



STATE OF ILLINOIS

HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

DOCKET NO: H-09	BOARD MEETING: November 17, 2015	PROJECT NO: 15-037	PROJECT COST: Original: \$484,742
FACILITY NAME: Alden Courts of Waterford		CITY: Aurora	
TYPE OF PROJECT: Substantive			HSA: VII

PROJECT DESCRIPTION: The applicants (Waterford Rehab & Courts, LLC, Alden of Waterford Investments, LLC and The Alden Group, Ltd.) are proposing to establish a 20 bed skilled care facility in a licensed 66 bed shelter care facility known as Alden Courts of Waterford. The proposal will convert a 22 bed shelter care nursing unit to a 20 bed skilled nursing care unit. The anticipated cost of the project is \$484,742. The anticipated completion date is December 31, 2016.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The applicants (Waterford Rehab & Courts, LLC, Alden of Waterford Investments, LLC and The Alden Group, Ltd.) are proposing to establish a 20 bed skilled care facility in a licensed 66 bed shelter care facility known as Alden Courts of Waterford. The proposal will convert a 22 bed shelter care nursing unit to a 20 bed nursing care unit. The anticipated cost of the project is \$484,742. The anticipated completion date is December 31, 2016.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The proposed project is before the State Board because the project proposes to establish a 20 bed skilled care facility.

STAFF SUMMARY:

- The applicants are proposing **to establish a 20 bed nursing care facility** in a 66 bed shelter care facility located on a Continuum Care Retirement Community campus in Aurora. The 66 shelter care beds are currently recognized as an Alzheimer Special Care Unit by the Illinois Department of Public Health.
- Shelter Care facilities provide maintenance and personal care and are licensed by Illinois Department of Public Health and consists of room and board.
- Skilled nursing care provides continuous skilled nursing observations, restorative nursing, and other services under professional direction with frequent medical supervision and is licensed by the Illinois Department of Public Health. The proposed 20 beds will be considered nursing care beds because of the level of care that will be provided. To establish these 20 nursing care beds the applicants **must** receive approval from the State Board.
- The State Board has calculated **an excess of 359 long term care beds** in the Kane County Long Term Care Planning Area by CY 2018. There are 51 facilities within 45 minutes with an average utilization of approximately 80%. The purpose of the establishment of the 20 nursing care beds is to allow for individuals currently in shelter care beds to move to a higher level of care as that becomes necessary without leaving their current surroundings.

PUBLIC COMMENT:

- No public hearing was requested, and no letters of opposition were received. Letters of support were received from the following:
 - Suely Ann Cabral
 - State Senator Linda Holmes
 - Rachel M, Ossyra, Naperville Township Supervisor
 - Laura Milligan, Executive Director, Ecumenical Adult Care of Naperville
 - State Representative Stephanie Kifowit
 - Richard C. Irwin, Alderman at Large, Aurora
 - Scheketa Hart-Burns, Alderman, 7th Ward, City of Aurora

CONCLUSION:

- The applicants have addressed a total of 22 criteria and did not meet the following:

.State Board Standards Not Met	
Criteria	Reasons for Non-Compliance
Criterion 1125.530 (a) –LTC Bed Planning Determination	There is a <u>calculated excess of 359 long term care beds</u> in the Kane County Long Term Care Planning Area by CY 2018.
Criterion 1125.570 (a) (b) - Service Accessibility .	There are 51 facilities within 45 minutes (adjusted) of the proposed facility. 42 of these facilities are not operating at target occupancy of 90% . Average utilization of these 51 facilities is 79.63%
Criterion 1125.580 (a) – Unnecessary Duplication of Service	There are 19 facilities within 30 minutes (adjusted) of the proposed facility. 15 of the 19 facilities are not at target occupancy. Average utilization of these 19 facilities is 80.57%.

STATE BOARD STAFF REPORT
Alden Courts of Waterford
Project #15-037

APPLICATION SUMMARY/ CHRONOLOGY	
Applicants(s)	Waterford Rehab & Courts, LLC, Alden of Waterford Investments, LLC The Alden Group, Ltd.
Facility Name	Alden Courts of Waterford
Location	1991 Randi Drive Aurora, Illinois
Permit Holder	Alden Courts of Waterford, LLC
Licensee/Operating Entity	Alden Courts of Waterford, LLC
Owner of the Site	Waterford Rehab & Courts, LLC
Number of Beds	20 skilled care beds
Total Gross Square Footage	9,254 GSF
Total Project Cost	\$484,742
Application Received	August 12, 2015
Application Deemed Complete	August 17, 2015
Can applicants request a deferral?	Yes
Review Period End	October 16, 2015
Obligation Date	December 31, 2016
Anticipated Project Completion Date	December 31, 2016

I. Project Description

The applicants are proposing to establish a 20 bed long term care facility in approximately 9,254 GSF of space at a cost of approximately \$484,742. The facility (Alden Courts of Waterford) is currently a 66 bed shelter care facility and was approved by the State Board as a shelter care facility in August of 1997 as Permit #97-064. The State Board no longer has jurisdiction over shelter care beds. The applicants are proposing to discontinue 22 shelter care beds and establish a 20 bed long term care facility. At the conclusion of the project the building will house 44 shelter care beds and 20 skilled care beds. The anticipated completion date is December 31, 2016.

