



STATE OF ILLINOIS

HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET NO: H-06	BOARD MEETING: June 5, 2018	PROJECT NO: 18-009	PROJECT COST:
FACILITY NAME: Alden Estates-Courts of New Lenox		CITY: New Lenox	Original: \$39,615,616
TYPE OF PROJECT: Substantive			HSA: IX

PROJECT DESCRIPTION: The Applicants (New Lenox Investments I, LLC, Alden Estates-Courts of New Lenox, Inc., The Alden Group, Ltd; and Alden New Lenox, LLC) propose to establish 166-bed skilled nursing facility at a cost of \$39,615,616. The anticipated completion date is March 31, 2021.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (New Lenox Investments I, LLC, Alden Estates-Courts of New Lenox, Inc., The Alden Group, Ltd; and Alden New Lenox, LLC) propose to establish a 166-bed skilled nursing facility on the Silver Cross Hospital and Medical Center campus at a cost of \$39,615,616. The anticipated completion date is March 31, 2021. Alden Estates will have 114-beds dedicated to skilled care. Alden Courts will have 52-beds dedicated to Alzheimer Disease & Related Dementia. All beds will be licensed under the Illinois Department of Public Health Long Term license and certified by Medicare and Medicaid.
- In March of 2016 the State Board approved the Applicants (Permit #15-051) to establish a 140-bed Long Term Care (“LTC”) facility on the Silver Cross Hospital and Medical Center campus. Subsequently the Applicants, in order to address the State Board’s calculated bed need in this LTC Planning Area (Will County) of 228 LTC Beds, submitted the proposed project (#18-009) to increase the number of beds by 26 LTC beds.
- As of the date of this report Permit #15-051 is in compliance with all of the post-permit requirements. Should the State Board approve Project #18-009 the Applicants will relinquish Permit #15-051 and the calculated Bed Need in the Will County Planning Area will be 202 LTC Beds.

Comparison			
Permit #15-051 and Project #18-009			
Project Number	#15-051	#18-009	Difference
Calculated Bed Need	166 Beds (March 2016)	228 Beds (April 2018)	62
Total Number of Beds ⁽¹⁾	140	166	26
Estates	100	114	14
Courts	40	52	12
Cost	\$32,083,309	\$39,615,616	\$7,532,307
Gross Square Feet	107,000	109,400	2,400
Completion Date	March 31, 2019	March 31, 2021	2 years

1. All beds will be certified by Medicare and Medicaid

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The Applicant is proposing to establish a health care facility as defined by the Illinois Health Facilities Planning Act. (20 ILCS 3960/3)
- One of the objectives of the Health Facilities Planning Act is *“to assess the financial burden to patients caused by unnecessary health care construction and modification. Evidence-based assessments, projections and decisions will be applied regarding **capacity, quality, value and equity** in the delivery of health care services in Illinois. Cost containment and support for safety net services must continue to be central tenets of the Certificate of Need process.”* [20 ILCS 3960/2]

PURPOSE OF PROJECT

- **The Applicant stated the following:** *The purpose of the this project is to increase access for nursing care beds in Will County and address the projected need for long term care beds in this planning area.*

PUBLIC HEARING/COMMENT:

- A public hearing was offered in regard to the proposed project, but none was requested. Letters of support were submitted with the Application for Permit [See page 14 of this report]. No opposition letters were received by the State Board.

SUMMARY:

- As stated above there is a calculated need for 228 LTC Beds in the Will County Planning Area. The Applicants submitted this project to add 26 LTC beds to their existing 140 LTC facility (Permit #15-051) currently in the planning and design phase of construction. The number of beds being requested by the Applicants exceeds the 14 LTC beds that could be added under an Alteration to the Permit #15-051. Any increase in beds over that amount (14 beds) would require a new permit.

Criteria	Reasons for Non-Compliance
77 ILAC 1125.620 – Service Accessibility	Based upon the number of facilities not at target occupancy it appears that service accessibility will not be improved with the establishment of this facility.
77 ILAC 1125.625 – Unnecessary Duplication of Service	While there is a calculated need for additional beds in the Will County Planning Area, it does appear that an unnecessary duplication of service may result with the establishment of this facility as there are existing beds in the Will County Long Term Care Planning Area available for use.
77 ILAC 1125.800 – Financial Viability	The Applicants did not meet all of the financial ratios as required. While the Applicants have not met certain ratios as outlined below (page 17 of this report) the Applicants have demonstrated their ability to finance, construct, and complete prior projects that have been approved by the State Board. Since 2007 the Applicants have been approved for six projects to establish long term care facilities or add additional beds in excess of the 10% or 20 bed rule.

STATE BOARD STAFF REPORT
Alden Estates-Courts of New Lenox
PROJECT #18-009

APPLICATION SUMMARY/CHRONOLOGY	
Applicants	Alden New Lenox, LLC (Owner), Alden Estates-Courts of New Lenox, Inc. (Operator/Licensee), New Lenox Investments I, LLC, and The Alden Group, Ltd
Facility Name	Alden Estates-Courts of New Lenox
Location	Cedar Crossing Drive adjacent to Silver Cross Hospital, New Lenox
Application Received	February 20, 2018
Application Deemed Complete	March 1, 2018
Review Period Ends	June 28, 2018
Permit Holder	Alden New Lenox, LLC (Owner), Alden Estates-Courts of New Lenox, Inc. (Operator/Licensee), New Lenox Investments I, LLC, and The Alden Group, Ltd
Operating Entity/Licensee	Alden Estates-Courts of New Lenox, Inc.
Owner of the Site	Alden New Lenox, LLC
Project Financial Commitment Date	June 5, 2020
Gross Square Footage	109,400 GSF
Project Completion Date	March 31, 2021
Expedited Review	No
Can Applicants Request a Deferral?	Yes
Has the Application been extended by the State Board?	No

I. The Proposed Project

The applicants (Alden New Lenox, LLC (Owner), Alden Estates-Courts of New Lenox, Inc. (Operator/Licensee), New Lenox Investments I, LLC, and The Alden Group, Ltd.) are proposing to establish a 166-bed long term care facility in New Lenox, Illinois at a cost of approximately \$39,615,616. The anticipated completion date is March 31, 2021.

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 1125.
- B. The State Board Staff finds the proposed project appears to be in conformance with the provisions of Part 1125.800

III. General Information

The applicants are the Alden New Lenox, LLC, Alden Estates-Courts of New Lenox, Inc., New Lenox Investments I, LLC, and The Alden Group, Ltd. Alden New Lenox, LLC will own the site and Alden Estates-Courts of New Lenox, LLC will be the operating entity licensee of the facility.

Financial commitment for this project will occur after permit issuance. This is a substantive project subject to an 1125 review, including 1125.800.

