

Statement before the Illinois Health Facilities and Services Review Board
September 13, 2018
Kip Pope

Good afternoon. I'm Kip Pope (spell it for the record.) I have lived in Champaign County all my life except for law school and my service in the Army, including a tour in Vietnam.

I've been involved in the purchase, sale, ownership, leasing, and management of dozens of properties and have owned several businesses

Let me briefly summarize the situation in my words from my perspective: The Champaign County Nursing Home has been stripping the county bare for years, which has accelerated the last couple of years. It employs nearly 20% of the county's employees. Its census has dropped dramatically. It can't pay its own payroll, insurance, and other bills without repeated injections from the county. It's costing county taxpayers more than \$4 million a year over and above its revenues, including operating losses, tax subsidies, and principle and interest on its bonds. It's a non-mandatory service that's threatening the sustainability of mandatory services, like our courts, our state's attorneys office, and our sheriff's office. Additionally, serious necessary deferred maintenance and purchases have been deferred again and again.

As you know, last year, the Champaign County voters authorized the sale of the nursing home and simultaneously refused to increase taxes to subsidize the continuing losses. A public poll conducted last November, with a margin of error of 4.32%, concluded that even those precincts that voted to keep the nursing home had changed their minds in light of its dire financial condition. In July last year, every elected county official courageously issued a public statement urging the sale. In January this year, the county board, after years of caution, came together and voted to sell it. As you've also heard, only one offer to buy it materialized – a full-price offer

without contingencies. As you've also heard, the alternatives to this sale would be grievous, if not disastrous.

There are six pending wrongful death lawsuits against the nursing home. The last three years, it has experienced **eight times** the number of Category 3 and 4 deficiencies than the offerors' average nursing homes as Alan Nudo so succinctly testified. Despite what you've heard today from the opponents to the sale, by nearly every measure, buyers' nursing homes are safer and have better rankings than our county-owned nursing home, with its below average overall ranking of "2" and its ranking for "inspections" of a dismal 1. There are no viable plans to improve the situation.

For these reasons and the reasons spelled out in my submission-documents, I respectfully urge you to approve this sale.

Thank you.

SUBMIT DOCUMENTS.