportionate shares of MSCN net income of \$658,874 and \$517,538 as other nonoperating gains and losses in the accompanying consolidated statements of operations for 2012 and 2011, respectively.

The Corporations entered into a contractual agreement to join Summit Insurance Group, Ltd (Summit), a self-insurance administrator, which, through its risk-sharing provisions, provides the Corporations with insurance for workers' compensation coverage. Summit is a multiorganization insurance company incorporated under the laws of the Cayman Islands. As a self-insurance administrator, Summit enables risk sharing among participating organizations. The Corporations are required to pay assessed premiums and are subject to a per claim self-insured retention.

The Corporations' workers' compensation program includes various levels of per claim self-insured retentions and excess commercial insurance coverages. Included in operating expenses are \$1,483,915 in 2012 and \$1,634,048 in 2011 for the ultimate cost of reported self-insured workers' compensation claims, as well as estimates of incurred but not reported claims. At this time, the Corporations are not entitled to receive a distribution of Summit's net income.

For the years ended June 30, 2012 and 2011, the Corporations recognized income of \$663,836 and \$523,988, respectively, in investments in affiliated companies. This activity is included as a component of other nonoperating gains and losses in the accompanying consolidated statements of operations.

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(14) Charitable Gift Annuities

The Corporations are the recipient of various charitable gift annuities. Such gifts are recognized as contribution revenue in the period received, net of any estimated liability for amounts payable to the annuitant in future periods pursuant to the terms of the respective charitable gift annuity contract.

(15) Endowments

The Corporations follow the guidance of ASC Topic 958, related to net asset classification and required disclosures of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of UPMIFA.

The Corporations' endowment consists of funds established for a variety of purposes including donor-restricted endowment funds to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Donor-restricted endowment funds consist of \$5,702,277 and \$5,490,628 at June 30, 2012 and 2011, respectively, are included in permanently restricted net assets.

Changes in endowment net assets for the years ended June 30, 2012 and 2011 are as follows:

	2012 Permanently restricted	2011 Permanently restricted
Endowment net assets, July 1	\$ 5,490,628	4,257,646
Investment return	20,726	338,236
Contributions	211,649	1,232,982
Appropriated expenditures of endowment assets	(20,726)	(338,236)
Endowment net assets, June 30	<u>\$ 5,702,277</u>	<u>5,490,628</u>

(a) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Corporations to retain as a fund of perpetual duration. Deficiencies of this nature are reported in unrestricted net assets. Subsequent gains restore the fair value of the assets of the endowment fund to the required level. There were no deficiencies as of June 30, 2012 and 2011.

(b) Return Objectives and Risk Parameters

The Corporations have adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organizations must hold in perpetuity. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

results that exceed the price and yield results of a blended benchmark composed of the major indices related to the investment allocation being targeted for the portfolio.

(c) *Strategies Employed for Achieving Objectives*

To satisfy its long-term rate of return objectives, the Corporations rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Corporations target a diversified asset allocation that places emphasis on investments in equities, bonds, and other securities to achieve its long-term return objectives within prudent risk constraints. Major investment decisions are authorized by the Board's Finance Committee, which oversees the investment program in accordance with established guidelines.

(d) *Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Corporations have a policy of spending based on the amount of capital gains, interest, and dividends reinvested in the endowment assets. The spending rate (the annual amount withdrawn from the endowment assets to support the operating budget) is determined as a percentage of the three-year moving average of the endowment assets taking into consideration the estimated total investment return, the estimated rate of inflation, and the operating needs of the Corporations. The Corporations appropriate for distribution each year 10% of its endowment funds' average fair value over the prior three years through June 30 proceeding the fiscal year in which the distribution is planned. In establishing these policies, the Corporations considered the expected return on its endowment. Accordingly, the Corporations expect the current spending policy to allow its endowment to maintain its purchasing power by growing at a rate equal to planned payouts. Additional real growth will be provided through new gifts and any excess investment return.

(16) Commitments and Contingencies

(a) *Professional and General Liability Self-Insurance*

Through December 31, 2001, the Corporations maintained professional liability coverage through commercial insurance carriers. Effective January 1, 2002, the Corporations entered into a contractual agreement to form Caring Communities, a self-insurance administrator, which provides the Corporations with insurance coverage for professional and comprehensive general liability exposure. Insurance expense under the Caring Communities program amounted to \$768,601 and \$779,412 in 2012 and 2011, respectively. Caring Communities may retroactively assess participants for up to twice their annual premium per coverage year based on adverse participant-specific claims experience as defined in the policy. Based on the Corporations' historical claims experience and exposure to date, no reserves were established at June 30, 2012 or 2011 for either retroactive premium assessments or tail exposures.

(b) *Employee Health and Welfare Self-Insurance*

The Corporations are insured under a self-insurance program for employee health and welfare benefits. Insurance expense under the employee health and welfare insurance program amounted to \$3,659,181 in 2012 and \$5,263,338 in 2011.

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(c) Medicare Reimbursement Changes

Medicare reimburses providers of long-term care services at a prospective payment system for skilled nursing services and imposes a consolidated billing requirement. Changes in Medicare reimbursement as a result of the Centers for Medicare and Medicaid Services' interpretations and applications of these and other provisions of Medicare legislation may have an adverse effect on the Corporations' net resident service revenue.

(d) Litigation

The Corporations are involved in litigation arising in the normal course of business. In consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Corporations' financial position or results of operations.

(e) Regulatory Investigations

The U.S. Department of Justice and other federal agencies routinely conduct regulatory investigations and compliance audits of healthcare providers. The Corporations are subject to these regulatory efforts. Management is currently unaware of any regulatory matters, which may have a material adverse effect on the Corporations' financial position or results from operations.

(f) Ground Lease

During 2006, Luther Oaks entered into a 99-year ground lease agreement with Trinity Lutheran Church (Lessor). The lease calls for annual rent to be based on 10% of the appraised land value, which will be reset every five years. The lease commencement date was set as the beginning of the month in which the first resident moves into the facility, which occurred in the fall of 2007. In September 2007, Luther Oaks also funded a \$120,000 deposit account for the benefit of the Lessor as required by the ground lease agreement.

