

**The Springs at Crystal Lake
1000 E. Brighton Lane
Crystal Lake, IL 60012**

October 26, 2015

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Ms. Courtney Avery, Administrator,
Illinois Health Facilities & Services Review Board,
525 W. Jefferson St., 2nd Floor,
Springfield, IL. 62761

Re: Transformative Health Care of McHenry Project No. 15-044 / Negative Impact Letter

Dear Ms. Avery:

I am writing on behalf of The Springs at Crystal Lake to express my concern about the negative impact the above project will have on our facility. We are a 97 bed Skilled Nursing Facility with a history of providing high quality services with excellent outcomes to the community. We are constantly investing in the physical plant to ensure that our residents enjoy all the latest amenities and furnishings in a modern setting with the latest décor. Over the last 18 months alone we finished a \$1.2 million project and we are already planning our next capital improvement project.

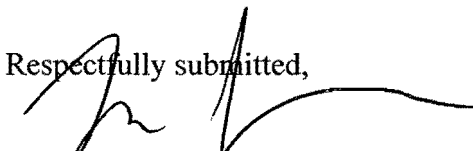
Our current utilization of 65% is well below the Board's target of 90%. In addition the utilization of the other facilities in the area are below the Board's target as well. The applicant states that their referrals will come from the hospital which is where the area facilities currently receive most of their admissions from, as such it is clear that this project would have a devastating impact on our facility and the other area facilities.

We respectfully ask the Board not to overlook the other criteria when evaluating the need for a new facility:

- Service Demand (where are the residents to come from?)
- Service accessibility (these services are already available in the Health Service Area (HSA 8))
- Unnecessary Duplication/Maldistribution (there is ample existing capacity in HSA 8)
- Impact On Other Area Providers (how will this Project impact existing facilities)

We appreciate the Board's time and effort to consider these matters.

Respectfully submitted,



The Springs at Crystal Lake

Crystal Pines Rehabilitation & Health Care Center, LLC
335 North Illinois Street
Crystal Lake, IL 60014

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

October 26, 2015

Via overnight delivery

Ms. Courtney Avery, Administrator,
Illinois Health Facilities & Services Review Board,
525 W. Jefferson St., 2nd Floor,
Springfield, IL. 62761

Re: Transformative Health Care of McHenry Project No. 15-044

Dear Ms. Avery:

I am writing on behalf of Crystal Pines Rehabilitation & Health Care Center, LLC of Crystal Lake to express my concern about the negative impact the above project will have on our facility. We are a 114 bed Skilled Nursing Facility with a history of providing high quality services with excellent outcomes to the community. We are constantly investing in the physical plant to ensure that our residents enjoy all the latest amenities and furnishings in a modern setting with the latest décor. Over the last several years we have expanded and updated our facility in excess of over \$4 million dollars and we are already planning our next capital improvement project.

Our current utilization is 80%, which is below the Board's target of 90%. In addition the utilization of the other facilities in the area are below the Board's target as well. The applicant states that their referrals will come from the hospital which is where the area facilities currently receive most of their admissions from. In our case, we receive close to 98% of our referrals from this hospital. Our daily service is made up of 20% Medicare A and other managed care. All of the letters of support from physicians indicate the same discharge and referral numbers to skilled nursing homes to be the same for the next two years. What this means is clearly a diversion of patients who are currently being accepted and cared for at the area nursing facilities with excess capacity. Diverting 20% of our referrals will be devastating to our facility.

In addition, the overwhelming majority of referrals from the hospital are Medicare Part A patients. Due to the introduction of Accountable Care Organizations (ACO's) and other new models of care that put an emphasis on shorter length of stays for the Medicare Part A patients the average length of stay for a short-term patient has been decreasing and is now 14-30 days. Based on the 32,193 days that the applicant projects in order to meet the required 90% census threshold, the overwhelming majority of Medicare A patients would need to go to the new

facility. This would put our facility out of business and have a devastating impact on the other area facilities as well.

We serve all Medicare A patients as well as managed care referrals from the various Medicare Managed Care Plans such as Humana. We have no barriers to caring for those referrals.