Substantive Projects are projects that are defined in the Act and classified as substantive. *Substantive projects include no more than the following:*

- *Projects to construct a new or replacement facility located on a new site; or a replacement facility located on the same site as the original facility and the costs of the replacement facility exceed the capital expenditure minimum.*
- *Projects proposing a new service or a discontinuation of a service; shall be reviewed by the Board within 60 days.*
- *Projects proposing a change in the bed capacity of a health care facility by an increase in the total number of beds or by a redistribution of beds among various categories of service or by a relocation of beds from one facility to another by more than 20 beds or more than 10% of total bed capacity, as defined by the State Board in the Inventory, whichever is less, over a 2-year period. [20 ILCS 3960/12]*

IV. Health Planning Area

The facility will be located in the Will County Long Term Care Planning Area. The State Board is currently projecting a need for 228 long term care beds by CY 2020 for the Will County Long Term Care Planning Area. In 2016 approximately 3.5% of the licensed beds were not in use.

TABLE ONE Will County Bed Need Calculation							
Age Cohorts	2015			2020			
	Patient Days	Estimated Population	Use Rate (per 1,000)	Projected Population	Planned Patient Days	Planned Ave Daily Census	Planned Bed Need
0-64 years	151,061	613,000	246.4	692,300	170,603		
65-74 years	122,532	47,400	2,585.1	64,500	166,737		
75+ years	502,562	28,100	17,884.8	38,400	686,775		
Planned Area Total					1,024,115	2,798.1	3,109
Existing Beds							2,881
Beds Needed							228
1. Use Rate = (Patient Days ÷ [Est. Pop./1,000]) 2. 2020 Planned Patient Days = [2015 Use Rate *2020 Projected Population] 3. Planned ADC = Planning Area Patient Days÷366 days =2,798.1 ADC							

V. Project Details

Alden Estates of New Lenox will house the 114 general long-term nursing beds and will be connected to Alden Courts of New Lenox, a 52-bed Skilled memory care facility (29,300 GSF) treating residents suffering with Alzheimer's Disease and Related Disorders (ADRD) for a total of 109,400 total gross square feet.

The Estates will be a three-story brick and masonry structure with a "main street commons" on the first floor and residents' rooms on the second and third floors. The first floor will offer ancillary services and common area amenities for residents, to include an old fashion ice cream parlor, a beauty salon and barber shop, a non-denominational chapel, private dining room for residents and their guests and a club room. An out-patient therapy is also being contemplated to meet the needs of discharged Estates' residents who are still in need of additional therapy. In addition to the general long-term care services to be provided, the Estates will provide sub-acute services to include pulmonary and ventilator care as well as orthopedic rehabilitation services. The Courts will be a separate memory care facility in a single story structure. The physical layout will be provided with separate wings that will specialize in the different stages of dementia.

VI. Project Costs and Sources of Funds

The Applicant is funding this project with cash in the amount of \$6,115,616 and a mortgage in the amount of \$33,500,000. The cost of the land was \$1,755,092 and the expected start-up and operating deficit is \$1,973,242.

TABLE TWO
Project Costs And Sources Of Funds

Use of Funds	Reviewable	Non Reviewable	Total	% of Total
Preplanning Costs	\$175,563	\$110,670	\$286,233	0.72%
Site Survey and Soil Investigation	\$24,534	\$15,466	\$40,000	0.10%
Site Preparation	\$444,684	\$280,316	\$725,000	1.83%
Off Site Work	\$73,603	\$46,397	\$120,000	0.30%
New Construction Contracts	\$17,579,309	\$11,081,491	\$28,660,800	72.35%
Contingencies	\$928,954	\$585,586	\$1,514,540	3.82%
Architectural/Engineering Fees	\$1,308,864	\$825,070	\$2,133,934	5.39%
Consulting and Other Fees	\$471,672	\$297,328	\$769,000	1.94%
Movable or Other Equipment	\$1,489,947	\$939,220	\$2,429,167	6.13%
Net Interest Expense During Construction	\$944,995	\$595,697	\$1,540,692	3.89%
Other Costs to be Capitalized	\$856,400	\$539,850	\$1,396,250	3.52%
Total Uses of Funds	\$24,298,525	\$15,317,091	\$39,615,616	100.00%
Source of Funds	Reviewable	Non Reviewable	Total	% of Total
Cash and Securities	\$3,751,057	\$2,364,559	\$6,115,616	15.44%
Mortgage	\$20,547,467	\$12,952,533	\$33,500,000	84.56%
Total Sources of Funds	\$24,298,524	\$15,317,092	\$39,615,616	100.00%

VII. General Long Term Care

A) Criterion 1125.520 - Background of the Applicant

To document compliance with this criterion the Applicants must demonstrate that it is fit, willing and able, and *has the qualifications, background and character, to adequately provide a proper standard of LTC service for the community.* [20 ILCS 3960/6] In evaluating the qualifications, background and character of the applicant, HFSRB shall consider whether adverse actions have been taken against the applicant, or against any LTC facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application. An LTC facility is considered "owned or operated" by every person or entity that owns, directly or indirectly, an ownership interest. If any person or entity owns any option to acquire stock, the stock shall be considered to be owned by that person or entity. (See Section 1125.140 for the definition of "adverse action".)

1. The Applicant provided the necessary attestation that since December of 2014 four facilities owned by the Applicants have received level Type "A" violations. No adverse action has been taken against any additional facilities owned or operated by the Applicants and authorization allowing the State Board and IDPH access to all information to verify information in the application for permit. [Application for Permit page 250-252] ¹ The Applicants own or control 32 licensed facilities in the State of Illinois. The four facilities with Type A violation that were identified by the Applicants are

- Alden-Town Manor Rehabilitation and Health Care Center, Inc. NH17-C0018 Requested a Hearing-Level "A" reduced to a "B". Settlement documents being drafted. ²
- Alden-Long Grove Rehabilitation and Health Care Center, Inc. NH15-S0018
- Wentworth Rehabilitation and Health Care Center, Inc. NH17-S0145(Hearing Requested)
- Alden-Lakeland Rehabilitation and Health Care Center, Inc. NH17-C0028 (Hearing Requested)

Staff Note: The Applicants have addressed this criterion by informing the State Board of the Type A Violations at facilities owned by the Applicants

2. The Applicants has provided copies of IDPH licensure for all facilities currently owned by the Applicants [Application for Permit page 215-263]

¹ "Adverse Action" means a disciplinary action taken by IDPH, CMMS, or any other State or federal agency against a person or entity that owns or operates or owns and operates a licensed or Medicare or Medicaid certified healthcare 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], "**Type 'A' violation**" means a violation of the Nursing Home Care Act or of the rules promulgated there under which creates a condition or occurrence relating to the operation and maintenance of a facility presenting a substantial probability that 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. [210 ILCS 45/1-129]

² A "level B violation" or "Type B violation" is a violation of the Act or this Part which creates a condition or occurrence relating to the operation and maintenance of a facility that is more likely than not to cause more than minimal physical or mental harm to a resident. (Section 1-130 of the Act)