II. Summary of Findings

- A. The State Board Staff finds the proposed project **DOES NOT** appear to be in conformance with the provisions of Part 1110.
- B. The State Board Staff finds the proposed project appears to be in conformance with the provisions of Part 1120.

II. General Information

The applicants are Waterford Rehab & Courts, LLC, Alden of Waterford Investments, LLC, and The Alden Group, Ltd. The facility (Alden Courts of Waterford) is a licensed 66-bed sheltered care facility located on a Continuum of Care Retirement Community Campus (CCRC) that is also the home to:

- Alden of Waterford, a 99-bed nursing care facility that is connected to Alden Courts of Waterford via an underground tunnel.
- Alden Gardens of Waterford, a 121-bed sheltered care facility;
- Alden Horizons, a 68 unit, a three story apartment building and 30 villas (98 total units) for independent living;
- The Lakes of Waterford which has 33 duplexes for independent living.

The CCRC campus is age restricted to the elderly. Alden Courts of Waterford is located at 1991 Randi Drive in Aurora, Illinois. No historic, architectural or archaeological sites exist within the project area as required by Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). The proposed site is not within a special flood zone area as required by Executive Order 2005-5

The facility is located in the Kane County Long Term Care Planning Area. The State Board is currently estimating **an excess of 359 long term care beds in the Kane County LTC Planning Area** by 2018. Obligation for this project will occur after permit issuance. This is a substantive project subject to both an 1110 and 1120 review.

III. **Project Details**

Alden Courts is proposing to convert one of its 22-bed sheltered care units into a 20-bed nursing unit resulting in a building compliment of 20 nursing care beds and 44 sheltered care beds. Alden Courts of Waterford is a specialized facility exclusively for the care and treatment of those with memory impairment. The 20 nursing care beds will be for the continued care and treatment of those with memory issues as their medical needs start outweighing their programmatic needs. Per the applicants *“while this shelter care license has been adequate to provide appropriate care for most of its residents, the applicants have found two problems when trying to provide memory care to all of its residents. The first of these problems is that Alzheimer's is a progressive disease that increases in severity with the passage of time. This project is a result of years of experience in having residents who's medical needs outweigh the programmatic needs dealing with memory impairment, yet the resident cannot remain in a sheltered care facility when they are in need of nursing care, nor can they be appropriately placed in the general nursing care facility when they still need programming for memory care issues. This project proposes to address that gap in care to improve the health care accessibility of this specific population who have memory impairment yet require a nursing level of care. The second problem area at Alden Courts of Waterford is a financial one. Illinois does not provide any financial assistance (Medicaid) for the purchase of Sheltered Care. Thus it is possible for a resident of Alden Courts of Waterford to exhaust all of their financial resources and not be able to qualify for an existing government safety net. There are frequent occasions when residents have had to leave the Waterford CCRC for one or both of the above reasons. The managers of Waterford feel that a repositioning of a portion of the Alden Courts of Waterford bed to skilled nursing care would solve both the above problems and allow it to provide a more complete continuum of care to its residents.”*

Any licensed long term care facility designating a specific unit as an Alzheimer's Special Care Unit is required to obtain **recognition from the Illinois Department of Public Health**. Requirements for this recognition are the bedrooms must be contiguous to each other within this nursing unit. If the unit is located in beds licensed for skilled and/or intermediate care, a review of the physical plant is required. Installation of special locking devices to provide a secured unit and/or renovation/construction must be approved by the Illinois Department of Public Health prior to installation.

IV. **Project Costs and Sources of Funds**

The applicants are proposing to fund this project with cash of \$484,742. No estimated start-up costs or operating deficits are projected by the applicants.

TABLE ONE			
Project Costs and Sources of Funds			
USES OF FUNDS	Clinical	Non-clinical	Total
Modernization Contracts	\$187,837	\$62,163	\$250,000
Contingencies	\$18,784	\$6,216	\$25,000
Architectural/Engineering Fees	\$28,927	\$9,573	\$38,500
Consulting and Other Fees	\$41,324	\$13,676	\$55,000
Movable or Other Equipment (not in construction)	\$79,825	\$26,417	\$106,242
Other Costs To Be Capitalized	\$7,514	\$2,486	\$10,000
TOTAL USES OF FUNDS	\$364,211	\$120,531	\$484,742
SOURCE OF FUNDS			
Cash and Securities	\$364,211	\$120,531	\$484,742
TOTAL SOURCES OF FUNDS	\$364,211	\$120,531	\$484,742

V. **Cost Space Requirements**

The applicants are proposing a total of 9,254 GSF of space for this 20 bed skilled nursing facility. 6,953 GSF will be clinical space and 2,301 GSF will be non-clinical space.