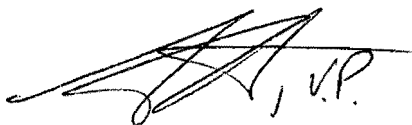
In addition, we respectfully ask the Board not to overlook these criteria when evaluating the need for a new facility:

- Service Demand (where are the residents to come from?)
- Service accessibility (are these services already available in the Health Service Area (HSA 8)?)
- Unnecessary Duplication/Maldistribution (is there existing capacity in HSA 8?)
- Impact On Other Area Providers (how will this Project impact existing facilities)
-

And to touch on this last topic, the non-applicant, Symphony Post Acute Care Networks, indicates that they have a pool of employees to recruit from. I would point out that they themselves have postings as of this date on job boards looking for RN's, LPN's, QA nurses and certified nursing assistants in the service area of this applicant.

We appreciate the Board's time and effort to consider these matters.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "J. V.P.", written over a horizontal line.

Crystal Pines Rehabilitation & Health Care Center, LLC

Fair Oaks Health Care Center

"Where your family becomes part of our family."

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Ms. Courtney Avery, Administrator,
Illinois Health Facilities & Services Review Board,
525 W. Jefferson St., 2nd Floor,
Springfield, IL. 62761

Re: Transformative Health Care of McHenry Project No. 15-044

Dear Ms. Avery:

I am writing on behalf of Fair Oaks Health Care Center to express my concern about the negative impact the above project will have on our facility. Our Skilled Nursing facility has a long history of providing high quality services with excellent outcomes to the residents we serve. The applicant states that the facilities in the area are older, however we take exception to this as we recently finished a \$4.4 million dollar renovation and expansion project to our facility as we continue to meet the needs and expectations of the residents we serve in the ever evolving healthcare industry.

Our current utilization of 80% is below the Board's target of 90%. In addition the utilization of the other facilities in the area are below the Board's target as well. The applicant did not provide sufficient information on how this project will impact area providers. However, the applicant clearly states that it will be relying on the referrals from the hospital to meet its target utilization, the same hospital which is our primary source of referrals. The hospital and physician referral letters obtained by the applicant state that they intend on making facility referral's at the same rate as the past year. Simply put this means that in order for the applicant to meet its target utilization they will need to divert patients from the current facilities which will have a devastating impact on our utilization and our ability to provide the quality care that our residents require and are accustomed to.

We would like to point out that recently the Board approved a new 130 bed Skilled Nursing Facility less than 30 minute drive time from Fair Oaks in Huntley scheduled to open in 2016, to approve an additional 98 bed facility less than 10 minutes from Fair Oaks will put our facility at great risk.



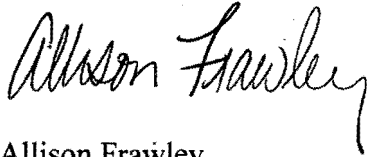
**WISCONSIN
ILLINOIS**
SENIOR HOUSING

Fair Oaks Health Care Center

"Where your family becomes part of our family."

We ask the Board to consider the fact that this project if approved will cause unnecessary duplication/maldistribution of services and the unquestionable likelihood that the establishment of a new facility will yield even more facilities that are being underutilized which could be the demise of an existing facility.

Sincerely,



Allison Frawley
Assistant Administrator
Fair Oaks Health Care Center



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*Giving Care.
Taking Care.*

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

10/26/2015

Ms. Courtney Avery, Administrator, Illinois Health Facilities & Services Review Board, 525 W. Jefferson St., 2nd Floor, Springfield, IL. 62761

Re: Transformative Health Care of McHenry/15-044

Dear Ms. Avery:

Crossroads Care Center operates a long term care facility within 30 minutes of the proposed new facility. We are under the State's suggested target utilization of 90% by 14%. We offer rehabilitation services in a distinct unit of our facility, along with traditional long term care services. We will be negatively impacted if the proposed project is approved. It is duplicative of services already offered in the area. There are 13 facilities, only two of which are at your target utilization. One facility which was approved recently (Alden Huntley) is not even operating at this time.

Thank you for your consideration.

Respectfully,

A handwritten signature in black ink, appearing to read "Lynette Rugg", is written over a large, faint, circular watermark.

Lynette Rugg
Administrator