3. Certificates of Good Standing for the Applicants have been provided as required. An Illinois Certificate of Good Standing is evidence that an Illinois business franchise (i.e. Illinois Corporation, LLC or LP) is in Existence, is authorized to transact business in the state of Illinois, and complies with all state of Illinois business requirements and therefore is in "Good Standing" in the State of Illinois. [Application for Permit pages 40-43]
4. As evidence of site ownership, the Applicants provided the executed purchase agreement for the property. [Application for Permit pages 46-62]
5. The Applicants provided evidence that the facility is in compliance with Executive Order #2006-05 that requires *all State Agencies responsible for regulating or permitting development within Special Flood Hazard Areas shall take all steps within their authority to ensure that such development meets the requirements of this Order. State Agencies engaged in planning programs or programs for the promotion of development shall inform participants in their programs of the existence and location of Special Flood Hazard Areas and of any State or local floodplain requirements in effect in such areas. Such State Agencies shall ensure that proposed development within Special Flood Hazard Areas would meet the requirements of this Order.* [Application for Permit page 70-72]
6. The proposed location of the facility is in compliance with the Illinois State Agency Historic Resources Preservation Act which requires *all State Agencies in consultation with the Director of Historic Preservation, institute procedures to ensure that State projects consider the preservation and enhancement of both State owned and non-State owned historic resources* (20 ILCS 3420/1). [Application for Permit page 74]

B) Criterion 1125.320 - Purpose of the Project

To demonstrate compliance with this criterion the Applicants must 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. The applicant shall define the planning area or market area, or other, per the applicant's definition.

The Applicants state the purpose of the project is to address the calculated need of 228 long term care beds in the Will County Planning Area. The proposed nursing care facility will be located in the Village of New Lenox on the Silver Cross Hospital and Medical Center campus. There are no long term care nursing facilities in the Village of New Lenox. The Applicants define their market area as 30-minutes in all directions. There will be two distinct settings on this campus. The first building is Alden Estates of New Lenox. It is the three-story 114-bed general nursing bed structure. In addition to the general geriatric nursing services, the rehab unit will be located within this building near the physical and occupational therapy department. The other building, Alden Courts of New Lenox will provide 52 nursing and rehabilitation beds to care for the specialized memory care population many of whom suffer with Alzheimer's Disease and Related Dementia (ADRD) care. The memory care building will be specifically designed around the "Alden" memory care programming and; therefore, will be in a separate and distinct building (although connected). This one-story memory care facility (Alden Courts of New Lenox)

will be serving three stages of the disease, in two wings or "neighborhoods." The first neighborhood is for early to mid-stage ADRD residents who typically respond the best to programming and activities; The second neighborhood will serve late-stage ADRD residents who have medical needs that outweigh their programmatic needs. The medical needs of this later group are more prevalent, but they still do not outweigh the resident's programmatic needs. It has been found that separating these groups is very important for the early and mid-stage residents and allows for greatest longevity in the earlier stages. Equally as important as separating residents between level of care is to separate residents who have memory impairments from those who are physically frail. [Application for Permit page 75-190]

C) Criterion 1125.330 - Alternatives to the Proposed Project

To demonstrate compliance with this criterion the Applicants must document that the proposed project is the most effective or least costly alternative for meeting the LTC needs of the population to be served by the project.

The Applicants considered three alternatives to the propose project:

1. Maintain the Status Quo
2. Establish a Smaller Project
3. Establish a Larger Project
- 4 . Project as Proposed

The Applicants rejected the first and second alternatives because they would not address the calculated need in the Will County Planning Area of 228 Long Term Care beds. The third alternative was rejected because of the cost of a 274 bed facility (the number of beds needed in this planning area at the time of submittal of the application) would be approximately \$65.4 million. [Application for Permit pages 191-214]

D) Section 1125.530 - Planning Area Need – Review Criterion

To demonstrate compliance with this criterion the Applicants must document that the number of beds to be established or added is necessary to serve the planning area's population, based on the following:

a) Bed Need Determination

The April 2018 Update to the Long Term Care Inventory estimates a need for 228 long term care beds in the Will County Planning Area.

b) Service to Planning Area Residents

To demonstrate compliance with this sub criterion the Applicants must document that the primary purpose of the project will be to provide necessary LTC to the residents of the area in which the proposed project will be physically located (i.e., the planning or geographical service area, as applicable), for each category of service included in the project.

The Applicants have attested that the primary purpose of this project is the serve the residents of the Will County Planning Area. [Application for Permit page 254]

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

To demonstrate compliance with this criterion the Applicants must document projected referral information for the prior 12-month period and the number of estimated referrals within 24-months after project completion.

The projected referral letters must contain

- 1) 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;
- 2) An estimated number of prospective residents whom the referral sources will refer annually to the applicant's facility within a 24-month period after project completion. 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;

- 3) 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; and
- 4) 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 Applicants provided referral letters from five physicians dated November 27, 2017. All five letters stated:

"I have referred approximately 20 patients per month for skilled care and 2 patients for memory care to facilities farther than the proposed Alden project location in New Lenox. I could refer to the proposed project approximately 20 patients per month for skilled care and 2 patients for memory care within a 12-month period after the project is completed, and anticipate the referral volume to remain similar or grow for the next two years."

Below are the referrals numbers provided by the five physicians and the zip codes of residence for these referrals.

TABLE THREE			
	Annual Referrals		Total
	Skilled Care	Memory Care	
Dr. Gandhi	240	24	264
Dr. Singh	240	24	264
Dr. Jain	240	24	264
Dr. Thakker	240	24	264
Dr Hague	240	24	264
Total	1, 200	120	1,320

TABLE FOUR									
Zip Codes of Residents referred to Nursing Care Facilities in the Planning Area									
Gandhi		Singh		Jain		Thakker		Hague	
60432	Joliet	60428	Markham	60428	Markham	60403	Crest Hill	60403	Crest Hill
60433	Joliet	60445	Midlothian	60445	Midlothian	60404	Shorewood	60404	Shorewood
60441	Lockport	60452	Oak Forest	60452	Oak Forest	60431	Joliet	60431	Joliet
60451	New Lenox	60462	Orland Park	60462	Orland Park	60435	Joliet	60435	Joliet
60491	Homer Glen	60463	Palos Heights	60463	Palos Heights	60436	Joliet	60436	Joliet
		60467	Orland Park	60467	Orland Park				
		60477	Tinley Park	60477	Tinley Park				
		60478	Country Club Hills	60478	Country Club Hills				
		60487	Tinley Park	60487	Tinley Park				

F) Criterion 1125.570 - Service Accessibility

To demonstrate compliance with this criterion the Applicants must document that the number of beds being established for each category of service is necessary to improve access for planning area residents. The applicant shall document that at least one of the following factors exists in the planning area, as applicable:

- 1) The absence of the proposed service within the planning area;
 - 2) 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;
 - 3) Restrictive admission policies of existing providers;
 - 4) 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;
 - 5) For purposes of this Section 1125.570 only, all services within the established radii outlined in 77 Ill. Adm. Code 1100.510(d) meet or exceed the occupancy standard specified in Section 1125.210(c).
-
1. There are 20 long term care facilities in the Planning Area (Will County) providing long term care service. Fifteen of these facilities are within 45-minutes of the proposed site. These facilities with a total of 2,610 LTC Beds are operating at approximately 79% utilization. The State Board standard is 90% utilization. These 15 facilities have 1,940 Beds certified for Medicare and 2,154 Beds certified for Medicaid. Average utilization of these beds is approximately 15% for Medicare and 50% for Medicaid.
 2. Based upon the above there does not appear to be access limitations due to payor status as there are existing Medicare and Medicaid beds available in the planning area.
 3. No restrictive admission policies of existing providers have been identified by the Applicants
 4. There has been no indication that the area population and existing care system exhibit medical care problems.
 5. All services within a 45-minute drive time do not meet or exceed the occupancy standard.

Based upon the number of facilities not at target occupancy it appears that service accessibility will not be improved with the establishment of this facility.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE CRITERION SERVICE ACCESSIBILITY (77 ILAC 1125.570)

TABLE FIVE
15 Facilities in Will County (Planning Area) and within 45-minutes of the proposed site

Facility	City	Adjusted Travel	Beds	Total Bed Occ.	Medicare Beds	Medicare Bed Occ.	Medicaid Beds	Medicaid Bed Occ.	Planning Area	Met Standard	Star Rating
Spring Creek Nursing & Rehab Center	Joliet	8.1	168	28.40%	168	4.30%	168	18.70%	Will	No	2
Smith Crossing	Orland Park	11.5	46	91.00%	46	28.80%	30	13.90%	Will	Yes	5
Salem Village Nursing & Rehab	Joliet	12.7	266	81.40%	230	11.40%	266	64.60%	Will	Yes	2
Sunny Hill Nursing Home Will County	Joliet	12.7	252	77.60%	211	4.00%	211	48.90%	Will	No	3
Joliet Terrace Nursing Center	Joliet	16.1	120	87.00%	0	0.00%	120	86.90%	Will	Yes	2
Symphony of Joliet	Joliet	16.1	214	79.20%	214	13.90%	214	51.80%	Will	No	3
The PARC at Joliet	Joliet	17.3	203	61.10%	203	8.90%	203	46.00%	Will	No	1
Our Lady Of Angels Ret Home	Joliet	18.4	87	91.40%	37	29.40%	40	68.90%	Will	No	4
Presence Villa Franciscan	Joliet	18.4	154	79.30%	154	41.80%	38	44.00%	Will	No	2
Frankfort Terrace Nursing Center	Frankfort	19.6	120	88.90%	0	0.00%	120	88.90%	Will	Yes	2
Alden Estates of Shorewood	Shorewood	25.3	150	77.80%	0	0.00%	0	0.00%	Will	No	2
Lakewood Nrsg. & Rehab Center	Plainfield	25.3	131	88.60%	131	19.10%	131	44.00%	Will	No	3
Rosewood Care Center	Joliet	25.3	120	63.90%	58	29.20%	34	74.10%	Will	No	5
Meadowbrook Manor	Bolingbrook	29.9	298	86.90%	298	8.90%	298	62.20%	Will	Yes	4
St. James Manor & Villa	Crete	35.7	110	78.60%	110	21.70%	110	46.80%	Will	No	4
Aperion Care Wilmington	Wilmington	40.3	171	92.90%	80	14.10%	171	35.50%	Will	Yes	1
			2,610	78.38%	1,940	14.72%	2,154	49.70%			

G) Criterion 1125.580(a), (b) and (c) - Unnecessary Duplication/ Mal-distribution of Service, Impact on Other Facilities

To demonstrate compliance:

- a) The applicant shall document that the project will not result in an unnecessary duplication.
- b) The applicant shall document that the project will not result in mal-distribution of services. Mal-distribution exists when the identified area (within the planning area) has an excess supply of facilities, beds and services.
- c) The applicant shall document that, within 24 months after project completion, the proposed project will not impact existing facilities.

a) There are 110 long term care facilities within 45-minutes (one facility not yet operational) of the proposed facility. Average utilization of these 109 facilities is approximately 76%. [See Table at the end of this report]

b) The State of Illinois as of April 2018 has 94,593 LTC Beds and an estimated population for 2015 of 12,978,800 which equates to 1 bed to every 138 residents. There are 2,881 LTC Beds in the Will County Planning Area and 736,406 residents as of 2015. The ratio of LTC beds to population is 1 bed for every 256 residents. To have a surplus of beds in the Will County Planning Area that is 1.5 times the State of Illinois ratio would require a ratio of 1 bed for every 92 residents.

c) The Applicants stated:

“The Village of New Lenox does not have any beds that its growing population specifically supports. Therefore, there are no existing beds that the establishment of this facility will directly affect. Moreover, as the average use rate for the 30-minute travel time as identified by the State Board Staff Report from Project #15-051 is 78.23%, the existing use rate is already below 90%, the State's target utilization rate and item 3A above is not applicable. As stated, the primary service area of the Village, Zip Code area, Township of New Lenox does not have any nursing beds to adversely affect. On the bigger scale of the Will County Planning Area, in gross population and in the 65 and older age cohort are growing at a rate that eclipse that of the State and of the other Planning Areas where a bed need as has also been addressed with the exception of Kendall County.”

While there is a calculated need for additional beds in the Will County Planning Area it does appear that an unnecessary duplication of service may result with the establishment of this facility as there are existing beds available for use.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION UNNECESSARY DUPLICATION/MALDISTRIBUTION/IMPACT ON OTHER FACILITIES (77 IIAC 1125.570 (a) (b) (c))

H) Criterion 1125.590 - Staffing Availability

To demonstrate compliance with this criterion the Applicants must document that relevant clinical and professional staffing needs for the proposed project were considered and that staffing requirements of licensure, certification and applicable accrediting agencies can be met. In addition, the applicant shall document that necessary staffing is available by providing letters of interest from prospective staff members, completed applications for employment, or a narrative explanation of how the proposed staffing will be achieved.

The staffing information was provided at *pages 297 to 300 of the Application for Permit* and from the Board Staff's review of the information provided it appears sufficient staffing will be available should the proposed project be approved.

I) Criterion 1125.600 - Bed Capacity

To document compliance with this criterion the Applicants must document that the proposed facility does not exceed the maximum bed capacity of a general LTC facility of 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.

The proposed facility will be 166-bed facility. The Applicants have met the requirements of this criterion.