VI. **Section 1125.320 – Purpose of the Project**

The purpose of this project is to establish a 20-bed nursing facility at Alden Courts of Waterford, a licensed 66-bed sheltered care facility for those with memory impairment. According to the applicants *“there is an internal demand for the nursing level of care within the memory care setting. Moreover, assisted living is not Medicare or Medicaid eligible. As residents medical needs outweigh their programmatic needs and nursing care is the only option, residents have to be discharged out of the memory care building in order for their Medicare or Medicaid benefits to be used. This leads to residents being discharged out to facilities that do not have this level of specialized memory care. Over the past two years Alden Courts of Waterford has transferred 12 people out of the building for a higher level of care, a few who were Medicaid eligible. The nursing facility (Alden of Waterford) averaged 2 prospective residents a month that were denied due to elopement/memory care risks. Therefore, this proposed project would allow those*

residents in need of nursing services to remain in, or to transfer within, the campus even with a decline in their financial situation allowing them to remain on campus as Medicaid eligible residents.”

VII. Section 1125.330 – Alternatives to the Proposed Project

The applicants considered **three** alternatives to the proposed project; pursuing a project of lesser scope, pursuing a project of greater scope and a joint venture.

A project of lesser scope would maintain the status quo of referring residents of the shelter care facility to a nursing care facility with the residents still suffering with memory care issues. The size of the proposed unit is 20 beds and is predicated on the fact that the physical plant design was created into three distinct nursing units. To apply for fewer beds would require dividing an already established small unit. Life safety and the Illinois Department of Public Health code requirements of dividing the unit would render the alternative of less than 20 beds not viable.

A project of greater scope could convert two of the three sheltered care wings to skilled nursing care or convert the entire building. On all new projects Alden designs its memory care units as nursing from the start. This provides the greatest flexibility of care for every stage related to memory impairment. The cost of the project would triple as the entire building, as opposed to a single unit, and would have to meet skilled nursing home licensure and life safety standards. Thus, just to convert the three wings, not counting the core elements, could cost in excess of \$1,454,226

A joint venture was considered; however the applicants considered the proposed project as a joint venture with the facilities on the CCRC campus which are owned by related parties to the applicants.

VIII. Section 1125.510 – General Long Term Care

A) 1125.520 – Background of the Applicants

The applicants stated the following “Please be advised that no adverse actions as defined under 1130.140 have been taken against the Applicants (Alden Courts of Waterford, LLC.) within three years preceding the filing of the Certificate of Need Application. There are a few other Alden facilities that have received violations at the “A” level from the Illinois Department of Public Health. Notably, there are 31 Alden licensed long-term care facilities in the State of Illinois. Since June of 2012, only 4 of those facilities have received level “A” violations. Attached is a certified listing of facilities with level “A” violations, as well as a list of all Alden facilities that have had no type “A” violations filed against them within the past three (3) years.”

The State Board defines "Adverse Action" as a disciplinary action taken by Department of Public Health, Centers for Medicare and Medicaid Services (CMMS), or any other State or federal agency against a person or entity that owns and/or operates a licensed or

Medicare or Medicaid certified LTC facility in the State of Illinois. These actions include, but are not limited to, all Type A and Type AA violations. As defined in Section 1-129 of the Nursing Home Care Act [210 ILCS 45], a "Type A violation" means a violation of the Act or of the rules promulgated there under which creates a condition or occurrence relating to the operation and maintenance of a facility that creates a substantial probability that the risk of death or serious mental or physical harm to a resident will result there from or has resulted in actual physical or mental harm to a resident. As defined in Section 1-128.5 of the Nursing Home Care Act, a "Type AA violation" means a violation of the Act or of the rules promulgated there under which creates a condition or occurrence relating to the operation and maintenance of a facility that proximately caused a resident's death.

These four facilities had a Type "A" violation as reported by the applicants and verified by the State Board Staff.

- Alden Estates of Shorewood
- Alden-Princeton
- Alden Alma Nelson
- Alden-Long Grove

These Alden facilities did not have a type "A" violation as reported by the applicants and verified by the State Board Staff.