(17) Subsequent Events

In connection with the preparation of the consolidated financial statements and in accordance with the recently issued ASC Topic 855, *Subsequent Events*, the Corporations evaluated subsequent events after the consolidated balance sheet date of June 30, 2012 through October 31, 2012, which was the date the consolidated financial statements were issued, and determined the following event to disclose.

On October 30, 2012, the LHSA Obligated Group issued \$98,500,000 of Illinois Finance Authority Revenue, Series 2012 bonds, pursuant to the Bond Trust Indenture. As part of this issuance, LHSA Obligated Group issued \$75,145,000 as new bonds to fund constructing and renovating at the Home, \$11,915,000 as bonds to advance refund the Series 2001 bonds, and \$11,440,000 as bonds to advance refund the Series 2003 bonds. As a result of this issuance, the Corporations will incur a nonoperating loss on refunding of approximately \$593,000 for previously unamortized bond issue costs and bond discounts.

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES
Circulating Member: \$10.00

Chlorobutyl rubber, Modulus, Shore Indentation

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Comments:

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES
Consolidating Balance Sheet Information

Confidentiality Notice: Share Information

Nov 14, 2012

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See accompanying independent auditors' report.

See accompanying information supplement, report.

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES
Consolidating Balance Sheet Information
June 30, 2011

Assets	Lutheran Home Services and Services for the Aged, Inc.	Lutheran Home for the Aged, Inc.	Foundation for the Aged, Inc.	Elmhurst	LUSA Outboard Group Members	Lutheran Community Services Agency, Inc.	Winnebago Lutheran Home, Inc. and Winnebago Lutheran Home, Inc.	Pennant View Lutheran Home, Inc.	The Arlington Heights	Luther Ochs, Inc.	Lutheran Life Communities	St Paul's Home and Health Care Center	Lutheran Life Communities	Elimination	Consolidated
Current assets	\$ 493,715	2,315,124	9,145	-	2,410,682	-	899,682	1,762,888	328,426	4,263,319	786,842	67,731	8,102,158	-	9,281,531
Investments	-	-	-	-	-	-	-	46,912	-	138,667	-	-	1,817,949	-	1,952,919
Real estate	63,520	513,080	-	-	5,988,180	-	3,326,833	511,136	-	3,360	-	2,741,624	3,979	-	11,427,913
Goodwill	17,017	182,327	-	-	319,544	-	868,099	143,117	9,054	1,374,439	-	11,446	2,199	-	2,345,272
Other intangible assets	17,017	182,327	-	-	319,544	-	868,099	143,117	-	1,374,439	-	11,446	2,199	-	2,345,272
Inventory	25,462,126	4,814,322	2,333,869	-	55,801,119	-	78,331	(1,564,848)	(4,799,467)	(1,315,078)	32,232	41,271	1,001,640	-	81,412
Due from affiliates	-	-	-	-	-	-	-	-	-	-	2,134,656	-	-	-	-
Total current assets	36,191,409	13,082,239	7,353,014	-	58,992,144	-	4,412,311	(972,070)	(6,262,487)	3,624,418	3,473,590	3,314,088	4,101,638	36,837,099	26,084,262
Assets where use is limited or restricted:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	6,683,832	-	6,683,832	-	-	-	1,176,721	-	-	-	-	-	6,683,832
Based designated by endowment	-	1,348,144	-	-	1,348,144	-	153,108	729,045	-	2,722,723	-	-	-	-	5,101,419
Restricted deposits for future income	-	636,815	3,334,829	-	636,815	-	12,079,982	4,041,618	3,379,720	-	2,286,054	-	-	-	26,488,794
Held by trustee under bond	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other restricted assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total restricted assets	-	1,975,139	9,068,652	-	11,043,791	-	13,188	4,101,618	10,679,341	2,722,723	2,286,054	-	-	-	47,715,946
Total assets	36,191,409	15,057,378	16,421,666	-	69,995,935	-	4,425,499	4,101,618	21,548,828	6,347,141	5,759,644	3,314,088	4,101,638	36,837,099	73,799,208
Liabilities and equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable	-	27,999,839	-	-	27,999,839	-	34,491,349	18,472,249	29,018,457	21,488,341	-	6,781,019	5,411,115	-	143,411,071
Accrued interest	-	-	-	-	-	-	2,064,936	148,330	2,072,318	1,397,336	-	-	-	-	5,643,589
Deferred interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	1,811,860	4,799,733	-	6,604,693	-	-	-	-	-	1,041,575	1,427,437	-	-	9,132,286
Investments	-	46,311	-	-	46,311	-	-	-	-	-	-	-	-	-	91,622
Agency funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other investments	-	933,102	-	-	933,102	-	93,022	732,279	871,518	734,247	-	176,936	-	-	1,842,311
Investment in joint venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	30,251,012	22,122,839	-	35,673,947	-	34,509,310	22,345,568	33,554,441	23,177,107	9,286,234	11,389,404	5,411,115	36,837,099	219,667,941
Equity	36,191,409	15,057,378	16,421,666	-	69,995,935	-	4,425,499	4,101,618	21,548,828	6,347,141	5,759,644	3,314,088	4,101,638	36,837,099	73,799,208

LUTHERAN LIFE COMMUNITIES AND HUMANARIES
Consolidating Balance Sheet Information
June 30, 2011