J) Criterion 1125.610 - Community Related Functions

To document compliance with this criterion the Applicants must 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.

Support letters were included in the Application for Permit urging the State Board to approve the proposed project: Letters were received from the following:

Ruth Colby, Senior Vice President, Business Development, Chief Strategy Officer, Silver Cross Hospital; Barry Kojanowski, Executive Director, Senior Services of Will County; Fr. Robert Basler, O.S.A., Pastor, The Catholic Community of Saint Jude; Michael B. Hickey, Supervisor, New Lenox Township; Rev. Douglas E. Hoag, Pastor, Trinity Lutheran Church; Jason G. Hurbanek, M.D., Hinsdale Orthopaedics; Chad Kollross, Director, Hopewell Schools, Inc, Paul Lyons, President Home Helpers; and Marilyn Kurtz, Owner/Secretary, Kurtz Goodale Memorial Chapels and 45 letters from residents of the community expressing their support for the project. [See Application for Permit pages 302-356].

K) Criterion 1125.630 - Zoning

To demonstrate compliance with this criterion the applicant must document one of the following:

- a) The property to be utilized has been zoned for the type of facility to be developed;
- b) Zoning approval has been received; or
- c) A variance in zoning for the project is to be sought

The property is currently zoned C-7 Regional Shopping District with a Special Use for a Planned Unit Development. Medical office uses are permitted by right in the C-7 District. A nursing home will require approval of an amendment to the Planned Unit Development. [Application for Permit page 358-359]

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION STAFFING AVAILABILITY, BED CAPACITY, COMMUNITY RELATED FUNCTIONS, ZONING (77 IAC 1125.590, 600, 610, 630))

L) Criterion 1125.620 - Project Size

To demonstrate compliance with this criterion the Applicants must document that the size of the project meets the State Board Standard in Part 1125 Appendix A

Upon project completion, the proposed Alden Estates-Courts of New Lenox will comprise 67,101 gross square feet of clinical space for 166 nursing care beds. This equates to 405/gsf per bed upon project completion. The State Board Standard is 435-713 gross square feet per bed.

TABLE SIX Project Size							
		Gross	Square Feet	Amount of Proposed Total Gross Square Feet That Is;			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
Department Area	Cost						
CLINICAL							
Nursing	\$15,240,221	0	42,086	42,086	0	0	0
Living/Dining/Activity	\$4,375,527	0	12,083	12,083	0	0	0
Kitchen/Food Service	\$1,452,888	0	4,012	4,012	0	0	0
P.T./O.T.	\$2,139,071	0	5,907	5,907	0	0	0
Laundry	\$526,110	0	1,453	1,453	0	0	0
Janitor Closets	\$76,559	0	211	211	0	0	0
Clean/Soiled Utility	\$275,383	0	760	760	0	0	0
Beauty/Barber	\$212,766	0	588	588	0	0	0
Total Clinical	\$24,298,525	0	67,101	67,101	0	0	0
NON-CLINICAL							
Office/Administration	\$1,401,912	0	3,871	3,871	0	0	0
Employee Lounge/Locker Room	\$684,355	0	1,890	1,890	0	0	0
Mechanical/Electrical	\$1,735,242	0	4,792	4,792	0	0	0
Lobby	\$669,972	0	1,850	1,850	0	0	0
Storage/Maintenance	\$746,085	0	2,060	2,060	0	0	0
Corridor/Public Toilets	\$8,142,48	0	22,486	22,486	0	0	0
Stair/Elevators	\$1,644,926	0	4,543	4,543	0	0	0
Housekeeping	\$292,124	0	807	807	0	0	0
Total Non-clinical	\$15,317,091	0	42,299	42,299	0	0	0
Total	\$39,615, 616	0	109,400	109,400	0	0	0

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

M) Criterion 1125.640 - Assurances

To demonstrate compliance with this criterion the Applicants must attest that the proposed number of long term care beds will be at target occupancy within two years after project completion.

The applicants stated the following: *“This letter attests to the fact that if this Project is approved by the Illinois Health Facilities and Services Review Board, Alden Estates-Courts of New Lenox 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.”*

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

VIII. FINANCIAL VIABILITY

A) Criterion 1125.800 – Availability of Funds

To demonstrate compliance with this criterion the Applicants must provide documentation that funds are available to fund the proposed project. Additionally 77 ILAC 1125.800 8) states the applicant shall describe its previous record of implementing certificate of need-approved LTC projects.

The Applicants are funding this project with cash in the amount of \$6,115,616 and \$33,500,000 in financing utilizing mortgage insurance issued by the United States Department of Housing and Urban Development ("HUD") through Section 232 of the National Housing Act for the proposed 114-bed skilled nursing facility and 52-bed skilled memory care facility.

As outlined below the Applicants have demonstrated the ability to finance projects utilizing a mixture of HUD insured financing and cash. Based upon this record it does appear that Applicants will have sufficient funds to finance the proposed project.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION AVAILABILITY OF FUNDS (77 ILAC 1125.800)

B) Criterion 1125.800 – Financial Viability

To demonstrate compliance with this criterion the Applicants must document that they are financially viable by providing financial ratio information for the past three years and the first year after project completion. This criterion asked that the Board to determine if the Applicants are financially viable. To do the Board asks that the Applicants provide historical financial information.

The Applicants are new entities therefore no historical financial information is available. The Applicants provided the financial ratio information for the second year after project completion for all three Applicants. The State Board Staff compares these projected ratios to ratio standards established by the State Board. Long term care facilities generally do not meet the State Board Ratio Standards because one entity will maintain the long term care license [Alden Estates-Courts of New Lenox (Operator)] and the second entity

will own the real estate [Alden New Lenox, LLC (Real Estate)]. As a result, the cash flow generated by the licensee [Alden Estates-Courts of New Lenox (Operator)] will be used to pay the lease payments to the landlord [Alden New Lenox, LLC (Real Estate)] who in turn will pay the mortgage holder.

As can be seen by Table Four below the applicants are not in compliance with the State Board Standards for all years presented.

While the Applicants have not met certain ratios as outlined below the Applicants have demonstrated their ability to finance, construct, and complete projects that have been approved by the State Board. Since 2007 the Applicants have been approved for six projects to establish long term care facilities or add additional beds in excess of the 10% or 20 bed rule. Those projects are:

#07-102	Alden of Shorewood establish one hundred (100) bed long term care facility
#12-032	Alden Courts of Shorewood add fifty (50) long term care beds to existing facility for memory care
#13-013	Alden Estates of Huntley establish a one hundred seventy (170) long term care facility
#13-023	Alden Estates of Evanston convert forty one (41) shelter care beds to nursing care beds for a total of ninety nine long term care beds.
#15-037	Alden Courts of Waterford establish a twenty (20) bed long term care facility
#15-051	Alden Estates/Courts of New Lenox establish a 140 bed long term care facility in New Lenox

As identified at the Background of the Applicants the Applicants own and operate a total of 32 licensed health care facilities in the State of Illinois.