- | | |
|------------------------------------|--------------------------------|
| • Alden Estates of Barrington | • Alden of Old Town East |
| • Alden Des Plaines | • Alden of Old Town West |
| • Alden Gardens Courts Des Plaines | • Alden Estates of Orland Park |
| • Alden Estates Of Evanston | • Alden Park Strathmoor |
| • Heather Health Care Center | • Alden Poplar Creek |
| • Alden Lakeland | • Alden Estates of Skokie |
| • Alden Lincoln Park | • Alden Springs |
| • Alden McHenry | • Alden Town Manor |
| • Alden Estates Of Naperville | • Alden Trails |
| • Alden Northmoor | • Alden Valley Ridge |
| • Alden North Shore | • Alden Village |
| • Alden of Waterford | • Alden Village North |
| • Alden Courts of Waterford | • Alden Wentworth |
| • Alden Gardens of Waterford | |

The applicants have provided a letter authorizing State Board and Department of Public Health 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. The applicants have met the requirements of this criterion because the applicants have reported the Type A violations as required and have provided the State Board and the Department of Public Health with authorization to access information related to this application for permit.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN
CONFORMANCE WITH CRITERION BACKGROUND OF THE APPLICANTS
(77 IAC 1125.520)**

B) 1125.530 (a) – Bed Need Determination

The State Board is estimating an excess of 359 long term care beds in the Kane County Planning Area by CY 2018. This estimate is based upon the 2010 census, an estimate of the 2013 population and projected to CY 2018 by age cohort, using the 2013 actual usage rate of 79.4% as reported by the 27 skilled care facilities in Kane County. Base upon that information the State Board has determined a planned bed need of 2,705 beds in this planning area. There are currently 3,064 skilled care beds in the Kane County Planning Area resulting in a calculated excess of 359 skilled care beds by CY 2018. The applicants are proposing 20 skilled care beds which will increase the number of excess beds in the Kane County Planning Area to 379 skilled care beds. The State Board Staff is unable to make a positive finding on this criterion.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION BED NEED DETERMINATION (77 IAC 1125.530)

C) 1125.530 (b) – Service to Planning Area Residents

D) 1125.530 (a) – Service Demand

The primary market area for the proposed Skilled Nursing Facility is a 30 minute drive time in all directions and includes parts of the Illinois Counties of Kane, Kendall, DuPage and Will. It includes a sizeable part of the southwestern quadrant of the Chicago, Illinois Metropolitan Area. The applicants are estimating a compounded annual growth in the primary market area in the population of less than 1% per year over the next 5 years. The over 65 population is estimated to grow by a compound annual rate of 5.36% per year over this same time period. The applicants have stated that they estimate that over 50% of the demand for the proposed 20 skilled care beds will come from within the CCRC community. The applicants also provided two referral letters from physicians indicating that they would be referring approximately 13 patients per month (156 patients per year) within 24 months of project completion. It would appear that the proposed 20 bed unit will serve the residents of the planning area and based upon the physician referral letters there appears to be sufficient demand for the 20 skilled care beds.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION SERVICE TO PLANNING AREA RESIDENTS AND SERVICE DEMAND (77 IAC 1125.530(b)(c))

E) Criterion 1125.570 (a) (b) - Service Accessibility

There is no absence of skilled care facilities within the Kane County Planning Area. There has been no access limitations identified by the applicants due to payor status of patients/residents or restrictive admission policies of existing providers. In addition the area population and existing care system does not exhibit indicators of medical care problems. There are 51 facilities within 45 minutes adjusted with 7,366 skilled care beds and an average utilization of approximately 80%. Nine of the 51 facilities are at the State

Board's target occupancy of 90%. Based upon the utilization of existing facilities within 45 minutes it appears there is sufficient access to skilled care beds in this 45 minute service area. See Table at the end of this report.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION SERVICE ACCESSIBILITY (77 IAC 1125.570(a)(b))

F) Criterion 1125.580 (a) (b) – Unnecessary Duplication of Service/Maldistribution

There are 19 skilled care facilities within 30 minutes (adjusted) of the proposed facility. Four of the nineteen facilities are at the target occupancy of 90%. There is 1 skilled care bed for every 169 residents in the Kane County Planning Area. The State of Illinois bed to population ratio is 1 bed for every 127 residents. It does not appear based upon the ratio of beds to population in the Kane County Planning Area that there is a surplus of beds as defined at 1.5 times the State of Illinois ratio of 1 bed per every 127 residents.

Because of the number of facilities not operating at target occupancy in this 30 minute service area it appears an unnecessary duplication of service may result with the establishment of this 20 bed skilled care facility.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION UNNECESSARY DUPLICATION OF SERVICE (77 IAC 1125.530(a)(b))

G) Criterion 1125.580 (c) – Impact on Other Providers

The proposed 20 bed skilled care facility will increase the estimated number of excess beds in the Kane County long term care planning area to 379 beds. The State Board Staff does not believe the proposed 20 bed facility will have an impact on other facilities in the Kane County Planning Area with approximately 55% of the patients coming from the applicants' facilities located within the existing CCRC.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION IMPACT ON OTHER PROVIDERS (77 IAC 1125.530(c))

H) Criterion 1125.590 – Staffing

The applicants have provided the information regarding the staffing of the proposed facility at pages 248-254 of the application for permit. The applicants have adequately addressed this criterion.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION STAFFING (77 IAC 1125.590)