	Lutheran Life Services for the Age 50+ Life	Lutheran Home for the Age 50+ Life	Lutheran Foundation for the Age 50+ Life	Elimination	LUSA Original Group Properties	Lutheran Community Services for the Age 50+ Life	Wingspread Village, Inc. and Endowment Corp., Inc.	Presbyterian Home Life Village, Inc.	The Religion of Christ	Lutheran Oaks, Inc.	Lutheran Life Communities Foundation	St Paul's Home and Health Care Center	Lutheran Life Communities	Eliminations	Consolidated
Current liabilities:															
Current maturities of long-term debt		91,760			783,840			91,360	41,759			14,320	279,158		1,411,217
Long-term debt subject to short-term interest rate agreements		1,665,667			1,666,667										1,666,667
Accounts payable		3,473,060			3,473,060						2,114,471	301,000			5,888,531
Current portion of subordinated notes capital leases						145,840	1,123,414	467,137	34,780	184,807	88,410	491,100	318,545		318,545
Accounts payable	279,936	2,131,139			2,780,092		171,404	181,263	1,210,723	300,804		1,400	442,623		6,246,408
Accounts receivable		79,221			79,221										79,221
Accrued compensation and other liabilities	209,142	1,665,908			1,875,050	299,106	699,161	435,512	98,799	787,728	47,529	144,873	966,198		5,418,949
Due to affiliates		2,029,884			2,029,884	13,333,348	4,599,935		1,408,179	1,965,364	2,274,419	1,121,003	17,891,017		31,607,184
Total current liabilities	489,078	12,193,736			10,636,030	13,270,360	6,979,935	1,291,634	1,408,179	1,965,364	2,274,419	2,535,640	19,741,941	36,837,099	
Long-term debt, excluding current maturities															
Long-term debt		21,467,264			21,467,264		34,792,428	18,764,057	30,034,669	24,308,790		4,740,832	1,088,656		117,761,476
Long-term debt subject to short-term interest rate agreements															449,143
Long-term debt							835,132			728,147					1,563,279
Long-term debt		108,722			108,722		19,821	24,505		13,607,234		3,416,2			187,210
Long-term debt							9,918,363	2,764,598	1,481,770						28,886,109
Long-term debt															1,200,000
Long-term debt															2,714,289
Long-term debt															4,912,289
Long-term debt															50,311
Long-term debt															782,022
Total long-term liabilities	49,078	35,923,119	490,250	2,109,934	14,837,603	13,841,488	51,799,715	22,851,932	37,224,448	49,511,305	2,217,919	7,118,597	21,282,730	36,837,099	107,901,190
Net assets (deficit):															
Net assets (deficit)	317,881	10,364,340	17,055,529		33,862,180	(9,181,037)	3,375,341	(583,350)		(8,444,300)	(1,659,340)	1,41,289	(11,760,967)		29,168,021
Temporarily restricted			148,994		148,994			80,412			6,465,385	9,409			7,599,629
Permanently restricted			1,384,579		1,384,579						2,236,058				5,005,216
Total net assets (deficit)	317,881	10,364,340	17,072,599	2,109,934	35,395,753	(9,181,037)	3,375,341	(583,350)		(8,444,300)	6,842,794	1,41,289	(11,760,967)		43,664,745
Total liabilities and net assets (deficit)	\$ 28,327,899	\$ 46,307,638	\$ 13,132,839	\$ 2,109,934	\$ 52,627,762	\$ 4,620,460	\$ 13,084,556	\$ 22,341,984	\$ 37,324,448	\$ 13,177,305	\$ 9,286,264	\$ 13,249,603	\$ 8,112,378	\$ 36,837,099	\$ 239,807,941

See accompanying independent auditors' report

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES
 Unaudited Statement of Operations Information
 Year ended June 30, 2011

	Lutheran Home and Services for the aged, Inc.	Lutheran Home for the aged, Inc.	Lutheran Foundation for the aged, Inc.	Lutheran Community Service for the aged, Inc.	Lutheran Life Communities Foundation	St Paul's Home and Health Care Center	Withering Wages, Inc. and Endowment Corp., Inc.	Plant and Year-Later Items, Inc.	Lutheran Life Communities	Eliminations	Consolidated
Operating revenue and other assets:											
Residential care revenue	5,681,217	59,172,833	--	--	--	10,662,558	12,009,147	788,394	4,966,646	--	80,731,900
Contractual services revenue, net of expenses	(5,600)	(71,246)	--	(710)	--	(307,214)	(105,766)	(13,657)	--	--	(82,652)
Provision for bad debt	3,875,717	39,401,387	--	(9,710)	--	10,368,845	11,813,353	7,773,934	6,984,648	--	89,075,128
Net resident service revenue	(12,197)	2,159,380	(200)	6,206,741	(3,841)	331,992	1,813,947	2,02,237	17,403	235,214	10,906,637
Other income (loss)	--	--	--	--	--	--	--	--	--	--	--
Net assets released from restrictions used for operations	--	--	--	--	672,940	--	--	--	--	--	672,940
Total operating revenue and other assets	5,669,140	41,560,967	(398)	6,227,012	679,199	10,394,818	13,667,390	8,072,211	5,165,029	235,214	91,686,019
Operating expenses:											
Salaries and wages	1,794,018	17,650,096	--	2,824,096	517,946	4,274,720	6,571,439	4,270,431	2,905,323	4,168,896	44,809,664
Employee benefits	2,083,947	17,750,565	--	497,406	74,294	1,575,565	1,575,565	1,575,565	1,575,565	1,575,565	17,750,565
Depreciation	--	5,666,435	--	--	--	771,399	2,567,232	484,311	611,564	107,028	10,044,891
Dietary services	--	2,067,391	--	--	--	182,841	597,208	362,734	402,271	--	3,912,614
Program services	70,964	2,607,943	--	--	--	1,899,681	267,206	1,212,314	10,913	--	6,093,114
Administrative services	906,279	878,838	--	11,917	--	464,875	160,962	369,353	498,376	--	6,411,565
Fundraising	--	--	--	2,347,250	--	4,099	4,262	8,041	--	--	6,411,565
Interest	--	1,528,546	--	--	401,567	196,391	18,946	17,812	1,473,663	254,350	3,554,448
Depreciation and amortization	--	2,779,123	--	--	--	642,900	596,490	193,154	1,272,850	428,046	6,076,719
Allocations, net	547,992	613,008	--	1,632,996	206,004	101,000	150,000	24,022	--	--	6,076,719
Total operating expenses	5,603,197	37,438,795	--	7,329,773	1,201,558	10,331,706	13,287,876	8,772,274	7,624,916	5,331,224	86,990,011
Increase (loss) from operations	38,343	4,122,172	(208)	(902,761)	(521,359)	243,112	1,379,514	(735,063)	(1,459,887)	235,214	(4,803,992)
Investment income (loss)	3,866	315,848	160,074	9,309	31	316,516	5	8,417	(41,264)	--	946,978
Unrealized contribution	--	--	248,622	--	--	--	--	3,379	91,710	--	477,613
Net change in unrealized gains and losses on trading securities	--	--	--	--	--	--	--	(172,589)	--	--	71,300
Change in value of derivative contracts	--	--	--	--	--	--	--	--	--	--	--
Other, net	--	595,147	2,023,621	--	69,839	216,274	--	--	(13,418)	35,116	2,517,062
Total nonoperating gains (losses), net	--	192,181	(98,442)	6,316	--	35,451	60,219	--	7,520	--	192,181
Increase (decrease) in cash	3,866	1,763,717	2,333,878	15,817	(641,031)	372,711	(60,224)	77,849	72,847	102,369	(181,569)
Net change in restricted assets	6,179	5,885,889	2,333,670	(886,915)	(1,172,362)	81,833	419,648	(677,177)	(2,386,941)	--	(177,066)
Net change in unrestricted assets	--	(1,214,731)	--	--	236,830	--	723,614	707,040	--	(110,716)	--
Net assets released from restriction for land, building, and equipment acquisitions	--	4,606	--	--	--	18,000	3,000	1,788,466	3,000	--	1,818,296
Increase (decrease) in unrestricted net assets	6,179	4,655,772	2,333,670	(666,915)	(935,532)	801,833	3,168,267	1,865,151	(2,383,941)	(5,331,166)	1,342,240