- Current Ratio of 1.5 indicates that for \$1.00 in current liabilities, the entity has \$1.50 in current assets.
- Net Margin Percentage ratio of 2.5% means that for every \$1.00 of revenue the entity would earn 2.5 cents.
- Percent Debt to Total Capitalization of less than 50% for long term care facilities is a measure of risk. The higher the percentage the more debt is being used by the company to finance assets.
- Projected Debt Service Coverage of 1.5 or more is an indication of positive cash flow and the ability to repay the loan. Anything less than 1 is indication of negative cash flow.
- Days Cash on Hand of greater than 45 days is an indication of the number of days that the facility can meet operating expenses should no revenue be received.
- Cushion Ratio of 3 or greater is an indication of the facility's ability to meet its debt obligations. A cushion ratio of 3 means that the facility has three times its debt payment obligations available in cash to meet their obligations.

TABLE SEVEN			
Financial Ratios			
Combined Entities	State Standard	2023	Met Standard
Current Ratio	1.5	3.45	Yes
Net Margin Percentage	2.50%	13.90%	Yes
Percent Debt to Total Capitalization	<50%	79.96%	No
Projected Debt Service Coverage	>1.5	10.06	Yes
Days Cash on Hand	>45 days	12.94	No
Cushion Ratio	>3.0	0.97	No
Alden New Lenox, LLC (Real Estate)	State Standard	2023	Met Standard
Current Ratio	1.5	0.69	No
Net Margin Percentage	2.50%	-30.49%	No
Percent Debt to Total Capitalization	<50%	83.74%	No
Projected Debt Service Coverage	>1.5	1.49	No
Days Cash on Hand	>45 days	6,138	Yes
Cushion Ratio	>3.0	0.13	No
Alden Estates-Courts of New Lenox (Operator)	State Standard	2023	Met Standard
Current Ratio	1.5	8.31	Yes
Net Margin Percentage	2.50%	5.15%	Yes
Percent Debt to Total Capitalization	<50%	19.12%	Yes
Projected Debt Service Coverage	>1.5	4.93%	Yes
Days Cash on Hand	>45 days	8.50	No
Cushion Ratio	>3.0	1.25	No
Source: Application for Permit page 372-381			

The Applicants were unable to meet the ratio standards as defined by the State Board. The Applicants have not met the requirements of this criterion.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION FINANCIAL VIABILITY (77 ILAC 1125.800)

IX. ECONOMIC FEASIBILITY

A) Criterion 1125.800 – Reasonableness of Debt Financing

To demonstrate compliance with this criterion the Applicants must document that the proposed debt financing is reasonable by attesting that to one of the following:

- 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
- That the total estimated project costs and related costs 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 for LTC facilities; or 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.

The Applicants have provided the necessary attestation at page 384 of the Application for Permit. Based upon the attestation provided by the Applicants the Applicants have met the requirements of this criterion.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION REASONABLENESS OF DEBT FINANCING (77 ILAC 1125.800)

B) Criterion 1125.800 – Terms of Debt Financing

To demonstrate compliance with this criterion the Applicants must document an “A” or better bond rating and attest that the borrowing will be at lower net cost available to the Applicant.

The Applicants are funding this project with cash in the amount of \$6,115,616 and \$33,500,000 in financing utilizing mortgage insurance issued by the United States Department of Housing and Urban Development ("HUD") through Section 232 of the National Housing Act for the proposed 114-bed skilled nursing facility and 52-bed skilled memory care facility known as Alden Estates - Courts of New Lenox.

The Applicants do not have an “A” or better bond rating and have attested at page 385 of the Application for Permit that the financing will be at the lowest net cost to the Applicants. The term of loan is expected to be 40 years and at a fixed rate of approximately 4.1%.

Based upon the information provided in the Application for Permit, the terms of the debt financing being proposed by the Applicant appear reasonable when compared to previously approved projects.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION TERMS OF DEBT FINANCING (77 ILAC 1125.800)

C) Criterion 1125.800 - Reasonableness of Project Costs

To demonstrate compliance with this criterion the Applicant must document that the project costs are reasonable and are in compliance with State Board Standards Section 1125. Appendix B.

The Applicant is proposing 67,101 GSF in reviewable new construction space.

The 2018 RS Means New Construction Standard for long term care facilities in Will County is \$268.56 per GSF and inflated by 3% to the midpoint of construction is \$284.91 per GSF.

TABLE EIGHT						
Reasonableness of the Project Costs						
Item	Project Cost		State Standard		State Board Standard – Project Costs	Met Standard
Preplanning Costs	\$175,563	0.88%	\$359,968	1.80%	(\$184,405)	Yes
Site Survey and Soil Investigation & Site Prep	\$469,218	2.54%	\$925,413	5.00%	(\$456,195)	Yes
New Construction Contracts & Contingencies	\$18,508,263	\$275.83 per GSF	\$19,288,692	\$284.91 per GSF	(\$780,429)	Yes
Contingencies	\$928,954	5.28%	\$1,757,931	10.00%	(\$828,977)	Yes
Architectural/Engineering Fees	\$1,308,864	7.07%	\$1,602,816	8.66%	(\$293,952)	Yes
Movable or Other Equipment	\$1,489,947	\$8,976 per bed	\$1,491,510	\$8,985 per bed	(\$1,563)	Yes
Off Site Work	\$73,603	No Standard				
Consulting and Other Fees	\$471,672					
Net Interest Expense During Construction	\$944,995					
Other Costs to be Capitalized	\$856,400					

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION REASONABLENESS OF PROJECT COSTS (77 ILAC 1125.800)

D) Criterion 1125.800 - Projected Operating Costs

To demonstrate compliance with this criterion the Applicant must provide projected operating costs (excluding depreciation and stated in current dollars based on the full-time equivalents (FTEs) and other resource requirements) for the first full fiscal year after project completion or the first full fiscal year when the project achieves or exceeds the average occupancy rate in the market area (or target occupancy), whichever is later, including:

- A) Annual operating costs; and
- B) Annual operating costs change (increase or decrease) attributable to the project.

The Applicant is projecting 54,531 days or an average daily census of 150 individuals by the first full fiscal year when the project achieves target occupancy. The Direct Operating Costs per Patient Day is \$272.09.

Salaries	\$5,124,427	
Benefits	\$ 1,380,186	
Supplies	\$5,108,962	
Therapy Costs	<u>\$3,223,752</u>	
Patient Days		54,531
Total/Operating Cost/PT Day	<u>\$14,837,327</u>	<u>\$272.09</u>

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS CONFORMANCE WITH CRITERION DIRECT OPERATING COSTS PER PATIENT DAY (77 ILAC 1125.800)

E) Criterion 1125.800 - Projected Capital Costs

To demonstrate compliance with this criterion the Applicant must provide the annual projected capital costs (depreciation, amortization and interest expense) for:

- A) The first full fiscal year after project completion; or
- B) The first full fiscal year when the project achieves or exceeds the average occupancy rate in the market area (or target occupancy), whichever is later.