I) Criterion 1125.600 – Bed Capacity

There is a maximum bed capacity of 250 long term care beds. The State Board does not have a minimum bed capacity standard for this service. The proposed 20 bed nursing care facility meets the requirements of this criterion.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION STAFFING (77 IAC 1125.600)

J) Criterion 1125.610 – Community Related Function

Letters of support were provided from William Catching, Aurora Township Supervisor; Thomas J Weisner, Mayor of City of Aurora; Scheketa Hart-Bums, Alderman, City of Aurora; Richard C. Irvin, Alderman City of Aurora; Robert J. O'Connor, Alderman City of Aurora; Meenalochani Narayanan, MD; and Vivya M. Sabharwal, MD.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION COMMUNITY RELATED FUNCTION (77 IAC 1125.610)

K) Criterion 1125.620 – Project Size

The applicants are proposing 9,254 gross square feet of space for 20 nursing care beds. This equates to 462.7 gsf per bed upon project completion. The applicants are in compliance with the State Board Standard of 435-713 gross square feet per bed.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION PROJECT SIZE (77 IAC 1125.620)

L) Criterion 1125.630 – Zoning

The applicants provided a letter from the Edward T. Sieben, Zoning Administrator, City of Aurora that stated *“the subject licensed Health Care facility is a permitted conditional use under the current City Zoning Ordinance and in compliance with the zoning. The facility is operating in compliance. Therefore, current zoning use as a nursing facility is "lawfully established under the City of Aurora regulation."*

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION ZONING (77 IAC 1125.630)

M) Criterion 1125.640 – Assurances

The applicants provided the following: *“This letter attests to the fact that if this Project is approved by the Illinois Health Facilities and Services Review board, Alden Courts of Waterford understands that it is expected to achieve and maintain the occupancy specified in §1125.210 (c) by the second year of operation after project completion. Our ability to maintain this occupancy level could be affected by various factors outside of*

our control~ such as natural disasters, regulatory changes in healthcare, interruption of necessary utilities, physical plant problems, or other unexpected issues outside of our control which could have a direct or indirect effect upon our occupancy rate”.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION ASSURANCES (77 IAC 1125.640)

IX. FINANCIAL

A) Criterion 1120.120 – Availability of Funds

The applicants are funding this project with cash of \$484,742 which will be drawn from the **Replacement Reserve Account** of Waterford Rehab and Courts, LLC (“Waterford”). Waterford is financed by a mortgage insured by the U.S. Department of Housing and Urban Development (HUD) under Section 232 of the National Housing Act, and is regulated by HUD with respect to rental charges and operating methods. Waterford is also financed by an operating loss loan insured by HUD under Section 223(d) of the National Housing Act. The company's major programs are its HUD-insured mortgage and operating loss loan. Waterford leases the facilities to related parties. Waterford is required to maintain a replacement reserve held by the mortgagee and funded in an amount equal to \$1,000 per month. The replacement reserve is available for the replacement of fixed assets, major repairs and certain company expenditures. Any disbursement from this reserve requires the approval of HUD. The required monthly deposits to the replacement reserve were suspended beginning June 2011 and continued through November 2014 as approved by HUD. The replacement reserve was funded as required during 2014 and 2013. The Replacement Reserve Account that has a balance as of December 31, 2014 of \$812,607 that will fund the proposed project.

Replacement Reserve Account is defined as an amount of money set aside because building components or equipment will wear out in a relatively short time and need to be replaced.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION AVAILABILITY OF FUNDS (77 IAC 1120.120)

B) Criterion 1120.130 – Financial Viability

Because the project will be funded from internal sources the financial viability ratios are not required.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION FINANCIAL VIABILITY (77 IAC 1120.130)

X. ECONOMIC FEASIBILITY

A) Criterion 1120.140 (a) – Reasonableness of Financing Arrangements

B) Criterion 1120.140 (b) – Terms of Debt Financing

This project is being funded with cash of \$484,742 and no debt is being used to finance this project.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION REASONABLENESS OF FINANCING ARRANGEMENTS AND TERMS OF DEBT FINANCING (77 IAC 1120.140 (a)(b))

C) Criterion 1120.140 (c) – Reasonableness of Project Costs

Modernization Contracts and Contingencies – These costs are \$206,201 or \$29.65 per GSF. This appears reasonable when compared to the State Board Standard of \$158.20.

Contingency Costs – These costs are \$18,784 and are 10% of modernization costs. This appears reasonable when compared to the State Board Standard of 10-15% or \$28,176.

Consulting and Other Fees – These costs are \$41,324. The State Board does not have a standard for these costs.

Movable or Other Equipment – These costs are \$79,825 or \$3,991 per bed. This appears reasonable when compared to the State Board Standard of \$8,222.61 per bed

Other Costs to be Capitalized – These costs are \$7,514. The State Board does not have a standard for these costs.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION REASONABLENESS OF PROJECT COSTS (77 IAC 1120.140(c))

D) Criterion 1120.140 (d) – Direct Operating Costs

The direct operating cost per patient day is \$121.46. The State Board does not have a standard for these costs.