See accompanying independent auditors' report.

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES
Consolidated Statements of Operations Information by Development
Years ended June 30, 2012 and 2011
(Unaudited)

Schedule 5

	2012	2011
Stabilized communities:		
Operating revenue:		
Net resident service revenue:		
Resident service revenue, net of contractual allowance	\$ 54,295,049	55,816,629
Provision for bad debts	(319,669)	(480,178)
Net resident service revenue	53,975,380	55,336,451
Other revenue	8,318,600	8,652,654
Net assets released from restrictions used for operations	3,373,546	674,040
Total operating revenue	65,667,526	64,663,145
Operating expenses:		
Salaries and wages	28,795,139	27,412,372
Employee benefits	6,574,890	7,573,063
Support services	6,755,204	6,418,056
Dietary services	2,676,813	2,450,038
Program services	4,737,716	4,578,587
Administrative services	2,768,415	2,281,929
Community services	1,845,914	2,343,250
Fund-raising	507,035	407,660
Interest	1,798,067	1,724,637
Depreciation and amortization	3,402,609	3,382,225
Allocations, net	2,781,993	3,102,000
Total operating expenses	62,643,795	61,673,817
Stabilized communities income from operations	3,023,731	2,989,328
Communities in development:		
Operating revenue:		
Net resident service revenue:		
Resident service revenue, net of contractual allowance	27,329,196	24,918,301
Provision for bad debts	(419,563)	(179,424)
Net resident service revenue	26,909,633	24,738,877
Other revenue	2,408,781	2,284,017
Total operating revenue	29,318,414	27,022,894
Operating expenses:		
Salaries and wages	17,939,407	17,397,292
Employee benefits	3,588,697	4,669,698
Support services	4,876,523	4,266,835
Dietary services	1,691,919	1,462,575
Program services	1,396,695	1,490,527
Administrative services	4,653,769	4,189,556
Fund-raising	38,643	12,346
Interest	2,696,579	1,834,811
Depreciation and amortization	3,435,044	2,694,554
Allocations, net	(2,781,993)	(3,102,000)
Total operating expenses	37,535,283	34,916,194
Communities in development losses from operations	(8,216,869)	(7,893,300)
Total losses from operations	(5,193,138)	(4,903,972)

LUTHERAN LIFE COMMUNITIES AND SUBSIDIARIES
Consolidated Statements of Operations Information by Development
Years ended June 30, 2012 and 2011
(Unaudited)

	<u>2012</u>	<u>2011</u>
Nonoperating gains (losses), net:		
Investment income	\$ 1,182,121	946,908
Unrestricted contributions	439,856	477,633
Bequests and legacies	—	74,460
Net change in unrealized gains and losses on trading securities	(918,445)	2,917,062
Change in fair value of derivative instruments	291,404	192,381
Other, net	(458,607)	(181,508)
Total nonoperating gains, net	<u>536,329</u>	<u>4,426,936</u>
Revenue and gains deficient of expenses and losses	(4,656,809)	(477,036)
Other changes in unrestricted net assets:		
Net assets released from restriction for land, building, and equipment acquisitions	—	1,819,296
Change in unrestricted net assets	<u>\$ (4,656,809)</u>	<u>1,342,260</u>

- * Note – The financial statement presentation above reflects operating results between communities, which are experiencing losses in the short term due to campus development versus communities, which are stabilized and operating without these short-term losses.

Stabilized communities include LHSA, the Home, LCSA, LFA Foundation, St Pauls, and the LLC Foundation. These communities are not expanding, repositioning, or being occupied by their first residents after initial build-out in fiscal year 2011. These communities have reached a level of occupancy, which represented stabilization (typically higher than 85%) prior to July 1, 2010.

Communities in development include LLC, WLW, WLVEC, Luther Oaks, and The Arlington of Naples. These communities are expanding, repositioning, or being occupied by their first residents after initial build-out in fiscal year 2011. Prior to stabilization, communities experience startup-losses, which are funded by the planned use of charitable contributions, cash reserves, or additional borrowings from the debt financing the expansion, repositioning, or build-out. Communities in development will experience these losses for a number of months or even years before they reach a level of stabilized occupancy (typically higher than 85%).

See accompanying independent auditors' report.