The Applicant is projecting 54,531 days or an average daily census of 150 individuals by the first full fiscal year when the project achieves target occupancy. The Projected Capital costs are expected to be \$55.63 per patient day.

Depreciation	\$1,107,293	
Interest Expense	\$1,518,375	
Mortgage Insurance	\$125,938	
Real Estate Taxes	<u>\$282,000</u>	
Patient Days at 90%		54,531
Total/Operating Cost/PT Day	<u>\$3,033,606</u>	<u>\$55.63</u>

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS CONFORMANCE WITH CRITERION CAPITAL COSTS PER PATIENT DAY (77 ILAC 1125.800)

TABLE NINE								
Facilities within 30 minutes (adjusted) of the proposed facility								
FACNAME	CITY	Gen Beds	Occ. ⁽¹⁾	Health Service Area	Planning Service Area	Met Standard	Medicare Star Rating ⁽²⁾	Adjusted Time ⁽³⁾
Smith Village	Chicago	100	91.60%	6	6-C	Yes	5	31.1
Symphony of Morgan Park	Chicago	294	82.30%	6	6-C	No	2	31.1
Belhaven Nursing & Rehab Center	Chicago	221	81.10%	6	6-C	No	2	33.4
Southport Nursing & Rehab	Chicago	228	77.40%	6	6-C	No	2	33.4
Symphony at Midway	Chicago	249	76.30%	6	6-C	No	2	35.7
Wentworth Rehab & Health Care	Chicago	300	68.00%	6	6-C	No	1	35.7
Princeton Rehab & Health Care	Chicago	225	73.80%	6	6-C	No	2	36.8
Parkshore Estates Nursing & Rehab	Chicago	318	63.20%	6	6-C	No	2	41.4
Southview Manor Nursing Center	Chicago	200	90.00%	6	6-C	Yes	NA	42.6
Symphony at 87th Street	Chicago	210	82.00%	6	6-C	No	3	42.6
Symphony of Bronzeville	Chicago	302	90.90%	6	6-C	Yes	1	42.6
Warren Barr South Loop	Chicago	210	79.20%	6	6-C	No	2	42.6
Kensington Place Nursing & Rehab	Chicago	155	89.60%	6	6-C	No	3	43.7
Mercy Circle (11)	Chicago	23	7.20%	6	6-C	No	5	44.9
The Estates of Hyde Park	Chicago	155	77.40%	6	6-C	No	2	44.9
The Villa at Windsor Park	Chicago	240	76.10%	6	6-C	No	2	44.9
Bria of Westmont	Westmont	215	65.30%	7	7-C	No	2	23
Fairview Baptist Home	Downers Grove	160	62.80%	7	7-C	No	NA	24.15
Borridale Plaza Lisle	Lisle	55	81.10%	7	7-C	No	5	25.3
Burgess Square	Westmont	203	63.70%	7	7-C	No	3	25.3
Brookdale Burr Ridge	Willowbrook	30	68.30%	7	7-C	No	4	25.3
Alden Estates of Naperville	Naperville	203	66.00%	7	7-C	No	3	26.45
Beacon Hill	Lombard	110	92.10%	7	7-C	Yes	5	27.6
Lexington Health Care Center-Lombard	Lombard	224	72.20%	7	7-C	No	1	29.9

TABLE NINE								
Facilities within 30 minutes (adjusted) of the proposed facility								
FACNAME	CITY	Gen Beds	Occ. ⁽¹⁾	Health Service Area	Planning Service Area	Met Standard	Medicare Star Rating ⁽²⁾	Adjusted Time ⁽³⁾
Manor Care of Westmont	Westmont	149	67.30%	7	7-C	No	2	29.9
Providence of Downers Grove	Downers Grove	145	56.20%	7	7-C	No	2	29.9
Oak Brook Health Care Center	Oak Brook	156	65.10%	7	7-C	No	5	31.1
Community Nsg & Rehab Center	Naperville	153	54.90%	7	7-C	No	4	33.4
Lexington of Elmhurst	Elmhurst	145	66.30%	7	7-C	No	5	33.4
Manor Care - Naperville	Naperville	118	57.40%	7	7-C	No	2	34.5
The Springs at Monarch Landing	Naperville	96	56.10%	7	7-C	No	5	34.5
Manor Care of Hinsdale	Hinsdale	202	70.20%	7	7-C	No	3	35.7
St. Patrick's Residence	Naperville	209	86.40%	7	7-C	No	5	35.7
Tabor Hills Healthcare	Naperville	211	75.30%	7	7-C	No	5	35.7
Park Place Christian Community	Elmhurst	37	89.20%	7	7-C	No	5	36.8
Meadowbrook Manor	Naperville	245	91.90%	7	7-C	Yes	NA	38.0
Elmhurst Extended Care Center	Elmhurst	108	60.50%	7	7-C	No	4	41.4
Elm Brook Hlth C & Rehab Ctre	Elmhurst	180	89.50%	7	7-C	No	4	42.6
Westchester Health & Rehab	Westchester	120	89.50%	7	7-D	No	1	33.4
Symphony at Aria	Hillside	198	84.80%	7	7-D	No	1	35.7
Oakridge Healthcare Center	Hillside	73	79.70%	7	7-D	No	5	38.0
Aperion Care Forest Park	Forest Park	232	73.70%	7	7-D	No	2	41.4
Scottish Old Peoples Home	North Riverside	36	53.10%	7	7-D	No	3	42.6
British Home	Brookfield	72	65.10%	7	7-D	No	3	43.7
Alden Estates of Orland Park	Orland Park	200	69.00%	7	7-E	No	3	16.1
Lemont Nrsg & Rehab Center	Lemont	158	88.40%	7	7-E	No	3	16.1
Franciscan Village	Lemont	127	81.30%	7	7-E	Yes	5	19.6
Lexington Health Care Center	Orland Park	278	86.40%	7	7-E	No	1	20.7
Windsor Estates	Country Club	200	61.80%	7	7-E	No	2	20.7

