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May 26, 2016

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Mr. Mike Constantino, Project Reviewer
Illinois Health Facilities and Services Review Board
Illinois Department of Public Health
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: Project No. 16-014, St. Clara's Manor

Dear Mr. Constantino:

Please accept the enclosed as information responding to your request for additional information.

1. A copy of the admission and charity care policies for the proposed new facility.

Enclosed herein is the admission policy for the existing facility. Although this project is technically considered a new project, all residents, staff, administration, policy and procedures will remain consistent in the new St. Clara's Manor environment. As the Board and its staff are aware, established payment mechanisms for long-term care do not allow for charity care to be provided in the manner by which the Board defines "charity care". However, we do not want that to be confused with the notion that we are not a charitable organization or for anyone to minimize our commitment to charity. St. Clara's Manor was established in 1972 as a non-profit non-sectarian community-based facility by the citizens of Logan County. We are currently one of the largest Medicare and Medicaid providers in Logan County. We are committed to our community and we are committed to being charitable. A sampling of our commitment to being charitable is outlined below.

- Sponsor Bingo and lunch at the Lincoln Oasis Center multiple times per year;
- Annual-Fourth of July Cookout for first responders and all people in the community;
- Sponsor a Balloon for the Annual Balloon Fest; Deliver Meals on Wheels Monthly;
- Sponsor the Chamber of Commerce Fundraiser;
- Sponsor the Abraham Lincoln Memorial Hospital fundraisers;
- Annual Ag Scholarship Breakfast;
- Sponsor annual MLK Scholarship breakfast;
- Sponsor annual career day;
- Numerous community health fairs; and
- Annual Lunch and Learn-Chamber of Commerce.



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2. The number of beds to be certified for Medicare for the proposed facility.

All beds will be dual certified for Medicare and Medicaid.

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All beds will be dual certified for Medicaid and Medicare.

4. The date in which Medicare and Medicaid certification will be applied for if the project is approved.

Medicare and Medicaid certifications will be applied for in coordination with receiving IDPH licensure.

5. The expected payor mix for the proposed new facility.

The cash flow statements provided for the CON application projected the following payor mix. 38.1% Private/Insurance days, 44.3% Public Aid Days and 17.5% Medicare Days. Please know that there is a shift in the expected payor mix as the current facility has physical plant limitations to provide current state-of-the-art physical and occupational therapy. The location of the replacement building adjacent to its sister supportive living facility will also allow for greater ease of movement between the continuum which also will have an effect on payor mix without the organization compromising on its commitment to the Medicaid population.

There was an additional questions regarding the role of Heritage Enterprises which you indicated was sufficiently explained prior to this correspondence. However, for transparency, it should be noted that Heritage is the management company for the Applicant. As management company, they are also advising St. Clara's Manor Board on proceeding through this replacement process which includes evaluation of financing alternatives. If you have any questions, please don't hesitate to contact me.

Sincerely,



John P. Kniery
Health Care Consultant

ENCLOSURES

c: Dave Underwood, CFO

It is the policy of St. Clara's Manor, Inc. to provide service to all persons without regard to race, color, national origin, handicap or age in compliance with 45 CFR Parts 80, 84, and 91, respectively. The same requirements are applied to all, and there is no distinction in eligibility for, or in the manner of providing services. All services are available without distinction to all program participants regardless of race, color, national origin, handicap or age. All persons and organizations having occasion either to refer persons for services or to recommend our services are advised to do so without regard to the person's race, color, national origin, handicap or age. The facility can provide care to persons who require 120 or fewer days for medical purposes not directly related to a serious mental illness diagnosis. The person's mental illness needs will be met through outside consultants and/or local mental health agencies.

The person designated to coordinate compliance with Section 504 of the Rehabilitation Act of 1973 nondiscrimination against the handicapped is the Administrator, who can be reached at 217-735-1507.