200 South Wacker Drive
Suite 2000
Chicago, IL 60606

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Toll-free: 800-366-8899
Fax: 312-263-5217

www.ziegler.com

April 23, 2013

Chairman Dale Galassie
Health Facilities and Services Review Board
Illinois Department of Public Health
525 West Jefferson Street
Second Floor
Springfield, IL 62761

Dear Chairman Galassie:

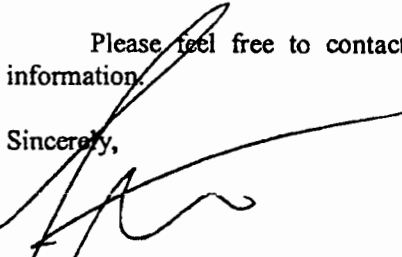
The letter is to advise you that Ziegler currently provides financial advisory services to Luther Oaks, Inc. and its parent company, Lutheran Life Ministries. Ziegler is in the process of working with Luther Oaks, Inc. on a plan to finance the construction of a new 36-bed skilled nursing facility, along with other renovations of its campus (the "Project"). Ziegler has a long history of working with the Lutheran Life Ministries system and has successfully issued approximately \$223 million of tax-exempt bonds for the Lutheran Life Ministries system since the 1990s.

The current plan of finance for the Project is for Luther Oaks, Inc. to obtain traditional financing from a lending institution. Given the financial strength of the Lutheran Life Ministries system, it is anticipated that Luther Oaks, Inc. would be able to obtain a 30-year loan of \$9,100,000 with an initial fixed rate of interest between 2 and 7 percent, which would be reset every 5 years.

Luther Oaks, Inc. has already submitted its request for financing to two separate financial institutions and anticipates having a letter of commitment in place prior to the time of its application being considered for approval by the Illinois Health Facilities and Services Review Board.

Please feel free to contact us with any questions, or if you should require further information.

Sincerely,



Stephen W. Johnson
Managing Director - Senior Living Finance

cc: Daniel J. Hermann

B.C. Ziegler and Company | Member SIPC & FINRA
2078580\1\17364\48763

ATTACHMENT 27

**LUTHER OAKS, INC.
CON APPLICATION
FINANCIAL VIABILITY**

B - b - 1)

Current Ratio = Current Assets/Current Liabilities (Goal is 1.5 or greater):

Luther Oaks

	Actual FY10	Actual FY11	Actual FY12	Projected FY17
Current Assets/ Current Liabilities	<u>1,131,344</u> <u>1,016,652</u>	<u>2,988,532</u> <u>1,505,363</u>	<u>3,338,411</u> <u>2,195,572</u>	<u>3,868,051</u> <u>2,543,900</u>
Due to LLC included in Current Liabilities				
Current Ratio	1.11	1.99	1.52	1.52

Lutheran Life Ministries

	Actual FY10	Actual FY11	Actual FY12	Projected FY17
Current Assets/ Current Liabilities	<u>20,657,274</u> <u>20,949,238</u>	<u>26,094,802</u> <u>25,609,184</u>	<u>29,091,399</u> <u>38,322,988</u>	<u>33,706,762</u> <u>33,000,000</u>
Current Ratio	0.99	1.02	0.76	1.02

ATTACHMENT 29

B - b - 2)

Net Margin Percentage = Net Income/Net Operating Revenues) X 100 (Goal is 2.5% or greater):

Luther Oaks

	Actual FY10	Actual FY11	Actual FY12	Projected FY17
Net Income/	(2,835,045)	(2,381,941)	(1,263,407)	(135,194)
Net Operating Revenue	4,335,233	5,165,028	6,099,145	11,408,732
=	(0.6540)	(0.4612)	(0.2071)	(0.0119)
X 100	100	100	100	100
Net Margin Percentage	(65.40)	(46.12)	(20.71)	(1.19)

Lutheran Life Ministries

	Actual FY10	Actual FY11	Actual FY12	Projected FY17
Net Income/	(1,917,522)	1,342,260	(4,656,809)	1,613,530
Net Operating Revenue	85,344,221	91,686,039	94,985,940	110,215,770
=	(0.0225)	0.0146	(0.0490)	0.0146
X 100	100	100	100	100
Net Margin Percentage	(2.25)	1.46	(4.90)	1.46

B - b - 3)

Long-Term Debt to Capitalization = (Long-Term Debt/Long-Term Debt plus Net Assets) X 100 (Goal is 80% or Less):

Luther Oaks

	Actual FY10	Actual FY11	Actual FY12	Projected FY17
Long-Term Debt	24,322,344	24,306,590	23,960,836	29,593,348
Net Assets	(6,052,259)	(8,434,200)	(9,697,606)	(12,860,482)
LT Debt plus Net Assets	18,270,085	15,872,390	14,263,230	16,732,866
Long-Term Debt/ LT Debt plus Net Assets	24,322,344 18,270,085	24,306,590 15,872,390	23,960,836 14,263,230	29,593,348 16,732,866
=	1.3313	1.5314	1.6799	1.7686
X 100	100	100	100	100
LT Debt to Capitalization	133.13	153.14	167.99	176.86

Lutheran Life Ministries

	Actual FY10	Actual FY11	Actual FY12	Projected FY17
Long-Term Debt	114,848,011	137,705,476	125,046,262	209,705,476
Net Assets	39,916,350	41,664,745	37,485,425	49,000,000
LT Debt plus Net Assets	154,764,361	179,370,221	162,531,687	258,705,476
Long-Term Debt/ LT Debt plus Net Assets	114,848,011 154,764,361	137,705,476 179,370,221	125,046,262 162,531,687	209,705,476 258,705,476
=	0.7421	0.7677	0.7694	0.8106
X 100	100	100	100	100
LT Debt to Capitalization	74.21	76.77	76.94	81.06

ATTACHMENT 29

B - b -6)

Cushion Ratio = (Cash plus Investments plus Board Designated Funds)/Principal Payments plus Interest Expense) for the year of maximum debt service after project completion (Goal is 3.0 or more):

	<u>Oblig Group</u> <u>Projected</u> <u>FY17</u>
Cash/Investments	<u>7,013,262</u>
Principal & Interest for year of Max Debt Service	2,365,809
Cushion Ratio	2.96