TABLE NINE								
Facilities within 30 minutes (adjusted) of the proposed facility								
FACNAME	CITY	Gen Beds	Occ. ⁽¹⁾	Health Service Area	Planning Service Area	Met Standard	Medicare Star Rating ⁽²⁾	Adjusted Time ⁽³⁾
	Hills							
Advocate South Suburban Hospital	Hazel Crest	41	70.70%	7	7-E	No	4	21.9
Holy Family Villa	Palos Park	129	89.80%	7	7-E	No	2	21.9
Pine Crest Health Care	Hazel Crest	199	88.70%	7	7-E	No	2	21.9
Applewood Rehabilitation Center	Matteson	154	80.50%	7	7-E	No	2	24.2
Glenshire Nsg & Rehab Centre	Richton Park	294	60.90%	7	7-E	No	1	25.3
Manorcare of Homewood	Homewood	132	86.20%	7	7-E	No	2	25.3
Lydia Healthcare	Robbins	412	95.00%	7	7-E	Yes	NA	26.45
Aperion Care Midlothian	Midlothian	91	93.20%	7	7-E	Yes	2	26.5
Heather Healthcare Center	Harvey	173	70.50%	7	7-E	No	1	26.5
Manorcare of Palos Heights East	Palos Heights	184	80.90%	7	7-E	No	3	26.5
Manorcare of Palos Heights West	Palos Heights	130	78.10%	7	7-E	No	3	26.5
Symphony of Crestwood	Midlothian	303	68.80%	7	7-E	No	3	26.5
Tri-State Manor Nursing Home	Lansing	84	88.40%	7	7-E	No	1	28.75
Crestwood Terrace Nursing Center	Midlothian	126	93.20%	7	7-E	Yes	1	29.9
Lexington Of Lagrange	Lagrange	120	65.90%	7	7-E	No	5	29.9
Manorcare of South Holland	South Holland	216	57.10%	7	7-E	No	2	29.9
Prairie Manor Nsg & Rehab Ctr	Chicago Heights	148	86.90%	7	7-E	Yes	1	29.9
Providence of Palos Heights	Palos Heights	193	75.00%	7	7-E	No	2	29.9
The Villa at South Holland	South Holland	171	66.60%	7	7-E	No	4	29.9
Windmill Nursing Pavilion	South Holland	135	82.80%	7	7-E	No	3	32.2
Countryside Nursing & Rehab Center	Dolton	197	83.10%	7	7-E	No	2	33.4
Aperion Care Dolton	Dolton	80	93.70%	7	7-E	Yes	3	34.5
Chicago Ridge Nursing Center	Chicago Ridge	231	93.50%	7	7-E	Yes	1	34.5

TABLE NINE								
Facilities within 30 minutes (adjusted) of the proposed facility								
FACNAME	CITY	Gen Beds	Occ. ⁽¹⁾	Health Service Area	Planning Service Area	Met Standard	Medicare Star Rating ⁽²⁾	Adjusted Time ⁽³⁾
Bria of Chicago Heights	S Chicago Hts	112	96.30%	7	7-E	Yes	4	35.7
Bria of River Oaks	Burnham	309	84.00%	7	7-E	No	2	35.7
Glenwood Healthcare & Rehab.	Glenwood	184	68.10%	7	7-E	No	1	35.7
King-Bruwaert House	Burr Ridge	49	82.30%	7	7-E	No	4	35.7
Lexington Of Chicago Ridge	Chicago Ridge	203	86.50%	7	7-E	No	4	35.7
Plymouth Place	LaGrange	86	86.60%	7	7-E	No	4	35.7
Bria of Palos Hills	Palos Hills	203	69.50%	7	7-E	No	3	36.8
The Grove of LaGrange Park	Lagrange Park	131	84.50%	7	7-E	No	3	36.8
Aperion Care Oak Lawn	Oak Lawn	134	90.70%	7	7-E	Yes	2	38.0
Park Villa Nrsg & Rehab Center	Palos Heights	101	70.30%	7	7-E	No	4	38.0
Manorcare of Oak Lawn West	Oak Lawn	192	59.70%	7	7-E	No	5	39.1
Hickory Nursing Pavilion	Hickory Hills	74	80.40%	7	7-E	No	5	40.3
Oak Lawn Respiratory & Rehab	Oak Lawn	143	56.40%	7	7-E	No	2	40.3
Pershing Gardens Healthcare Center	Stickney	51	78.30%	7	7-E	No	3	41.4
Villa at Evergreen Park	Evergreen Park	242	60.00%	7	7-E	No	3	41.4
Manorcare of Oak Lawn East	Oak Lawn	122	74.70%	7	7-E	No	5	42.6
Bridgeview Health Care Center	Bridgeview	146	87.00%	7	7-E	No	2	43.7
Brentwood Sub-Acute Hlth-Care	Burbank	163	48.00%	7	7-E	No	5	44.9
Meadowbrook Manor LaGrange	LaGrange	197	53.10%	7	7-E	No	3	44.9
Park Pointe Healthcare & Rehabilitation	Morris	142	75.20%	9	Grundy	No	3	39.1
Regency Care of Morris	Morris	123	75.20%	9	Grundy	No	1	43.7
Spring Creek Nursing & Rehab Center	Joliet	168	28.40%	9	Will	No	2	8.1

TABLE NINE								
Facilities within 30 minutes (adjusted) of the proposed facility								
FACNAME	CITY	Gen Beds	Occ. ⁽¹⁾	Health Service Area	Planning Service Area	Met Standard	Medicare Star Rating ⁽²⁾	Adjusted Time ⁽³⁾
Smith Crossing	Orland Park	46	91.00%	9	Will	Yes	5	11.5
Salem Village Nursing & Rehab	Joliet	266	81.40%	9	Will	Yes	2	12.7
Sunny Hill Nursing Home Will County	Joliet	252	77.60%	9	Will	No	3	12.7
Joliet Terrace Nursing Center	Joliet	120	87.00%	9	Will	Yes	2	16.1
Symphony of Joliet	Joliet	214	79.20%	9	Will	No	3	16.1
The PARC at Joliet	Joliet	203	61.10%	9	Will	No	1	17.3
Our Lady Of Angels Ret Home	Joliet	87	91.40%	9	Will	No	4	18.4
Presence Villa Franciscan	Joliet	154	79.30%	9	Will	No	2	18.4
Frankfort Terrace Nursing Center	Frankfort	120	88.90%	9	Will	Yes	2	19.6
Alden Estates of Shorewood	Shorewood	150	77.80%	9	Will	No	2	25.3
Lakewood Nrsg & Rehab Center	Plainfield	131	88.60%	9	Will	No	3	25.3
Rosewood Care Center	Joliet	120	63.90%	9	Will	No	5	25.3
Meadowbrook Manor	Bolingbrook	298	86.90%	9	Will	Yes	4	29.9
St. James Manor & Villa	Crete	110	78.60%	9	Will	No	4	35.7
Aperion Care Wilmington	Wilmington	171	92.90%	9	Will	Yes	1	40.3
Total Beds/ Average Occupancy		18,138	75.84%					
Transitional Care of Lisle	Lisle	68				NA		33.4
1.Utilization information taken from 2016 Long Term Care Profiles								
2. Medicare Star Rating from Medicare Nursing Home Compare Website								
3. Adjusted Travel Time from MapQuest and adjusted per 77 ILAC 1100.510 (d)								
4. Transitional Care of Lisle not yet operational.								

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