Salaries	\$1,814,048
Benefits	\$428,520
Supplies	\$310,952
Patient Days	90% 21,024
<u>Total/Operating Cost</u>	<u>\$2,553,520</u>
Operating Costs/ Day	\$121.46

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION DIRECT OPERATING COSTS (77 IAC 1120.140 (d))

E) Criterion 1120.140 (e) – Projected Capital Costs

The project capital cost per patient day is \$35.96. The State Board does not have a standard for these costs.

Depreciation	\$312,746
Interest Expense	\$443,279
PT Days	90% 21,024
<u>Total/Capital Cost</u>	<u>\$756,025</u>
Capital Costs per Day	\$35.96

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION PROJECTED CAPITAL COSTS (77 IAC 1120.140 (e))

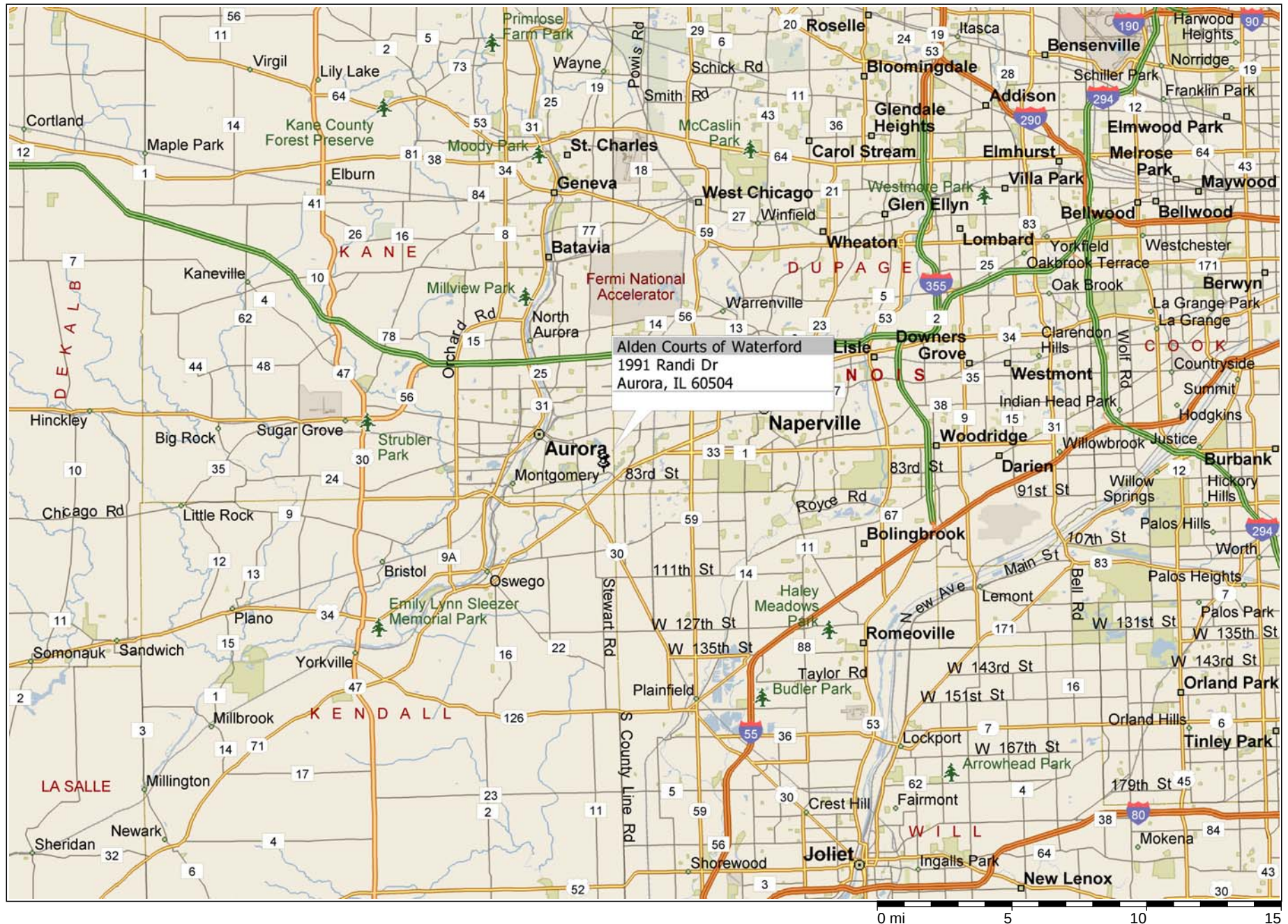
TABLE TWO Facilities within 45 minutes (adjusted) of the proposed facility								
Facility Name	City	LTC Beds	Health Service Area	Planning Service Area	Minutes (1)	Occupancy (2)	5-Star (3)	ASCU (4)
Alden Of Waterford	Aurora	99	8	Kane	0	75.30%	4	
Jennings Terrace	Aurora	60	8	Kane	12.65	74.50%	5	
The Grove of Fox Valley	Aurora	195	8	Kane	13.8	73.40%	1	
Presence Mcauley Manor	Aurora	87	8	Kane	19.55	62.70%	4	
Elmwood Terrace Healthcare Ctr	Aurora	68	8	Kane	19.55	85.00%	2	
Tiller's Nursing & Rehab Center	Oswego	106	9	Kendall	19.55	85.40%	5	
St. Patrick's Residence	Naperville	209	7	7-C	20.7	92.70%	4	Yes
Meadowbrook Manor	Naperville	245	7	7-C	20.7	95.20%	2	
Manor Care - Naperville	Naperville	118	7	7-C	21.85	60.80%	4	Yes
Tabor Hills Healthcare	Naperville	211	7	7-C	21.85	81.50%	5	
North Aurora Care Center	North Aurora	129	8	Kane	21.85	88.90%	2	Yes
Alden Estates of Naperville	Naperville	203	7	7-C	23	72.40%	4	
Countryside Care Center	Aurora	203	8	Kane	24.15	92.20%	4	
Community Nsg & Rehab Center	Naperville	153	7	7-C	25.3	75.60%	3	
Lakewood Nrsg & Rehab Center	Plainfield	131	9	Will	26.45	87.90%	3	
Greenfields of Geneva	Geneva	43	8	Kane	27.6	78.30%	5	