Lutheran Life Ministries

	<u>Oblig Group</u> <u>Projected</u> <u>FY17</u>
Cash/Investments	<u>43,000,000</u>
Principal & Interest for year of Max Debt Service	14,331,000
Cushion Ratio	3.00

B - b - 4)

Debt Service Coverage Ratio (Goal is 1.5 or more):

Luther Oaks

	<u>Actual FY10</u>	<u>Actual FY11</u>	<u>Actual FY12</u>	<u>Projected FY17</u>
Debt Service Coverage	n/a	0.48	1.38	1.36

Lutheran Life Ministries

	<u>Actual FY10</u>	<u>Actual FY11</u>	<u>Actual FY12</u>	<u>Projected FY17</u>
	1.26	1.07	1.57	1.80

B - b - 5)

Days Cash on Hand = (Cash plus Investments plus Board Designated Funds)/(Operating Expense-less Depreciation Expense) / 365 (Goal is 45 or More):

Luther Oaks

	Actual FY10	Actual FY11	Actual FY12	Projected FY17
Cash & Cash Equivalents	172,331	1,265,219	3,011,212	7,013,262
Assets whose use is restricted	126,774	128,067	128,067	
Long Term Investments	605,654	605,840	605,904	
Total Cash	904,759	1,999,126	3,745,183	7,013,262
Total Operating Expense	7,252,105	7,624,916	7,486,492	12,403,262
Less: Depr & Amort	(1,252,764)	(1,272,850)	(1,307,350)	(1,904,877)
Adjstuted Oper Exp	5,999,341	6,352,066	6,179,142	10,498,384
Adj Oper Exp/ 365	16,437	17,403	16,929	28,763
Days Cash on Hand	55	115	221	244

Lutheran Life Ministries

	Actual FY10	Actual FY11	Actual FY12	Projected FY17
Cash & Cash Equivalents	5,240,955	9,285,551	12,413,288	12,000,000
Assets whose use is restricted	11,122,271	14,387,189	15,107,510	12,000,000
Long Term Investments	8,592,775	11,637,354	6,777,430	19,000,000
Total Cash	24,956,001	35,310,094	34,298,228	43,000,000
Total Operating Expense	90,474,423	96,590,011	100,179,078	116,135,008
Less: Depr & Amort	(6,088,894)	(6,076,779)	(6,837,653)	(6,100,000)
Adjstuted Oper Exp	84,385,529	90,513,232	93,341,425	110,035,008
Adj Oper Exp/ 365	231,193	247,981	255,730	301,466
Days Cash on Hand	108	142	134	143

ATTACHMENT 29

Statement Regarding Specific Ratios

Luther Oaks, Inc. and Lutheran Life Ministries comply with all financial ratios except those noted below. Please note the reasons for these differences from the desired ratio:

Current Ratio –

The current ratio of Lutheran Life Ministries falls below 1.5 but is close to 1.0 in most cases. At the end of FY12, Lutheran Life Ministries experienced a reduction in the Current Ratio due to the following factors:

- At June 30, 2012, \$3,800,000 of bonds from one of Lutheran Life Ministries' campuses were temporarily classified as short term due to an expiring letter of credit remarketing agreement. This bond obligation was refinanced in March 2013 and is now classified as a long term obligation.
- As part of its strategic plan, Lutheran Life Ministries has undertaken major renovations/construction at 4 of its campuses. Due to the timing of the startup expenses and construction payments for such major campus renovations, various lines of credit and accounts payable increased.

Lutheran Life Ministries invests reserved cash into a well diversified portfolio in order to earn a more significant investment income return. These funds are drawn upon to meet obligations if needed, however, they are typically not required if the current ratio is maintained at or near 1.0. Over time, it is anticipated that the current ratio for Lutheran Life Ministries will continue to rise.

Net Margin Percentage –

Luther Oaks does not meet the required percentage in current years or in FY17 when the skilled nursing facility will achieve stabilized occupancy. Several factors cause this issue including the following:

- Luther Oaks incurred startup losses in current years because it was built in 2007 and was filling to capacity through December 2011. As the community continues to stabilize, net income will improve. These startup losses are funded by working capital from bond proceeds or reserves and are typical in the short term.
- The significant investment in building Luther Oaks has created a much larger depreciation expense which is a non-cash item. New buildings do not require this expense to be funded in early years; however, the financial net income is affected significantly in these early years, as the facility achieves stabilized occupancy.
- Initial health benefit incentives given contractually to residents in the independent and assisted living units at Luther Oaks in the first years of operation have also negatively impacted the short term net income. As these benefits are used up and/or expire, net income will increase.

The net margin percentage of Lutheran Life Ministries falls below 2.5% but is continuing to improve. Several factors cause this issue including the following:

- Investment market volatility related to invested reserve funds in this period was significant. These valuation changes are required to be part of net income.
- Startup expenses and costs are significant in this period due to startup losses at Luther Oaks, Wittenberg Village and Pleasant View as each of these campuses had major renovations and fill up of residences during this period. As these communities continue to stabilize, net income will improve. These startup losses are funded by bond proceeds or reserves and are planned/required for the short term in order to produce a more stable long term outcome.
- Significant new investments in our campuses create much larger depreciation expenses which is a non-cash item. New buildings do not require this expense to be funded in early years; however, the financial net income is affected significantly in these early years.
- A strategic decision has been made to manage donations and bequests through restricting the funds in the Lutheran Life Communities Foundation and these contributions are not included in Unrestricted Net Income. These funds can be used in future years to manage in times when the funds are needed and when Net Income is required to meet loan and bond covenants in those years. At this time, covenants have typically been met at each campus without the use of these restricted funds.

As stabilization continues throughout the Lutheran Life Ministries campuses, it is anticipated that this ratio will move towards the 2.5% goal.

Long Term Debt to Capitalization

Luther Oaks does not meet the 80% standard. The Luther Oaks campus opened in 2007 and stabilized occupancy took longer than projected due to the economic recession which began in 2008. Stabilized occupancy was not achieved until December of 2011. The additional startup losses (all funded by bond proceeds and additional contributions by Lutheran Life Ministries) along with the cost of the initial construction bonds have led to a higher Long Term Debt to Capitalization Ratio than the requirement. A significant portion of these losses are related to depreciation which is a non-cash item and is not necessary to be funded in full as infrastructure lasts much longer than the depreciation time period. If depreciation were removed from these calculations, Luther Oaks would achieve a capitalization rate that would reach the 80% requirement for each of the years calculated.

Lutheran Life Ministries complies with this ratio both currently and historically, but the ratio of 81.06% projected for FY17 is slightly over the 80% standard. The main reason for this is the increase in debt related to the campuses four major renovations which will enable these campuses to remain competitive with a high quality of care for the next 30 years. As debt payments are made over this time and as surpluses are achieved from the operations during this period, this ratio will decrease below the 80% standard quickly. In computing this ratio, we are projecting out 4 years from today and we have been conservative in our estimates of surpluses, investments income and contributions, bequests and other donations during this period.

Increases in the actual amounts for these items will directly increase net assets and decrease this ratio during this period.

Cushion Ratio –

The cushion ratio of Luther Oaks of 2.96 is close to the goal of 3.00. Additional funds have not been transferred to Luther Oaks at this time because the tax-exempt bond covenants for the 2006 financing to build the assisting living and independent living units do not require investment and cash balances of this magnitude. Additional cash and investments are continually being added (through contributions and bequests), invested and multiplied in the Lutheran Life Communities Foundation (which is not part of the obligated group of the Luther Oaks) and these funds are available for use by Luther Oaks if required.

Debt Service Coverage

Luther Oaks achieved a debt service coverage ratio of 1.38 in FY12 and is expected to achieve a 1.36 ratio in FY17 once the skilled nursing operation is stabilized. The projected ratio for FY17 is highly conservative for planning and financing purposes and reflects lower than average expected rate increases at all levels of care. As noted above, Lutheran Life Communities Foundation maintains additional reserves designated for Luther Oaks, together with undesignated contributions that are available to meet these needs for the system's communities.

Lutheran Life Ministries has debt service coverage ratios of 1.26 in FY10, 1.07 in FY11, and 1.42 in FY12 compared to the required standard of 1.5. The reason for this is mainly that the 2009 and 2010 bond issuances for Wittenberg Village and Pleasant View, respectively, were constructing projects of revenue producing units during this time period. The attainment of debt service coverage ratio is not expected until completion of construction and opening of the units in order to generate the revenue used to meet the coverage ratio. Consequently, neither of these bond issues has required a debt service coverage calculation during these periods. As we progress to FY12 and beyond, these newly constructed units are being filled and revenue is being generated, such that the debt service coverage ratios (both set at 1.20 in these bond issues) are projected to be met as planned. This will increase the Debt Service Coverage Ratio of Lutheran Life Ministries overall to meet and exceed the requirement of 1.5 over time.

April 23, 2013

Mr. Dale Galassie
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Luther Oaks, Inc. CON Application – Section 1120.140(a) Certification

Dear Chairman Galassie,

In compliance with Section 1120.140(a) of the Illinois Health Facilities and Services Review Board Rules, we hereby certify that the total estimated project costs and related costs for the new construction of a new skilled care nursing facility (“Project”) will be funded in total or in part by borrowing because a portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 1.5 times.

Additionally, we hereby certify that the selected form of debt financing for the Project will be at the lowest net cost available.

Sincerely,

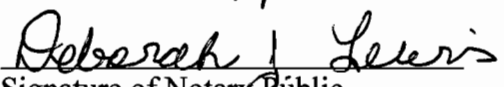
LUTHER OAKS, INC.

By:


Roger W. Paulsberg, Chair

Notarization:

Subscribed and sworn to before me
this 23 day of April, 2013


Signature of Notary Public

Seal



**LUTHER OAKS, INC.
CON APPLICATION
ECONOMIC FEASIBILITY**

1. Projected Operating Costs - The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

Projected Annual Operating Costs FY17 in current dollars

Projected Census

Long Term Skilled-Private Pay	15.00
Medicare	14.00
Public Aid	<u>6.00</u>
Total Average Census	<u><u>35.00</u></u>
Days	<u>365</u>
Total Census Days	<u><u>12,775</u></u>

Direct Costs (in current dollars)

	Annual Cost	Per Patient Day
Salaries	1,626,769	127.34
Employee Benefits	406,692	31.84
Program Services	<u>608,832</u>	<u>47.66</u>
Total Direct Costs (current dollars)	<u><u>2,642,293</u></u>	<u><u>206.83</u></u>
Direct Operating Costs per patient day (current dollars)		<u><u>206.83</u></u>

2. Total Effect of the Project on Capital Costs - The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

Projected Annual Capital Costs FY17 in current dollars

Project Depreciation Expense FY17	400,000
Projected Census Days FY17	12,775
Projected FY17 Capital Cost per patient day	<u>31.31</u>

**LUTHER OAKS, INC.
CON APPLICATION
CRITERION 1125.800**

ESTIMATED TOTAL PROJECT COST – RELATED COST DATA

1. Land Acquisition Cost – The applicant shall provide the purchase price or fair market value, whichever is applicable, for the acquisition of land that is required in order to undertake the project. Acquisition of land is not a capital expenditure and is not included as part of project costs.

The fair market value of the additional acres to be leased by Luther Oaks from Trinity Lutheran Church for the project is \$239,993.82.

2. Operating Start-Up Cost – The applicant shall provide a schedule of estimated non-capitalized operating start-up costs and an estimate of any initial operating deficit.

Non-Capital Start up Costs

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>Total</u>
Net Operating Deficit	(461,395)	(546,429)	80,142	(927,683)

3. Construction and Modernization Costs and Schedule – The applicant shall provide a construction or project completion schedule that details the anticipated dates and percent of project construction or modernization completion at the 25th, 50th, 75th, 95th and 100th percentile of project funds expended.

Appended as ATTACHMENT APP.B-2 is the construction and modernization costs and schedule.

4. Debt Service Relief Fund – Applicants shall provide the amount that will be placed in a debt service reserve fund and shall also provide the terms and conditions of uses of the fund.