TABLE TWO Facilities within 45 minutes (adjusted) of the proposed facility								
Facility Name	City	LTC Beds	Health Service Area	Planning Service Area	Minutes (1)	Occupancy (2)	5-Star (3)	ASCU (4)
Covenant Health Care Center	Batavia	99	8	Kane	28.75	86.70%	5	
West Chicago Terrace Nursing Home	West Chicago	120	7	7-C	28.75	96.60%	3	
Hillside Rehab & Care Center	Yorkville	79	9	Kendall	29.9	65.70%	5	
Wynscape Health & Rehab	Wheaton	209	7	7-C	31.05	55.00%	5	
Batavia Rehab & Hlthcare Ctr.	Batavia	63	8	Kane	31.05	83.30%	2	
Borridale Plaza Lisle	Lisle	55	7	7-C	31.05	84.30%	5	Yes
Meadowbrook Manor	Bolingbrook	298	9	Will	31.05	91.60%	5	
Rest Haven West	Downers Gr.	145	7	7-C	32.2	55.10%	2	
Oak Brook Health Care Center	Oak Brook	156	7	7-C	32.2	73.50%	5	
Winfield Woods Healthcare Center	Winfield	138	7	7-C	32.2	79.50%	5	
Beacon Hill	Lombard	110	7	7-C	32.2	94.30%	5	
Alden Estates of Shorewood	Shorewood	150	9	Will	33.35	75.20%	2	
Lexington Health Care Center	Lombard	224	7	7-C	33.35	79.10%	2	
Rosewood Care Ctr St. Charles	St. Charles	109	8	Kane	33.35	83.10%	5	
Wheaton Care Center	Wheaton	123	7	7-C	33.35	93.50%	1	Yes
Dupage Convalescent Home	Wheaton	368	7	7-C	34.5	87.80%	3	

TABLE TWO Facilities within 45 minutes (adjusted) of the proposed facility								
Facility Name	City	LTC Beds	Health Service Area	Planning Service Area	Minutes (1)	Occupancy (2)	5-Star (3)	ASCU (4)
Bria of Geneva	Geneva	107	8	Kane	35.65	79.30%	1	
Presence Pine View Care Center	St. Charles	120	8	Kane	36.8	78.50%	2	
Wood Glen Nursing & Rehab Ctr.	West Chicago	213	7	7-C	36.8	79.80%	2	
Rosewood Care Center	Joliet	120	9	Will	37.95	81.30%	5	
Burgess Square	Westmont	203	7	7-C	39.1	71.70%	3	
Lexington of Elmhurst	Elmhurst	145	7	7-C	39.1	76.00%	3	
Windsor Park Manor	Carol Stream	80	7	7-C	39.1	80.50%	5	
Bria of Westmont	Westmont	215	7	7-C	39.1	85.50%	2	
Fairview Baptist Home	Downers Gr.	160	7	7-C	40.25	51.60%	NA	
Sandwich Rehab & Health Care	Sandwich	63	1	DeKalb	40.25	70.50%	1	
Park Place Christian Village	Elmhurst	37	7	7-C	40.25	91.30%	4	
Manor Care of Westmont	Westmont	149	7	7-C	41.4	72.40%	1	
Oakridge Healthcare Center	Hillside	73	7	7-D	41.4	82.20%	3	
Manor Care of Hinsdale	Hinsdale	202	7	7-C	41.4	84.40%	3	
The Renaissance At Hillside	Hillside	198	7	7-D	41.4	86.60%	5	
Westchester Health & Rehab	Westchester	120	7	7-D	41.4	96.40%	2	Yes