Luther Oaks will have \$55,000.00 placed in a Debt Service Reserve Fund. The uses of the fund will be limited to paying debt service on the financing obtained for the project.

ATTACHMENT APP.B-1

**Luther Oaks
A Lutheran Life Community
Bloomington, Illinois**



April 17, 2013

Milestone Schedule

Description	<u>Date</u>
Construction Start	November 2013
25% of New Construction & Modernization Funds Expended	March 2014
50% of New Construction & Modernization Funds Expended	June 2014
75% of New Construction & Modernization Funds Expended	September 2014
95% of New Construction & Modernization Funds Expended	December 2014
100% of New Construction & Modernization Funds Expended	January 2015

April 17, 2013

CLINICAL

PROJECT SCOPE OF WORK	A Cost/Square Foot New	B Mod.	C Gross Sq. Ft. New	D Circ.*	E Gross Sq. Ft. Mod.	F Circ.*	G Const. \$ (AxC)	H Mod. \$ (BxE)	Total cost (G+H)
AREA									
Resident Units	\$296	\$0	8,048	-	-	-	\$2,382,208	\$0	\$2,382,208
Resident Baths	\$346	\$0	2,392	-	-	-	\$827,632	\$0	\$827,632
Administrative	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Laundry	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Kitchen/Food Prep/Food Storage	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Dining	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Sitting / Living / Family Room	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Rehab / Therapy	\$288	\$0	1,130	-	-	-	\$325,440	\$0	\$325,440
Spa / Restrooms	\$346	\$0	640	-	-	-	\$221,440	\$0	\$221,440
Staff Support / Maintenance	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Service / Storage / Receiving	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Mechanical	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Circulation	\$203	\$0	4,254	-	-	-	\$863,605	\$0	\$863,605
Soiled / Clean Utility	\$327	\$0	480	-	-	-	\$156,744	\$0	\$156,744
Medication	\$313	\$0	160	-	-	-	\$50,080	\$0	\$50,080
Activities	\$294	\$0	520	-	-	-	\$152,880	\$0	\$152,880
Subtotals			17,624	-	-	-	\$4,980,029	\$0	\$4,980,029

Total Beds	36	36	36
BGSF / Bed	489.6	0.0	489.6
Cost / BGSF	\$282.57	\$0.00	\$282.57

NON CLINICAL

PROJECT SCOPE OF WORK	A Cost/Square Foot New	B Mod.	C Gross Sq. Ft. New	D Circ.*	E Gross Sq. Ft. Mod.	F Circ.*	G Const. \$ (AxC)	H Mod. \$ (BxE)	Total cost (G+H)
AREA									
Resident Units	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Resident Baths	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Administrative	\$329	\$0	860	-	-	-	\$282,940	\$0	\$282,940
Laundry	\$370	\$0	240	-	-	-	\$88,800	\$0	\$88,800
Kitchen/Food Prep/Food Storage	\$469	\$391	600	-	2,401	-	\$281,400	\$938,791	\$1,220,191
Dining	\$364	\$268	3,250	-	890	-	\$1,183,000	\$238,520	\$1,421,520
Sitting / Living / Family Room	\$342	\$0	1,000	-	-	-	\$342,000	\$0	\$342,000
Rehab / Therapy	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Spa / Restrooms	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Staff Support / Maintenance	\$370	\$0	510	-	-	-	\$188,700	\$0	\$188,700
Service / Storage / Receiving	\$223	\$0	560	-	-	-	\$124,880	\$0	\$124,880
Mechanical	\$198	\$0	553	-	-	-	\$109,494	\$0	\$109,494
Circulation	\$203	\$149	3,494	-	519	-	\$709,239	\$77,207	\$786,446
Soiled / Clean Utility	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Medication	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Activities	\$0	\$0	-	-	-	-	\$0	\$0	\$0
Subtotals			11,067	-	3,810	-	\$3,310,453	\$1,254,518	\$4,564,971

Total Beds	36	36	36
BGSF / Bed	307.4	105.8	413.2
Cost / BGSF	\$299.13	\$329.27	\$306.85

TOTAL PROJECT			28,691	-	3,810	-	\$8,290,482	\$1,254,518	\$9,545,000
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Total Beds	36	36	36
BGSF / Bed	797.0	105.8	902.8
Cost / BGSF	\$288.96	\$329.27	\$293.68

ATTACHMENT APP. D-1

Table 1125. APPENDIX B Financial and Economic Review Standards

	Luther Oaks	State Standard	Above/Below State Standard
Preplanning	\$40,194	$1.8\% \times (\text{Construction} + \text{Contingencies} + \text{Equipment}) =$ $1.8\% \times (\$3,353,975 + \$300,840 + \$233,459) =$ $1.8\% \times \$3,888,274 =$ \$69,988.93	Below State Standard
Site Survey and Preparation	\$181,656	$5\% \times (\text{Construction} + \text{Contingencies}) =$ $5\% \times (\$3,353,975 + \$300,840) =$ $5\% \times \$3,654,815 =$ \$182,740.75	Below State Standard
New Construction Costs	$\$3,353,975 / 17,624 \text{ GSF} =$ \$190.30 per square foot	\$191 per square foot	Below State Standard
Contingencies	\$300,840	$10\% \times \text{New Construction Costs} =$ $10\% \times \$3,353,975 =$ \$335,397.50	Below State Standard
Architectural/Engineering Fees	\$305,599	$6.42\% \text{ to } 9.64\% \times (\text{Construction} + \text{Contingencies}) =$ $6.42\% \text{ to } 9.64\% \times (\$3,353,975 + \$300,840) =$ $6.42\% \text{ to } 9.64\% \times \$3,654,815 =$ \$234,639 - \$352,324	Within State Standard
Consulting & Other Fees	\$119,069	No State Standard	
Equipment	\$233,459	\$6,491 per bed	Below State Standard

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ATTACHMENT APP. D-1

Table 1125. APPENDIX B Financial and Economic Review Standards			
	Luther Oaks	State Standard	Above/Below State Standard
		\$6,491 x 36= \$233,676	
Other Costs to be Capitalized	\$108,548	No State Standard	