TABLE TWO Facilities within 45 minutes (adjusted) of the proposed facility								
Facility Name	City	LTC Beds	Health Service Area	Planning Service Area	Minutes (1)	Occupancy (2)	5-Star (3)	ASCU (4)
West Suburban Nursing & Rehab Ctr.	Bloomingtondale	259	7	7-C	43.7	71.30%	2	
Our Lady Of Angels Ret Home	Joliet	87	9	Will	43.7	85.30%	4	
Elmhurst Extended Care Center	Elmhurst	108	7	7-C	44.85	69.20%	4	
1. Minutes determined by MapQuest and adjusted per 1100.510 (d) 2. Occupancy from 2014 Long term Care Profiles 3. 5-Star ranking from https://www.medicare.gov/nursinghomecompare/search.html 4. ASCU- Alzheimer's Special Care Unit recognized by the Illinois Department of Public Health								

15-037 Alden Courts of Waterford - Aurora



ALDEN OF WATERFORD

2021 RANDI DRIVE
AURORA, IL. 60504

Reference Numbers

Facility ID 6014773
Health Service Area 008
Planning Service Area 089 Kane
County 089 Kane County

Administrator

Tracy Pell

Contact Person and Telephone

Chris Kuehn
773-286-3883 Ext 6534

Registered Agent Information

Mary Chelotti - Smith
4200 W.Peterson Avenue Suite140
Chicago, IL 60646

ADMISSION RESTRICTIONS

Aggressive/Anti-Social 1
Chronic Alcoholism 1
Developmentally Disabled 1
Drug Addiction 1
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 '1'

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS
Neoplasms 0
Endocrine/Metabolic 0
Blood Disorders 0
*Nervous System Non Alzheimer 0
Alzheimer Disease 0
Mental Illness 0
Developmental Disability 0
Circulatory System 0
Respiratory System 0
Digestive System 0
Genitourinary System Disorders 0
Skin Disorders 0
Musculo-skeletal Disorders 0
Injuries and Poisonings 0
Other Medical Conditions 73
Non-Medical Conditions 0
TOTALS 73

ADMISSIONS AND
DISCHARGES - 2014

Date Questionnaire Completed 4/10/2015
Residents on 1/1/2013 73
Total Admissions 2013 556
Total Discharges 2013 556
Residents on 12/31/2013 73
Total Residents Diagnosed as Mentally Ill 0
Total Residents Reported as Identified Offenders 0

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

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED BEDS	MEDICAID CERTIFIED BEDS
Nursing Care	99	99	87	99	73	26	99	40
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	99	99	87	99	73	26	99	40

FACILITY UTILIZATION - 2014

PATIENT DAYS AND OCCUPANCY RATES 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.						Occ. Pct.	Occ. Pct.	
Nursing Care	12629	34.9%	9285	63.6%	425	2330	2555	0	27224	75.3%		75.3%
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	12629	34.9%	9285	63.6%	425	2330	2555	0	27224	75.3%		75.3%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2014

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	2	4	0	0	0	0	0	0	2	4	6
65 to 74	5	4	0	0	0	0	0	0	5	4	9
75 to 84	8	16	0	0	0	0	0	0	8	16	24
85+	8	25	0	0	0	0	0	0	8	25	33
TOTALS	24	49	0	0	0	0	0	0	24	49	73

ALDEN OF WATERFORD

2021 RANDI DRIVE
AURORA, IL. 60504

Classification Numbers

License Number 6014773
Health Service Area 008
Planning Service Area 089 Kane
County 089 Kane County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	35	26	1	4	7	0	73
Skilled Under 22	0	0	0	0	0	0	0
Intermediate D		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	35	26	1	4	7	0	73

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	361	353
Skilled Under 22	0	0
Intermediate DD	0	0
Sheltered Care	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Asian	2	0	0	0	2
American Indian	1	0	0	0	1
Black	9	0	0	0	9
Hawaiian/Pacific Isl.	0	0	0	0	0
White	60	0	0	0	60
Race Unknown	1	0	0	0	1
Total	73	0	0	0	73

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	3	0	0	0	3
Non-Hispanic	69	0	0	0	69
Ethnicity Unknown	1	0	0	0	1
Total	73	0	0	0	73

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	11.68
LPN's	0.43
Certified Aides	20.75
Other Health Staff	3.00
Non-Health Staff	29.16
Totals	67.02

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
65.6%	17.4%	0.8%	9.5%	6.7%	100.0%		
6,487,548	1,725,346	74,769	939,794	661,438	9,888,895	0	0.0%

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